



Comprehensive Annual Financial Report
For year ended June 30, 2012

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COMMUNITY SERVICES CONSORTIUM
Albany, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2012

Martha Lyon
Executive Director

Prepared by
Debbie Jackson, CPA, CFE
Finance Director

COMMUNITY SERVICES CONSORTIUM
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INTRODUCTORY SECTION

COMMUNITY SERVICES CONSORTIUM

JUNE 30, 2012

BOARD OF DIRECTORS

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

OFFICER

Martha Lyon
Executive Director

Debbie Jackson, CPA, CFE
Finance Director

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

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December 21, 2012

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

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

The bad budget news came late to all social service providers, and required swift, decisive and often painful action in the community and at CSC. Cuts continued throughout the year. By the end of fiscal year 2011-12, CSC had become smaller in every way except in the breadth of our services, and we were preparing for additional reductions.¹

Our clients waited longer, resources were restricted, and our staff struggled to maintain personal, positive connections with the community as they were once again asked to do more with less. But they responded with determination and creativity.

Investments in technology paid off: A Voice Over IP phone system cut phone costs and made it possible for a single receptionist to answer calls for our two largest offices. The other offices used new direct dial numbers and pitched in to welcome clients without a receptionist.

We consolidated and reduced office space in Lebanon, Corvallis and Albany so that we could keep programs operating. Staff packed and relocated while not missing a beat in services. Workforce supervisors found a new perch in the attic of the Corvallis Youth House. Everyone pitched in to ensure that we could continue to help clients ready to take action. And we had help.

Clients determined to improve their lives navigated our unmanned lobbies, found their way to offices farther away, and were true partners in the process of improving our communities. Program partners, like our local Employment departments, flexed space and schedules to make room for us. We could not have done it without them.

¹ In May of 2012, we learned we would be dealing with a further 13.5% drop (\$3.7million) in revenue and the loss of another 7.7% of our staff in fiscal 2012-13.

As we say in our new Mission Statement:

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.

In a time when every day brings a new challenge, one thing is clear: People in Linn, Benton and Lincoln counties care about creating communities that offer a brighter, more stable future for all their neighbors. We are proud to be part of that effort.



Martha Lyon
Executive Director

INTRODUCTION

The Comprehensive Annual Financial Report of Community Services Consortium (CSC) for the fiscal year ended June 30, 2012, is hereby submitted. This report consists of management's representations concerning the finances of Community Services Consortium and specifies that the responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with CSC. It is believed that the data is accurate in all material aspects and is presented in a manner designed to present fairly the financial position and results of CSC operations as measured by financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of CSC's financial activities are included. The financial statements are presented annually for independent audit, in accordance with requirements set forth in the Single Audit Act Amendment of 1996, and with Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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

CSC's financial statements have been audited by Grove, Mueller & Swank PC, a firm of licensed certified public accounts, with the audit conducted in accordance with generally accepted auditing standards. The goal of the independent audit is to provide reasonable assurance that the CSC's financial statements for the fiscal year ended June 30, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an **unqualified opinion** that CSC's financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

1. Introductory Section including the letters of transmittal, CSC's organizational chart, a list of principal officers, and a copy of the GFOA Certificate for Excellence in Financial Reporting for the June 30, 2011 report (the **twentieth** year this award has been received).
2. Financial Section including the independent auditor's report on the financial statements and schedules; management's discussion and analysis (MD&A); combined financial statements including the general purpose financial statements and notes; and supplementary data including combining individual financial statements and schedules.
3. Statistical Section including un-audited financial and demographic information, generally presented on a multi-year basis.
4. State Compliance Section including financial related comments and disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations.
5. The Federal Compliance Section including the results of the annual Single Audit required in conformity with the provisions of the Federal Single Audit Act and the U.S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments and Non-profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, the schedule of findings and questioned costs, and the auditor's reports on compliance and the internal control over compliance is included.

Specific attention is encouraged toward management's discussion and analysis of the basic financial statements located in the Financial Section. The purpose of the MD&A is to analyze CSC's overall financial position and the results of its operations for the fiscal year ended June 30, 2012.

CSC's VISION & MISSION

Our vision is that every individual and family will have an opportunity to be self-sufficient - have a safe home, food, access to education and training, and a job at which they can excel - in order for people to help themselves. CSC adopted a new Mission Statement during fiscal year 2012.

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.

Background

Community Services Consortium is one of approximately one thousand community action agencies fighting the increase of poverty in our nation. We are not alone; we are part of a network of partner agencies focusing with us on helping individuals and families in Linn, Benton, and Lincoln counties to build better lives. Community Services Consortium is also about community because when individuals and families improve their own situations, they improve their communities.

As a Community Action Agency (CAA) committed to poverty alleviation we don't, however, fight the battle alone. We partner with individuals, other agencies, schools, large and small employers, faith-based organizations and with local, state, and federal governments. Our network in Linn, Benton and Lincoln counties regularly works together to assist clients – whether they are children, individuals or families. CSC staff and partner agencies help change lives by providing, for example, better nutrition (Linn Benton Food Share), improved job prospects and job readiness (Workforce and Education), affordable housing (Housing and Community Resources), education (Head Start, YouthBuild, and alternative schools), emergency and transitional housing, case management, and energy assistance and education (Emergency Services) and volunteer opportunities (Retired and Senior Volunteer Program, Volunteer/Gleaners programs).

CSC is a primarily **grant-based entity** that operates within a governmental structure as a Council of Governments under Oregon Revised Statute Section 190. In that respect, our major sources of funding are determined by applying for and acquiring federal, state, local and donation funding to assist our recipients. In the current economic climate, with tightening resources at all levels, it is important to note that CSC has no permanent tax base to raise resources.

DEFINITION OF THE REPORTING ENTITY

CSC was established thirty two years ago by intergovernmental agreement among the Boards of Commissioners of Benton, Lincoln and Linn counties, of Oregon in July 1980, to coordinate the planning and delivery of social services to residents. CSC was formed as the result of a merger of three organizations: the Community Action Agency, the Comprehensive Youth Program and the Linn-Benton-Lincoln Manpower Consortium.

As a partnership of the three counties, CSC is a public, nonprofit agency classified by the IRS as an instrumentality of a governmental unit. Most of our programs focus on helping people overcome the causes and conditions of poverty by providing services leading to productive and self-sufficient lives.

The Board of Directors of CSC also serves as the Board for five non-profit corporations that are tax-exempt under Internal Revenue code Section 501(c)(3) and are not considered as private foundations. These private non-profit corporations allow CSC to apply for donor-specified funds not otherwise available to CSC as a municipal corporation. Because of this financial accountability, the activities of five 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. **Community Housing Services (CHS)** was formed in 2000 to respond to requirements of State directed Community Development Block Grant (CDBG) funds targeting housing rehabilitation in CSC's service area. **Head Start in Lincoln County (HSLC)** was formed in 2001 to 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 Emergency Services Departments to apply for grants related to educational, workforce training, and programs to promote self-sufficiency.

In FY08, CSC became the sponsor for the Retired and Senior Volunteer Program (RSVP) for Linn and Benton counties. These programs had been in existence since 1972 and formed their own non-profits around 1984. Two separate non-profits (Friends of the Retired Senior Volunteer Program of Linn County and Friends of Benton County R.S.V.P.) were merged as of 12/31/2007 and became **Linn-Benton Volunteers** – a fifth nonprofit under the CSC organizational umbrella.

Linn Benton Food Share is reported as a separate fund within CSC, while CHS, HSLC, HELPS and Linn Benton Volunteers are singular, separate grants (or smaller groups of grants) within the Housing and Community Resources fund, Child Development fund, Workforce and Education fund, and RSVP funds respectively.

CSC also served as the fiscal agent for the Linn Benton Lincoln Workforce Investment Board (WIB) which oversees workforce programs. WIB programs are included under the umbrella of CSC's agency-wide audit and are represented as a separate grant under the Miscellaneous Grants Fund.

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. (CSC Charter)

As the youth and adult service delivery provider for the Workforce Investment Act (WIA) of 1998 for Benton, Lincoln and Linn counties, CSC strives

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

CSC partners with three counties, nine school districts, two community colleges, one education service district, many incorporated cities and a variety of state, local and non-profit agencies within our service areas to focus on their unique needs and insights regarding our mutual challenge of alleviating poverty in our communities.

POLICY DETERMINATION

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

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

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

BUDGET, FINANCIAL PLANNING AND CONTROL

The annual budget serves as the foundation for CSC's financial planning and control. All departments submit their budget requests to the Finance Director in March of each year. The Finance Director develops a proposed budget based on these requests with the proposed budget 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, discusses and approves the budget during public budget meetings in May or June. The approved budget is then adopted by the CSC Governing Board in June prior to the July 1st 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, such as additional grants awarded to CSC which require a supplemental budget to be adopted. These resources are usually not more than 10% of the previously adopted budget, and do not require reconvening the Budget Committee. An administrative Supplemental Budget may be presented to the CSC Governing Board throughout the year as necessary to formalize approval and make appropriations for additional operation of those grants. During the fiscal year ended June 30, 2012, CSC adopted two Supplemental Budgets.

FACTORS AFFECTING CSC'S FINANCIAL CONDITION

For over thirty two 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.

Along with winding down our American Recovery and Reinvestment Act spending to a few remaining programs, we are still seeing continued high needs for assistance, with no end in sight. In fact, the deterioration of the State's financial position will mean drastic cuts in services and funding. This will increase pressure on CSC's programs, while decreasing our funding to deal with the demands.

