

**Comprehensive Annual Financial Report  
For year ended June 30, 2015**

***COMMUNITY SERVICES CONSORTIUM***  
***Albany, Oregon***  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***Year Ended June 30, 2015***

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, 2015**

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**GOVERNING BOARD**

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

February 17, 2016

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

**Community Services Consortium**

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

Community Services Consortium was organized by Linn, Benton and Lincoln county governments over 35 years ago. It operates under ORS 190 as an “instrumentality of government,” performing essential social service roles previously considered the responsibility of local government or separate non-profit agencies. In many respects, CSC like functions like most non-profits, with a board of directors and financial policies that ensure board oversight.

However, unlike most other community action agencies, CSC *voluntarily* prepares the higher level of disclosure and analysis that is required of local governments in a Comprehensive Annual Financial Report (a “CAFR”). CSC undertakes this extra effort as part of its continuing commitment to fiscal accountability and transparency. We are proud to say that this report marks the twenty-third year in a row that we have provided our boards, our advisory committees, our funders and our community with this added assurance of fiscal responsibility.



Martha Lyon  
Executive Director

## INTRODUCTION

We are pleased to submit this Comprehensive Annual Financial Report of Community Services Consortium (CSC) for the fiscal year ended June 30, 2015, in accordance with state requirements. Oregon law requires local governments to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) for the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants for each fiscal year.

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. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect CSC's assets from loss, theft, or misuse and to provide sufficient reliable information for the preparation of CSC's financial statements in conformity with GAAP. CSC has designed its internal controls to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement, recognizing the need to balance the cost of internal controls with their benefits. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CSC's financial statements have been audited by Grove, Mueller & Swank PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that CSC's financial statements for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management 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, 2015 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.

The independent audit of CSC's financial statement was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on CSC's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Federal Compliance 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. In accordance with GAAP, management has provided a narrative



introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## **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. 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.

CSC 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.

The Governing Board of CSC also served as the Board of Directors 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 FY15. 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 two 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 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, 2015, CSC adopted one Supplemental Budget.

## **FACTORS AFFECTING CSC'S FINANCIAL CONDITION**

For over thirty five 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 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.

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 growing again since last year, according to the Census Bureau. Its most recent survey data for 2014 showed that 14.8% of the population --- 46.7 million people were living in poverty --- compared to 2013 at 12.6% of the population --- 45.95 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 2015?

- \$24,250 for a family of four.
- \$20,090 for a family of three.
- \$15,930 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:

- \$48,500 for a family of four.
- \$40,180 for a family of three.
- \$31,860 for a family of two.

In 2014, 48.1 million (about 14% of households) were food insecure, meaning they lacked access to enough food for an active, healthy life for all household members. The change from 14.3% in 2013 was not statistically significant. The prevalence of very low food security was unchanged at 5.6 percent. Oregon is one of ten states to show a statistically significant increase of the reporting period.<sup>1</sup>

## LOCAL ECONOMIC CONDITIONS AND OUTLOOK

In 2014, 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 2014 estimated that the percentage of individuals living in poverty in Benton, Linn and Lincoln counties was 22.7%, 19.5% and 17.1% respectively. Two of three counties in CSC's service area reflect a poverty rate significantly higher than the 2014 US average of 16% while Lincoln County may be lower due to persons leaving the county entirely due to lack of jobs.

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<sup>1</sup>"Household Food Security in the United States in 2014", by Alisha Coleman-Jensen, Matthew Rabbitt, Christina Gregory, and Anita Singh, Economic Research Report No. (ERR-194) 43 pp, September 2015.

## **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, 2015, population estimate was 90,005.<sup>2</sup> According to the US Department of Commerce Bureau of Economic Analysis using 2013 data, per capita personal income (PCPI) in Benton County was \$40,502.<sup>3</sup> The unemployment rate for Benton County was estimated at 5.3% in 2015.

## **LINN COUNTY**

Linn County encompasses 2,297 square miles and consists largely of small rural communities. Its July 1, 2015 population estimate was 119,705 with an estimated annual per capita personal income (PCPI) of \$31,483 in 2013. Linn County has an estimated 19.5 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 8.3% in 2014.

## **LINCOLN COUNTY**

Lincoln County is located on the central Oregon coast and has an area of 992 square miles. The County's 2015 population estimate was 47,225. In 2013, the county's per capita personal income (PCPI) was \$37,079. Lincoln County had an estimated 17.1% of the population living in poverty in 2014. By July 2015, Lincoln County's unemployment rate was 8.0%. As with other areas of the state, many jobs are in the service sectors with many dependent on the tourist industry.

## **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.

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.

<sup>2</sup> Portland State University Population and Research Center: July 1, 2015 release date.

<sup>3</sup> Benton County, Oregon: Selected Economic Characteristics;; Data Set: 2014 American Community Survey 1-Year Estimates, Survey: American Community Survey.

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.

## **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, 2014. This was the **twenty-third** 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, 2015 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 Atkin, 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,

A handwritten signature in blue ink, appearing to read "Martha Lyon", with a long horizontal flourish extending to the right.

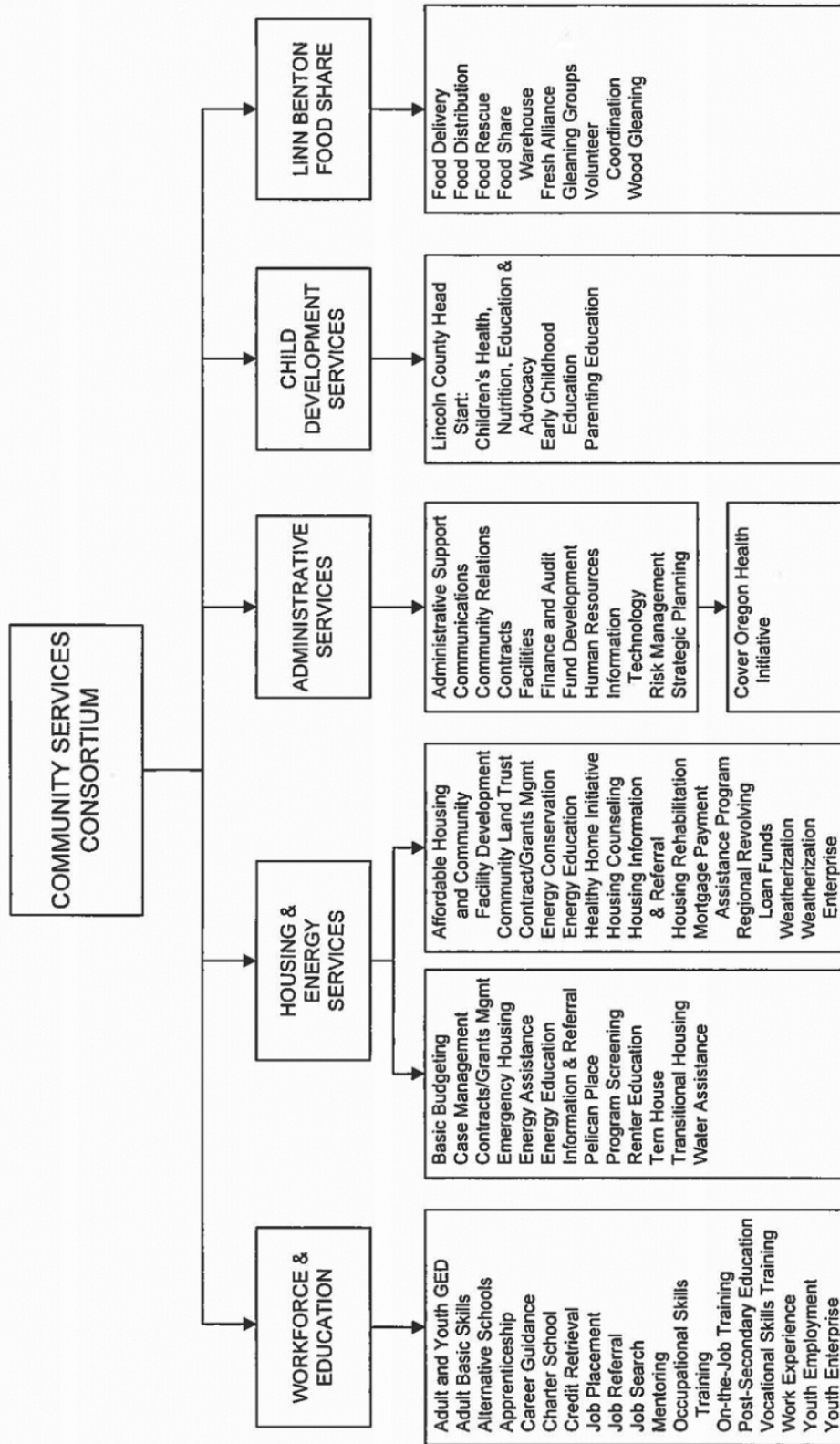
Martha Lyon  
Executive Director

A handwritten signature in blue ink, appearing to read "Debbie Jackson", written in a cursive style.

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, 2014**

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, 2015, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to 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, 2015, 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.

## ***Emphasis of Matter***

As discussed in notes to the financial statements, CSC adopted the accounting requirements of Governmental Accounting Standards Board Statements No. 68, Accounting and Financial Reporting for Pensions, and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, which resulted in the restatement of the beginning balances for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 - 14), the schedule of revenues, expenditures and changes in fund balance – budget to actual (page 45), the schedules of OPERS retirement plan pension benefits (page 46) and the schedule of other post-employment benefits funding progress (page 47) 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, the schedules of OPERS retirement plan pension benefits and the schedule of other post-employment benefits funding progress 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 schedule of revenues, expenditures and changes in fund balance – budget to actual 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 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 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 February 17, 2016, 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 February 17, 2016, 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:   
Ryan T. Pasquarella, A Shareholder  
February 17, 2016

***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, 2015. 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 \$7.5 million in federal and federal pass-through grants, \$3.9 million in state and local governmental grants and contracts, \$8.4 million in value of donated food, \$935,000 in contributions, \$440,000 in charges for services, \$68,000 in loan repayments and \$558,000 in other miscellaneous income, totaling \$21.8 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 16% of our total funding), the remaining 84% 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 FY16 forecast is not different – we are projecting a slight increase from our final budgeted figures of \$21.8 million to around \$22.7 million, an increase of approximately 4.1% if we receive all the grants we have budgeted for.
- 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 ever 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. Benton County has an unemployment rate of 5.3%, while Linn County is 8.3% and Lincoln County is 8.0%, both considerably higher than the state of Oregon average at 6.9%. 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 and will be piloting a Healthy Homes initiative with the local Coordinated Care Organization (CCO) in FY16. 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 *statement of net position* presents information on CSC's assets, liabilities and deferred inflows/outflow of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether CSC's financial position is improving or declining.

The *statement of activities* presents information showing how CSC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expense are therefore reported in this statement for some items in which the cash flows will occur in futures fiscal periods (such as unused vacation).

The government-wide financial statement can be found on pages 15-16 of this report.

### **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:**

*Governmental Funds* are used to account for essentially the same functions reports as governmental activities in the government-wide financial statements, however the focus is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

## **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.

## **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. The notes to the financial statements can be found on pages 21-44 of this report.

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, 2015 was \$5,579,561 reflecting an increase of \$1,747,665 from \$3,831,896, as restated, at June 30, 2014 (See Table A). The largest portion of CSC's net position (72%) is its investment in capital assets (land, buildings, and equipment) of \$4,020,329. The most significant increase in the net position was primarily due to the implementation of new accounting and reporting for pensions. For fiscal year 2015, CSC recognized a negative pension expense of \$1,113,274 due to legislative changes that had an impact on the valuation of the net pension liability. Additional information on CSC's pension plan can be found in the footnotes on pages 33-39 in this report.

A decrease in the General function's net position of \$132,799 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 39-42 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 \$166,179 claimed on all assets of CSC through the General function, exceeds the investment of \$39,353 in new assets by \$126,826.

**Community Services Consortium's Net Position**

**TABLE A**

| <i>ASSETS</i>                         | <u>June 30,<br/>2015</u> | <u>June 30,<br/>2014</u> |
|---------------------------------------|--------------------------|--------------------------|
| Current and other assets              | \$ 5,353,438             | \$ 5,338,271             |
| Depreciable capital assets, net       | 3,024,212                | 4,275,108                |
| Net pension asset                     | <u>1,245,674</u>         | <u>-</u>                 |
| <i>Total Assets</i>                   | 10,619,441               | 9,613,379                |
| <br><i>DEFERRED OUTFLOWS</i>          |                          |                          |
| Deferred outflows related to pensions | 190,012                  | -                        |
| <br><i>LIABILITIES</i>                |                          |                          |
| Current and other liabilities         | 646,726                  | 1,414,935                |
| Noncurrent liabilities                | <u>2,086,791</u>         | <u>1,775,050</u>         |
| <i>Total Liabilities</i>              | 2,733,517                | 3,189,985                |
| <br><i>DEFERRED INFLOWS</i>           |                          |                          |
| Deferred inflows related to pensions  | 2,496,375                | -                        |
| <br><i>NET POSITION</i>               |                          |                          |
| Net investment in capital assets      | 4,020,329                | 4,275,108                |
| Restricted for grant programs         | 2,655,109                | 2,202,276                |
| Unrestricted                          | <u>(1,095,877)</u>       | <u>(53,990)</u>          |
| <i>Total Net Position</i>             | <u>\$ 5,579,561</u>      | <u>\$ 6,423,394</u>      |

**Restricted and Unrestricted Net Position:**

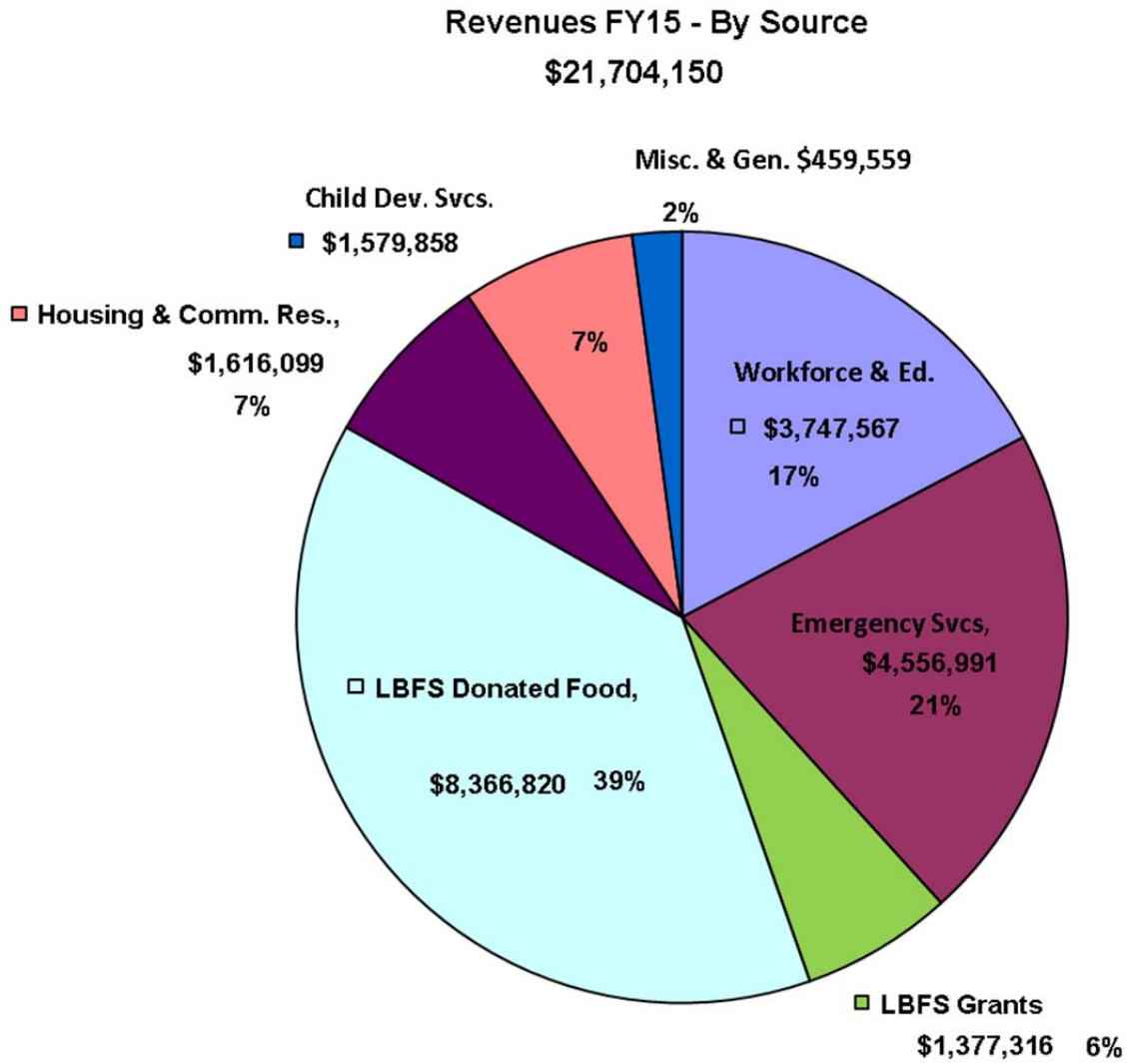
As a grant-based organization operating primarily under cost reimbursement contracts, CSC has very limited potential to build up an unrestricted reserve.

**Changes in net position.** CSC's total revenues increased by \$728,781 from \$20,975,369 in FY14 to \$21,704,150 in FY15. CSC's total expenses decreased \$1,356,814 from \$21,313,299 in FY14 to \$19,956,485 in FY15 (See Table B). The result was an increase of \$1,747,665 in net position, which was discussed above.

