

LINN BENTON FOOD SHARE is a non-profit component of Community Services Consortium (CSC). The following pages are excerpts from the CSC annual report that pertain specifically to Linn Benton Food Share.

Connor Lyons

CSC Finance Operations Manager

Comprehensive Annual Financial Report

For year ended June 30, 2017

Albany, Oregon

COMMUNITY SERVICES CONSORTIUM
Albany, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2017

Martha Lyon
Executive Director

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



GROVE, MUELLER & SWANK, P.C.

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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, 2017, 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, 2017, 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 Supplementary 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 Supplementary 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 supplementary 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 supplementary 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 supplementary 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 15, 2018, 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 15, 2018, 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 15, 2018

COMMUNITY SERVICES CONSORTIUM
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	<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>	
FUNCTIONS/PROGRAMS				
General	\$ 365,161	\$ -	\$ 179,459	\$ (185,702)
Workforce and Education	2,746,616	112,700	3,139,238	505,322
Housing and Energy Services	8,117,961	124,688	7,402,402	(590,871)
Linn Benton Food Share	8,998,523	-	9,267,062	268,539
Child Development Services	1,739,413	-	1,846,463	107,050
Miscellaneous Grants	314,185	-	314,185	-
	<u>\$ 22,281,859</u>	<u>\$ 237,388</u>	<u>\$ 22,148,809</u>	<u>104,338</u>
GENERAL REVENUES				
Interest				<u>20,211</u>
CHANGE IN NET POSITION				
				<u>124,549</u>
NET POSITION, Beginning of year				
				<u>3,634,850</u>
NET POSITION, End of year				
				<u>\$ 3,759,399</u>

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

COMMUNITY SERVICES CONSORTIUM
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General</u>	<u>Housing and Energy Services</u>	<u>Workforce and Education</u>
ASSETS			
Cash	\$ 4,127,729	\$ 450	\$ 50
Receivables			
Grants and contracts	4,568	792,340	696,268
Loans	-	671,764	-
Due from other funds	899,956	1,483,090	68,946
Inventories	-	215,700	-
Prepaid items	89,178	1,219	7,900
	<u>\$ 5,121,431</u>	<u>\$ 3,164,563</u>	<u>\$ 773,164</u>
LIABILITIES			
Accounts payable	\$ 12,494	\$ 224,446	\$ 114,152
Accrued payroll	568,620	-	-
Due to other funds	3,797,666	825,604	580,841
Unearned revenue	-	555	20,000
Other payables	-	15,000	-
	<u>4,378,780</u>	<u>1,065,605</u>	<u>714,993</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	658,677	-
FUND BALANCES			
Nonspendable	89,178	216,919	7,900
Restricted	1,118	1,084,368	50,271
Assigned	-	332,624	-
Unassigned	652,355	(193,630)	-
	<u>742,651</u>	<u>1,440,281</u>	<u>58,171</u>
	<u>\$ 5,121,431</u>	<u>\$ 3,164,563</u>	<u>\$ 773,164</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>			

Linn-Benton Food Share	Child Development Services	Misc. Grants	Totals
\$ -	\$ 520	\$ -	\$ 4,128,749
24,930	244,682	34,826	1,797,614
-	-	-	671,764
2,815,665	148,708	131	5,416,496
332,579	-	-	548,279
-	-	-	98,297
<u>\$ 3,173,174</u>	<u>\$ 393,910</u>	<u>\$ 34,957</u>	<u>\$ 12,661,199</u>
\$ 58,130	\$ 134,591	\$ 870	\$ 544,683
-	-	-	568,620
46,827	131,471	34,087	5,416,496
-	72,240	-	92,795
-	-	-	15,000
<u>104,957</u>	<u>338,302</u>	<u>34,957</u>	<u>6,637,594</u>
-	-	-	658,677
332,579	-	-	646,576
2,063,722	55,608	-	3,255,087
589,376	-	-	922,000
82,540	-	-	541,265
<u>3,068,217</u>	<u>55,608</u>	<u>-</u>	<u>5,364,928</u>
<u>\$ 3,173,174</u>	<u>\$ 393,910</u>	<u>\$ 34,957</u>	<u>\$ 12,661,199</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, 2017**