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 sharply rising, according to the Census Bureau. Its most recent survey data for 2011 showed that 15.1% of the population --- 46.2 million people were living in poverty --- compared to 2009 at 14.3% of the population --- 42.9 million people, compared to 2008 (just before the peak of the current crisis) or 13.2% of the population --- 39.8 million people ---were living in poverty, compared to 12.5% in 2007. This is the highest rate of poverty since 1997, or in 54 years.

What is the federal poverty level (FPL) in 2012?

- \$23,050 for a family of four.
- \$19,090 for a family of three.
- \$15,130 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:

- \$46,100 for a family of four.
- \$38,180 for a family of three.

In 2010, 17.2 million (about 14.5 percent households were food insecure – the highest number ever recorded in the U.S. More than 16 million children in America are at risk of hunger. And, unfortunately, Oregon has the nation's highest rate of childhood food insecurity at 29.2%.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK ²

In October 2012, Oregon ranked thirty-ninth behind Florida among all states in unemployment at 8.6% unemployment and had 17.5 percent of residents living in poverty, an increase of 36% since 2007.

The American Community Survey for 2011 estimated that the percentage of individuals living in poverty in Benton, Linn and Lincoln counties was 21.2%, 20.7% and 14.8% respectively. Two of three counties in CSC's service area reflect a poverty rate significantly higher than the 2011 US average of 15.9% while Lincoln County may be lower due to persons leaving the county entirely due to lack of jobs

BENTON COUNTY

Benton County encompasses 679 square miles and is the third smallest of Oregon's 36 counties. Based on the 2005 US Census data and information from the Center for Population Research at Portland State University, Benton County's July 1, 2012, population estimate was 85,995.³ According to the US Department of Commerce Bureau of Economic Analysis using 2011 data, per capita personal income (PCPI) in Benton County was \$37,333 approximately 2.0% lower than the statewide average of \$37,909.⁴

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.

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

³ Portland State University Population and Research Center: July 1, 2011 release date.

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

LINN COUNTY

Linn County encompasses 2,297 square miles and consists largely of small rural communities. Its July 1, 2012 population estimate was 117,340 with an estimated annual per capita personal income (PCPI) of \$29,197 in 2011, nearly 20% lower than the statewide average for the same year. Linn County has an estimated 20.7 percent of the population living in poverty. The unemployment rate in Linn County is still among one of the highest in the state and the Willamette Valley and was 20.07% in 2011.

LINCOLN COUNTY

Lincoln County is located on the central Oregon coast and has an area of 992 square miles. The County's 2011 population estimate was 46,155. In 2011, the county's per capita personal income (PCPI) was \$33,681 or about 12% lower than the State wide average for the same year. Lincoln County has an estimated 14.8% of the population living in poverty. By July 2012, Lincoln County's unemployment rate was 8.9%. As with other areas of the state, many jobs are in the service sectors with many dependent on the tourist industry.

CSC'S ACCOMPLISHMENTS IN 2012

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

WORKFORCE & EDUCATION

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

Accomplishments

In 2011-2012, the LBL WIB was incorporated into CSC. The LBL WIB certified WorkSource Oregon (WSO) One-Stop Centers in Albany, Corvallis, and Newport and established a policy for certification of full-service and affiliate Centers. In addition, the LBL WIB assured that 19,000 job seekers received high quality services leading to well over 5,500 jobs, provided feedback to the statewide strategic framework for workforce development that will result in *Oregon at Work: Quality Jobs – Skilled Workers Contributing to a Strong State Economy and Local Prosperity, Oregon's Workforce Development Strategic Plan 2012-2022*, and contributed toward significant statewide

initiatives such as Back to Work Oregon for on-the-job training and the expansion of the National Career Readiness Certificate program through the Oregon Workforce Partnership.

Adult programs facilitated the employment of 5,729 participants in our region as a part of WorkSource Oregon. The total number of adults and dislocated workers enrolled during the year was 19,786. Some of the other accomplishments include providing intensive employment services to about 3,500 participants including career guidance, job search, and job placement; providing supportive services having a direct link to training for over 60 participants; and providing over 20 participants throughout the region with on-the-job training opportunities (OJTs) in areas including healthcare, software, green building, and manufacturing. Adult programs met or exceeded all employment-related state performance measures.

Training and skill development programs provided almost 50 occupational skills training opportunities including training in healthcare, construction, transportation, and finance. The Weatherization Training Center provided training leading to well over 300 certificates including BPI Building Analyst, BPI Building Envelope Professional, Heating Professional, Duct Sealing, and lead inspection. In addition, W&E implemented a cohort training program for the Oregon Green Tech Certificate program in partnership with The Oregon Consortium/Oregon Workforce Alliance (TOC/OWA) and Linn Benton Community College. Finally, W&E provided about 100 adults with Basic Skills Training and worked with many of them to pursue their GED.

Youth programs successfully administered summer youth employment projects in each county in the region. These programs provided employment and an opportunity to learn about work and working together for about 50 youth. W&E continued effective youth enterprises and programs that provide employment, mentoring, training, and leadership including YouthBuild, the Youth Garden, and the Santiam Wilderness Academy. In addition, W&E continued work with over 200 young people interested in credit recovery, pursuing their GED, or gaining work experience, consolidated alternative schools in the Valley creating better consistency and aligning education efforts, and met all youth state measures and exceeded performance for the attainment of a diploma or GED.

EMERGENCY SERVICES

Utility Assistance Programs:

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

Unfortunately, The Federal Low Income Home Energy Assistance Program (LIHEAP) is an easy target for Federal cost saving measures. Not only can program funds fluctuate significantly from year to year (5,240 households were served in FY 2006-2007 vs. 6,100 households served in FY 2007-2008 vs. 10,640 households were served in FY 2009-2010 vs. 7,248 households were served in FY 2011-2012), the program has started as early as October and as late as January. CSC continues to educate our legislators and bring stability to the program.

Today CSC is the utility assistance “One Stop / One Door agency” providing 11 different utility assistance programs. The One Stop approach decreases confusion, stress, and economic cost to clients. It allows CSC to utilize available funds as effectively as possible, matching client needs with the best and most effective opportunity to meet their needs - one stop, one application, multiple resources to meet the need. CSC emphasizes program delivery that is non-bureaucratic. It takes into account the struggles of people whose household income is very modest, generally in crisis, and has limited resources to go from agency to agency requesting assistance.

In addition to bill payment assistance, CSC staff assist clients in mediating issues with the utility companies. Clients are also encouraged to conserve energy through our three different levels of energy education services. CSC offers In-Office Energy Education, Energy Education Workshops and In-Home Energy Education Audits. Further enhancing the value of their contact with CSC, many of those served are also provided with information and referrals to many other services and benefits available through CSC and elsewhere in the community.

Goal:

- Provide assistance to low-income households to reduce the burden of high heating and utility bills, particularly those with the lowest incomes that pay a high proportion of household income for home energy.

In order to accomplish this Emergency Services:

- Used Low Income Home Energy Assistance Program (LIHEAP) funds to reduce the winter heating costs of 7,248 households and to prevent over 3,975 of these households from having their heat disconnected.
- Provided 5,415 households with energy conservation education designed to assist them in reducing their household's energy burden and increase resources available to meet their other household needs.
- Continued to use private fuel fund monies to prevent 4,541 households from having their utilities disconnected.
- Determined eligibility for 257 City of Albany residential water customers and 8 City of Corvallis residential water customers to reduce their monthly water bill.
- Provided 108 Energy Education Work Shops
- Completed 127 In-Home Energy Education Audits.

Housing Programs

Emergency Services provides emergency and transitional housing services as well as providing assistance to other local agencies providing services to those who are homeless or at risk of homelessness. We believe housing gives people the chance to build better lives and children the opportunity to succeed in school and life. At a minimum, everyone should have a safe, decent place to sleep.

Goal:

- Promote the economic independence of eligible households who are homeless or “at risk” of becoming homeless by helping them access and maintain safe, stable and affordable housing.
- Provide short-term rent/mortgage assistance, utility assistance and supportive services when other resources are not immediately available.
- Assist eligible households as they move toward self-sufficiency by identifying and removing barriers, integrating services and developing plans for financial and emotional stability while residing in permanent rental housing for 12 months.

In order to accomplish this Emergency Services:

- Provided 7,700 households with information and referrals to other social service agencies.
- Provided 6,562 nights of shelter to women and children fleeing domestic violence situations and/or families with children who were homeless or at risk of becoming homeless. Three months after receiving assistance, at least 92% of those served were still in permanent housing.
- Used City of Corvallis funds and matching state funds to provide 1,423 nights of shelter to women and children fleeing domestic violence or to families with children who were homeless or at risk of becoming homeless. Three months after receiving assistance, at least 100% of those served were still in permanent housing.
- Used ARRA Homeless Prevention funds to provide the equivalent of 3,393 nights of shelter to 33 households at risk of becoming homeless. Used ARRA Rapid Re-Housing funds to move 16 households out of homelessness and into permanent housing.
- Used Low Income Rental Housing Fund (LIRHF), Emergency Housing Assistance (EHA), Continuum of Care and matching HOME Tenant Based Assistance, (TBA) funds to provide over 27,644 nights of transitional shelter to 34 households who were homeless or at risk of homelessness and had a plan and the motivation to become self-sufficient. 100% of those enrolled did complete a case plan. 86% of the households enrolled in the program were still residing in permanent housing at the end of the program.
- Provided 7 cycles of the Second Chance Renters Education Program. Each program cycle consists of six two-hour classes including: How to be a Good Tenant, Landlord/Tenant Responsibilities, Conflict Resolution, Energy Education,

Money Management, and Goal Setting. 80 individuals started the program and 67 completed.