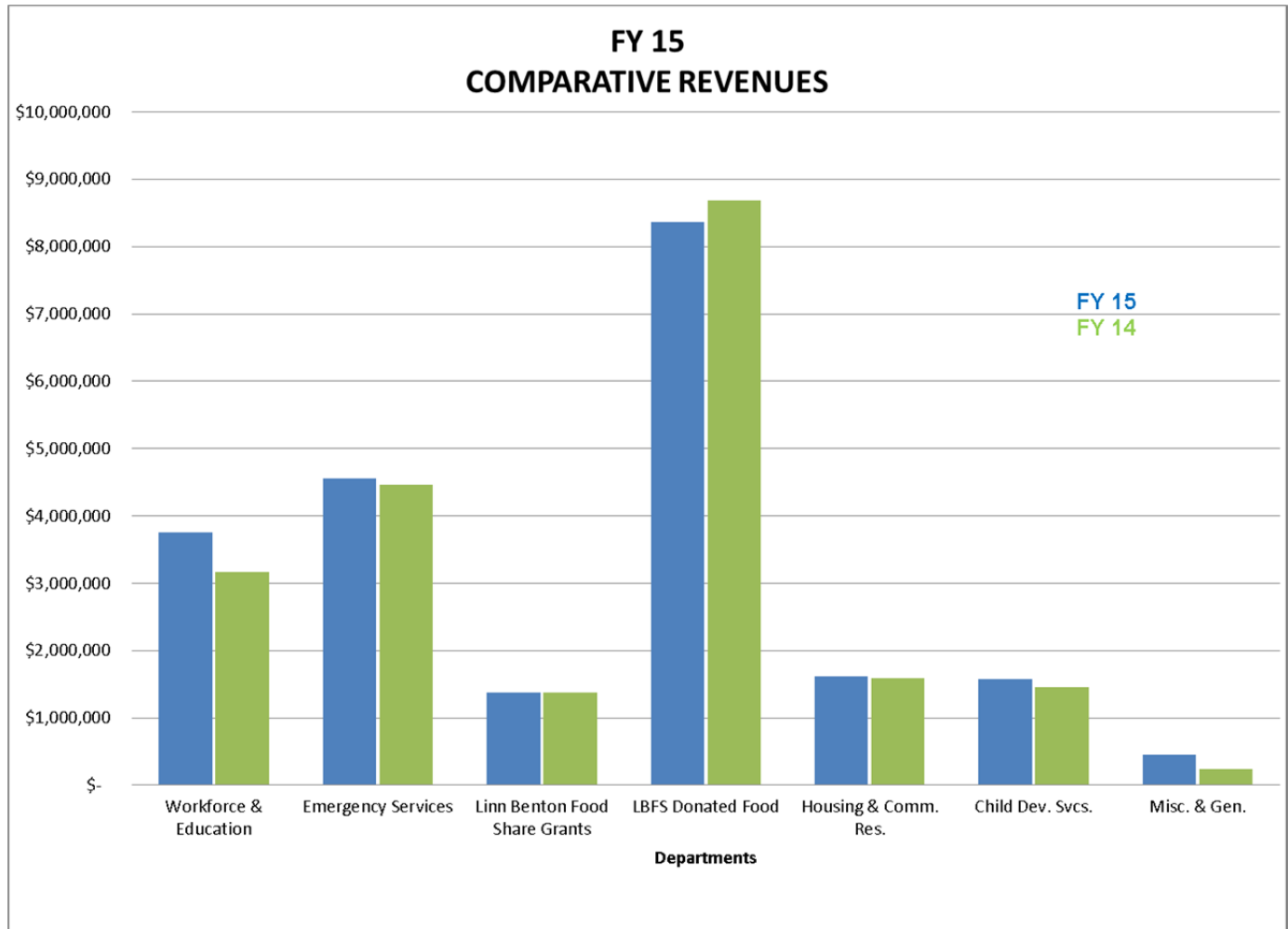
**Community Services Consortium's Changes in Net Position**  
**TABLE B**

|                                       | <u>June 30,</u><br><u>2015</u> | <u>June 30,</u><br><u>2014</u> |
|---------------------------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>                       |                                |                                |
| Program revenues                      |                                |                                |
| Fees for services                     | \$ 558,144                     | \$ 416,373                     |
| Operating grants and contracts        | 20,172,243                     | 19,656,228                     |
| Contributions                         | <u>937,939</u>                 | <u>895,289</u>                 |
|                                       | 21,668,326                     | 20,967,890                     |
| General revenues, by source           |                                |                                |
| Interest and other income             | <u>35,824</u>                  | <u>7,479</u>                   |
| <i>Total Revenues</i>                 | <u>\$ 21,704,150</u>           | <u>\$ 20,975,369</u>           |
| <b>EXPENSES</b>                       |                                |                                |
| Personal services                     | \$ 6,248,135                   | \$ 5,781,384                   |
| Materials and services                | 5,302,177                      | 6,833,957                      |
| LBFS donated food                     | 8,366,820                      | 8,647,426                      |
| Capital outlay                        | <u>39,353</u>                  | <u>50,532</u>                  |
| <i>Total Expenses</i>                 | <u>\$ 19,956,485</u>           | <u>\$ 21,313,299</u>           |
| Extraordinary Item                    | <u>-</u>                       | <u>(493,983)</u>               |
| Change in Net Position                | 1,747,665                      | (831,913)                      |
| Net position, beginning of year       | 6,423,394                      | 7,255,307                      |
| Restatement of beginning net position | <u>(2,591,498)</u>             | <u>-</u>                       |
| Net position, end of year             | <u>\$ 5,579,561</u>            | <u>\$ 6,423,394</u>            |

**Figure A**  
**Sources of Revenue for the Year Ended June 30, 2015**



**Figure B**  
**Revenue Comparison for the Years Ended June 30, 2015 and 2014**



**Changes in Fund Balances – Governmental Funds**

The **General Fund** fund balance increased overall by \$113,317 made up of \$89,494 from contributions and the proceeds of our Barrel to Keg fundraiser for unassigned funds. The ending fund balance of \$602,373 is truly unassigned (unrestricted) with virtually all other balances being restricted by grant conditions, donor restrictions, contractual arrangements, or management assignments for specified purposes.

The **Emergency Services** fund increased the ending fund balance by \$114,251 due to completing repairs in our supportive housing units and getting them leased out again. Donations of over \$10,000 were also received for designated energy assistance to aid local communities.

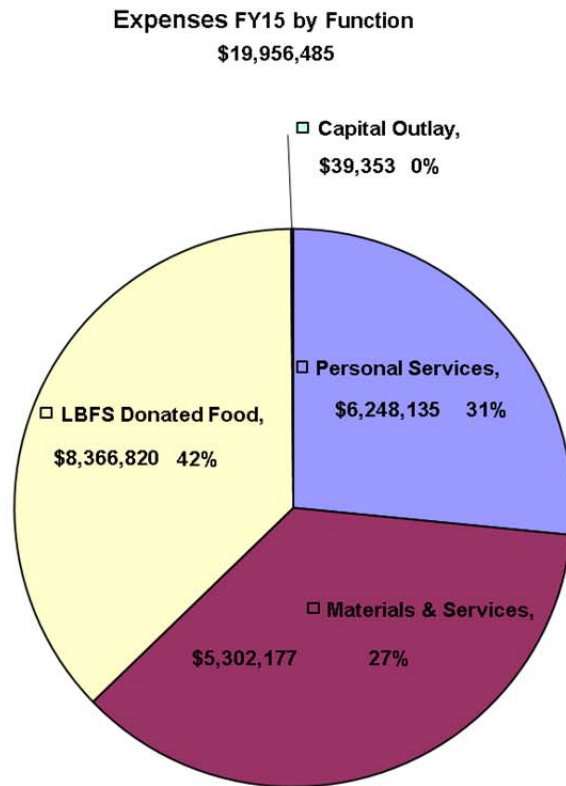
The **Workforce & Education** fund balance increased by \$17,865 due to increased balances for the alternative schools.

**Linn Benton Food Share** fund balance increased by \$259,322. LBFS has seen increased donations of about \$185,000 for food operations and \$82,000 was received for the Warehouse Expansion project.

**Housing and Community Resources'** fund balance increased by \$295,480. Proceeds of \$157,000 from the sale of a house previously acquired for affordable housing were used to eliminate some negative fund balances held over from repairing our supportive housing facilities. Another increase was \$40,000 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. Weatherization rebates of about \$55,000 were earned and some revenues were retained from energy education workshops from NW Natural gas customers.

**Child Development Services** had a slight increase of \$4,075 as donations were received for some fall school supplies.

**Figure C**  
**Expenses by Function for the Year Ended June 30, 2015**



Personal services increased about \$460,000 due to a cost of living increase in wages. Our donated food decreased almost \$366,000, which was offset by an increase of about \$560,000 in Workforce funding for on the job training grants funded by the federal WIA National Emergency Grants and Oregon Back to Work funding. The major area across the rest of the grants for the \$1.3 million expenditure decrease (about 6.5%), was in our materials and services category. Almost all of our grant funding cycles were decreased across the board due to tightening of federal and state resources.

Of the total expenses for FY15 of \$19.96 million, 69% or \$13.7 million (including food distribution) were made directly on behalf of participants in our programs. As a proportion of the FY15 materials and services of \$14.75 million, the direct assistance of \$13.7 million was 93%, 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 three funds had significant changes in their FY15 activities. The **Workforce and Education fund** expenditures increased about 18% due to some specialized grant funds from a National Emergency Grant and the Oregon Back to Work general funds which targeted on the job training for adult and dislocated workers. **The Child Development** fund increased about 9% as it spent down carry-in funds which came from restoration of sequestration holdback funds late in the prior fiscal year. The **Miscellaneous Grant** fund increased by almost double (from \$134,000 up to \$298,178) due to one-time devotion of Community Services Block Grant to purchase food and pay for infrastructure costs across all of the departments.

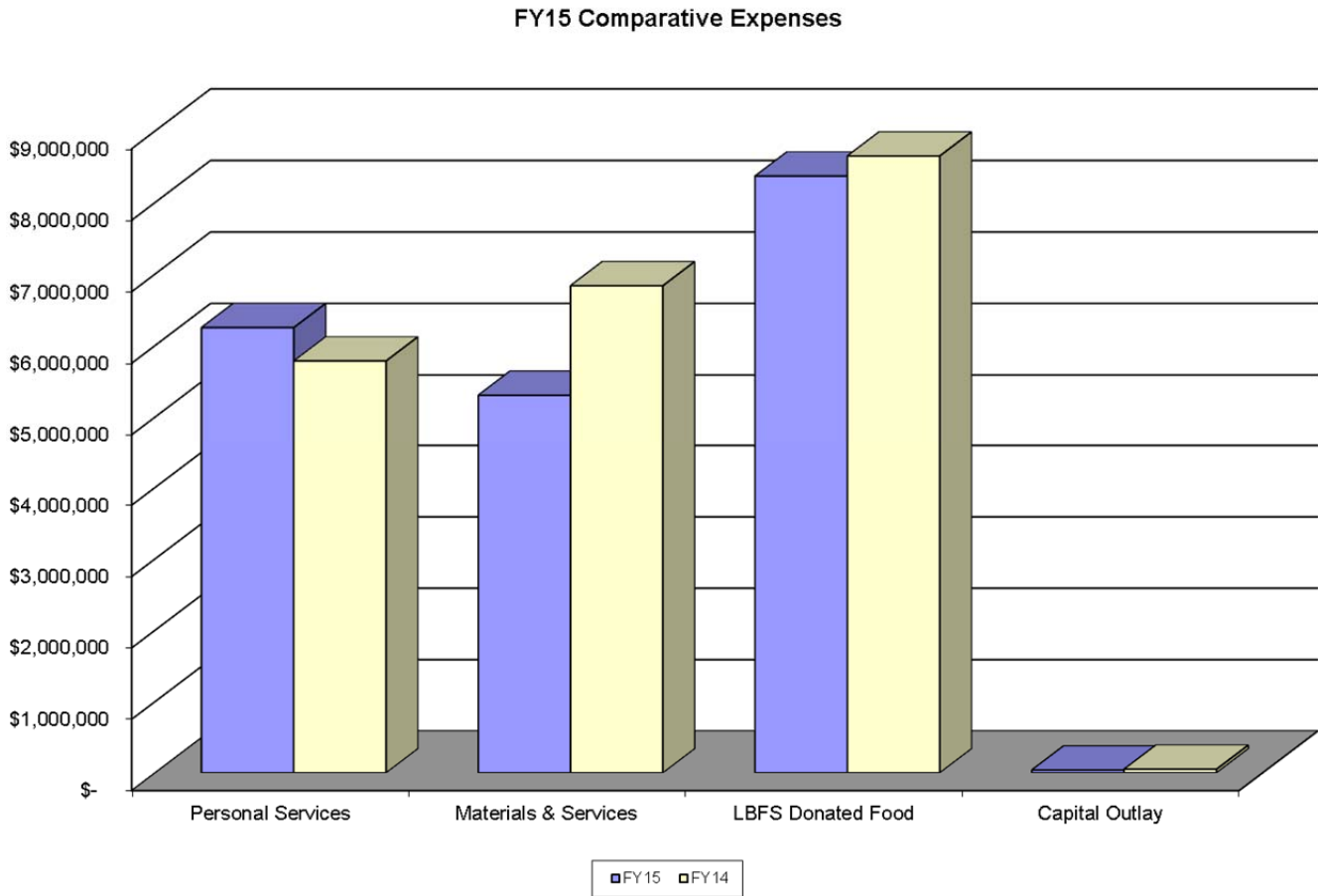
### **Budgetary Highlights**

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 the amendment was \$684,292 as shown in the Required Supplementary Information for Budget and Actual on page 45 of this report.

The following chart demonstrates a comparison of expenses between FY15 and FY14. Personal services increased from 27% to 31% of total expenditures. Total materials and services decreased from 73% to 69% of the budget in FY15, 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 \$13.7 million dollars, approximately 69% of the total annual expenses.



**Figure D**  
**Expense Comparison for the Years Ended June 30, 2015 and 2014**



**Capital Asset Administration**

Total capital assets, net of accumulated depreciation, decreased \$254,779 from \$4,275,108 in FY14 to \$4,020,329 of this analysis, CSC’s capital asset change is primarily due to the depreciation of assets already held. Non depreciable assets were decreased by \$128,000 when a low income housing project was completed and sold. The only additions were replacement vehicles and equipment purchased for \$39,353.

As of June 2015, 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 most details are not available yet. 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. In addition, two state level departments, through which we receive large portions of our funding, are still in the process of reorganizing. In our Workforce and Education department, CSC will be reporting to two different regional Workforce Investment Boards (WIBs), which is a change from staffing an internally segregated single Workforce Investment Board and may mean less money for program expenditures.

Levels of funding and sources of pass-through funding are still relatively unstable in our experience of over thirty-five 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 FY16, roughly \$22.7 million, a decrease of 5.09% from the final adopted FY15 revenues of slightly below \$24 million. Some grants overlap in budgeting because of carryover balances.

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, 2015**

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**ASSETS**

**Current Assets**

|                             |              |
|-----------------------------|--------------|
| Cash                        | \$ 3,466,167 |
| Receivables                 |              |
| Grants and contracts        | 1,402,017    |
| Loans                       | 23,287       |
| Inventories                 | 437,232      |
| Prepaid items               | 24,735       |
|                             | <hr/>        |
| <i>Total Current Assets</i> | 5,353,438    |

**Noncurrent Assets**

|                                 |           |
|---------------------------------|-----------|
| Non-depreciable capital assets  | 996,117   |
| Depreciable capital assets, net | 3,024,212 |
| Net pension asset               | 1,245,674 |
|                                 | <hr/>     |
| <i>Total Noncurrent Assets</i>  | 5,266,003 |

|                     |            |
|---------------------|------------|
| <i>Total Assets</i> | 10,619,441 |
|---------------------|------------|

**DEFERRED OUTFLOWS**

|                                       |         |
|---------------------------------------|---------|
| Deferred outflows related to pensions | 190,012 |
|---------------------------------------|---------|

**LIABILITIES**

**Current Liabilities**

|                                  |         |
|----------------------------------|---------|
| Accounts payable                 | 345,307 |
| Accrued payroll                  | 231,810 |
| Accrued vacation                 | 42,282  |
| Unearned revenue                 | 12,327  |
| Other payables                   | 15,000  |
|                                  | <hr/>   |
| <i>Total Current Liabilities</i> | 646,726 |

**Noncurrent Liabilities**

|                                     |           |
|-------------------------------------|-----------|
| Accrued vacation                    | 246,743   |
| Other post employment benefits      | 1,840,048 |
|                                     | <hr/>     |
| <i>Total Noncurrent Liabilities</i> | 2,086,791 |

|                          |           |
|--------------------------|-----------|
| <i>Total Liabilities</i> | 2,733,517 |
|--------------------------|-----------|

**DEFERRED INFLOWS**

|                                      |           |
|--------------------------------------|-----------|
| Deferred inflows related to pensions | 2,496,375 |
|--------------------------------------|-----------|

**NET POSITION**

|                                 |                     |
|---------------------------------|---------------------|
| Investment in capital assets    | 4,020,329           |
| Restricted for:                 |                     |
| Emergency Services              | 522,933             |
| Workforce and Education         | 178,152             |
| Linn-Benton Food Share          | 1,699,089           |
| Housing and Community Resources | 247,898             |
| Head Start                      | 7,037               |
| Unrestricted                    | (1,095,877)         |
|                                 | <hr/>               |
| <i>Total Net Position</i>       | <u>\$ 5,579,561</u> |

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

**COMMUNITY SERVICES CONSORTIUM**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

|  | <u>Expenses</u>      | <u>Program Revenues</u> |                      | <u>Change in</u>    |
|--|----------------------|-------------------------|----------------------|---------------------|
|  |                      | <u>Fees for</u>         | <u>Operating</u>     | <u>Net Position</u> |
|  |                      | <u>Service</u>          | <u>Grants and</u>    | <u>Total</u>        |
|  |                      |                         | <u>Contributions</u> |                     |
| <b>FUNCTIONS/PROGRAMS</b>                            |                      |                         |                      |                     |
| General  | \$ 258,296           | \$ -                    | \$ 125,497           | \$ (132,799)        |
| Workforce and Education                              | 3,339,710            | 430,919                 | 3,316,648            | 407,857             |
| Emergency Services                                   | 4,162,959            | 127,225                 | 4,429,766            | 394,032             |
| Linn Benton Food Share                               | 9,323,056            | -                       | 9,744,136            | 421,080             |
| Housing and Community Resources                      | 1,296,793            | -                       | 1,616,099            | 319,306             |
| Child Development Services                           | 1,298,914            | -                       | 1,579,858            | 280,944             |
| Miscellaneous Grants                                 | 276,757              | -                       | 298,178              | 21,421              |
|  |                      |                         |                      |                     |
| <i>Total</i>   | <u>\$ 19,956,485</u> | <u>\$ 558,144</u>       | <u>\$ 21,110,182</u> | 1,711,841           |
| <b>GENERAL REVENUES</b>                              |                      |                         |                      |                     |
| Sale of assets                                       |                      |                         |                      | 31,046              |
| Interest   |                      |                         |                      | 4,778               |
|  |                      |                         |                      |                     |
| <i>Total General Revenues</i>                        |                      |                         |                      | <u>35,824</u>       |
| <b>CHANGE IN NET POSITION</b>                        |                      |                         |                      |                     |
|  |                      |                         |                      | 1,747,665           |
| <b>NET POSITION, Beginning of year (as restated)</b> |                      |                         |                      |                     |
|  |                      |                         |                      | <u>3,831,896</u>    |
| <b>NET POSITION, End of year</b>                     |                      |                         |                      |                     |
|  |                      |                         |                      | <u>\$ 5,579,561</u> |

