

**Comprehensive Annual Financial Report
For year ended June 30, 2016**

Albany, Oregon

COMMUNITY SERVICES CONSORTIUM
Albany, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2016

Martha Lyon
Executive Director

Prepared by
Debbie Jackson, CPA, CFE - Finance Director
Connor Lyons - Finance Manager



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
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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, 2016, 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, 2016, and the respective changes in financial position for the year the ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of revenues, expenditures and changes in fund balance – budget to actual, the schedules of OPERS retirement plan pension benefits, and the schedule of other post-employment benefits funding progress as seen in the table of contents, 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 basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CSC's basic financial statements. The other supplemental information, introductory section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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


Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 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 December 21, 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
December 21, 2016

COMMUNITY SERVICES CONSORTIUM
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

	Program Revenues			Change in
	Expenses	Fees for Service	Operating Grants and Contributions	Net Position
				Total
FUNCTIONS/PROGRAMS				
General	\$ 640,696	\$ -	\$ 125,821	\$ (514,875)
Workforce and Education	3,308,762	407,037	2,107,299	(794,426)
Housing and Energy Services	6,724,386	118,122	6,133,882	(472,382)
Linn Benton Food Share	9,617,410	-	9,564,463	(52,947)
Child Development Services	2,083,866	-	1,587,797	(496,069)
Miscellaneous Grants	259,281	-	211,812	(47,469)
<i>Total</i>	<u>\$ 22,634,401</u>	<u>\$ 525,159</u>	<u>\$ 19,731,074</u>	(2,378,168)
GENERAL REVENUES				
Interest				11,808
CHANGE IN NET POSITION				
				(2,366,360)
NET POSITION, Beginning of year (as restated)				6,001,210
NET POSITION, End of year				<u>\$ 3,634,850</u>

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

COMMUNITY SERVICES CONSORTIUM
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	<i>General</i>	<i>Housing and Energy Services</i>	<i>Workforce and Education</i>
ASSETS			
Cash	\$ 3,627,753	\$ 250	\$ 50
Receivables			
Grants and contracts	3,729	770,426	600,269
Loans	-	752,600	-
Due from other funds	836,578	1,137,208	146,339
Inventories	-	103,784	-
Prepaid items	10,913	1,768	8,061
<i>Total Assets</i>	<u>\$ 4,478,973</u>	<u>\$ 2,766,036</u>	<u>\$ 754,719</u>
LIABILITIES			
Accounts payable	\$ 15,130	\$ 159,175	\$ 89,366
Accrued payroll	518,571	-	-
Accrued vacation			
Due to other funds	3,309,467	751,912	536,239
Unearned revenue	-	15,213	34,672
Other payables	-	15,000	-
<i>Total Liabilities</i>	<u>3,843,168</u>	<u>941,300</u>	<u>660,277</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	729,513	-
FUND BALANCES			
Nonspendable	10,913	105,552	8,061
Restricted	2,500	786,049	86,381
Assigned	-	203,622	-
Unassigned	622,392	-	-
<i>Total Fund Balances</i>	<u>635,805</u>	<u>1,095,223</u>	<u>94,442</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 4,478,973</u>	<u>\$ 2,766,036</u>	<u>\$ 754,719</u>

Linn-Benton Food Share	Child Development Services	Misc. Grants	Totals
\$ -	\$ 520	\$ -	\$ 3,628,573
27,969	121,966	57,967	1,582,326
-	-	-	752,600
2,608,071	90,768	1,764	4,820,728
266,319	-	-	370,103
130	-	-	20,872
\$ 2,902,489	\$ 213,254	\$ 59,731	\$ 11,175,202
\$ 61,046	\$ 30,829	\$ 1,914	\$ 357,460
-	-	-	518,571
-	-	-	-
48,797	116,496	57,817	4,820,728
-	8,000	-	57,885
-	-	-	15,000
109,843	155,325	59,731	5,769,644
-	-	-	729,513
266,449	-	-	390,975
1,850,323	7,037	-	2,732,290
675,874	50,892	-	930,388
-	-	-	622,392
2,792,646	57,929	-	4,676,045
\$ 2,902,489	\$ 213,254	\$ 59,731	\$ 11,175,202