- Held support group meetings at Tern House and Pelican Place. Tern House, a six unit apartment complex located in Lincoln County, was CSC's first permanent, supportive housing project for persons experiencing long-term homelessness or fleeing domestic violence. Pelican Place, a twelve unit apartment complex also located in Lincoln County, was brought on line in November 2010 as CSC's second permanent, supportive housing project.
- Coordinated and sponsored the Third Homeless Person's Memorial Service on December 21st in Albany. Approximately 65 homeless individuals, City of Albany staff, social service providers, faith based organizations and the general public gathered together in recognition of the seven homeless people who were known to have lived and died on our streets, in abandoned properties, from illnesses or conditions directly related to homelessness. As each name was read out loud, a candle was lit and friends and acquaintances spoke in memory of their lives.

Goal:

- Provide assistance to local agencies that provide services to those who are homeless or at risk of homelessness.

In order to accomplish this Emergency Services:

- Contracted with Lincoln County Food Share to distribute food to food pantries, soup kitchens, day care centers, shelters, and low income food programs.
- Monitored contract performance and provided technical assistance as needed.
- Provided eligibility screening for 694 households applying for We Care emergency assistance. Submitted 307 applications and served 243 households in Benton County.
- Held the Third Linn County Resource Jam on October 10th, 2012, at the Linn County Fair Grounds. Sponsored by Community Services Consortium, 66 individuals representing local agencies and organizations that serve the needy in the Linn county area attended the event. Sixteen organizations gave presentations on their mission, services, and referral information.

LINN BENTON FOOD SHARE

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

Through our network of 74 agencies we attempt to reach every person who cannot adequately feed themselves or their family. Food Share prevents hunger by soliciting, transporting, storing and distributing over 5 million pounds of food each year to emergency food pantries, emergency shelters, child care centers, community meal sites, and gleaning groups.

High unemployment and increases in the cost of food, gasoline and utilities are leaving many families and individuals unable to purchase an adequate supply of food. Requests for emergency food help are at an all time high. Oregon has the highest rate of childhood food insecurity in the nation.

Accomplishments:

- Supplied food for 164,919 persons at emergency food pantries.
- Supplied food for 269,881 meals at community meal sites and shelters.
- Coordinated 30 plus agency food drives or fund-raising events.
- Promoted education and public awareness about hunger issues by giving presentations to service groups, classrooms, community organizations, church groups, etc..
- Increased the amount of food picked up through the Fresh Alliance program by picking up food at the Albany Walmart.
- Distributed non food goods such as refrigerators, freezers bookcases, computers, desks, furniture and appliances to our member agencies.
- Distributed a record 5,376,584 pounds of food to our 74 member agencies.

GLEANNING / VOLUNTEERS

The Linn Benton Food Share Gleaning Program is made up of 14 gleaning groups, with 7,900 low-income members who play active roles in securing food for their families and others who are unable to participate. Many of the receipts of the gleaning program are elderly, disabled, or children.

In order to alleviate the conditions of poverty, Linn Benton Food Share's Gleaning/Volunteer program has worked with farmers/growers and local food industries to keep food from going to waste for over twenty-five years. The Gleaning program accepts and collects donations of food, firewood, and other non-food items. These donations are then allocated to low-income gleaners who share evenly with members who are not able to actively participate.

Accomplishments

- Accessed and distributed over 2 million pounds of nutritious food through the gleaning program.
- Participated on an Oregon State University panel discussion regarding hunger issues and community resources.
- Organized and facilitated trainings on food handlers' certification, Family and Friends CPR/AED, and SNAP outreach for gleaning groups.
- Provided group stability by holding twelve *Monthly Gleaning Coordinator Meetings* with topics on fundraising, bookkeeping, grant writing, civil rights, volunteer management, board development, living with diabetes, nutrition, problem solving and donor relations.

- Facilitated two grant writing workshops resulting in over \$98,000 in grants awarded to the gleaning groups.
- Participated in the community informational events including Community Service Consortium's Annual Resource Jam, Hewlett Packard Volunteer Fair, and CH2M Hill Information Fair in order to increase awareness and access to programs aiding low-income individuals throughout Linn and Benton counties.
- Developed and presented a *Bias Awareness Training* to CSC LIHEAP staff and the gleaning program.
- Enlisted over 3,100 community volunteers for various LBFS projects including 12 Monthly Open House Repacks and over 35 food sorting and boxing events.
- Placed 12 Oregon State University interns and volunteers within the gleaning program to help with gleaning activities.
- Worked with local wood donors and members of the gleaning program to distribute over 540 cords of firewood to low-income individuals who rely on wood for their primary heat source.

HOUSING AND COMMUNITY RESOURCES

The Housing and Community Resources Department assists individuals and households to improve their housing conditions through weatherization services, housing rehabilitation, new construction, housing counseling and accessibility to affordable housing. Assistance is provided to municipalities, public and private agencies to develop and construct affordable housing and community facility projects.

WEATHERIZATION PROGRAM

CSC's Weatherization Program assists households to save energy and improve their living conditions through the installation of weatherization materials, energy education, whole house diagnostics, duct tightening, furnace replacements and safety checks of combustible appliances.

Accomplishments

- Completed weatherization on 348 housing units including 103 in Linn County, 154 in Benton County and 91 in Lincoln County.
- Conducted safety tests on combustible appliances, pressure diagnostics on duct systems, and made repairs and/or replaced heating systems identified as substandard.
- Worked with the Housing Rehabilitation Program to integrate weatherization services with rehabilitation work.
- Provided weatherization services on many older mobile homes with flat roofs. Weatherization measures included the installation of an EPDM membrane over rigid insulation, replacement of jalousie windows and repair and upgrade of leaking duct work. The measures will help save energy and extend the life of these homes for another 20 years.
- Performed baseload measures on houses including replacing older refrigerators with energy-efficient models and installing compact florescent light bulbs.

- Completed the installation of solar photovoltaic panels on 6 projects across the Linn, Benton and Lincoln County.

COMMUNITY DEVELOPMENT

CSC works with cities, counties and non-profit agencies to develop community facility projects, special needs housing or provide grant management services.

Accomplishments

- Completed the sale of a single-family home in Lincoln City which had been purchased and rehabilitated under the Neighborhood Stabilization Program. At the time of the house sale, the land was transferred to the Lincoln Community Land Trust and is their first land trust property.
- Continued to work with the steering committee and stakeholders of the 10-Year Housing Plan for Lincoln County to tackle several of the action steps and tasks to address housing and homelessness issues.
- Continued as staff to the Lincoln Community Land Trust. Received funds to commission a Lincoln County Housing Study.

MORTGAGE PAYMENT ASSISTANCE PROGRAM

The Mortgage Payment Assistance Program is a federal program designed to assist homeowners who are in danger of losing their homes due to foreclosure.

Accomplishments

- CSC Staff were able to determine eligibility for over 72 households in Lincoln County for the Mortgage Payment Assistance Program and 200 households in Linn County.
- Depending upon the program, assistance can be continued up to 12 months and may be as much as \$20,000.

COMMUNITY HOUSING SERVICES 501(c)(3)

Community Housing Services is a 501(c)(3) nonprofit set up to provide housing services to low and moderate-income households. CHS works with cities and counties to provide housing rehabilitation loans, manage loan portfolios and operate two Regional Revolving Loan Funds. It also manages the Regional Housing Center to promote homeownership activities.

HOUSING REHABILITATION

The housing rehabilitation program assists low and moderate-income households in Linn, Benton and Lincoln counties to make repairs to their homes. Households are provided no-interest deferred loans that enable them to hire licensed and bonded contractors to correct unsafe or deteriorating conditions in their homes or make them more handicapped accessible.

Accomplishments

- CSC completed the rehabilitation of 14 owner-occupied homes including 5 in Lincoln County, 5 in Benton County and 4 in Linn County.

HOMEOWNERSHIP PROGRAM

The Homeownership Program provides access to housing information and resources with a focus on assisting low and moderate-income households become first-time homebuyers. The agency assists households through education, homeowner classes, financial fitness classes, case management services, and in finding incentives and programs to lower overall mortgage costs. Training and presentations are provided to groups, agencies realtors and lenders. The agency also reacted to the mortgage crisis and added an additional staff person to do foreclosure counseling.

Accomplishments

- Staff provided individual and group counseling and referral services to 28 clients in Lincoln County.
- Staff provided outreach to households, realtors and the lending community about loan products and down payment assistance programs available to low and moderate-income first-time homebuyers.
- Staff provided foreclosure counseling and services to 37 clients in Linn, Benton and Lincoln County during the year.

CHILD DEVELOPMENT SERVICES

CSC Child Development Services - Head Start, provided federal and state-funded preschool services to 160 Lincoln County children and their families. Head Start is one of the nation's first child development programs to implement a two-generation approach, working with both children and their low-income parents as primary teachers of their own children.

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

CSC Head Start in Lincoln County is a vital program for enrolled children,

families and the Lincoln County community given that:

- Preschool children are the most likely age group to live in poverty.
- Oregon has one of the highest state unemployment and “food insecurity” rates.
- Lincoln County has one of Oregon’s highest domestic violence per capita rates and the second highest county child abuse rate (nearly twice the state average).