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

**COMMUNITY SERVICES CONSORTIUM**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

|   | <u>General</u>              | <u>Emergency<br/>Services</u> | <u>Workforce and<br/>Education</u> |
|---|-----------------------------|-------------------------------|------------------------------------|
| <b>ASSETS</b>   |                             |                               |                                    |
| Cash  | \$ 3,465,347                | \$ 100                        | \$ 50                              |
| Receivables   |                             |                               |                                    |
| Grants and contracts  | 9,864                       | 374,122                       | 569,762                            |
| Loans   | -                           | -                             | -                                  |
| Due from other funds  | 841,758                     | 519,947                       | 208,170                            |
| Inventories   | -                           | -                             | -                                  |
| Prepaid items   | 11,385                      | 1,000                         | 11,855                             |
|   | <u>                    </u> | <u>                    </u>   | <u>                    </u>        |
| <i>Total Assets</i>   | <u>\$ 4,328,354</u>         | <u>\$ 895,169</u>             | <u>\$ 789,837</u>                  |
| <b>LIABILITIES</b>  |                             |                               |                                    |
| Accounts payable  | \$ 33,163                   | \$ 107,293                    | \$ 112,473                         |
| Accrued payroll   | 520,835                     | -                             | -                                  |
| Due to other funds  | 3,171,983                   | 263,896                       | 471,184                            |
| Unearned revenue  | -                           | 47                            | 12,280                             |
| Other payables  | -                           | -                             | -                                  |
|   | <u>                    </u> | <u>                    </u>   | <u>                    </u>        |
| <i>Total Liabilities</i>  | <u>3,725,981</u>            | <u>371,236</u>                | <u>595,937</u>                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                             |                               |                                    |
| Unavailable revenue   | -                           | -                             | -                                  |
| <b>FUND BALANCES</b>  |                             |                               |                                    |
| Nonspendable  | 11,385                      | 1,000                         | 11,855                             |
| Restricted  | -                           | 522,933                       | 178,152                            |
| Assigned  | -                           | -                             | 3,893                              |
| Unassigned  | 590,988                     | -                             | -                                  |
|   | <u>                    </u> | <u>                    </u>   | <u>                    </u>        |
| <i>Total Fund Balances</i>  | <u>602,373</u>              | <u>523,933</u>                | <u>193,900</u>                     |
|   | <u>                    </u> | <u>                    </u>   | <u>                    </u>        |
| <i>Total Liabilities, Deferred Inflows of<br/>    Resources and Fund Balances</i> | <u>\$ 4,328,354</u>         | <u>\$ 895,169</u>             | <u>\$ 789,837</u>                  |

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 \$5,380,542 and the accumulated depreciation is \$1,360,213.

The net pension asset and related deferred outflows and deferred inflows are not an available resource and therefore is not reported in the funds.

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<br/>Food Share</i> | <i>Housing and<br/>Community<br/>Resources</i> | <i>Child<br/>Development<br/>Services</i> | <i>Misc.<br/>Grants</i> | <i>Totals</i>        |
|-----------------------------------|--|---|-------------------------|----------------------|
| \$ -                              | \$ 150   | \$ 520                                    | \$ -                    | \$ 3,466,167         |
| 7,641                             | 290,005  | 73,001                                    | 77,622                  | 1,402,017            |
| -                                 | 792,957  | -   | -                       | 792,957              |
| 2,396,899                         | 386,241  | 79,243                                    | 83                      | 4,432,341            |
| 324,294                           | 112,938  | -   | -                       | 437,232              |
| -                                 | -  | 495                                       | -                       | 24,735               |
| <u>\$ 2,728,834</u>               | <u>\$ 1,582,291</u>                            | <u>\$ 153,259</u>                         | <u>\$ 77,705</u>        | <u>\$ 10,555,449</u> |
| \$ 54,652                         | \$ 9,914                                       | \$ 26,554                                 | \$ 1,258                | \$ 345,307           |
| -                                 | -  | -   | -                       | 520,835              |
| 25,297                            | 353,473  | 70,061                                    | 76,447                  | 4,432,341            |
| -                                 | -  | -   | -                       | 12,327               |
| -                                 | 15,000   | -   | -                       | 15,000               |
| <u>79,949</u>                     | <u>378,387</u>                                 | <u>96,615</u>                             | <u>77,705</u>           | <u>5,325,810</u>     |
| -                                 | 769,670  | -   | -                       | 769,670              |
| 324,294                           | 112,938  | 495                                       | -                       | 461,967              |
| 1,699,089                         | 247,898  | 7,037                                     | -                       | 2,655,109            |
| 625,502                           | 73,398   | 49,112                                    | -                       | 751,905              |
| -                                 | -  | -   | -                       | 590,988              |
| <u>2,648,885</u>                  | <u>434,234</u>                                 | <u>56,644</u>                             | <u>-</u>                | <u>4,459,969</u>     |
| <u>\$ 2,728,834</u>               | <u>\$ 1,582,291</u>                            | <u>\$ 153,259</u>                         | <u>\$ 77,705</u>        | <u>\$ 10,555,449</u> |
|                                   |  |   |                         | \$ 4,459,969         |
|                                   |  |   |                         | 4,020,329            |
|                                   |  |   |                         | (1,060,689)          |
|                                   |  |   |                         | (1,840,048)          |
|                                   |  |   |                         | <u>\$ 5,579,561</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, 2015**

|   | <u>General</u> | <u>Emergency<br/>Services</u> | <u>Workforce and<br/>Education</u> |
|---|----------------|-------------------------------|------------------------------------|
| <b>REVENUES</b>                         |                |                               |                                    |
| Grants and contracts                    | \$ 1,186       | \$ 4,387,892                  | \$ 3,281,094                       |
| Contributions                           | 89,494         | 41,874                        | 2,763                              |
| Loan repayments                         | -              | -                             | -                                  |
| Fees for service                        | -              | 127,225                       | 430,919                            |
| Commodity foods                         | -              | -                             | -                                  |
| Other                                   | 34,818         | -                             | 32,791                             |
| Sale of assets                          | -              | -                             | -                                  |
|   | <hr/>          | <hr/>                         | <hr/>                              |
| <i>Total Revenues</i>                   | 130,276        | 4,556,991                     | 3,747,567                          |
| <b>EXPENDITURES</b>                     |                |                               |                                    |
| Administration                          | 16,959         | 340,279                       | 495,237                            |
| Workforce and education                 | -              | -                             | 3,234,465                          |
| Weatherization                          | -              | -                             | -                                  |
| Emergency services                      | -              | 4,102,461                     | -                                  |
| Housing rehabilitation                  | -              | -                             | -                                  |
| Head Start                              | -              | -                             | -                                  |
| Food programs                           | -              | -                             | -                                  |
| Miscellaneous programs                  | -              | -                             | -                                  |
|   | <hr/>          | <hr/>                         | <hr/>                              |
| <i>Total Expenditures</i>               | 16,959         | 4,442,740                     | 3,729,702                          |
|   | <hr/>          | <hr/>                         | <hr/>                              |
| <b>NET CHANGE IN FUND BALANCE</b>       | 113,317        | 114,251                       | 17,865                             |
| <b>FUND BALANCES, Beginning of year</b> | 489,056        | 409,682                       | 176,035                            |
|   | <hr/>          | <hr/>                         | <hr/>                              |
| <b>FUND BALANCES, End of year</b>       | \$ 602,373     | \$ 523,933                    | \$ 193,900                         |
|   | <hr/> <hr/>    | <hr/> <hr/>                   | <hr/> <hr/>                        |



| <b><i>Linn-Benton<br/>Food Share</i></b> | <b><i>Housing and<br/>Community<br/>Resources</i></b> | <b><i>Child<br/>Development<br/>Services</i></b> | <b><i>Misc.<br/>Grants</i></b> | <b><i>Totals</i></b> |
|--|---|--|--------------------------------|----------------------|
| \$ 244,322                               | \$ 1,544,553  | \$ 1,577,823                                     | \$ 298,178                     | \$ 11,335,048        |
| 798,108                                  | 100   | 2,035  | -                              | 934,374              |
| -  | 67,967  | -  | -                              | 67,967               |
| -  | 2,067   | -  | -                              | 560,211              |
| 8,404,858                                | -   | -  | -                              | 8,404,858            |
| 296,848                                  | 1,411   | -  | -                              | 365,868              |
| -  | 167,367   | 2,500  | -                              | 169,867              |
| 9,744,136                                | 1,783,465   | 1,582,358  | 298,178                        | 21,842,971           |
| 64,757                                   | 103,405   | 210,385  | 7,234                          | 1,238,256            |
| -  | -   | -  | -                              | 3,234,465            |
| -  | 1,305,197   | -  | -                              | 1,305,197            |
| -  | -   | -  | -                              | 4,102,461            |
| -  | 79,383  | -  | -                              | 79,383               |
| -  | -   | 1,367,898  | -                              | 1,367,898            |
| 9,420,057                                | -   | -  | -                              | 9,420,057            |
| -  | -   | -  | 290,944                        | 290,944              |
| 9,484,814                                | 1,487,985   | 1,578,283  | 298,178                        | 21,038,661           |
| 259,322                                  | 295,480   | 4,075  | -                              | 804,310              |
| 2,389,563                                | 138,754   | 52,569   | -                              | 3,655,659            |
| \$ 2,648,885                             | \$ 434,234  | \$ 56,644  | \$ -                           | \$ 4,459,969         |

*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, 2015**

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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 \$ 804,310

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

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 (\$39,353) exceeded depreciation (\$166,179).

|                         |           |
|-------------------------|-----------|
| Capital asset additions | 39,353    |
| Depreciation            | (166,179) |

In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets. (127,953)

Some expenses reported in the statement of activities do not required the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the effect of the change in these liabilities during the year.

|   |           |
|---|-----------|
| Net pension asset/liability and related deferrals | 1,530,809 |
| Net OPEB obligation                               | (332,675) |

*Change in Net Position* \$ 1,747,665

**COMMUNITY SERVICES CONSORTIUM**

**STATEMENT OF NET POSITION- FIDUCIARY FUND TYPE – AGENCY FUNDS**

**JUNE 30, 2015**

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**ASSETS**

|                     |            |
|---------------------|------------|
| Cash                | \$ 350,203 |
| Accounts receivable | 98,260     |
| Loans receivable    | 4,697,113  |

*Total Assets*

\$ 5,145,576

**LIABILITIES**

|                                   |              |
|-----------------------------------|--------------|
| Due to Community Housing Services | \$ 5,145,576 |
|-----------------------------------|--------------|

*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
- Career Tech High 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.

*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 also administers various Oregon Counties and Cities housing rehabilitation grants. CSC reports the following special revenues funds:

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

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

*Special Revenue Funds (Continued)*

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 housing rehabilitation grants - existing and prospective on behalf of Community Housing Services.

*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.

*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.



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

*Inventories (Continued)*

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. The balance increased by \$4,878 during 2015 with a year-end balance of \$289,025.

*Unearned Revenue*

Unearned revenues 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.

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

*Deferred Outflows/Inflows of Resources (Continued)*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

*Net Pension Liability*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and addition to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*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.

*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.

*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

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, 2015. 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.

**COMMUNITY SERVICES CONSORTIUM**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

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**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, 2015 the carrying value of cash and investments and fair value are approximately equal. Cash and investments are comprised of the following at June 30, 2015:

|                                      |                            |
|--------------------------------------|----------------------------|
| <b>Cash</b>                          |                            |
| Cash on hand                         | \$ 1,020                   |
| Deposits with financial institutions | 1,997,893                  |
| Money market                         | 2,000                      |
| <b>Investments</b>                   |                            |
| Local Government Investment Pool     | 1,815,457                  |
|                                      | <u>\$ 3,816,370</u>        |
|                                      | <u><u>\$ 3,816,370</u></u> |
| Cash held by CSC                     | \$ 3,466,167               |
| Cash held by Fiduciary Fund          | 350,203                    |
|                                      | <u>\$ 3,816,370</u>        |
|                                      | <u><u>\$ 3,816,370</u></u> |

*Deposits*

At June 30, 2015, CSC's deposits with various financial institutions had a bank balance of \$1,999,893 and a book balance of \$2,070,211. 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.

*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, 2015 the balance covered by the PFCP was \$1,819,763.

**COMMUNITY SERVICES CONSORTIUM**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2015*

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**CASH AND INVESTMENTS (Continued)**

*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, 2015, 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.

*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.

**COMMUNITY SERVICES CONSORTIUM**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2015*

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**LOANS RECEIVABLE/UNEARNED REVENUE**

The loans receivable of \$792,957 consists of housing rehabilitation and Self-Help Homeownership Opportunity Program (SHOP) loans. The housing rehabilitation loans total \$769,670 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 unavailable revenue on the governmental funds balance sheet.

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, 2015 consist of the following:

|                                 |                   |
|---------------------------------|-------------------|
| Linn-Benton Food Share food     | \$ 314,088        |
| USDA commodities food           | 10,206            |
| Weatherization materials        | 30,747            |
| Weatherization work in progress | 82,191            |
|                                 | <hr/>             |
| <i>Total</i>                    | <i>\$ 437,232</i> |
|                                 | <hr/> <hr/>       |

**COMMUNITY SERVICES CONSORTIUM**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

**CAPITAL ASSETS**

Capital assets activity for the year was as follows:

|  | <i>Balance<br/>July 1, 2014</i> | <i>Additions</i>    | <i>Deletions</i>    | <i>Balance<br/>June 30, 2015</i> |
|--|---------------------------------|---------------------|---------------------|----------------------------------|
| <i>Governmental Funds</i>                          |                                 |                     |                     |                                  |
| Capital assets not being depreciated:              |                                 |                     |                     |                                  |
| Land   | \$ 983,642                      | \$ -                | \$ -                | \$ 983,642                       |
| Construction in progress                           | 127,953                         | 12,475              | (127,953)           | 12,475                           |
| <i>Total capital assets not being depreciated</i>  | <u>1,111,595</u>                | <u>12,475</u>       | <u>(127,953)</u>    | <u>996,117</u>                   |
| Capital assets being depreciated:                  |                                 |                     |                     |                                  |
| Furniture and equipment                            | 286,971                         | 26,878              | (44,324)            | 269,525                          |
| Vehicles   | 555,922                         | -                   | (45,900)            | 510,022                          |
| 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>4,447,771</u>                | <u>26,878</u>       | <u>(90,224)</u>     | <u>4,384,425</u>                 |
| Accumulated depreciation                           |                                 |                     |                     |                                  |
| Equipment  | (245,294)                       | (21,081)            | 44,324              | (222,051)                        |
| Vehicles   | (447,285)                       | (44,455)            | 45,900              | (445,840)                        |
| Buildings  | (591,679)                       | (100,643)           | -                   | (692,322)                        |
| <i>Total Accumulated depreciation</i>              | <u>(1,284,258)</u>              | <u>(166,179)</u>    | <u>90,224</u>       | <u>(1,360,213)</u>               |
| <i>Total capital assets being depreciated, net</i> | <u>3,163,513</u>                | <u>(139,301)</u>    | <u>-</u>            | <u>3,024,212</u>                 |
| <i>Capital assets, net</i>                         | <u>\$ 4,275,108</u>             | <u>\$ (126,826)</u> | <u>\$ (127,953)</u> | <u>\$ 4,020,329</u>              |

Depreciation is recognized as a general administrative expense.

**COMMUNITY SERVICES CONSORTIUM**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2015*

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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, 2015 was \$346,139.

The following is a schedule, by fiscal year, of the future minimum rental payments required under these leases as of June 30, 2015. 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 2017.

| <u>Year Ending</u> |             |
|--------------------|-------------|
| 2016               | \$ 139,697  |
| 2017               | 18,600      |
|                    | <hr/>       |
| <i>Total</i>       | \$ 158,297  |
|                    | <hr/> <hr/> |

**OTHER PAYABLES**

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   |
|              | <hr/>       |
| <i>Total</i> | \$ 15,000   |
|              | <hr/> <hr/> |

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, 2015**

**FUND BALANCE**

Fund balance classifications for the year ended June 30, 2015 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              | \$ 522,933                | \$ -                           | \$ -                          | \$ -                                   | \$ -                              | \$ 522,933          |
| Workforce and Education         | -                         | 178,152                        | -                             | -                                      | -                                 | 178,152             |
| Linn-Benton Food Share          | -                         | -                              | 1,699,089                     | -                                      | -                                 | 1,699,089           |
| Housing and Community Resources | -                         | -                              | -                             | 247,898                                | -                                 | 247,898             |
| Head Start                      | -                         | -                              | -                             | -                                      | 7,037                             | 7,037               |
|                                 | <u>\$ 522,933</u>         | <u>\$ 178,152</u>              | <u>\$ 1,699,089</u>           | <u>\$ 247,898</u>                      | <u>\$ 7,037</u>                   | <u>\$ 2,655,109</u> |
| <b>Assigned to:</b>             |                           |                                |                               |  |                                   |                     |
| Workforce and Education         | \$ -                      | \$ 3,893                       | \$ -                          | \$ -                                   | \$ -                              | \$ 3,893            |
| Linn-Benton Food Share          | -                         | -                              | 625,502                       | -                                      | -                                 | 625,502             |
| Housing                         | -                         | -                              | -                             | 73,398                                 | -                                 | 73,398              |
| Head Start                      | -                         | -                              | -                             | -                                      | 49,112                            | 49,112              |
|                                 | <u>\$ -</u>               | <u>\$ 3,893</u>                | <u>\$ 625,502</u>             | <u>\$ 73,398</u>                       | <u>\$ 49,112</u>                  | <u>\$ 751,905</u>   |

**PENSION PLAN**

*Plan Description*

The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple employer defined benefit plan. Qualified employees of CSC are provided with pensions through OPERS. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS issues a publicly available financial report that can be obtained at

[http://www.oregon.gov/pers/pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/pages/section/financial_reports/financials.aspx).