	<i>General</i>	<i>Housing and Energy Services</i>	<i>Workforce and Education</i>
REVENUES			
Grants and contracts	\$ 397	\$ 7,282,584	\$ 3,034,329
Contributions	95,564	47,171	22,495
Loan repayments	-	70,835	-
Fees for service	-	124,688	112,700
Commodity foods	-	-	-
Other	83,497	1,811	82,414
Interest	20,211	-	-
<i>Total Revenues</i>	199,669	7,527,089	3,251,938
EXPENDITURES			
Administration	87,527	588,627	662,612
Workforce and Education	-	-	2,630,891
Housing and Energy Services	-	6,593,406	-
Head Start	-	-	-
Food programs	-	-	-
Miscellaneous programs	-	-	-
<i>Total Expenditures</i>	87,527	7,182,033	3,293,503
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	112,142	345,056	(41,565)
OTHER FINANCING SOURCES AND (USES)			
Transfers	(5,296)	-	5,296
NET CHANGE IN FUND BALANCE	106,846	345,056	(36,269)
FUND BALANCES, Beginning of year	635,805	1,095,225	94,440
FUND BALANCES, End of year	\$ 742,651	\$ 1,440,281	\$ 58,171

Linn-Benton Food Share	Child Development Services	Misc. Grants	Totals
\$ 260,191	\$ 1,841,949	\$ 314,186	\$ 12,733,636
778,681	4,514	-	948,425
-	-	-	70,835
-	-	-	237,388
7,934,880	-	-	7,934,880
293,310	-	-	461,032
-	-	-	20,211
9,267,062	1,846,463	314,186	22,406,407
54,701	173,876	128,899	1,696,242
-	-	-	2,630,891
-	-	-	6,593,406
-	1,674,908	-	1,674,908
8,936,791	-	-	8,936,791
-	-	185,287	185,287
8,991,492	1,848,784	314,186	21,717,525
275,570	(2,321)	-	688,882
-	-	-	-
275,570	(2,321)	-	688,882
2,792,647	57,929	-	4,676,046
\$ 3,068,217	\$ 55,608	\$ -	\$ 5,364,928

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, 2017

	<i>Beginning Fund Balance</i>	<i>Revenues</i>			<i>Total Revenues</i>
		<i>Operating Grants/ Contributions</i>	<i>Fees for Service</i>	<i>Other</i>	
CSBG CY16	\$ -	\$ 47,991	\$ -	\$ -	\$ 47,991
CSBG CY17	-	11,699	-	-	11,699
Linn-Benton Food Share	2,137,941	8,250,723	-	281,799	8,532,522
Oregon Hunger Response Fund	-	69,268	-	-	69,268
USDA Cash for Commodities	-	39,897	-	-	39,897
USDA Commodity Foods*	(6,937)	455,352	-	-	455,352
Benton County	-	24,000	-	-	24,000
Linn County	-	17,550	-	-	17,550
City of Corvallis	-	19,725	-	-	19,725
Miscellaneous Grants	187,730	21,152	-	-	21,152
Warehouse Building Fund	93,435	-	-	-	-
Warehouse Expansion Reserve	373,586	151	-	-	151
Food Recovery	2,254	3,290	-	-	3,290
LBFS Truck Reserve	3,587	-	-	-	-
Intentional Production	1,051	-	-	11,511	11,511
SHAP	-	12,954	-	-	12,954
<i>Total</i>	<i>\$ 2,792,647</i>	<i>\$ 8,973,752</i>	<i>\$ -</i>	<i>\$ 293,310</i>	<i>\$ 9,267,062</i>

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

<i>Expenditures</i>			<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
<i>Administration</i>	<i>Food Programs</i>	<i>Total Expenditures</i>			
\$ -	\$ 47,991	\$ 47,991	\$ -	\$ -	\$ -
-	11,699	11,699	-	-	-
40,478	8,132,565	8,173,043	359,479	(8,383)	2,489,037
1,462	67,806	69,268	-	-	-
-	39,897	39,897	-	-	-
-	459,310	459,310	(3,958)	-	(10,895)
3,186	20,814	24,000	-	-	-
3,678	13,872	17,550	-	-	-
663	19,062	19,725	-	-	-
2,528	84,474	87,002	(65,850)	-	121,880
-	-	-	-	-	93,435
-	7,564	7,564	(7,413)	5,000	371,173
-	5,544	5,544	(2,254)	-	-
-	-	-	-	-	3,587
-	15,945	15,945	(4,434)	3,383	-
2,706	10,248	12,954	-	-	-
<u>\$ 54,701</u>	<u>\$ 8,936,791</u>	<u>\$ 8,991,492</u>	<u>\$ 275,570</u>	<u>\$ -</u>	<u>\$ 3,068,217</u>