Research indicates that Head Start generates long-term improvements in important outcomes such as schooling attainment, earnings, and crime reduction.

The Need

CSC has increased the number served per year from 97 to 160 through competitive grants over the past sixteen years.

Accomplishments

- Successfully recruited a new community member for Policy Council who is very involved in the community and will be a very strong spokesperson for CSCHS.
- Our Health Advisory Service Committee continues to be a vital resource of involved and committed individuals. Meetings are held regularly.
- Have an “intern” volunteer who is assisting with administrative projects including but not limited to our volunteer recruitment efforts.
- Comprehensive program wide Policy and Procedures, Ongoing Program Monitoring, Work Plan have all been created and or revised and are now “dynamic” tools.
- Partnership with Early Childhood Special Education has had outstanding outcomes in terms of numbers of children identified and served as well as shared resources, such as trainings, etc. This completes our “infrastructure building” project.
- CLASS observations are regularly scheduled throughout the year, with two certified CLASS Observers. Outcomes are shared at evaluations or as necessary with teaching staff in order to continue to increase excellence in all areas of teaching. The results both in quantifiable results and staff appreciation have both been outstanding.
- All education plans for staff are in place, with regular follow ups as well as success stories: attainment of BA, Teaching Assistants on track with CDA plans and timeframes with continued close monitoring by Education/Program Manager.
- Creation of the Ongoing Monitoring Plan has ensured our successful and timely of program monitoring throughout the year.
- Documents have been shared with Boards, Councils, Staff, and other individuals relative to the federal monitoring of 2013. Preparation is in place, is thoughtful and progressing to completion.
- Have identified a local consultant to complete the three year community assessment.
- Have redesigned the management team to create a position that can be a

“succession” position, while strengthening all program areas.

- Disaster Preparedness Plans and Pest Management Plans (Ongoing Pest Monitoring) are now in place and we have a Pest Management Coordinator trained and certified. We had an intern successfully complete the Disaster Preparedness Plan with appropriate staff involvement.

LINN BENTON RETIRED AND SENIOR VOLUNTEER PROGRAM (RSVP)

Linn-Benton RSVP is a Senior Corps national service program dedicated to providing outstanding community service opportunities for adult volunteers age 55 and above. We have nearly four decades of experience matching volunteers with opportunities to meet targeted community needs. While a variety of volunteer opportunities are available, our primary goal is to respond to clearly defined local needs. Based on our national focus areas, community needs assessments and the skills and interests of our volunteers, through the next fiscal year we have chosen three primary focus areas – healthy futures, education and financial stability.

RSVP and its Volunteer Center, HandsOn Linn-Benton had an active network of 726 volunteers who gave 114,163 hours of service to the community in calendar year, for a total in-kind value of \$2,438,522. RSVP volunteers help a wide variety of nonprofits including health and nutrition, economic development, mentoring, public safety and more. The volunteers are honored with an annual luncheon that includes the presidential service awards. The signature programs - Senior Health Insurance Benefits Assistance-SHIBA, Senior Peer Counseling, AARP Tax-Aide and VISIT - address critical human needs in our focus areas. Our role in convening a task force on Service Learning has brought together key stakeholders in the field of education from Corvallis and Albany School Districts and Oregon State University.

Accomplishments 2011-2012

- **SHIBA** – Medicare counseling, advocacy and education
 - 27 volunteers served 1,107 individual clients, a 15% increase, with 1,433 total client contacts.
 - Monthly volunteer meetings in each county; two large trainings
 - Provided 15 classes on New to Medicare or Medicare ABCD to 375 persons.
 - Enrolled 66 clients in Part D low-income subsidy assistance, a 165% increase.
- **Senior Peer Counseling** – 4 volunteers, 18 clients
 - Benton County only (Linn County program put on hold due to funding decrease).
- **Tax-Aide** – 54 volunteers gave 7,130 hours of time and e-filed 3,249 tax forms
 - Earned income, education and child tax credits, totaling \$1,515,417.
 - Tax refunds totaling \$3,420,302.
- **HandsOn Linn-Benton**
 - 1,500 volunteer referrals sent to nonprofits.

- Taught 20 nonprofits on effective utilization of new website.
- **Service Learning**
 - Trained 18 staff members from 12 nonprofits in service learning management.
 - Held three workshops for educators – two Albany SD, one Corvallis High School.
- **VISIT – Friendly Visiting Program** trained ten new volunteers.
- **Increased** private and business donations by 15% over past fiscal year.
- **Recruited** 84 new long-term volunteers; 36 boomers, age 55-65.

ADMINISTRATION

CSC's administrative department provides direction, information, resources, training and leadership that supports the programs and services of the agency. Our administrative department is comprised of the Executive Director and her office, Community Resources and Development, Human Resources, Information Technology and Finance departments.

Accomplishments:

- As part of an overall agency response to funding cuts we consolidated and downsized our three valley offices. We achieved substantial savings in rent and operating costs even after the costs of moving.
- We completed the reorganization of Administrative Services, including HR, Finance, Community Relations and Development and the ED's office, resulting in more administrative support for all departments by more effective utilization of existing staff.
- We hired a new HR director who immediately began to improve the integrity of our HR data and utilize that data in supporting the agency.
- We merged our Community Housing Department and Emergency Services into Housing and Energy Services, a single department redesigned to improve coordination of client services, better utilize opportunities and to achieve management efficiency. Together with our new department director, CSC administration immediately embarked on updating and improving contracts, financial tracking and department procedures.
- To keep our promise of improved communications with staff, we held town hall (all questions welcome) meetings in each of the four major locations.
- Finally, the Community Action Advisory Council and the Governing Board completed the review and approval of our first Strategic plan in many years.

COMMUNITY RELATIONS AND DEVELOPMENT

The Community Relations and Development Department (CRD) coordinates all CSC community relations and public awareness efforts including communicating with those who need help and those who can give help (participants and donors). The CRD Department works to support and market the programs and services of CSC through

grant support, fundraising, donor and prospect development, and community awareness and media relations.

Additionally, CRD operates the Healthy Kids Program and the CSC “Building Bridges” AmeriCorps VISTA program. The Healthy Kids Program provides insurance options for families whose children are uninsured or under insured. It is part of the Oregon Health Plan, and fills the gaps between OHP eligibility and expensive private insurance options. The “CSC Building Bridges” AmeriCorps Vista program has had a very successful six year history of capacity building for non-profits throughout our region.

Accomplishments:

- Conventional and social media increased the visibility of CSC’s community impact and led to individual donation topping \$20,000.
- CSC’s inaugural 2011 Barrel to Keg Relay Race fundraising event was a hard won success, fielding a full slate of 250 runners and finishing in the black.
- The July 2012 race entries have nearly doubled. The race was expanded in 2012 to include walking teams and a founder’s dinner coordinated by Harris Bridge Vineyard is scheduled to precede the event.
- CRD coordinated and managed 10 AmeriCorps VISTA sites that helped all three counties focus on homelessness and housing issues.
- The Regional Ten-Year-Plan-to End-Homelessness will be completed in 2012, after community consultations in all three counties help shape and identify opportunities for joint strategies. CSC took the lead on this project after our volunteer had to exit the program suddenly.
- CRD’s Healthy Kids Program assisted 144 families this fiscal year and set the stage to expand the program in 12-13.

HUMAN RESOURCES

Accomplishments:

- With raw historical data entered into the HR database, the process of generating useful reports for management has begun. We are verifying historical data and have begun the process of creating new supervisor reports.
- Electronic and hard copy file reorganization will provide a system for monitoring information accuracy. This was begun with the Child Development Services Department files and will be useful to any monitors or auditors and save labor in accessing the information.
- Completed a classification study for the full range of administrative assistants in various departments.
- Began a process to establish a 5 year cycle for job description reviews.

INFORMATION TECHNOLOGY

Accomplishments:

- Designed and completed support process for computer moves, network cabling and server connectivity changes to accommodate multiple office moves in July and August.
- Downsized network by reducing 25 computers during office reorganization.
- Replaced stand-alone PBX and landline-based phone systems at 9 locations with a Voice over Internet Protocol (VoIP) agency-wide telephone system. This will eliminate long distance phone charges, and will enable direct dial between all CSC offices.
- Upgraded core networking equipment, including routers and switches, at several locations to accommodate VoIP, and configured a secondary Virtual Private Network (VPN) to reduce contention between voice, data and video traffic over the wide area network.
- Launched a new Automated Call Distribution (ACD) system for the Low Income Heating and Energy Assistance program (LIHEAP).
- Collaborated with Community Resources and Development on a department design style guide and a complete revamping of the CSC website.
- Installed domain servers and enabled document scanning at all Head Start locations.
- Provided technical support services to The Oregon Consortium / Oregon Workforce Alliance (TOC/OWA) as a way of generating revenue for IT operations.
- Continued to provide a secure network of well-functioning telecommunication systems including network monitoring, up-to-date computers and telephones, and user support.
- Configured computers for eco-friendly recycling and disposal of old equipment.

FINANCE:

Accomplishments:

- Received an unqualified audit and a Certificate of Achievement for Excellence in Financial Reporting for the **twentieth** consecutive year.
- Coordinated the financial management and reporting activities for 199 different grants with federal, state, local and donor funding sources.
- Acted as interim Human Resources Director for 3 months during vacancy in that position.
- Continued the work of ARRA reporting to demonstrate the effects of the stimulus package in Linn, Benton and Lincoln counties.
- Continued training managers on a new financial data management software module that allows real-time access and customized reporting for managers to ensure optimal use of CSC resources.