Benefits provided under ORS Chapter 238 – Tier One/ Tier Two

*Pension Benefits:* The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

**PENSION PLAN** (Continued)

*Plan Description (Continued)*

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

*Death Benefits:* Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met: the member was employed by a PERS employer at the time of death; the member died within 120 days after termination of PERS-covered employment; the member died as a result of injury sustained while employed in a PERS-covered job, or; the member was on an official leave of absence from a PERS-covered job at the time of death.

*Disability Benefits:* A member with 10 or more years of creditable service who becomes disabled from other than duty connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

*Benefit Changes After Retirement:* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

Benefits provided under Chapter 238A - OPSRP Pension Program (OPSRP DB)

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

**COMMUNITY SERVICES CONSORTIUM**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2015*

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**PENSION PLAN** (Continued)

*Plan Description (Continued)*

*Death Benefits:* Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

*Disability Benefits:* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

*Benefit Changes After Retirement:* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. CSC contribution rates in effect for the fiscal year ended June 30, 2015 were 12.39 percent for Tier One/Two members and 9.96 percent for OPSRP general service members. CSC contributions for the year ended June 30, 2015 were \$190,012, excluding amounts to fund employer specific liabilities.

Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The total contributed by employees for the year ended June 30, 2015 was \$91,471.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows

At June 30, 2015, CSC reported an asset of \$1,245,674 for its proportionate share of the OPERS net pension asset. The net pension asset was measured by OPERS as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. CSC's proportion of the net pension asset was based on a projection of CSC's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, CSC's proportion was 0.0550%, which is unchanged from its proportion measured as of June 30, 2013.

**COMMUNITY SERVICES CONSORTIUM**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

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**PENSION PLAN (Continued)**

*Plan Description (Continued)*

The Oregon Supreme Court (Court) ruled on April 30, 2015 that certain provisions of Senate Bill (SB) 861, signed into law in October 2013, were unconstitutional. SB 861 included provisions that limited post-retirement COLA on benefits accrued prior to the signing of the law. The Court ruled that benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS' members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension asset/liability proportionate shares calculated by OPERS.

For the year ended June 30, 2015, CSC recognized pension expense of \$(1,113,274). At June 30, 2015, CSC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows of<br/>Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|---|---|--|
| Net difference between projected and actual earnings on investments   | \$ -                                      | \$ 2,403,645                             |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | -   | 92,730                                   |
| Contributions subsequent to measurement date  | 190,012                                   | -  |
| Total   | <u>\$ 190,012</u>                         | <u>\$ 2,496,375</u>                      |

Deferred outflows of resources related to pensions of \$190,012 resulting from CSC's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

**COMMUNITY SERVICES CONSORTIUM**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

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**PENSION PLAN (Continued)**

*Plan Description (Continued)*

| <b><i>Fiscal Year<br/>Ending<br/>June 30,</i></b> |    |                  |
|---|----|------------------|
| 2016  | \$ | 621,070          |
| 2017  |    | 621,070          |
| 2018  |    | 621,070          |
| 2019  |    | 621,070          |
| 2020  |    | 12,095           |
| Total   | \$ | <u>2,496,375</u> |

Actuarial Methods and Assumptions:

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set by OPERS using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

|                            |   |
|----------------------------|---|
| Valuation Date             | December 31, 2012 rolled forward to June 30, 2014.  |
| Experience Study Report    | 2012, published September 18, 2013  |
| Actuarial cost method      | Entry Age Normal  |
| Amortization method        | Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years. |
| Asset valuation method     | Market value of assets  |
| Actuarial assumptions:     |   |
| Inflation rate             | 2.75 percent  |
| Investment rate of return  | 7.75 percent  |
| Projected salary increases | 3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service                                |

**COMMUNITY SERVICES CONSORTIUM**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2015

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**PENSION PLAN (Continued)**

*Plan Description (Continued)*

Mortality

Healthy retirees and beneficiaries:  
 RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.

Active members:  
 Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.

Disabled retirees:  
 Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of CSC's proportionate share of the net pension liability to changes in the discount rate

The following presents CSC's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75, as well as what CSC's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

|  | <b>1% Decrease<br/>(6.75%)</b> | <b>Discount Rate<br/>(7.75%)</b> | <b>1% Increase<br/>(8.75%)</b> |
|--|--------------------------------|----------------------------------|--------------------------------|
| Proportionate share of the net pension liability | \$ 2,637,887                   | \$ (1,245,674)                   | \$ (4,530,254)                 |

**COMMUNITY SERVICES CONSORTIUM**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

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**PENSION PLAN (Continued)**

*Plan Description (Continued)*

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

| <u>Asset Class</u>                | <u>Target</u> | <u>Compound Annual<br/>Return (Geometric)</u> |
|-----------------------------------|---------------|---|
| Core Fixed Income                 | 7.20 %        | 4.50 %  |
| Short-Term Bonds                  | 8.00          | 3.70  |
| Intermediate-Term Bonds           | 3.00          | 4.10  |
| High Yield Bonds                  | 1.80          | 6.66  |
| Large Cap US Equities             | 11.65         | 7.20  |
| Mid Cap US Equities               | 3.88          | 7.30  |
| Small Cap US Equities             | 2.27          | 7.45  |
| Developed Foreign Equities        | 14.21         | 6.90  |
| Emerging Foreign Equities         | 5.49          | 7.40  |
| Private Equity                    | 20.00         | 8.26  |
| Opportunity Funds/Absolute Return | 5.00          | 6.01  |
| Real Estate (Property)            | 13.75         | 6.51  |
| Real Estate (REITS)               | 2.50          | 6.76  |
| Commodities                       | 7.71          | 6.07  |
| Assumed Inflation - Mean          |               | 2.75  |

**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.

***OTHER POST EMPLOYMENT BENEFITS (Continued)***

*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 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, 2015, the amount actually contributed to the plans, and changes in CSC's net OPEB obligation:



**COMMUNITY SERVICES CONSORTIUM**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2015

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Annual OPEB Cost and Net OPEB Obligation (Continued)*

|  | <u>2013</u>         | <u>2014</u>         | <u>2015</u>         |
|--|---------------------|---------------------|---------------------|
| Net OPEB obligation - beginning of year    | \$ 715,949          | \$ 1,063,061        | \$ 1,507,373        |
| Annual required contribution (ARC)         | 380,136             | 487,616             | 393,463             |
| Interest on net OPEB obligation            | 3,580               | 5,741               | 7,839               |
| Amortization adjustment to ARC             | (25,631)            | (38,273)            | (54,116)            |
| Annual OPEB Cost                           | 358,085             | 455,084             | 347,186             |
| Contributions made (implicit rate subsidy) | (10,973)            | (10,772)            | (14,511)            |
| Change in net OPEB obligation              | 347,112             | 444,312             | 332,675             |
| Net OPEB obligation - end of year          | <u>\$ 1,063,061</u> | <u>\$ 1,507,373</u> | <u>\$ 1,840,048</u> |
| Percentage of annual OPEB cost contributed | 3%                  | 2%                  | 4%                  |

*Funded Status and Funding Progress*

As of June, 30, 2015, the most recent valuation date, the accrued liability was \$1,840,048, all of which is unfunded because CSC has not set aside any assets to pre-fund OPEB resulting from the implicit rate subsidy. The annual payroll of active employees covered by CSC's healthcare plan was \$3,972,249, and the ratio of the unfunded actuarially accrued liability (UAAL) to covered payroll was 62%. The schedule of funding progress included as required supplementary information presents multi-year trend information.

*Methods and Assumptions*

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.

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.

**COMMUNITY SERVICES CONSORTIUM**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

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**OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Methods and Assumptions (Continued)*

In the June 30, 2015 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.

**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.

During the year ended June 30, 2015 the following nonmonetary transactions were recorded in the Linn-Benton Food Share Fund:

|   | <u>USDA</u>     | <u>Linn-Benton<br/>Food Share</u> | <u>Total</u>     |
|---|-----------------|-----------------------------------|------------------|
| Food received - revenue   | \$ 389,278      | \$ 8,015,580                      | \$ 8,404,858     |
| Food distributed - expenditures   | 389,929         | 7,976,891                         | 8,366,820        |
| <i>Excess (Deficit) of Nonmonetary Revenues Over<br/>Nonmonetary Expenditures</i> | <u>\$ (651)</u> | <u>\$ 38,689</u>                  | <u>\$ 38,038</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, raised funds to construct a Head Start facility in Newport, Oregon over several years. A Community Development Block Grant (CDBG) of \$800,000 awarded to Lincoln County was 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, loaned 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.

**BEGINNING BALANCE ADJUSTMENT**

Beginning net position has been restated as follows:

|  |                            |
|--|----------------------------|
| Beginning net position, as previously stated | \$ 6,423,394               |
| Change in pension accounting per GASB 68     | <u>(2,591,498)</u>         |
| Beginning net position, as restated          | <u><u>\$ 3,831,896</u></u> |

**NEW PRONOUNCEMENTS**

CSC implemented the following pronouncements during the current year.

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 was implemented in the current year.

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 was implemented in the current year.

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 was implemented in the current year.

***NEW PRONOUNCEMENTS (Continued)***

The GASB has also issued the following pronouncements that may impact future financial presentations:

GASB Statement No. 72, "Fair Value Measurement and Application," provides guidance for determining fair value measurements for financial reporting purposes.

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," supersedes Statement No. 45, establishing new accounting and financial reporting requirements for governments whose employees are provided with other postemployment benefits.

GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," supersedes Statement No. 55, reducing the GAAP hierarchy to two categories of authoritative GAAP and addressing the use of non-authoritative literature.

GASB Statement No. 77, "Tax Abatement Disclosures," establishes disclosure requirements for tax abatement agreements. The requirements of these pronouncements are effective for the County's financial statements beginning in fiscal year 2016, except for Statement No. 75 which is effective beginning in fiscal year 2018.

***SUBSEQUENT EVENTS***

Management has evaluated subsequent events through February 17, 2016, 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, 2015**

|   | <u>Original<br/>Budget*</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance</u>     |
|---|-----------------------------|-------------------------|---------------------|---------------------|
| <b>REVENUES</b>                               | \$ 23,278,259               | \$ 23,962,551           | \$ 21,842,971       | \$ (2,119,580)      |
| <b>EXPENDITURES</b>                           |                             |                         |                     |                     |
| Personal services                             | 6,487,175                   | 6,665,665               | 6,248,135           | 417,530             |
| Materials and services                        | 16,744,084                  | 17,237,886              | 14,751,173          | 2,486,713           |
| Capital outlay                                | 47,000                      | 59,000                  | 39,353              | 19,647              |
| <i>Total Expenditures</i>                     | <u>23,278,259</u>           | <u>23,962,551</u>       | <u>21,038,661</u>   | <u>2,923,890</u>    |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | -                           | -                       | 804,310             | 804,310             |
| <b>FUND BALANCE, Beginning of year</b>        | -                           | -                       | 3,655,659           | 3,655,659           |
| <b>FUND BALANCE, End of year</b>              | <u>\$ -</u>                 | <u>\$ -</u>             | <u>\$ 4,459,969</u> | <u>\$ 4,459,969</u> |

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

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULES OF OPERS RETIREMENT PLAN PENSION BENEFITS**  
**YEAR ENDED JUNE 30, 2015**

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**Schedule of CSC's Proportionate Share of the Net Pension Liability (Asset)**  
**Oregon Public Employees Retirement System**  
**Last Two Fiscal Years<sup>1</sup>**

|  | <u>2015</u>    | <u>2014</u>  |
|--|----------------|--------------|
| CSC's proportion of the net pension liability (asset)  | 0.0550%        | 0.0550%      |
| CSC's proportionate share of the net pension liability (asset)   | \$ (1,245,674) | \$ 2,804,435 |
| CSC's covered-employee payroll   | 1,520,180      | 1,718,535    |
| CSC's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -81.9%         | 163.2%       |
| Plan fiduciary net position as a percentage of the total pension liability                                     | 103.6%         | 92.0%        |

<sup>1</sup> 10-year trend information required by GASB Statement 68 will be presented prospectively

**Schedule of CSC's Contributions**  
**Oregon Public Employees Retirement System**  
**Last Two Fiscal Years<sup>1</sup>**

|  | <u>2015</u>  | <u>2014</u>  |
|--|--------------|--------------|
| Contractually required contributions                                 | \$ 190,012   | \$ 212,937   |
| Contributions in relation to the contractually required contribution | (190,012)    | (212,937)    |
| Contribution deficiency (excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  |
| CSC's covered-employee payroll                                       | \$ 1,520,180 | \$ 1,718,535 |
| Contributions as a percentage of covered-employee payroll            | 12.50%       | 12.39%       |

<sup>1</sup> 10-year trend information required by GASB Statement 68 will be presented prospectively

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS FUNDING PROGRESS**  
**YEAR ENDED JUNE 30, 2015**

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| <b><i>Year Ending</i></b> | <b><i>Value of Assets (a)</i></b> | <b><i>Accrued Liability (AAL) - Entry Age (b)</i></b> | <b><i>Unfunded AAL (UAAL) (b-a)</i></b> | <b><i>Funded Ratio (a/b)</i></b> | <b><i>Covered Payroll (c)</i></b> | <b><i>UAAL as Percentage of Covered Payroll ((b-a)/c)</i></b> |
|---------------------------|-----------------------------------|---|---|----------------------------------|-----------------------------------|---|
| 6/30/2015                 | \$ -                              | \$ 2,464,687  | \$ 2,464,687                            | 0%                               | \$ 3,972,249                      | 62%   |
| 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%   |



***OTHER SUPPLEMENTAL INFORMATION***

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

YEAR ENDED JUNE 30, 2015

|  | <i>Revenues</i>                   |  |                             |                  | <i>Total<br/>Revenues</i> |
|--|-----------------------------------|--|-----------------------------|------------------|---------------------------|
|  | <i>Beginning<br/>Fund Balance</i> | <i>Operating<br/>Grants/<br/>Contributions</i> | <i>Fees for<br/>Service</i> | <i>Other</i>     |                           |
| CSBG                                     | \$ -                              | \$ 38,783                                      | \$ -                        | \$ -             | \$ 38,783                 |
| Consumer Power                           | 17,261                            | 1,953  | -                           | -                | 1,953                     |
| Rural Benton County - Energy             | 816                               | -  | -                           | -                | -                         |
| GAS Assistance Program                   | 11,882                            | 400  | -                           | -                | 400                       |
| LIHEAP Energy Assistance                 | -                                 | 1,859,015                                      | -                           | -                | 1,859,015                 |
| LIHEAP Client Education                  | -                                 | 81,349   | -                           | -                | 81,349                    |
| LIHEAP WX EE                             | -                                 | 17,575   | -                           | -                | 17,575                    |
| Oregon Energy Assistance (OEA)           | -                                 | 1,018,482                                      | -                           | -                | 1,018,482                 |
| OR Low Income Gas Assistance             | 26,521                            | 68,179   | -                           | -                | 68,179                    |
| Oregon Heat                              | 54,048                            | 10,366   | -                           | -                | 10,366                    |
| Oregon Heat - Fuel Blind                 | -                                 | -  | -                           | -                | -                         |
| SOS                                      | 14,319                            | 15,655   | -                           | -                | 15,655                    |
| BPA Energy Ed                            | -                                 | 8,407  | -                           | -                | 8,407                     |
| Echo Energy Ed                           | -                                 | 76,819   | -                           | -                | 76,819                    |
| NW Natural Gas - Workshops               | 58,065                            | -  | -                           | -                | -                         |
| NW Natural Dwelling Inspection           | 29,082                            | -  | -                           | -                | -                         |
| Albany Water Assistance Program          | 26,791                            | 3,465  | -                           | -                | 3,465                     |
| Continuum of Care IV                     | -                                 | 71,560   | -                           | -                | 71,560                    |
| SHP - C of C - Project Passport          | -                                 | 27,602   | -                           | -                | 27,602                    |
| Continuum of Care - LBHA SH1             | -                                 | 35,609   | -                           | -                | 35,609                    |
| CSC Supportive Housing Program           | -                                 | 73,314   | -                           | -                | 73,314                    |
| Samaritan Health - Social Accountability | -                                 | 25,000   | -                           | -                | 25,000                    |
| Miscellaneous Donations                  | 3,130                             | 1,219  | -                           | -                | 1,219                     |
| Miscellaneous Housing Grants             | 1,115                             | -  | -                           | -                | -                         |
| Miscellaneous Energy Assistance          | 6,566                             | -  | -                           | 10,370           | 10,370                    |
| Reach FFS                                | 12,103                            | -  | -                           | -                | -                         |
| EHA Emergency Housing                    | -                                 | 216,320  | -                           | -                | 216,320                   |
| MMT Warming Centers                      | -                                 | 54,000   | -                           | -                | 54,000                    |
| ESGP - 12                                | -                                 | 134,212  | -                           | -                | 134,212                   |
| HOME TBA                                 | -                                 | 128,636  | -                           | -                | 128,636                   |
| SVDP - VA Support Services               | -                                 | 199,708  | -                           | -                | 199,708                   |
| EHA 15 VET DRF                           | -                                 | 19,314   | -                           | -                | 19,314                    |
| HSP - Housing Stabilization              | -                                 | 31,054   | -                           | -                | 31,054                    |
| LIRHF - Low Inc. Rental Housing          | -                                 | 20,711   | -                           | -                | 20,711                    |
| Pelican Place - Supportive Housing       | -                                 | 82,519   | -                           | -                | 82,519                    |
| Pelican Place - Rental                   | 63,617                            | 1,200  | 81,634                      | 1,211            | 84,045                    |
| Pelican Place - Rental Reserve           | 46,026                            | -  | -                           | -                | -                         |
| SHAP                                     | -                                 | 82,915   | -                           | -                | 82,915                    |
| Tern House - Supportive Housing          | -                                 | 24,425   | -                           | -                | 24,425                    |
| Tern House - Rental                      | 21,513                            | -  | 34,010                      | -                | 34,010                    |
| Tern House - Rental Reserve              | 16,827                            | -  | -                           | -                | -                         |
| <i>Total</i>                             | <u>\$ 409,682</u>                 | <u>\$ 4,429,766</u>                            | <u>\$ 115,644</u>           | <u>\$ 11,581</u> | <u>\$ 4,556,991</u>       |