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, 2016**

	<i>General</i>	<i>Housing and Energy Services</i>	<i>Workforce and Education</i>
REVENUES			
Grants and contracts	\$ 5,281	\$ 6,055,034	\$ 2,046,106
Contributions	56,391	20,969	1,847
Loan repayments	-	40,165	-
Fees for service	-	118,122	407,037
Commodity foods	-	-	-
Other	64,149	17,714	59,346
<i>Total Revenues</i>	137,629	6,252,004	2,514,336
EXPENDITURES			
Administration	80,818	506,156	329,000
Workforce and education	-	-	2,308,173
Emergency services	-	5,608,792	-
Head Start	-	-	-
Food programs	-	-	-
Miscellaneous programs	-	-	-
<i>Total Expenditures</i>	80,818	6,114,948	2,637,173
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	56,811	137,056	(122,837)
OTHER FINANCING SOURCES AND (USES)			
Transfers	(23,379)	-	23,379
NET CHANGE IN FUND BALANCE	33,432	137,056	(99,458)
FUND BALANCES, Beginning of year	602,373	958,167	193,900
FUND BALANCES, End of year	\$ 635,805	\$ 1,095,223	\$ 94,442

Linn-Benton Food Share	Child Development Services	Misc. Grants	Totals
\$ 259,533	\$ 1,582,831	\$ 211,812	\$ 10,160,597
769,812	4,966	-	853,985
-	-	-	40,165
-	-	-	525,159
8,190,209	-	-	8,190,209
344,909	-	-	486,118
9,564,463	1,587,797	211,812	20,268,041
65,650	198,921	30,129	1,210,674
-	-	-	2,308,173
-	-	-	5,608,792
-	1,387,591	-	1,387,591
9,355,052	-	-	9,355,052
-	-	181,683	181,683
9,420,702	1,586,512	211,812	20,051,965
143,761	1,285	-	216,076
-	-	-	-
143,761	1,285	-	216,076
2,648,885	56,644	-	4,459,969
\$ 2,792,646	\$ 57,929	\$ -	\$ 4,676,045

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

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

YEAR ENDED JUNE 30, 2016

	<i>Revenues</i>				<i>Total Revenues</i>
	<i>Beginning Fund Balance</i>	<i>Operating Grants/ Contributions</i>	<i>Fees for Service</i>	<i>Other</i>	
CSBG CY15	\$ -	\$ 45,554	\$ -	\$ -	\$ 45,554
CSBG CY16	-	17,706	-	-	17,706
Linn-Benton Food Share	1,987,428	8,453,752	-	335,889	8,789,641
Oregon Hunger Response Fund	-	49,617	-	-	49,617
USDA Cash for Commodities	-	29,616	-	-	29,616
USDA Commodity Foods*	(12,655)	481,935	-	-	481,935
Benton County	-	24,000	-	-	24,000
Linn County	-	17,100	-	-	17,100
City of Corvallis	-	30,000	-	-	30,000
Miscellaneous Grants	160,215	51,646	-	-	51,646
Warehouse Building Fund	87,435	-	-	-	-
Warehouse Expansion Reserve	373,101	500	-	-	500
Food Recovery	49,774	2,128	-	-	2,128
LBFS Truck Reserve	3,587	-	-	-	-
Intentional Production	-	-	-	9,020	9,020
SHAP	-	16,000	-	-	16,000
<i>Total</i>	<i>\$ 2,648,885</i>	<i>\$ 9,219,554</i>	<i>\$ -</i>	<i>\$ 344,909</i>	<i>\$ 9,564,463</i>

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

Expenditures

<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>
\$ -	\$ 45,554	\$ 45,554	\$ -	\$ -	\$ -
-	17,706	17,706	-	-	-
48,949	8,584,179	8,633,128	156,513	(6,000)	2,137,941
2,850	46,767	49,617	-	-	-
-	29,616	29,616	-	-	-
-	476,217	476,217	5,718	-	(6,937)
3,480	20,520	24,000	-	-	-
3,377	13,723	17,100	-	-	-
4,539	25,461	30,000	-	-	-
361	23,771	24,132	27,514	-	187,729
-	-	-	-	6,000	93,435
-	15	15	485	-	373,586
-	49,648	49,648	(47,520)	-	2,254
-	-	-	-	-	3,587
-	7,969	7,969	1,051	-	1,051
2,094	13,906	16,000	-	-	-
\$ 65,650	\$ 9,355,052	\$ 9,420,702	\$ 143,761	\$ -	\$ 2,792,646