FINANCIAL INFORMATION

INTERNAL CONTROLS AND BUDGETARY CONTROL

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

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

CASH MANAGEMENT

The majority of activities administered by CSC are funded through cost reimbursement grants and contracts. We recognize that good cash management is a critical aspect of fiscal responsibility. As we expend our funds in advance, cash management involves efficient and timely recovery of our funds.

To avoid cash flow problems, the following cash management policies have been adopted:

- Departments prepare requests for reimbursement or advances as soon as possible to avoid cash flow problems. All requests for reimbursement are coordinated with the Finance Department.
- The Finance Department expedites review of requests for advances or reimbursements in order to maximize income and reduce subsidization of grant and contract funds.

- Direct deposit via electronic means is encouraged to enhance prompt payments and for greater security over revenue receipts than receiving paper checks.

Bank balances as of June 30, 2012 were covered by federal depository insurance or in accordance with Oregon Revised Statutes. Revisions to ORS Chapter 295 governing the collateralization of public funds deposits, effective July 1, 2008, provide that governmental entities no longer have to request the issuance of a Collateral Certificate of Participation when they maintain their public funds deposits at a qualified institution. CSC currently holds all its funds in qualifying depositories and no longer has collateral certificates of participation.

RISK MANAGEMENT

Community Services Consortium is insured for property and casualty, liability, workers' compensation and fidelity bond coverage through insurance carriers. Departments also perform certain risk management functions related to their own particular funding sources. CSC also has external monitoring reviews by a number of different funding sources annually with no findings or questioned costs in those reviews. We also maintain a safety committee that represents all the agency's employee groups, departments and building locations. CPR and first aid training/certification are made available to employees.

GENERAL GOVERNMENT FUNCTIONS

For financial reporting purposes, there is one general fund, and seven special revenue funds (reflecting 199 different funding sources, one for each federal, state or local grant or other contract).

INDEPENDENT AUDIT

Oregon Revised Statutes require an annual audit by independent certified public accountants that are also licensed by the state to conduct municipal audits. CSC contracted with Grove, Mueller & Swank PC of Salem, Oregon to conduct our FY12 audit. Because CSC receives federal financial assistance, the audit must also meet the requirements of the Single Audit Act of 1996 and related OMB Circular A-133.

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Community Services Consortium for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2011. This was the **twentieth** 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, 2012 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 – Kellie Oxford, Cherry Condon, and Denice Stout, 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 for their guidance and support in conducting CSC's operations in a responsible and progressive manner.

Sincerely,

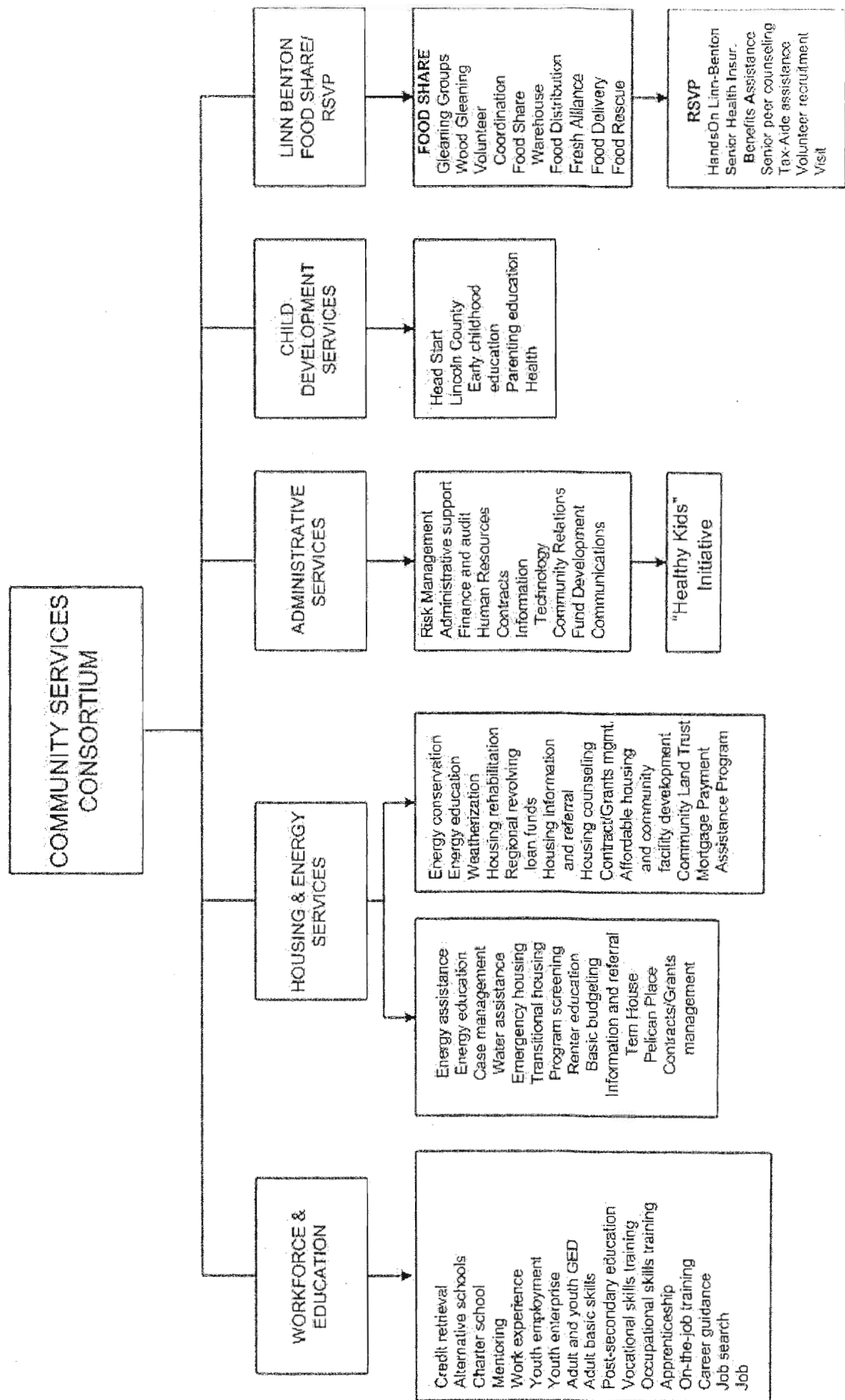


Martha Lyon
Executive Director



Debbie Jackson, CPA, CFE
Finance Director

COMMUNITY SERVICES CONSORTIUM FUNCTIONAL CHART



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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morille

President

Jeffrey R. Enen

Executive Director

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

Governing Board
Community Services Consortium
Albany, Oregon

We have audited the accompanying financial statements of the governmental activities and each major fund of Community Services Consortium (the Consortium) as of and for the year ended June 30, 2012, which collectively comprise the Consortium's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Consortium's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

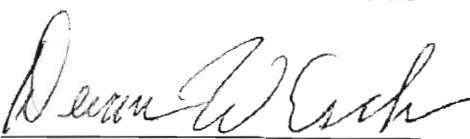
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Consortium as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012, on our consideration of the Consortium'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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) on pages 3 through 13 and the schedule of revenues, expenditures and changes in fund balance – budget to actual on page 34 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 the MD&A 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. The schedule of revenues, expenditures and changes in fund balance – budget to actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Consortium's financial statements as a whole. The introductory, other supplemental information, and statistical sections are presented for purposes of additional analysis and are not required parts of the financial statements. The accompanying 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 financial statements. The other supplemental information and 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 financial statements. The other supplemental information and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. 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.

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

By: 

Devan W. Esch, A Shareholder
December 21, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2012. 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 \$11.2 million in federal and federal pass-through grants, \$2.9 million in state and local governmental grants and contracts, \$8.6 million in value of donated food, \$803,000 in contributions, about \$912,000 in charges for services, about \$1.05 million in capital contributions from a building transfer and \$240,000 in loan repayments and \$779,000 in other miscellaneous income, totaling \$26.4 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 purpose 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 and eliminating the causes of poverty. With the exception of our workforce development activities, including our alternative schools (about 14% of our total funding), the remaining 86% is designated 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. When the federal appropriations are not passed and the nation goes on "continued resolution," it makes the timing and amount of grant awards very volatile. When the State of Oregon experiences budget shortfalls as it has in the current and previous biennium, we were negatively impacted in our contracts that were covered by the State general fund. Continuing tight state and federal funding makes long-term funding projections almost impossible, so we generally operate on a fairly short term planning cycle.
- We have to 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 if our projections are not realized. 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 FY13 forecast is not different – we are projecting a decrease to around \$23.6 million which is a further decrease of approximately 10%.
- As we have discussed in our introductory letter, our communities have been hit hard by the Oregon recession, and CSC has been part of the solution by providing safety net services, re-employment services and retraining for people impacted by record high unemployment in all three counties. The demand is still continuing to increase, even as our funding drops. Requests for services in all of our departments are still climbing, as Oregon still has not recovered from the recession.