***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> |
|------------------------------|-----------------------|----------------------------------|--|-------------------------|-----------------------------------|
| \$ 5,446                     | \$ 33,337             | \$ 38,783                        | \$ -                                     | \$ -                    | \$ -                              |
| -                            | 50                    | 50                               | 1,903                                    | -                       | 19,164                            |
| -                            | 816                   | 816                              | (816)                                    | -                       | -                                 |
| -                            | -                     | -                                | 400                                      | -                       | 12,282                            |
| 108,768                      | 1,750,246             | 1,859,014                        | 1  | -                       | 1                                 |
| 12,799                       | 68,550                | 81,349                           | -  | -                       | -                                 |
| -                            | 17,575                | 17,575                           | -  | -                       | -                                 |
| 84,886                       | 933,596               | 1,018,482                        | -  | -                       | -                                 |
| 9,638                        | 30,690                | 40,328                           | 27,851                                   | -                       | 54,372                            |
| -                            | 150                   | 150                              | 10,216                                   | -                       | 64,264                            |
| 930                          | -                     | 930                              | (930)                                    | -                       | (930)                             |
| -                            | 11,128                | 11,128                           | 4,527                                    | -                       | 18,846                            |
| 915                          | 7,492                 | 8,407                            | -  | -                       | -                                 |
| 8,117                        | 68,702                | 76,819                           | -  | -                       | -                                 |
| -                            | 821                   | 821                              | (821)                                    | -                       | 57,244                            |
| -                            | -                     | -                                | -  | -                       | 29,082                            |
| -                            | 1                     | 1                                | 3,464                                    | -                       | 30,255                            |
| 4,681                        | 66,879                | 71,560                           | -  | -                       | -                                 |
| 4,678                        | 22,924                | 27,602                           | -  | -                       | -                                 |
| -                            | 35,609                | 35,609                           | -  | -                       | -                                 |
| 6,183                        | 67,131                | 73,314                           | -  | -                       | -                                 |
| -                            | 25,000                | 25,000                           | -  | -                       | -                                 |
| -                            | 338                   | 338                              | 881                                      | -                       | 4,011                             |
| -                            | -                     | -                                | -  | -                       | 1,115                             |
| -                            | -                     | -                                | 10,370                                   | -                       | 16,936                            |
| -                            | -                     | -                                | -  | -                       | 12,103                            |
| 32,853                       | 183,467               | 216,320                          | -  | -                       | -                                 |
| -                            | 54,000                | 54,000                           | -  | -                       | -                                 |
| 3,356                        | 130,854               | 134,210                          | 2  | -                       | 2                                 |
| 557                          | 128,079               | 128,636                          | -  | -                       | -                                 |
| 16,699                       | 183,009               | 199,708                          | -  | -                       | -                                 |
| -                            | 19,314                | 19,314                           | -  | -                       | -                                 |
| 2,966                        | 28,088                | 31,054                           | -  | -                       | -                                 |
| 1,084                        | 19,627                | 20,711                           | -  | -                       | -                                 |
| 3,788                        | 78,731                | 82,519                           | -  | -                       | -                                 |
| 38                           | 27,160                | 27,198                           | 56,847                                   | (12,000)                | 108,464                           |
| -                            | -                     | -                                | -  | 12,000                  | 58,026                            |
| 27,121                       | 55,794                | 82,915                           | -  | -                       | -                                 |
| -                            | 24,425                | 24,425                           | -  | -                       | -                                 |
| 4,776                        | 25,157                | 29,933                           | 4,077                                    | (2,872)                 | 22,718                            |
| -                            | 3,721                 | 3,721                            | (3,721)                                  | 2,872                   | 15,978                            |
| <b>\$ 340,279</b>            | <b>\$ 4,102,461</b>   | <b>\$ 4,442,740</b>              | <b>\$ 114,251</b>                        | <b>\$ -</b>             | <b>\$ 523,933</b>                 |

**COMMUNITY SERVICES CONSORTIUM****COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
WORKFORCE AND EDUCATION  
YEAR ENDED JUNE 30, 2015**

|   | <i>Revenues</i>                   |  |                             |                  | <i>Total<br/>Revenues</i> |
|---|-----------------------------------|--|-----------------------------|------------------|---------------------------|
|   | <i>Beginning<br/>Fund Balance</i> | <i>Operating<br/>Grants/<br/>Contributions</i> | <i>Fees for<br/>Service</i> | <i>Other</i>     |                           |
| Garden Gnome Run                          | \$ 6,363                          | \$ 125   | \$ -                        | \$ 7,297         | \$ 7,422                  |
| DCS Residuals                             | 15,748                            | -  | -                           | -                | -                         |
| Adult Miscellaneous                       | 3,876                             | -  | -                           | -                | -                         |
| Vanguard - Youth Garden                   | 2,997                             | -  | -                           | -                | -                         |
| Benton Learning Center                    | 10,531                            | 1,677  | -                           | -                | 1,677                     |
| Fee for Service                           | 61,418                            | 108,839  | -                           | 180              | 109,019                   |
| Independent Living Program                | -                                 | 127,053  | -                           | -                | 127,053                   |
| OYCC - LRO                                | -                                 | 10,000   | -                           | -                | 10,000                    |
| OYCC - CRO Projects                       | -                                 | 10,000   | -                           | -                | 10,000                    |
| OYCC - NRO                                | -                                 | 10,000   | -                           | -                | 10,000                    |
| OYCC BLM Yaquina Head Proj                | -                                 | 5,000  | -                           | -                | 5,000                     |
| OYCC Benton Comm Stewardship              | -                                 | 15,000   | -                           | -                | 15,000                    |
| OYCC Lincoln Comm Stewardship             | -                                 | 15,000   | -                           | -                | 15,000                    |
| OYCC Marine Board Lincoln-Summer          | -                                 | 10,000   | -                           | -                | 10,000                    |
| Oregon Historic Cemetery                  | -                                 | 4,000  | -                           | -                | 4,000                     |
| Weatherization Training PGM               | 15,510                            | -  | 40,160                      | -                | 40,160                    |
| JOBS                                      | 30                                | 142,691  | -                           | -                | 142,691                   |
| Back To Work Oregon                       | (1)                               | 214,655  | -                           | -                | 214,655                   |
| Boys & Girls Club - Santiam - Youth Dev   | -                                 | 31,333   | -                           | -                | 31,333                    |
| Lincoln City - Youth Dev Coalition        | -                                 | -  | -                           | 10,600           | 10,600                    |
| Philomath Youth - PYAC -YDC               | -                                 | 8,583  | -                           | -                | 8,583                     |
| YB - Albany CDBG - One Block at a Time    | -                                 | 30,150   | -                           | -                | 30,150                    |
| Youthbuild Donations                      | 5,179                             | 80   | -                           | -                | 80                        |
| WHNS - Benton Linn Health Equity Alliance | -                                 | 12,000   | -                           | -                | 12,000                    |
| YB Americorp 2013-2014                    | -                                 | 49,535   | -                           | -                | 49,535                    |
| YB Americorp 2014-2015                    | -                                 | 12,623   | -                           | -                | 12,623                    |
| Youthbuild FFS Construction               | 1                                 | 7,500  | -                           | -                | 7,500                     |
| Youthbuild Fee for Service                | -                                 | -  | -                           | 864              | 864                       |
| Lincoln County Charter School             | 49,098                            | 1,202  | 390,759                     | -                | 391,961                   |
| Lincoln County Youth Comm. Const.         | 500                               | -  | -                           | -                | -                         |
| Mid Coast Watershed Council               | -                                 | -  | -                           | 10,686           | 10,686                    |
| Lincoln County Youth - Donations          | 3,014                             | 5,119  | -                           | -                | 5,119                     |
| Oregon Watershed Enhancement              | -                                 | 23,500   | -                           | -                | 23,500                    |
| The Nature Conservatory                   | -                                 | 7,000  | -                           | -                | 7,000                     |
| The Wetlands Conservatory                 | -                                 | 7,000  | -                           | -                | 7,000                     |
| Oregon Dept of Transportation - NRC       | -                                 | 900  | -                           | -                | 900                       |
| WIA Adult                                 | 1                                 | 542,554  | -                           | -                | 542,554                   |
| WIA Youth                                 | 27,415                            | 659,280  | -                           | -                | 659,280                   |
| WIA Student Enterprises                   | (27,415)                          | 37   | -                           | 3,164            | 3,201                     |
| WIA Dislocated Worker                     | (1)                               | 584,010  | -                           | -                | 584,010                   |
| Dislocated Worker Training - NEG          | -                                 | 125,717  | -                           | -                | 125,717                   |
| WIB-CWRC                                  | -                                 | 112,942  | -                           | -                | 112,942                   |
| Local Sector Strategy                     | -                                 | 193,102  | -                           | -                | 193,102                   |
| WIA Local Admin Activities                | -                                 | 162,585  | -                           | -                | 162,585                   |
| WIA - 2% Transition Costs                 | -                                 | 13,065   | -                           | -                | 13,065                    |
| Trust Management - Youth Garden           | -                                 | 10,000   | -                           | -                | 10,000                    |
| Juan Young Trust - Helps NRO              | 1,771                             | -  | -                           | -                | -                         |
| Trust Management - Career Tech            | -                                 | 10,000   | -                           | -                | 10,000                    |
| <i>Total</i>                              | <u>\$ 176,035</u>                 | <u>\$ 3,283,857</u>                            | <u>\$ 430,919</u>           | <u>\$ 32,791</u> | <u>\$ 3,747,567</u>       |

*Expenditures*

| <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> |
|-----------------------|---------------------|---------------------------|-----------------------------------|------------------|----------------------------|
| \$ -                  | \$ 5,020            | \$ 5,020                  | \$ 2,402                          | \$ -             | \$ 8,765                   |
| -                     | -                   | -                         | -                                 | -                | 15,748                     |
| -                     | -                   | -                         | -                                 | (3,876)          | -                          |
| -                     | 2,997               | 2,997                     | (2,997)                           | -                | -                          |
| -                     | 682                 | 682                       | 995                               | -                | 11,526                     |
| 10,305                | 102,556             | 112,861                   | (3,842)                           | -                | 57,576                     |
| 11,735                | 115,318             | 127,053                   | -                                 | -                | -                          |
| 1,000                 | 9,000               | 10,000                    | -                                 | -                | -                          |
| 1,000                 | 9,000               | 10,000                    | -                                 | -                | -                          |
| 1,000                 | 9,000               | 10,000                    | -                                 | -                | -                          |
| 500                   | 4,500               | 5,000                     | -                                 | -                | -                          |
| -                     | 15,000              | 15,000                    | -                                 | -                | -                          |
| -                     | 15,000              | 15,000                    | -                                 | -                | -                          |
| 1,000                 | 9,000               | 10,000                    | -                                 | -                | -                          |
| 400                   | 3,600               | 4,000                     | -                                 | -                | -                          |
| 4,665                 | 40,379              | 45,044                    | (4,884)                           | -                | 10,626                     |
| 14,541                | 128,149             | 142,690                   | 1                                 | -                | 31                         |
| 23,710                | 190,946             | 214,656                   | (1)                               | -                | (2)                        |
| -                     | 31,333              | 31,333                    | -                                 | -                | -                          |
| -                     | 10,600              | 10,600                    | -                                 | -                | -                          |
| -                     | 8,583               | 8,583                     | -                                 | -                | -                          |
| 3,015                 | 27,135              | 30,150                    | -                                 | -                | -                          |
| -                     | 5,017               | 5,017                     | (4,937)                           | -                | 242                        |
| -                     | 12,000              | 12,000                    | -                                 | -                | -                          |
| 2,476                 | 47,059              | 49,535                    | -                                 | -                | -                          |
| 631                   | 11,992              | 12,623                    | -                                 | -                | -                          |
| 1,710                 | 5,791               | 7,501                     | (1)                               | -                | -                          |
| 246                   | 4,494               | 4,740                     | (3,876)                           | 3,876            | -                          |
| 31,322                | 338,422             | 369,744                   | 22,217                            | -                | 71,315                     |
| -                     | 500                 | 500                       | (500)                             | -                | -                          |
| -                     | 10,686              | 10,686                    | -                                 | -                | -                          |
| -                     | 1,868               | 1,868                     | 3,251                             | -                | 6,265                      |
| -                     | 23,500              | 23,500                    | -                                 | -                | -                          |
| -                     | 7,000               | 7,000                     | -                                 | -                | -                          |
| -                     | 7,000               | 7,000                     | -                                 | -                | -                          |
| -                     | -                   | -                         | 900                               | -                | 900                        |
| 68,669                | 473,885             | 542,554                   | -                                 | -                | 1                          |
| 50,209                | 609,070             | 659,279                   | 1                                 | (27,415)         | 1                          |
| -                     | 3,202               | 3,202                     | (1)                               | 27,415           | (1)                        |
| 65,796                | 518,214             | 584,010                   | -                                 | -                | (1)                        |
| 7,519                 | 118,198             | 125,717                   | -                                 | -                | -                          |
| 11,856                | 101,086             | 112,942                   | -                                 | -                | -                          |
| 18,347                | 174,755             | 193,102                   | -                                 | -                | -                          |
| 162,585               | (1)                 | 162,584                   | 1                                 | -                | 1                          |
| -                     | 13,066              | 13,066                    | (1)                               | -                | (1)                        |
| 1,000                 | 9,000               | 10,000                    | -                                 | -                | -                          |
| -                     | 863                 | 863                       | (863)                             | -                | 908                        |
| -                     | -                   | -                         | 10,000                            | -                | 10,000                     |
| <b>\$ 495,237</b>     | <b>\$ 3,234,465</b> | <b>\$ 3,729,702</b>       | <b>\$ 17,865</b>                  | <b>\$ -</b>      | <b>\$ 193,900</b>          |

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

YEAR ENDED JUNE 30, 2015

|                             | <i>Revenues</i>                   |  |                             |                   | <i>Total<br/>Revenues</i> |
|-----------------------------|-----------------------------------|--|-----------------------------|-------------------|---------------------------|
|                             | <i>Beginning<br/>Fund Balance</i> | <i>Operating<br/>Grants/<br/>Contributions</i> | <i>Fees for<br/>Service</i> | <i>Other</i>      |                           |
| CSBG                        | \$ -                              | \$ 58,000                                      | \$ -                        | \$ -              | \$ 58,000                 |
| Linn-Benton Food Share      | 1,808,000                         | 8,667,623                                      | -                           | 296,848           | 8,964,471                 |
| Oregon Hunger Response Fund | -                                 | 61,415   | -                           | -                 | 61,415                    |
| USDA Cash for Commodities   | -                                 | 26,488   | -                           | -                 | 26,488                    |
| USDA Commodity Foods*       | (12,004)                          | 389,278  | -                           | -                 | 389,278                   |
| Benton County               | -                                 | 22,000   | -                           | -                 | 22,000                    |
| Linn County                 | -                                 | 17,100   | -                           | -                 | 17,100                    |
| City of Corvallis           | -                                 | 32,000   | -                           | -                 | 32,000                    |
| Trust Management Services   | 10,000                            | 2  | -                           | -                 | 2                         |
| Miscellaneous Grants        | 151,862                           | 33,004   | -                           | -                 | 33,004                    |
| Warehouse Building Fund     | 81,435                            | -  | -                           | -                 | -                         |
| Warehouse Expansion Reserve | 291,325                           | 81,776   | -                           | -                 | 81,776                    |
| Food Recovery               | 58,806                            | 18,960   | -                           | -                 | 18,960                    |
| LBFS Truck Reserve          | 139                               | 28,826   | -                           | -                 | 28,826                    |
| SHAP                        | -                                 | 10,816   | -                           | -                 | 10,816                    |
| <i>Total</i>                | <u>\$ 2,389,563</u>               | <u>\$ 9,447,288</u>                            | <u>\$ -</u>                 | <u>\$ 296,848</u> | <u>\$ 9,744,136</u>       |

\*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> |
| \$ -                  | \$ 58,000            | \$ 58,000                 | \$ -                              | \$ -             | \$ -                       |
| 48,846                | 8,730,197            | 8,779,043                 | 185,428                           | (6,000)          | 1,987,428                  |
| 2,319                 | 59,096               | 61,415                    | -                                 | -                | -                          |
| -                     | 26,488               | 26,488                    | -                                 | -                | -                          |
| -                     | 389,929              | 389,929                   | (651)                             | -                | (12,655)                   |
| 3,479                 | 18,521               | 22,000                    | -                                 | -                | -                          |
| 4,955                 | 12,145               | 17,100                    | -                                 | -                | -                          |
| 3,179                 | 28,821               | 32,000                    | -                                 | -                | -                          |
| -                     | 10,002               | 10,002                    | (10,000)                          | -                | -                          |
| 335                   | 24,316               | 24,651                    | 8,353                             | -                | 160,215                    |
| -                     | -                    | -                         | -                                 | 6,000            | 87,435                     |
| -                     | -                    | -                         | 81,776                            | -                | 373,101                    |
| -                     | 27,992               | 27,992                    | (9,032)                           | -                | 49,774                     |
| -                     | 25,378               | 25,378                    | 3,448                             | -                | 3,587                      |
| 1,644                 | 9,172                | 10,816                    | -                                 | -                | -                          |
| <b>\$ 64,757</b>      | <b>\$ 9,420,057</b>  | <b>\$ 9,484,814</b>       | <b>\$ 259,322</b>                 | <b>\$ -</b>      | <b>\$ 2,648,885</b>        |