Overall, we feel that CSC was able to effectively manage its resources to meet the increased demands felt in our communities. We also acknowledge that there is still a high level of unmet need due to funding shortfalls. The economic outlook for next year acknowledges that the United States may be coming out of the recession, however, the State of Oregon is lagging behind that recovery, and our three county areas have unemployment rates higher than the state average. The lack of new employment opportunities continues to increase the demand for services in all our departments. The sheer volume of increased demand for our services is definitely challenging

CSC will continue to look for new and unique opportunities to work with other agencies and organizations to provide sustained quality programs for our communities. The current Congressional funding debates are not emphasizing funding through the Community Action Agency networks, further impacting our ability to deliver services. We anticipate that the FY13 year will be very difficult and will strive to manage the increased workloads as best as possible given funding uncertainties.

Overview of the Financial Statements

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

Government-wide financial statements:

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

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

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

Fund financial statements:

Fund financial statements may also give you some insights into CSC's overall health. Fund financial statements report the Consortium's operations in more detail than the government-wide financial statements. Community Services Consortium has only one type of fund besides a very limited general fund – governmental funds. The governmental funds are presented in seven different departments.

Governmental Funds:

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

Notes to the financial statements:

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

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

Financial Analysis of the Consortium as a Whole

Net assets. The Consortium's net assets at June 30, 2012 were \$7,835,469 reflecting an increase of \$1,066,473 from \$6,768,996) at June 30, 2011 (See Table A.) The major source of increase to our net assets was a capital contribution of \$1,057,132 related to the transfer of the Toledo Head Start building to CSC after the close out of the sponsoring City of Toledo Community Development Block Grant (CDBG). This one-time transaction was an extraordinary item which was 99% of the total increase. Most of our grants and contracts are cost reimbursement and reflect the balance of the increase.

Community Services Consortium's Net Assets

TABLE A

	<u>June 30, 2012</u>	<u>June 30, 2011-Restated</u>
Current and other assets	\$ 10,394,315	\$ 9,995,709
Capital assets, net of depreciation	<u>4,534,314</u>	<u>3,786,264</u>
<i>Total Assets</i>	14,928,629	13,781,973
Current and other liabilities	6,377,211	6,544,429
Noncurrent liabilities	<u>715,949</u>	<u>468,548</u>
<i>Total Liabilities</i>	7,093,160	7,012,977
Net Assets		
Invested in capital assets, net of related debt	4,534,314	3,786,264
Restricted for grant programs	2,392,488	2,272,834
Unrestricted	<u>908,667</u>	<u>709,898</u>
<i>Total Net Assets</i>	<u>\$ 7,835,469</u>	<u>\$ 6,768,996</u>

Restricted and Unrestricted Net Assets:

As a grant-based organization operating primarily under cost reimbursement contracts, CSC has very limited potential to build up an unrestricted reserve. Only the general fund balance of \$361,590 is truly unrestricted with virtually all other balances being restricted by grant conditions, donor restrictions, contractual arrangements, or management assignments for specified purposes.

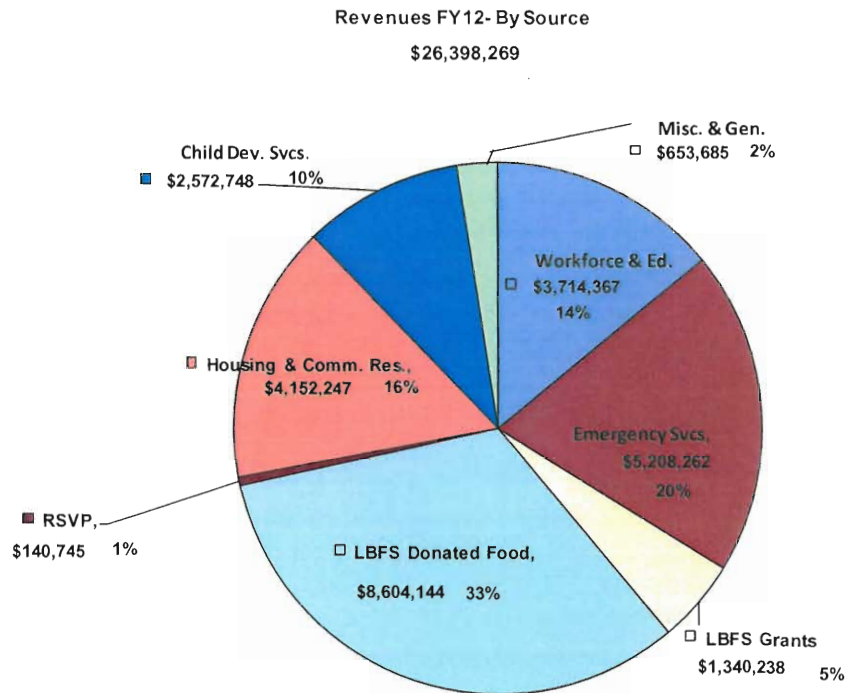
Changes in net assets. CSC's total revenues increased \$46,532 from \$26,351,737 in FY11 to \$26,398,269 in FY12. CSC's total expenses decreased \$920,604 from \$26,252,400 in FY11 to \$25,331,796 in FY12 (See Table B). The result was an increase of \$1,066,473 in net assets, which was from the contributed capital discussed above.

Community Services Consortium's Changes in Net Assets

TABLE B

	<u>June 30, 2012</u>	<u>June 30, 2011-Restated</u>
Program revenues		
Charges for services	\$ 912,288	\$ 1,125,963
Operating grants and contracts	23,600,624	24,435,934
Contributed Capital	1,057,132	-0-
Contributions	<u>803,226</u>	<u>781,713</u>
	26,373,270	26,343,610
General revenues, by source		
Interest and other investment earnings	<u>24,999</u>	<u>8,127</u>
Total Revenues	<u>\$ 26,398,269</u>	<u>\$ 26,351,737</u>
Program Expenses		
Personal Services	\$ 7,636,579	\$ 9,096,153
Materials and Services	7,047,006	10,132,348
LBFS Donated Food	8,483,516	6,944,001
Capital Outlay	2,164,695	79,898
Fund Balance	<u>-0-</u>	<u>-0-</u>
Total Expenses	<u>\$ 25,331,796</u>	<u>\$ 26,252,400</u>
Change in Net Assets	1,066,473	99,337
Net assets, beginning of year	<u>6,768,996</u>	<u>6,669,659</u>
Net Assets, end of year	<u>\$ 7,835,469</u>	<u>\$ 6,768,996</u>

Figure A
Sources of Revenue for the Year Ended June 30, 2012

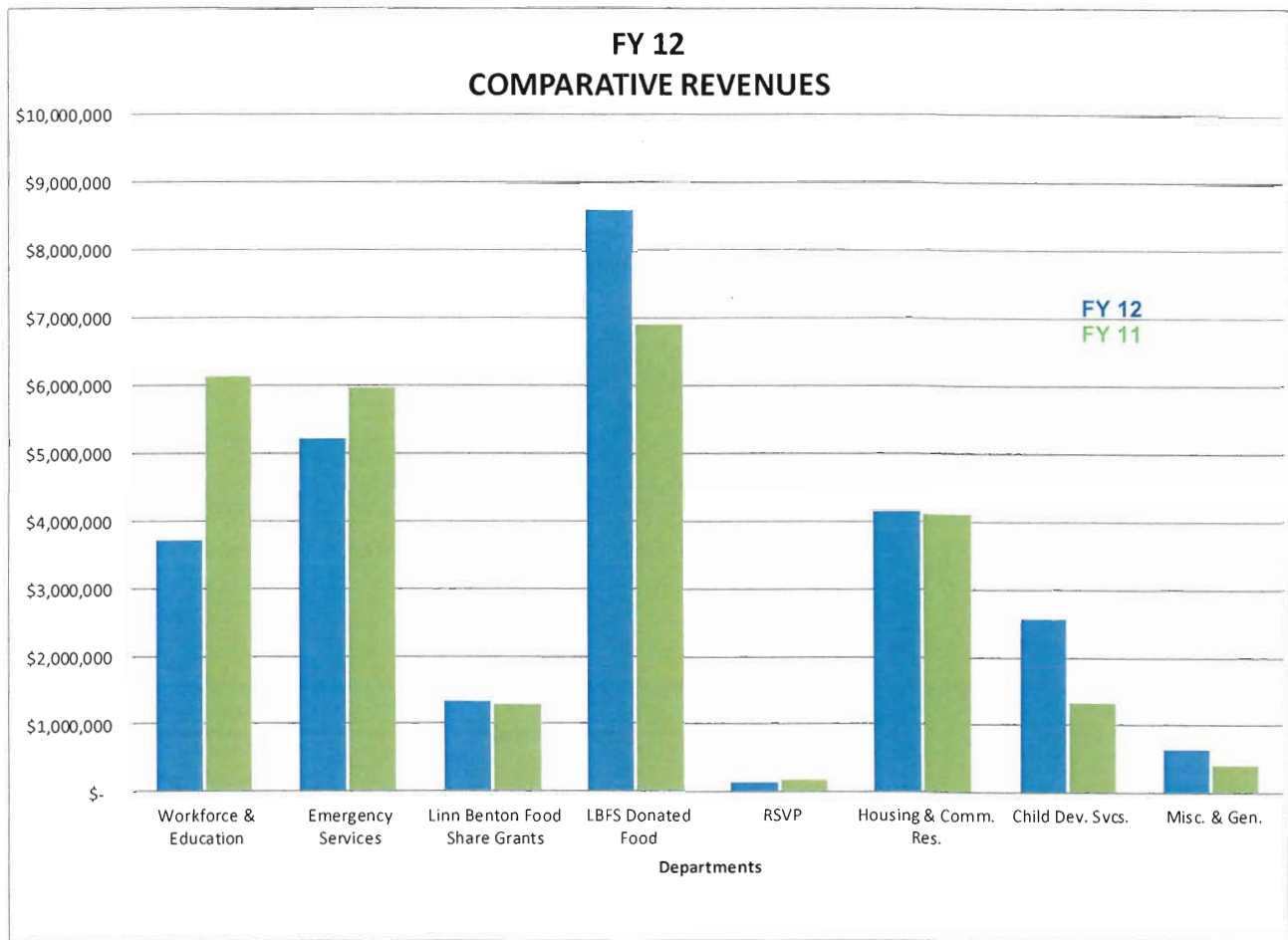


Major components of the \$46,000 revenue increase was from donated food in Linn Benton Food Share of about \$1.69 million from sustained loyal donor generosity as our local communities continue their response to the high need brought on by the recession and increased unemployment. We also had additional ARRA (stimulus) funds in Weatherization Assistance Program of about \$915,000. Our Child Development Services department was very conservative last fiscal year and was able to carry in about \$150,000 of funding from the prior contract year. That was a one-time shift in funding to devote some additional resources to classroom and strengthening their policies and procedures.