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

YEAR ENDED JUNE 30, 2015

|                                       | <b>Revenues</b>                   |  |                             |                   | <b>Total<br/>Revenues</b> |
|---------------------------------------|-----------------------------------|--|-----------------------------|-------------------|---------------------------|
|                                       | <b>Beginning<br/>Fund Balance</b> | <b>Operating<br/>Grants/<br/>Contributions</b> | <b>Fees for<br/>Service</b> | <b>Other</b>      |                           |
| Housing Project Dev.                  | \$ (18,558)                       | \$ -   | \$ -                        | \$ -              | \$ -                      |
| Affordable Housing                    | (62,740)                          | -  | -                           | 167,367           | 167,367                   |
| Land Acquisition and Development      | 167,443                           | -  | -                           | -                 | -                         |
| Community Land Trust                  | 907                               | -  | 2,067                       | -                 | 2,067                     |
| Pelican Place - Foundations           | (76,072)                          | -  | -                           | -                 | -                         |
| Community Housing Services            | 1,323                             | -  | -                           | -                 | -                         |
| Home Owner Assist Prg                 | 18,000                            | -  | -                           | -                 | -                         |
| Self-Help Housing Ownership           | 57,614                            | -  | -                           | 40,000            | 40,000                    |
| SHOP - HPG Linn Match                 | 19,514                            | -  | -                           | -                 | -                         |
| SHOP Match - HPG Lincoln 2012         | (156)                             | -  | -                           | -                 | -                         |
| OAHAC MORTG PYMT Assistance           | 3,160                             | 17,600   | -                           | -                 | 17,600                    |
| RD HPG - USDA 2011                    | -                                 | 21,702   | -                           | -                 | 21,702                    |
| CSC Reloaned Proceeds                 | 23,873                            | -  | -                           | 13,194            | 13,194                    |
| Lincoln County Land Trust - Financial | 14,679                            | 7,121  | -                           | 1,295             | 8,416                     |
| Loan Repayment - CSC as Grantee       | (18,047)                          | -  | -                           | 14,417            | 14,417                    |
| LIHEAP WX                             | (1)                               | 495,510  | -                           | -                 | 495,510                   |
| BPA WX 12                             | -                                 | 92,061   | -                           | -                 | 92,061                    |
| BPA WX NA                             | -                                 | 1,743  | -                           | -                 | 1,743                     |
| DOE FY11 WX                           | (1)                               | 137,834  | -                           | -                 | 137,834                   |
| ECHO WX                               | -                                 | 468,543  | -                           | -                 | 468,543                   |
| Rebates - Fee for Service             | 5,372                             | 161,526  | -                           | 32                | 161,558                   |
| NW Natural - Energy Ed #2             | -                                 | 57,063   | -                           | -                 | 57,063                    |
| Misc Revenue - Housing                | 2,444                             | 1,350  | -                           | 356               | 1,706                     |
| Misc Revenue - Weatherization         | -                                 | 100  | -                           | 84                | 184                       |
| CHS Contracted Services               | -                                 | 2,500  | -                           | -                 | 2,500                     |
| Albany Rehab - Contracted Services    | -                                 | 80,000   | -                           | -                 | 80,000                    |
| <i>Total</i>                          | <u>\$ 138,754</u>                 | <u>\$ 1,544,653</u>                            | <u>\$ 2,067</u>             | <u>\$ 236,745</u> | <u>\$ 1,783,465</u>       |



**Expenditures**

| <u>Administration</u> | <u>Weatherization</u> | <u>Housing<br/>Rehabilitation</u> | <u>Total<br/>Expenditures</u> | <u>Net Change in<br/>Fund Balance</u> | <u>Transfers</u> | <u>Ending<br/>Fund Balance</u> |
|-----------------------|-----------------------|-----------------------------------|-------------------------------|---------------------------------------|------------------|--------------------------------|
| \$ -                  | \$ -                  | \$ -                              | \$ -                          | \$ -                                  | \$ 18,558        | \$ -                           |
| -                     | -                     | 14,572                            | 14,572                        | 152,795                               | (90,055)         | -                              |
| -                     | -                     | -                                 | -                             | -                                     | (17,442)         | 150,001                        |
| 468                   | -                     | 2,591                             | 3,059                         | (992)                                 | 85               | -                              |
| -                     | -                     | -                                 | -                             | -                                     | 76,072           | -                              |
| -                     | -                     | -                                 | -                             | -                                     | (1,323)          | -                              |
| -                     | -                     | -                                 | -                             | -                                     | -                | 18,000                         |
| -                     | -                     | -                                 | -                             | 40,000                                | 10,828           | 108,442                        |
| 157                   | -                     | 168                               | 325                           | (325)                                 | (19,189)         | -                              |
| -                     | -                     | -                                 | -                             | -                                     | 156              | -                              |
| 1,809                 | -                     | 17,426                            | 19,235                        | (1,635)                               | -                | 1,525                          |
| 171                   | -                     | 21,531                            | 21,702                        | -                                     | -                | -                              |
| -                     | -                     | -                                 | -                             | 13,194                                | -                | 37,067                         |
| -                     | -                     | 23,095                            | 23,095                        | (14,679)                              | -                | -                              |
| -                     | -                     | -                                 | -                             | 14,417                                | 3,630            | -                              |
| 32,962                | 462,550               | -                                 | 495,512                       | (2)                                   | -                | (3)                            |
| 8,870                 | 83,191                | -                                 | 92,061                        | -                                     | -                | -                              |
| -                     | 1,743                 | -                                 | 1,743                         | -                                     | -                | -                              |
| 11,050                | 126,783               | -                                 | 137,833                       | 1                                     | -                | -                              |
| 45,382                | 423,160               | -                                 | 468,542                       | 1                                     | -                | 1                              |
| 543                   | 111,504               | -                                 | 112,047                       | 49,511                                | -                | 54,883                         |
| -                     | 18,256                | -                                 | 18,256                        | 38,807                                | -                | 38,807                         |
| -                     | -                     | -                                 | -                             | 1,706                                 | 18,680           | 22,830                         |
| -                     | 3                     | -                                 | 3                             | 181                                   | -                | 181                            |
| -                     | -                     | -                                 | -                             | 2,500                                 | -                | 2,500                          |
| 1,993                 | 78,007                | -                                 | 80,000                        | -                                     | -                | -                              |
| <u>\$ 103,405</u>     | <u>\$ 1,305,197</u>   | <u>\$ 79,383</u>                  | <u>\$ 1,487,985</u>           | <u>\$ 295,480</u>                     | <u>\$ -</u>      | <u>\$ 434,234</u>              |

**COMMUNITY SERVICES CONSORTIUM**

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

**CHILD DEVELOPMENT SERVICES**

YEAR ENDED JUNE 30, 2015

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|  | <i>Beginning<br/>Fund Balance</i> | <i>Revenues</i>                                |                 |                           |
|--|-----------------------------------|--|-----------------|---------------------------|
|  |                                   | <i>Operating<br/>Grants/<br/>Contributions</i> | <i>Other</i>    | <i>Total<br/>Revenues</i> |
| Head Start Oregon Pre K                  | \$ -                              | \$ 519,691                                     | \$ -            | \$ 519,691                |
| Head Start Building Repair               | 871                               | -  | -               | -                         |
| Spirit Mountain Donations                | 6,166                             | -  | -               | -                         |
| Lincoln County - Staffing Assistance     | -                                 | 6,075  | -               | 6,075                     |
| Head Start HHS 10/13 - 9/14              | -                                 | 223,399  | -               | 223,399                   |
| Head Start HHS 10/14 - 9/14              | -                                 | 828,658  | -               | 828,658                   |
|  |                                   |  |                 |                           |
| Subtotal                                 | 7,037                             | 1,577,823                                      | -               | 1,577,823                 |
|  |                                   |  |                 |                           |
| Head Start in Lincoln County - 501(c)(3) | 45,532                            | 2,035  | 2,500           | 4,535                     |
|  |                                   |  |                 |                           |
| <i>Total</i>                             | <i>\$ 52,569</i>                  | <i>\$ 1,579,858</i>                            | <i>\$ 2,500</i> | <i>\$ 1,582,358</i>       |

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| <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> |
| \$ 74,496             | \$ 445,195     | \$ 519,691                | \$ -                              | \$ -             | \$ -                       |
| -                     | -              | -                         | -                                 | -                | 871                        |
| -                     | -              | -                         | -                                 | -                | 6,166                      |
| -                     | 6,075          | 6,075                     | -                                 | -                | -                          |
| 15,029                | 208,370        | 223,399                   | -                                 | -                | -                          |
| 120,400               | 708,258        | 828,658                   | -                                 | -                | -                          |
| 209,925               | 1,367,898      | 1,577,823                 | -                                 | -                | 7,037                      |
| 460                   | -              | 460                       | 4,075                             | -                | 49,607                     |
| \$ 210,385            | \$ 1,367,898   | \$ 1,578,283              | \$ 4,075                          | \$ -             | \$ 56,644                  |

**COMMUNITY SERVICES CONSORTIUM**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
MISCELLANEOUS GRANTS  
YEAR ENDED JUNE 30, 2015**

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|                           |                                   | <u>Revenues</u>             |                           |
|---------------------------|-----------------------------------|-----------------------------|---------------------------|
|                           | <u>Beginning<br/>Fund Balance</u> | <u>Operating<br/>Grants</u> | <u>Total<br/>Revenues</u> |
| CSBG Resource Development | \$ -                              | \$ 227,586                  | \$ 227,586                |
| Cover Oregon              | -                                 | 70,592                      | 70,592                    |
| <i>Total</i>              | <u>\$ -</u>                       | <u>\$ 298,178</u>           | <u>\$ 298,178</u>         |

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| <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> |
| \$ 796                | \$ 226,790                    | \$ 227,586                | \$ -                              | \$ -             | \$ -                       |
| 6,438                 | 64,154                        | 70,592                    | -                                 | -                | -                          |
| <u>\$ 7,234</u>       | <u>\$ 290,944</u>             | <u>\$ 298,178</u>         | <u>\$ -</u>                       | <u>\$ -</u>      | <u>\$ -</u>                |

**COMMUNITY SERVICES CONSORTIUM****COMBINING STATEMENT OF NET POSITION – FIDUCIARY FUND TYPE – AGENCY FUNDS**JUNE 30, 2015

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|                                   | <u>Lincoln<br/>Regional<br/>Loan Fund</u> | <u>Linn Benton<br/>Revolving<br/>Loan</u> | <u>Adair Village<br/>CDBG</u> | <u>Lincoln City<br/>CDBG</u> | <u>City of Toledo<br/>CDBG</u> |
|-----------------------------------|---|---|-------------------------------|------------------------------|--------------------------------|
| <b>ASSETS</b>                     |   |   |                               |                              |                                |
| Cash and investments              | \$ 103,055                                | \$ 10,987                                 | \$ 18,209                     | \$ -                         | \$ 77,214                      |
| Accounts receivable               | 11,490                                    | 86,770                                    | -                             | -                            | -                              |
| Loans receivable                  | 682,963                                   | 630,415                                   | 70,387                        | 502,886                      | 165,850                        |
| <i>Total Assets</i>               | <u>\$ 797,508</u>                         | <u>\$ 728,172</u>                         | <u>\$ 88,596</u>              | <u>\$ 502,886</u>            | <u>\$ 243,064</u>              |
| <b>LIABILITIES</b>                |   |   |                               |                              |                                |
| Due to Community Housing Services | \$ 797,508                                | \$ 728,172                                | \$ 88,596                     | \$ 502,886                   | \$ 243,064                     |
| <i>Total Liabilities</i>          | <u>\$ 797,508</u>                         | <u>\$ 728,172</u>                         | <u>\$ 88,596</u>              | <u>\$ 502,886</u>            | <u>\$ 243,064</u>              |

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| <i>Waldport<br/>CDBG</i> | <i>Benton<br/>County<br/>CDBG</i> | <i>Lincoln<br/>County<br/>CDBG</i> | <i>City of<br/>Newport<br/>CDBG</i> | <i>City of<br/>Albany<br/>CDBG</i> | <i>City of<br/>Lyons<br/>CDBG</i> | <i>Total<br/>Fidiciary<br/>Funds</i> |
|--------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------------------------|-----------------------------------|--------------------------------------|
| \$ -                     | \$ -                              | \$ (58)                            | \$ 140,796                          | \$ -                               | \$ -                              | \$ 350,203                           |
| -                        | -                                 | -                                  | -                                   | -                                  | -                                 | 98,260                               |
| 140,434                  | 692,599                           | 475,946                            | 521,362                             | 749,533                            | 64,738                            | 4,697,113                            |
| <u>\$ 140,434</u>        | <u>\$ 692,599</u>                 | <u>\$ 475,888</u>                  | <u>\$ 662,158</u>                   | <u>\$ 749,533</u>                  | <u>\$ 64,738</u>                  | <u>\$ 5,145,576</u>                  |
| <u>\$ 140,434</u>        | <u>\$ 692,599</u>                 | <u>\$ 475,888</u>                  | <u>\$ 662,158</u>                   | <u>\$ 749,533</u>                  | <u>\$ 64,738</u>                  | <u>\$ 5,145,576</u>                  |
| <u>\$ 140,434</u>        | <u>\$ 692,599</u>                 | <u>\$ 475,888</u>                  | <u>\$ 662,158</u>                   | <u>\$ 749,533</u>                  | <u>\$ 64,738</u>                  | <u>\$ 5,145,576</u>                  |

**COMMUNITY SERVICES CONSORTIUM****COMBINING STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUND TYPE – AGENCY FUNDS  
YEAR ENDED JUNE 30, 2015**

|                                    | <i>Lincoln<br/>Regional<br/>Loan Fund</i> | <i>Linn Benton<br/>Revolving<br/>Loan</i> | <i>Adair<br/>Village<br/>CDBG</i> | <i>Lincoln City<br/>CDBG</i> | <i>City of<br/>Toledo<br/>CDBG</i> |
|------------------------------------|---|---|-----------------------------------|------------------------------|------------------------------------|
| <i>Balance July 1, 2014</i>        | \$ 696,835                                | \$ 646,592                                | \$ 88,596                         | \$ 502,886                   | \$ 204,119                         |
| <b>Additions</b>                   |   |   |                                   |                              |                                    |
| Collected during current year      | -   | -   | -                                 | -                            | 37,219                             |
| Transfers in                       | 120,134                                   | 76,806                                    | -                                 | -                            | -                                  |
| Other additions                    | 4,651                                     | 797                                       | -                                 | -                            | 1,784                              |
| Loan repayments                    | 46,302                                    | 86,867                                    | -                                 | -                            | 8,423                              |
|                                    | <u>171,087</u>                            | <u>164,470</u>                            | <u>-</u>                          | <u>-</u>                     | <u>47,426</u>                      |
| <b>Deductions</b>                  |   |   |                                   |                              |                                    |
| Transfers out                      | -   | -   | -                                 | -                            | -                                  |
| Other deductions                   | 24,768                                    | 82,793                                    | -                                 | -                            | 58                                 |
| New amounts made available to loan | 45,646                                    | 97  | -                                 | -                            | 8,423                              |
|                                    | <u>70,414</u>                             | <u>82,890</u>                             | <u>-</u>                          | <u>-</u>                     | <u>8,481</u>                       |
| <i>Balance June 30, 2015</i>       | <u>\$ 797,508</u>                         | <u>\$ 728,172</u>                         | <u>\$ 88,596</u>                  | <u>\$ 502,886</u>            | <u>\$ 243,064</u>                  |



| <i>Waldport<br/>CDBG</i> | <i>Benton<br/>County<br/>CDBG</i> | <i>Lincoln<br/>County<br/>CDBG</i> | <i>City of<br/>Newport<br/>CDBG</i> | <i>City of<br/>Albany<br/>CDBG</i> | <i>City of<br/>Lyons<br/>CDBG</i> | <i>Trust<br/>Management</i> | <i>Total<br/>Fidiciary<br/>Funds</i> |
|--------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------------------------|-----------------------------------|-----------------------------|--------------------------------------|
| \$ 172,288               | \$ 771,469                        | \$ 497,682                         | \$ 762,863                          | \$ 774,532                         | \$ 64,738                         | \$ 10,000                   | \$ 5,192,600                         |
| -                        | -                                 | -                                  | -                                   | -                                  | -                                 | -                           | 37,219                               |
| -                        | -                                 | -                                  | -                                   | -                                  | -                                 | -                           | 196,940                              |
| -                        | -                                 | -                                  | -                                   | -                                  | -                                 | -                           | 7,232                                |
| -                        | -                                 | -                                  | -                                   | -                                  | -                                 | -                           | 141,592                              |
| -                        | -                                 | -                                  | -                                   | -                                  | -                                 | -                           | 382,983                              |
| 31,854                   | 51,807                            | 21,794                             | 66,486                              | 24,999                             | -                                 | -                           | 196,940                              |
| -                        | 27,063                            | -                                  | 34,219                              | -                                  | -                                 | 10,000                      | 178,901                              |
| -                        | -                                 | -                                  | -                                   | -                                  | -                                 | -                           | 54,166                               |
| 31,854                   | 78,870                            | 21,794                             | 100,705                             | 24,999                             | -                                 | 10,000                      | 430,007                              |
| \$ 140,434               | \$ 692,599                        | \$ 475,888                         | \$ 662,158                          | \$ 749,533                         | \$ 64,738                         | \$ -                        | \$ 5,145,576                         |

***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.*

***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>2015</u>         | <u>2014</u>         | <u>2013</u>         | <u>2012</u>         | <u>2011</u>         |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities      |                     |                     |                     |                     |                     |
| Investment in capital assets | \$ 4,020,329        | \$ 4,275,108        | \$ 4,395,361        | \$ 4,534,314        | \$ 3,786,264        |
| Restricted                   | 2,655,109           | 2,202,276           | 2,709,696           | 2,392,488           | 2,272,834           |
| Unrestricted                 | <u>(1,095,877)</u>  | <u>(53,990)</u>     | <u>150,250</u>      | <u>908,667</u>      | <u>709,898</u>      |
| Total Net Position           | <u>\$ 5,579,561</u> | <u>\$ 6,423,394</u> | <u>\$ 7,255,307</u> | <u>\$ 7,835,469</u> | <u>\$ 6,768,996</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>2010</u>         | <u>2009</u>         | <u>2008</u>         | <u>2007</u>         | <u>2006</u>         |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 3,771,555        | \$ 3,221,558        | \$ 1,733,160        | \$ 1,808,644        | \$ 1,389,081        |
| 2,622,005           | 2,709,156           | 3,024,848           | 2,360,859           | 2,028,832           |
| <u>276,097</u>      | <u>262,130</u>      | <u>248,723</u>      | <u>255,194</u>      | <u>207,550</u>      |
| <u>\$ 6,669,657</u> | <u>\$ 6,192,844</u> | <u>\$ 5,006,731</u> | <u>\$ 4,424,697</u> | <u>\$ 3,625,463</u> |