These increases were offset by decreases in other federal revenues – primarily because the Workforce & Education department had Workforce Investment Act (WIA) funds decreased almost \$1.8 million (over 38%) and the National Emergency Grants (NEGs) decreased almost \$398,000. Our alternative school funding decreased about \$396,000 as we were unable to coordinate with the reduced WIA funding for staffing. Several segments of these programs had to be eliminated. The JOBS (Job Opportunities and Basic Skills) grant was decreased about \$200,000 as state revenues were reduced.

We also completed several Community Development Block Grants for a decrease of about \$600,000 in the Housing and Energy department, along with reduced state funding of about \$225,000 for weatherization. The LIHEAP (Low Income Heating Assistance Program) had a cut of about \$738,000 as Congress reduced funding at the federal level.

Figure B
Revenue Comparison for the Years Ended June 30, 2012 and 2011



Changes in Fund Balances – Governmental Funds

The **Emergency Services** fund increased the ending fund balance about \$43,000. The increase was primarily from rental income from operating 18 units of permanent supportive housing facility for individuals and families that had previously been homeless. The added Pelican rental revenues eliminated a previous negative fund balance from startup costs on the project and, between all rental units, added \$14,872 to a maintenance reserve.

The **Workforce & Education** fund balance decreased about \$29,000 in several areas. The Fee for Service alternative schools decreased about \$25,000 and YouthBuild Fee for Service decreased about \$26,000 to support summer youth programs and to meet increased curriculum requirements. These decreases were offset substantially by an increase in fund balance in the Career Tech Chart School of \$45,000.

The Edith Janet Stewart Grant disbursed approximately \$17,400 as part of a multi-year grant to fund operations for the Brock Home for teen parents in Linn County.

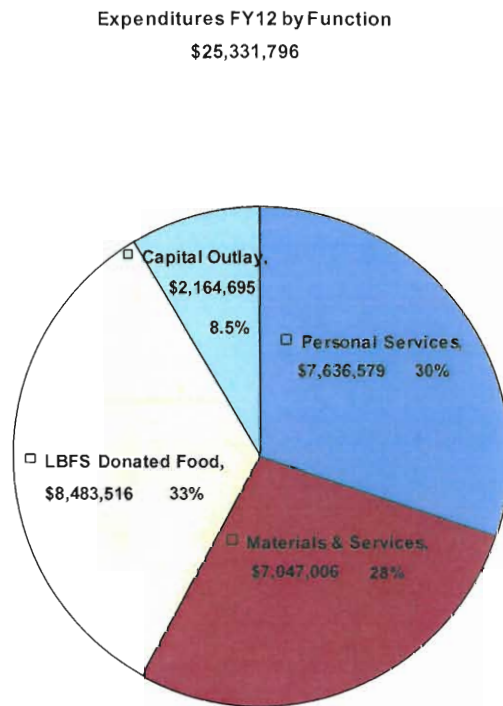
Linn Benton Food Share fund balance increased by over \$337,600. LBFS has seen sustained donations of food, while also needing to purchase certain types of food to round out the food supplies distributed to the regional food network. Donations of almost \$91,000 were received for a new Warehouse Expansion project, as well as \$13,000 in miscellaneous donor grants. Increased community donations of almost \$37,000 and an increase in member cost reimbursements of \$38,000 (related to increased food distribution) as well as operating efficiencies allowed LBFS to add to its operating fund balance.

Housing and Community Resources increased the fund balance by about \$115,000. The largest source of the increase was in the Mortgage Payment Assistance fund as new programs were added and operated on a Fee for Service basis generating over \$90,000 net income. The various programs help people in different qualifying stages of foreclosure. Other sources decreasing were the Neighborhood Stabilization Program which purchased a house to rehabilitate and be sold to low income homebuyers. CSC invested about \$75,000 funds in addition to program income which will be recouped on the sale of the house. Loan Repayments of about \$90,000 were repaid from people who originally received funds as a non-interest bearing loans.

Miscellaneous Grant Fund decreased fund balance by \$8,450. This was the remaining balance from the AmeriCorps VISTA program which will carry the program through the final few months to complete a sixth year of service to our communities. This additional year was above the usual funding cycle of only five years and concludes this program at CSC.

Child Development Services and **Retired and Senior Volunteer Program (RSVP)** did not have any significant changes or material balances.

Figure C
Expenses by Function for the Year Ended June 30, 2012



Major components of the \$1.26 million expense decrease were almost \$1.5 million decrease in salary and fringe expenditures related primarily to the WIA funding decrease discussed above, offset by about \$1.4 million increase in program supplies (primarily increased food distribution), a decrease of almost \$600,000 in client assistance for energy costs, a decrease of about \$315,000 of construction costs due to the completed NSP program, about \$125,000 decrease in incentive paid to youth, and over \$100,000 decrease in administrative overhead.

Of the total expenses for FY12 of \$25.3 million, 53% or \$13.5 million (including food distribution) was directly on behalf of participants in our programs. As a proportion of the FY12 Materials and Services of \$15.5 million, the direct assistance of \$13.5 million was 87%, 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 substantially met our goal of providing 50% direct client benefit.

Four funds had significant changes in their FY12 activities. Linn Benton Food Share had a significant **increase** of almost \$1.6 million related to food distribution. Workforce & Education department **decreased** expenses about \$2.46 million for workforce training and especially summer youth programs as their WIA ARRA and regular WIA funds dwindled and as their National Emergency Grants declined. Child Development Services **increased** their expenditures about 12% from a \$150,000 carryover of Head Start funding later into the contract year which spans CSC's fiscal year. The Emergency Services department **decreased** by \$775,000 as their LIHEAP funds were reduced.

We also experienced an increase in capital asset additions of \$2,164,695 (*as discussed in more detail in the capital assets footnote on page 27*) due to a capital contribution of \$1,057,132 from receiving the Toledo Head Start under the CDBG grant. We also placed into service capital additions related to our Pelican Place supportive housing facility by removing and replacing all the exterior siding. We also have one property adding \$127,953 in construction status under the Neighborhood Stabilization Program (NSP) that will be completed and sold next year. The capitalization level for assets was raised to \$5,000 at CSC which also removed about \$178,000 of total asset cost.