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

|  | <u>2015</u>         | <u>2014</u>         | <u>2013</u>         | <u>2012</u>         |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Expenses</b>                                |                     |                     |                     |                     |
| Governmental activities:                       |                     |                     |                     |                     |
| Workforce and education                        | \$ 2,844,473        | \$ 2,674,387        | \$ 2,575,053        | \$ 3,108,337        |
| Weatherization                                 | 1,124,872           | 1,149,804           | 1,335,908           | 3,224,953           |
| Emergency services                             | 3,822,670           | 4,119,090           | 4,136,330           | 4,711,932           |
| Housing rehabilitation**                       | 68,515              | 351,574             | 727,252             | 802,144             |
| Child development services                     | 1,088,529           | 1,224,532           | 1,323,522           | 1,311,282           |
| Food programs                                  | 9,245,825           | 9,750,167           | 9,072,553           | 9,543,203           |
| Retired and senior volunteers*                 | -                   | -                   | 129,238             | 130,727             |
| Miscellaneous programs                         | 269,523             | 119,237             | 163,707             | 281,131             |
| Administration                                 | 1,492,078           | 1,924,508           | 2,066,891           | 2,218,087           |
| Total governmental activities expenses         | <u>19,956,485</u>   | <u>21,313,299</u>   | <u>21,530,454</u>   | <u>25,331,796</u>   |
| <b>Program Revenues</b>                        |                     |                     |                     |                     |
| Governmental activities:                       |                     |                     |                     |                     |
| Grants and contracts                           | 21,110,182          | 20,551,517          | 20,029,785          | 25,460,982          |
| Fees for services                              | 558,144             | 416,373             | 909,850             | 912,288             |
| General revenues:                              |                     |                     |                     |                     |
| Interest                                       | 4,778               | 7,479               | 10,657              | 11,833              |
| Sales of house and other assets                | 31,046              | -                   | -                   | 13,166              |
| Total governmental activities program revenues | <u>21,704,150</u>   | <u>20,975,369</u>   | <u>20,950,292</u>   | <u>26,398,269</u>   |
| <b>Extraordinary Item - transfer to CHS</b>    | <u>-</u>            | <u>(493,983)</u>    | <u>-</u>            | <u>-</u>            |
| <b>Total Change in Net Position</b>            | <u>\$ 1,747,665</u> | <u>\$ (831,913)</u> | <u>\$ (580,162)</u> | <u>\$ 1,066,473</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>2011</u>       | <u>2010</u>       | <u>2009</u>         | <u>2008</u>       | <u>2007</u>       | <u>2006</u>       |
|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| \$ 5,278,519      | \$ 6,441,682      | \$ 4,403,039        | \$ 4,676,578      | \$ 5,578,603      | \$ 5,813,186      |
| 2,282,750         | 2,033,711         | 1,344,917           | 884,679           | 854,264           | 1,030,992         |
| 5,517,482         | 5,993,035         | 4,886,597           | 3,544,412         | 3,043,521         | 2,861,134         |
| 1,423,212         | 1,300,741         | 1,398,821           | 1,410,755         | 1,412,293         | 1,255,650         |
| 1,173,940         | 1,596,804         | 1,401,874           | 1,613,622         | 1,376,038         | 1,230,250         |
| 7,905,891         | 8,337,625         | 8,394,943           | 7,997,334         | 8,652,019         | 7,868,476         |
| 190,533           | 207,425           | 214,813             | 183,752           | -                 | -                 |
| 234,806           | 376,920           | 172,454             | 241,844           | 187,082           | 10,792            |
| <u>2,245,267</u>  | <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>26,252,400</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> |
| 25,217,647        | 27,850,884        | 24,290,332          | 21,625,431        | 21,524,612        | 21,041,139        |
| 1,125,963         | 1,138,336         | 1,255,349           | 772,544           | 1,137,549         | 944,486           |
| 6,627             | 13,078            | 22,948              | 40,185            | 38,127            | 8,890             |
| <u>1,500</u>      | <u>-</u>          | <u>-</u>            | <u>-</u>          | <u>118,264</u>    | <u>-</u>          |
| <u>26,351,737</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>-</u>          | <u>-</u>          | <u>-</u>            | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| <u>\$ 99,337</u>  | <u>\$ 476,813</u> | <u>\$ 1,186,107</u> | <u>\$ 582,034</u> | <u>\$ 799,238</u> | <u>\$ 375,949</u> |



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

|                                    | <u>2015</u>                | <u>2014</u>                | <u>2013</u>                | <u>2012</u>                |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund                       |                            |                            |                            |                            |
| Reserved                           | \$ -                       | \$ -                       | \$ -                       | \$ -                       |
| Unreserved                         | -                          | -                          | -                          | -                          |
| Nonspendable                       | 11,385                     | 11,939                     | 13,608                     | 20,644                     |
| Unassigned                         | 590,988                    | 477,117                    | 413,917                    | 361,590                    |
| Total general fund                 | <u>602,373</u>             | <u>489,056</u>             | <u>427,525</u>             | <u>382,234</u>             |
| All Other Governmental Funds       |                            |                            |                            |                            |
| Reserved, reported in:             |                            |                            |                            |                            |
| Special revenue funds              | -                          | -                          | -                          | -                          |
| Nonspendable                       | 450,582                    | 381,517                    | 318,499                    | 432,723                    |
| Restricted                         | 2,655,109                  | 2,202,276                  | 2,709,696                  | 2,392,488                  |
| Assigned                           | 751,905                    | 762,399                    | 644,842                    | 809,659                    |
| Unassigned                         | -                          | (179,589)                  | (177,555)                  | -                          |
| Total all other governmental funds | <u>3,857,596</u>           | <u>3,166,603</u>           | <u>3,495,482</u>           | <u>3,634,870</u>           |
| Total Fund Balance                 | <u><u>\$ 4,459,969</u></u> | <u><u>\$ 3,655,659</u></u> | <u><u>\$ 3,923,007</u></u> | <u><u>\$ 4,017,104</u></u> |

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

| <u>2011</u>         | <u>2010</u>         | <u>2009</u>         | <u>2008</u>         | <u>2007</u>         | <u>2006</u>         |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ -                | \$ 14,443           | \$ 89,083           | \$ (17,367)         | \$ 13,215           | \$ 10,619           |
| -                   | 261,654             | 173,053             | 231,356             | 241,979             | 207,550             |
| 10,423              | -                   | -                   | -                   | -                   | -                   |
| 285,203             | -                   | -                   | -                   | -                   | -                   |
| <u>295,626</u>      | <u>276,097</u>      | <u>262,136</u>      | <u>213,989</u>      | <u>255,194</u>      | <u>218,169</u>      |
| -                   | 2,914,484           | 2,878,271           | 3,059,582           | 2,360,859           | 2,018,213           |
| 345,088             | -                   | -                   | -                   | -                   | -                   |
| 2,272,834           | -                   | -                   | -                   | -                   | -                   |
| 537,832             | -                   | -                   | -                   | -                   | -                   |
| (100)               | -                   | -                   | -                   | -                   | -                   |
| <u>3,155,654</u>    | <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>\$ 3,451,280</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> |

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

|   | <u>2015</u>       | <u>2014</u>         | <u>2013</u>        | <u>2012</u>       |
|---|-------------------|---------------------|--------------------|-------------------|
| <b>Revenues</b>                         |                   |                     |                    |                   |
| Grants and contracts                    | \$ 11,335,048     | \$ 10,163,020       | \$ 10,630,359      | \$ 14,122,307     |
| Contributions                           | 934,374           | 895,289             | 851,903            | 803,226           |
| Loan repayments                         | 67,967            | 30,444              | 264,807            | 241,289           |
| Fees for service                        | 560,211           | 661,762             | 887,032            | 912,291           |
| Commodity foods                         | 8,404,858         | 8,687,104           | 7,882,273          | 8,604,144         |
| Other                                   | 365,868           | 530,269             | 423,262            | 628,340           |
| Sale of houses and other assets         | 169,867           | -                   | -                  | 139,540           |
| Interest                                | 4,778             | 7,479               | 10,656             | 11,833            |
| <b>Total Revenues</b>                   | <u>21,842,971</u> | <u>20,975,367</u>   | <u>20,950,292</u>  | <u>25,462,970</u> |
| <b>Expenditures</b>                     |                   |                     |                    |                   |
| Workforce and education                 | 3,234,465         | 2,696,383           | 2,602,001          | 3,108,337         |
| Weatherization                          | 1,305,197         | 1,149,804           | 1,335,908          | 3,224,953         |
| Emergency services                      | 4,102,461         | 4,119,090           | 4,136,330          | 4,721,932         |
| Housing rehabilitation**                | 79,383            | 351,574             | 727,252            | 790,097           |
| Child development services              | 1,367,898         | 1,224,532           | 1,323,522          | 1,311,282         |
| Food programs                           | 9,420,057         | 9,778,703           | 9,072,553          | 9,543,203         |
| Retired and senior volunteers*          | -                 | -                   | 129,238            | 130,727           |
| Miscellaneous programs                  | 290,944           | 119,237             | 163,707            | 281,131           |
| Interest expenses                       | -                 | -                   | -                  | -                 |
| Capital outlay                          | -                 | -                   | -                  | -                 |
| Administration                          | 1,238,256         | 1,309,409           | 1,553,882          | 1,785,485         |
| <b>Total Expenditures</b>               | <u>21,038,661</u> | <u>20,748,732</u>   | <u>21,044,393</u>  | <u>24,897,147</u> |
| <b>Transfer to CHS</b>                  | <u>-</u>          | <u>(493,983)</u>    | <u>-</u>           | <u>-</u>          |
| <b>Total Net Change in Fund Balance</b> | <u>\$ 804,310</u> | <u>\$ (267,348)</u> | <u>\$ (94,101)</u> | <u>\$ 565,823</u> |

\*The Retired and senior volunteers program ended in FY13

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

| <u>2011</u>       | <u>2010</u>       | <u>2009</u>         | <u>2008</u>       | <u>2007</u>       | <u>2006</u>       |
|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| \$ 16,642,556     | \$ 18,820,051     | \$ 15,200,673       | \$ 12,758,612     | \$ 12,550,730     | \$ 12,856,442     |
| 781,713           | 729,103           | 758,607             | 598,401           | 547,775           | 439,393           |
| 181,758           | 193,547           | 171,515             | 248,810           | 380,804           | 396,136           |
| 1,125,963         | 1,138,336         | 1,271,092           | 984,170           | 756,745           | 548,350           |
| 6,916,493         | 7,238,221         | 7,518,064           | 7,246,770         | 7,896,190         | 7,253,985         |
| 695,126           | 666,254           | 625,728             | 557,145           | 229,917           | 192,396           |
| 1,500             | 203,708           | -                   | 4,067             | 220,791           | 340,500           |
| 6,627             | 13,079            | 22,948              | 40,185            | 38,127            | 8,890             |
| <u>26,351,736</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> |
| 5,294,442         | 6,510,030         | 4,403,039           | 4,676,578         | 5,578,603         | 5,795,035         |
| 2,282,750         | 2,033,711         | 1,344,917           | 884,679           | 854,264           | 1,015,258         |
| 5,532,482         | 5,993,468         | 4,886,597           | 3,544,412         | 3,094,382         | 2,861,134         |
| 1,528,283         | 1,798,168         | 2,871,671           | 1,410,755         | 1,412,293         | 1,243,934         |
| 1,173,940         | 1,607,747         | 1,401,874           | 1,613,622         | 883,073           | 1,176,755         |
| 7,905,891         | 8,416,338         | 8,394,943           | 7,997,334         | 8,652,019         | 7,864,691         |
| 190,533           | 207,425           | 214,813             | 183,752           | -                 | -                 |
| 234,806           | 376,920           | 172,454             | 241,844           | 187,082           | 10,792            |
| -                 | -                 | -                   | -                 | 27,466            | 11,716            |
| -                 | -                 | -                   | -                 | 518,388           | 91,165            |
| <u>1,947,910</u>  | <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>26,091,037</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>-</u>          | <u>-</u>          | <u>-</u>            | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| <u>\$ 260,699</u> | <u>\$ 50,174</u>  | <u>\$ (133,163)</u> | <u>\$ 657,517</u> | <u>\$ 379,672</u> | <u>\$ 417,526</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>2015</i>          | <i>2014</i>          | <i>2013</i>          | <i>2012</i>          | <i>2011</i>          |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Grants and contracts  | \$ 11,335,048        | \$ 10,163,020        | \$ 10,630,359        | \$ 14,122,307        | \$ 16,642,556        |
| Contributions         | 934,374              | 895,289              | 851,903              | 803,226              | 781,713              |
| Loan repayments       | 67,967               | 30,444               | 264,807              | 241,289              | 181,758              |
| Fees for service      | 560,211              | 661,762              | 887,032              | 912,291              | 1,125,963            |
| Commodity foods       | 8,404,858            | 8,687,104            | 7,882,273            | 8,604,144            | 6,916,493            |
| Other                 | 535,735              | 530,269              | 423,262              | 767,880              | 696,626              |
| Interest              | 4,778                | 7,479                | 10,656               | 11,833               | 6,627                |
| <i>Total Revenues</i> | <u>\$ 21,842,971</u> | <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.

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| <u>2010</u>          | <u>2009</u>          | <u>2008</u>             | <u>2007</u>             | <u>2006</u>             |
|----------------------|----------------------|-------------------------|-------------------------|-------------------------|
| \$ 18,820,051        | \$ 15,200,673        | \$ 12,758,612           | \$ 12,550,730           | \$ 12,856,442           |
| 729,103              | 758,607              | 598,401                 | 547,775                 | 439,393                 |
| 193,547              | 171,515              | 248,810                 | 380,804                 | 396,136                 |
| 1,138,336            | 1,271,092            | 984,170                 | 756,745                 | 548,350                 |
| 7,238,221            | 7,518,064            | 7,246,770               | 7,896,190               | 7,253,985               |
| 869,962              | 625,728              | 561,212                 | 450,708                 | 532,896                 |
| 13,079               | 22,948               | 40,185                  | 38,127                  | 8,890                   |
| <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> |

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

| <i>Function</i>                | <i>2015</i>   | <i>2014</i>   | <i>2013</i>   | <i>2012</i>   | <i>2011</i>   |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b><i>Current</i></b>          |               |               |               |               |               |
| Administration                 | \$ 1,238,256  | \$ 1,309,409  | \$ 1,553,882  | \$ 1,785,485  | \$ 1,947,910  |
| Workforce and education        | 3,234,465     | 2,696,383     | 2,602,001     | 3,108,337     | 5,294,442     |
| Weatherization                 | 1,305,197     | 1,149,804     | 1,335,908     | 3,224,953     | 2,282,750     |
| Emergency services             | 4,102,461     | 4,119,090     | 4,136,330     | 4,721,932     | 5,532,482     |
| Housing rehabilitation         | 79,383        | 351,574       | 727,252       | 790,097       | 1,528,283     |
| Head Start                     | 1,367,898     | 1,224,532     | 1,323,522     | 1,311,282     | 1,173,940     |
| Food programs                  | 9,420,057     | 9,778,703     | 9,072,553     | 9,543,203     | 7,905,891     |
| Retired and senior volunteers* | -             | -             | 129,238       | 130,727       | 190,533       |
| Miscellaneous programs         | 290,944       | 119,237       | 163,707       | 281,131       | 234,806       |
| <i>Total Current</i>           | 21,038,661    | 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>      | \$ 21,038,661 | \$ 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.

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



***STATISTICAL SECTION***

***REVENUE CAPACITY***

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

|                                  | <u>2015</u>          | <u>2014</u>          | <u>2013</u>          | <u>2012</u>          |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Function/Program</b>          |                      |                      |                      |                      |
| <b>General Fund</b>              |                      |                      |                      |                      |
| Grants and contracts             | \$ 1,186             | \$ 26,822            | \$ 99,996            | \$ 126,416           |
| Contributions                    | 89,494               | 31,462               | 12,063               | 11,810               |
| Other                            | 34,818               | 41,875               | 36,637               | 26,840               |
| Interest                         | <u>4,778</u>         | <u>7,479</u>         | <u>7,813</u>         | <u>6,141</u>         |
| <i>Subtotal General Revenues</i> | <u>130,276</u>       | <u>107,638</u>       | <u>156,509</u>       | <u>171,207</u>       |
| <b>Governmental activities:</b>  |                      |                      |                      |                      |
| Grants and contracts             | 11,333,862           | 10,136,198           | 10,530,363           | 13,995,891           |
| Contributions                    | 844,880              | 863,827              | 839,840              | 791,416              |
| Loan repayments                  | 67,967               | 30,444               | 264,807              | 241,289              |
| Fees for service                 | 560,211              | 661,762              | 887,032              | 912,291              |
| Commodity foods                  | 8,404,858            | 8,687,104            | 7,882,273            | 8,604,144            |
| Other                            | 331,050              | 488,394              | 386,625              | 601,500              |
| Sale of houses and other assets  | 169,867              | -                    | -                    | 139,540              |
| Interest                         | <u>-</u>             | <u>-</u>             | <u>2,843</u>         | <u>5,692</u>         |
| <i>Subtotal Special Revenues</i> | <u>21,712,695</u>    | <u>20,867,729</u>    | <u>20,793,783</u>    | <u>25,291,763</u>    |
| <b>Total Revenues</b>            | <u>\$ 21,842,971</u> | <u>\$ 20,975,367</u> | <u>\$ 20,950,292</u> | <u>\$ 25,462,970</u> |

| <u>2011</u>          | <u>2010</u>          | <u>2009</u>          | <u>2008</u>          | <u>2007</u>          | <u>2006</u>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| 8,410                | 5,100                | 2,550                | 1,200                | 954                  | 1,016                |
| 6,105                | 84                   | 2,016                | 1,573                | 87                   | 5,659                |
| <u>5,137</u>         | <u>10,586</u>        | <u>22,266</u>        | <u>39,415</u>        | <u>37,204</u>        | <u>8,106</u>         |
| <u>19,652</u>        | <u>15,770</u>        | <u>26,832</u>        | <u>42,188</u>        | <u>38,245</u>        | <u>14,781</u>        |
| 16,642,556           | 18,820,051           | 15,200,673           | 12,758,612           | 12,550,730           | 12,856,442           |
| 773,303              | 724,003              | 756,057              | 597,201              | 546,821              | 438,377              |
| 181,758              | 193,547              | 171,515              | 248,810              | 380,804              | 396,136              |
| 1,125,963            | 1,138,336            | 1,271,092            | 984,170              | 756,745              | 548,350              |
| 6,916,493            | 7,238,221            | 7,518,064            | 7,246,770            | 7,896,190            | 7,253,985            |
| 689,021              | 666,170              | 623,712              | 555,572              | 229,830              | 186,737              |
| 1,500                | 203,708              | -                    | 4,067                | 220,791              | 340,500              |
| <u>1,490</u>         | <u>2,493</u>         | <u>682</u>           | <u>770</u>           | <u>923</u>           | <u>784</u>           |
| <u>26,332,084</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>\$ 26,351,736</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> |

***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</b>    | <b>Per</b>      | <b>Unemployment</b> | <b>Percentage of</b>     |
|------------------------|-------------------|-----------------|-----------------|---------------------|--------------------------|
| <b>Year</b>            | <b>Population</b> | <b>Personal</b> | <b>Capita</b>   | <b>Rate</b>         | <b>Population Living</b> |
|                        |                   | <b>Income</b>   | <b>Personal</b> |                     | <b>In Poverty</b>        |
|                        |                   |                 | <b>Income</b>   |                     |                          |
| 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         | 163,652,836     | 41,220          | 7.7%                | 16.7%                    |
| 2015                   | 3,962,710         | N/A             | N/A             | 6.9%                | N/A                      |

| <b>Benton County</b> |                   | <b>Total</b>    | <b>Per</b>      | <b>Unemployment</b> | <b>Percentage of</b>     |
|----------------------|-------------------|-----------------|-----------------|---------------------|--------------------------|
| <b>Year</b>          | <b>Population</b> | <b>Personal</b> | <b>Capita</b>   | <b>Rate</b>         | <b>Population Living</b> |
|                      |                   | <b>Income</b>   | <b>Personal</b> |                     | <b>In Poverty</b>        |
|                      |                   |                 | <b>Income</b>   |                     |                          |
| 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            | 3,507,101       | 40,502          | 6.1%                | 23.8%                    |
| 2014                 | 87,725            | N/A             | N/A             | 5.8%                | 22.7%                    |
| 2015                 | 88,740            | N/A             | N/A             | 5.3%                | N/A                      |

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| <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           | 3,739,110                    | 31,483                            | 10.9%                    | 19.0%   |
| 2014               | 118,665           | N/A                          | N/A                               | 9.7%                     | 19.5%   |
| 2015               | 119,705           | N/A                          | N/A                               | 8.3%                     | 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            | 1,718,619                    | 37,079                            | 9.3%                     | 16.8%   |
| 2014                  | 46,560            | N/A                          | N/A                               | 8.2%                     | 17.1%   |
| 2015                  | 46,890            | N/A                          | N/A                               | 8.0%                     | 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.

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

|  | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Population                             |             |             |             |             |             |
| Benton                                 | 88,740      | 87,725      | 86,785      | 85,995      | 85,995      |
| Linn                                   | 119,705     | 118,655     | 118,035     | 117,340     | 117,340     |
| Lincoln                                | 46,890      | 46,560      | 46,295      | 46,155      | 46,060      |
| Employees                              |             |             |             |             |             |
| Non-management (represented) employees | 87          | 79          | 88          | 107         | 132         |
| Management (exempt) employees          | 16          | 17          | 19          | 15          | 23          |
| Total FTE                              | <u>103</u>  | <u>96</u>   | <u>107</u>  | <u>122</u>  | <u>155</u>  |
| Employees by Function                  |             |             |             |             |             |
| Administration                         | 4           | 4           | 4           | 6           | 5           |
| Finance                                | 4           | 4           | 4           | 4           | 6           |
| Technology                             | 3           | 3           | 3           | 3           | 3           |
| Workforce Investment Board             | -           | -           | -           | 2           | 2           |
| Community Resource Development         | 2           | 3           | 3           | 4           | 3           |
| Child Development Services             | 20          | 19          | 21          | 19          | 18          |
| Workforce and Education                | 33          | 25          | 27          | 34          | 59          |
| Emergency Services                     | 20          | 20          | 20          | 22          | 24          |
| Housing and Community Resources        | 10          | 11          | 16          | 19          | 25          |
| Linn Benton Food Share / Gleaning      | 7           | 7           | 7           | 7           | 7           |
| Retired and Senior Volunteers          | -           | -           | 2           | 2           | 3           |
|  | <u>103</u>  | <u>96</u>   | <u>107</u>  | <u>122</u>  | <u>155</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.

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| <i>2010</i> | <i>2009</i> | <i>2008</i> |
|-------------|-------------|-------------|
|-------------|-------------|-------------|

|         |         |         |
|---------|---------|---------|
| 85,735  | 86,725  | 86,120  |
| 116,840 | 110,865 | 110,815 |
| 46,135  | 44,700  | 44,715  |

|            |            |            |
|------------|------------|------------|
| 128        | 106        | 100        |
| 24         | 27         | 30         |
| <u>152</u> | <u>133</u> | <u>130</u> |

|            |            |            |
|------------|------------|------------|
| 5          | 5          | 5          |
| 6          | 5          | 5          |
| 3          | 3          | 2          |
| 2          | 2          | 2          |
| 3          | 2          | 2          |
| 20         | 21         | 26         |
| 60         | 50         | 48         |
| 22         | 20         | 17         |
| 21         | 15         | 14         |
| 7          | 7          | 7          |
| 3          | 3          | 2          |
| <u>152</u> | <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, 2015, and have issued our report thereon dated February 17, 2016.

#### ***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:   
Ryan T. Pasquarella, A Shareholder  
February 17, 2016

***FEDERAL COMPLIANCE SECTION***

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2015**

|  | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass Through Organization</b>      | <b>Pass<br/>Through ID</b> | <b>Expenditures</b> | <b>Amount Paid<br/>to Subrecipients</b> |
|--|------------------------------------|---------------------------------------|----------------------------|---------------------|---|
| <u>U.S. Department of Agriculture</u>                        |                                    |                                       |                            |                     |   |
| <i>Food Distribution Cluster</i>                             |                                    |                                       |                            |                     |   |
| Temporary Emergency Food Assistance Program<br>- Cash        | 10.568                             | Oregon Food Bank                      | unknown                    | \$ 26,488           | \$ -                                    |
| Temporary Emergency Food Assistance Program<br>- Commodities | 10.569                             | Oregon Food Bank                      | unknown                    | 389,929             | -                                       |
| <i>Total Food Distribution Cluster</i>                       |                                    |                                       |                            | 416,417             |   |
| Housing Preservation Grant -USDA - Linn                      | 10.433                             | Rural Development Administration      | USDA-RD-HCRP-HPG-2011      | 21,702              | -                                       |
| Child and Adult Care Food Program                            | 10.558                             | Oregon Department of Education        | unknown                    | 51,311              | -                                       |
| Child and Adult Care Food Program                            | 10.558                             | Oregon Department of Education        | unknown                    | 6,119               | -                                       |
| Child and Adult Care Food Program                            | 10.558                             | Oregon Department of Education        | 2103001                    | 23,053              | -                                       |
| Total Child and Adult Care Food Program                      |                                    |                                       |                            | 80,483              |   |
| Total U.S. Department of Agriculture                         |                                    |                                       |                            | 518,602             |   |
| <u>U.S. Department of Housing and Urban Development</u>      |                                    |                                       |                            |                     |   |
| Continuum of Care  | 14.267                             | Direct                                | OR0075L0E051205            | 71,560              | -                                       |
| Continuum of Care HUD - Passport - CSC                       | 14.267                             | Direct                                | OR0079B0E051104            | 14,820              | -                                       |
| Continuum of Care HUD - Passport - CSC                       | 14.267                             | Direct                                | OR0079L0E051205            | 12,782              | -                                       |
| Continuum of Care HUD - CS SHP                               | 14.267                             | Direct                                | OR0063B0E051304            | 73,314              | -                                       |
| Continuum of Care HUD - LBHASH1                              | 14.267                             | Linn-Benton Housing Authority         | OR0063B0E051002            | 35,609              | -                                       |
| Total Continuum of Care                                      |                                    |                                       |                            | 208,085             |   |
| YB Albany CDBG   | 14.218                             | City of Albany                        | B-13-MC-41-0011            | 30,150              | -                                       |
| CDBG Albany Rehabilitation - Contracted Services             | 14.218                             | City of Albany                        | B-13-MC-41-0011            | 80,000              | -                                       |
| Total CDBG   |                                    |                                       |                            | 110,150             |   |
| ESGP 12 - Emergency Shelter Grant Program                    | 14.231                             | Oregon Housing and Community Services | OHCS MGA 13-15 #2035       | 13,393              | -                                       |
| ESGP 13 - Emergency Shelter Grant Program                    | 14.231                             | Oregon Housing and Community Services | OHCS MGA 13-15 #2035       | 120,818             | -                                       |
| Total Emergency Shelter Grant Program                        |                                    |                                       |                            | 134,211             |   |
| Home Tenant Based Assistance - FFY 13-14                     | 14.239                             | Oregon Housing and Community Services | OHCS MGA 13-15 #2035       | 74,918              | -                                       |
| Home Tenant Based Assistance - FFY 13-14                     | 14.239                             | Oregon Housing and Community Services | OHCS MGA 13-15 #2035       | 52,855              | -                                       |
| Home Tenant Based Assistance - FFY 12 - HQS Inspections      | 14.239                             | Oregon Housing and Community Services | OHCS MGA 13-15 #2035       | 863                 | -                                       |
| Total Home Tenant Based Assistance                           |                                    |                                       |                            | 128,636             |   |
| Total U.S. Department of Housing and Urban Development       |                                    |                                       |                            | 581,082             |   |

See notes to schedule of expenditures of federal awards.

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

|  | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass Through Organization</b>                       | <b>Pass<br/>Through ID</b> | <b>Expenditures</b> | <b>Amount Paid<br/>to Subrecipients</b> |
|--|------------------------------------|--|----------------------------|---------------------|---|
| <u>U.S. Department of the Interior - Bureau of Land Management</u> |                                    |  |                            |                     |   |
| Oregon Youth Conservation Corps - BLM Yaquina Head Project         | 15.225                             | Oregon Community Colleges and Workforce<br>Development | GRNT0653                   | \$ 5,000            | \$ -                                    |
| <u>U.S. Department of Labor</u>                                    |                                    |  |                            |                     |   |
| <i>Workforce Investment Act (WIA) Cluster</i>                      |                                    |  |                            |                     |   |
| Title IB - Adult - PY14  | 17.258                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 37,899              | -                                       |
| Title IB - Adult - FY14  | 17.258                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 63,987              | -                                       |
| Title IB - Adult - FY15  | 17.258                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 440,668             | 9,963                                   |
| Title IB - Adult - 2% Transition Cost - FY15                       | 17.258                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 6,054               | -                                       |
| Title IB - Local Admin - PY14 - Adult                              | 17.258                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 4,210               | -                                       |
| Title IB - Local Admin - FY14 - Adult                              | 17.258                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 55,858              | -                                       |
| Title IB - Local Admin - FY15 - Adult                              | 17.258                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 29,501              | -                                       |
| Title IB - Local Admin - NAJA Conference - Adult                   | 17.258                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 2,500               | -                                       |
| Title IB - Local Admin - PY13 - Youth                              | 17.259                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 6,740               | -                                       |
| Title IB - Youth - PY13  | 17.259                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 106,240             | -                                       |
| Title IB - Youth - PY14  | 17.259                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 553,040             | 1,060                                   |
| Title IB - Local Admin - FY13 - Dislocated Worker                  | 17.278                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 7,272               | -                                       |
| Title IB - Local Admin - FY14 - Dislocated Worker                  | 17.278                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 46,834              | -                                       |
| Title IB - Local Admin - PY14 - Dislocated Worker                  | 17.278                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 7,676               | -                                       |
| Title IB - Local Admin - FY15 - Dislocated Worker                  | 17.278                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 1,994               | -                                       |
| Title IB - Dislocated Workers - FY13                               | 17.278                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 65,448              | -                                       |
| Title IB - Dislocated Workers - FY14                               | 17.278                             | Oregon Community Colleges and Workforce<br>Development | J02014                     | 80,165              | -                                       |

See notes to schedule of expenditures of federal awards.

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

|   | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass Through Organization</b>                    | <b>Pass<br/>Through ID</b> | <b>Expenditures</b> | <b>Amount Paid<br/>to Subrecipients</b> |
|---|------------------------------------|---|----------------------------|---------------------|---|
| <u>U.S. Department of Labor (Continued)</u>               |                                    |   |                            |                     |   |
| <u>Workforce Investment Act (WIA) Cluster (Continued)</u> |                                    |   |                            |                     |   |
| Title IB - Dislocated Workers - PY14                      | 17.278                             | Oregon Community Colleges and Workforce Development | J02014                     | \$ 69,085           | \$ -                                    |
| Title IB - Dislocated Workers - FY15                      | 17.278                             | Oregon Community Colleges and Workforce Development | J02014                     | 369,312             | 10,175                                  |
| Title IB - Dislocated Workers - 2% Transition Cost - FY15 | 17.278                             | Oregon Community Colleges and Workforce Development | J02014                     | 7,011               | -                                       |
| <i>Total Workforce Investment Act (WIA) Cluster</i>       |                                    |   |                            | 1,961,494           |   |
| Dislocated Worker Training                                | 17.277                             | Oregon Community Colleges and Workforce             | unknown                    | 125,717             | -                                       |
| Total U.S. Department of Labor                            |                                    |   |                            | 2,087,211           |   |
| <u>U.S. Department of Veterans Affairs</u>                |                                    |   |                            |                     |   |
| Supportive Services for Veterans and Families SSVF        | 64.033                             | St. Vincent de Paul                                 | GRNT # 01138               | 199,708             | -                                       |
| Total U.S. Department of Veterans Affairs                 |                                    |   |                            | 199,708             |   |
| <u>U.S. Department of Energy</u>                          |                                    |   |                            |                     |   |
| BPA - WX FFY15  | 81.XXX                             | Oregon Housing and Community Services               | OHCS MGA 13-15 #2035       | 92,061              | -                                       |
| BPA - Energy Education                                    | 81.XXX                             | Oregon Housing and Community Services               | OHCS MGA 13-15 #2035       | 8,407               | -                                       |
| BPA - WX NA 14  | 81.XXX                             | Oregon Housing and Community Services               | OHCS MGA 13-15 #2035       | 1,743               | -                                       |
| DOE - WX FY14   | 81.042                             | Oregon Housing and Community Services               | OHCS MGA 13-15 #2035       | 137,834             | -                                       |
| Total U.S. Department of Energy                           |                                    |   |                            | 240,045             |   |
| <u>U.S. Department of Health and Human Services</u>       |                                    |   |                            |                     |   |
| Headstart 2014-15   | 93.600                             | Direct  | G-10CH0155/19              | 777,347             | -                                       |
| Headstart 2013-14   | 93.600                             | Direct  | G-10CH0155/18              | 217,280             | -                                       |
| Total Headstart   |                                    |   |                            | 994,627             |   |
| WNHS BL Health Equity Alliance                            | 93.296                             | Willamette Neighborhood Housing Services            | 139654-03                  | 12,000              | -                                       |
| <u>TANF Cluster</u>                                       |                                    |   |                            |                     |   |
| Housing Stabilization Program / TANF                      | 93.558                             | Oregon Housing and Community Services               | OHCS MGA 13-15 #2035       | 31,054              | -                                       |
| Community Services Block Grant - FFY14                    | 93.569                             | Oregon Housing and Community Services               | OHCS MGA 13-15 #2035       | 68,617              | -                                       |
| Community Services Block Grant - FFY13                    | 93.569                             | Oregon Housing and Community Services               | OHCS MGA 13-15 #2035       | 255,752             | -                                       |
| Total Community Services Block Grant                      |                                    |   |                            | 324,369             |   |

See notes to schedule of expenditures of federal awards.

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

|   | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass Through Organization</b>      | <b>Pass<br/>Through ID</b> | <b>Expenditures</b> | <b>Amount Paid<br/>to Subrecipients</b> |
|---|------------------------------------|---------------------------------------|----------------------------|---------------------|---|
| LIHEAP - Low Income Energy Assistance                 | 93.568                             | Oregon Housing and Community Services | OHCS MGA 13-15 #2035       | \$ 1,859,014        | \$ -                                    |
| LIHEAP - Weatherization                               | 93.568                             | Oregon Housing and Community Services | OHCS MGA 13-15 #2035       | 17,575              | -                                       |
| LIHEAP - Education                                    | 93.568                             | Oregon Housing and Community Services | OHCS MGA 13-15 #2035       | 81,349              | -                                       |
| LIHEAP - Weatherization                               | 93.568                             | Oregon Housing and Community Services | OHCS MGA 13-15 #2035       | 495,512             | -                                       |
| Total LIHEAP  |                                    |                                       |                            | <u>2,453,450</u>    |   |
| Total U.S. Department of Health and Human Services    |                                    |                                       |                            | 3,815,500           |   |
| <u>Corporation for National and Community Service</u> |                                    |                                       |                            |                     |   |
| Americorps - Youthbuild - 2013-2014                   | 94.006                             | Youthbuild USA                        | 13NDHMA0010035             | 49,535              | -                                       |
| Americorps - Youthbuild - 2014-2015                   | 94.006                             | Youthbuild USA                        | 13NDHMA0010035             | 12,623              | -                                       |
| Total Corporation for National and Community Service  |                                    |                                       |                            | <u>62,158</u>       |   |
| Total Expenditures of Federal Awards                  |                                    |                                       |                            | <u>\$ 7,509,306</u> |   |

See notes to schedule of expenditures of federal awards.



## **COMMUNITY SERVICES CONSORTIUM**

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

**YEAR ENDED JUNE 30, 2015**

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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, 2015.

##### *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.



## 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, 2015, and the related notes to the financial statements, which collectively comprise CSC's basic financial statements, and have issued our report thereon dated February 17, 2016.

#### ***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.

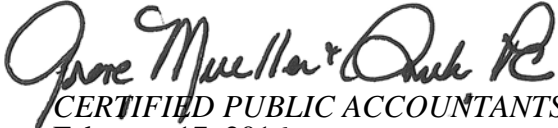
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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  
February 17, 2016



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

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
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### ***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, 2015. 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, 2015.

### ***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  
February 17, 2016

**COMMUNITY SERVICES CONSORTIUM**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2015**

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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**

|        |                                       |
|--------|---------------------------------------|
| 14.267 | Continuum of Care                     |
| 81.042 | Department of Energy - Weatherization |
| 93.568 | LIHEAP                                |

|  |           |
|--|-----------|
| 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*