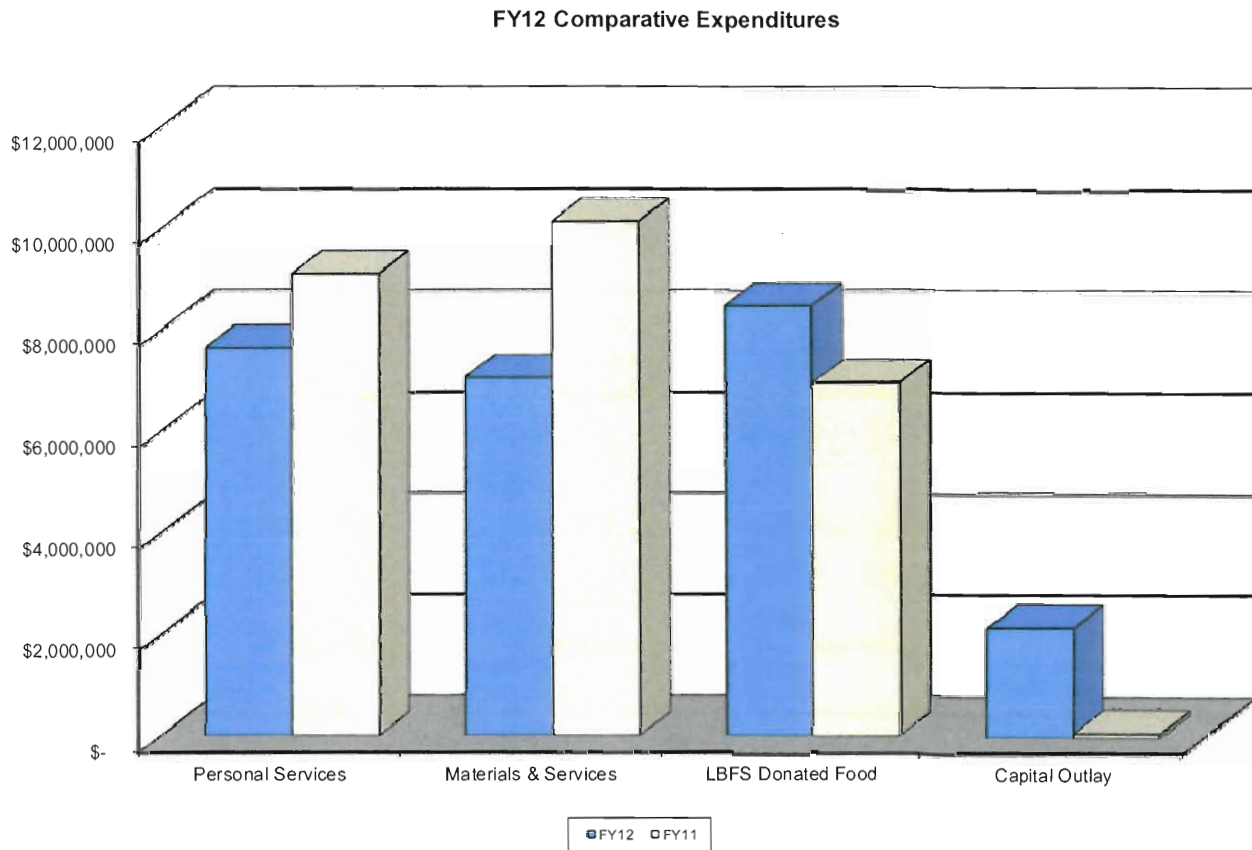
Budgetary Highlights

Community Services Consortium's Governing Board revised its originally adopted budget in order to address unexpected changes in revenues and/or expenses. Two amendments to the budget were adopted this year. 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. Additional grants received during the year were then included in the supplemental budget, as state and federal revenue sources became more certain. The total increase for those amendments was \$3,229,801 as shown in the Required Supplementary Information for Budget and Actual on page 34 of this report.

The following chart demonstrates a comparison of expenses between FY12 and FY11. As you can see, our personnel expenses decreased from 34% to 30%. This proportion of total expenses was achieved by decreases in personnel to deliver services to our program participants. Staff did not receive a cost of living adjustment, so this figure really represents program delivery under the programs.

Total Materials and services stayed about the same at 71% of the budget in FY11 and the FY12 budget, 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 \$13.5 million dollars.

Figure D
Expenditure Comparison for the Years Ended June 30, 2012 and 2011



Capital Asset Administration

Total capital assets, net of accumulated depreciation, increased from \$3,786,262 in FY11 to \$4,534,314 in FY12. As discussed in more detail on page 27 of the footnotes and in the previous sections of this analysis, CSC's capital asset additions were substantially paid by grants and a capital contribution from another municipality. We purchased new phone equipment with voice over internet capability.

As of June 2012, 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 and an old portion of the building which has been surrounded by the more recent CDBG construction. 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 not been passed. Funding decreases vary significantly depending on which scenario Congress enacts. Most agencies were told to forecast between a 10-20% cut in spending, particularly in discretionary spending, where a large part of our federal grants are funded. At the same time, the State of Oregon budget forecast is very dire, with departments being asked to prepare for large cuts in general funding. That may force state agencies to make increases in their grant administration holdbacks that have previously been kept to low levels to provide for operations. This may mean less program money coming out to the CAA agencies to provide services, but while these scenarios are merely projected at this point, the specifics of where the hard realities coming clearer under the new administration. Even our experience of over thirty years of providing services really doesn't make predicting the possibilities of funding any clearer, so we will be constantly re-evaluating our funding during the next fiscal year as information becomes available. CSC has adopted a very conservative budget for FY13 around \$26.3 million for a 13% decrease from the final adopted budget from FY12 of \$27.3 million.

During this period, 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> and will report in more detail in next year's audit report.

As mentioned before, the continuing slide in Oregon's economy, coupled with greatly increased demands for services to clients in employment and training, food security, and emergency services (including energy assistance), presents an ongoing challenge for CSC and our partner agencies. Our staff has been instrumental in delivering an unprecedented level of services. CSC's staff is our greatest resource, and we are fortunate to have a staff that has persevered, during a period of unprecedented layoffs, to provide services to our communities with passion and commitment.

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.

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BASIC FINANCIAL STATEMENTS

COMMUNITY SERVICES CONSORTIUM
STATEMENT OF NET ASSETS – GOVERNMENTAL ACTIVITIES
JUNE 30, 2012

ASSETS

Current Assets

Cash	\$ 2,835,354
Receivables	
Grants and contracts	1,683,582
Loans	5,419,837
Inventories	424,115
Prepaid items	29,252
Other current assets	2,175

Total Current Assets 10,394,315

Noncurrent Assets

Non-depreciable capital assets	1,111,595
Depreciable capital assets, net	3,422,719

Total Noncurrent Assets 4,534,314

Total Assets 14,928,629

LIABILITIES

Current Liabilities

Accounts payable	303,184
Accrued payroll	327,191
Accrued vacation	289,337
Unearned revenue	5,372,499
Other payables	85,000

Total Current Liabilities 6,377,211

Noncurrent Liabilities

Other post employment benefits	715,949
--------------------------------	---------

Total Liabilities 7,093,160

NET ASSETS

Investment in capital assets	4,534,314
Restricted for grant programs	2,392,488
Unrestricted	908,667

Total Net Assets \$ 7,835,469

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

COMMUNITY SERVICES CONSORTIUM
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2012

		<i>Program Revenues</i>		<i>Change in</i>
				<i>Net Assets</i>
	<i>Expenses</i>	<i>Fees for</i>	<i>Operating</i>	
		<i>Service</i>	<i>Grants and</i>	<i>Total</i>
			<i>Contributions</i>	
FUNCTIONS/PROGRAMS				
General	\$ 517,198	\$ -	\$ 1,222,198	\$ 705,000
Workforce and Education	3,743,803	554,473	3,159,894	(29,436)
Emergency Services	5,154,883	102,185	5,106,077	53,379
Linn Benton Food Share	9,606,755	-	9,944,382	337,627
RSVP	139,467	-	140,745	1,278
Housing and Community Resources	4,189,823	255,630	3,896,617	(37,576)
Child Development Services	1,512,864	-	1,515,616	2,752
Miscellaneous Grants	467,003	-	475,453	8,450
<i>Total</i>	<u>\$ 25,331,796</u>	<u>\$ 912,288</u>	<u>\$ 25,460,982</u>	1,041,474
GENERAL REVENUES				
Sale of assets				13,166
Interest				11,833
<i>Total General Revenues</i>				<u>24,999</u>
CHANGE IN NET ASSETS				1,066,473
NET ASSETS, Beginning as originally reported				6,432,987
PRIOR PERIOD ADJUSTMENT				336,009
NET ASSETS, Ending				<u>\$ 7,835,469</u>

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

COMMUNITY SERVICES CONSORTIUM
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	<i>General</i>	<i>Emergency Services</i>	<i>Workforce and Education</i>
ASSETS			
Cash	\$ 2,834,754	\$ -	\$ 50
Receivables			
Grants and contracts	24,246	429,798	439,360
Loans	-	-	-
Due from other funds	727,158	395,296	195,550
Inventories	-	-	-
Prepaid items	20,644	1,000	6,898
Other current assets	-	-	2,175
<i>Total Assets</i>	<u>\$ 3,606,802</u>	<u>\$ 826,094</u>	<u>\$ 644,033</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 26,414	\$ 100,245	\$ 93,488
Accrued payroll	616,528	-	-
Due to other funds	2,581,626	335,041	420,208
Deferred/unearned revenue	-	-	-
Other payables	-	-	-
<i>Total Liabilities</i>	<u>3,224,568</u>	<u>435,286</u>	<u>513,696</u>
Fund Balances			
Nonspendable	20,644	1,000	6,898
Restricted	-	389,808	103,665
Assigned	-	-	19,774
Unassigned	361,590	-	-
<i>Total Fund Balances</i>	<u>382,234</u>	<u>390,808</u>	<u>130,337</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 3,606,802</u>	<u>\$ 826,094</u>	<u>\$ 644,033</u>

Total Governmental Fund Balances

Amounts reported for governmental activities in the Statement of Net Assets 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 \$4,424,039 and the accumulated depreciation is \$973,786.

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

Total Net Assets

<i>Linn-Benton Food Share</i>	<i>Housing and Community Resources</i>	<i>Child Development Services</i>	<i>Retired and Senior Volunteer Program</i>	<i>Misc. Grants</i>	<i>Totals</i>
\$ -	\$ 150	\$ 400	\$ -	\$ -	\$ 2,835,354
9,657	473,025	227,229	17,506	62,761	1,683,582
-	5,419,837	-	-	-	5,419,837
1,765,018	1,019,835	80,016	19,973	282	4,203,128
367,084	56,591	-	-	440	424,115
-	-	-	710	-	29,252
-	-	-	-	-	2,175
<u>\$ 2,141,759</u>	<u>\$ 6,969,438</u>	<u>\$ 307,645</u>	<u>\$ 38,189</u>	<u>\$ 63,483</u>	<u>\$ 14,597,443</u>
\$ 28,170	\$ 17,444	\$ 32,057	\$ 786	\$ 4,580	\$ 303,184
-	-	-	-	-	616,528
28,998	551,122	218,319	17,562	50,252	4,203,128
-	5,372,499	-	-	-	5,372,499
-	85,000	-	-	-	85,000
<u>57,168</u>	<u>6,026,065</u>	<u>250,376</u>	<u>18,348</u>	<u>54,832</u>	<u>10,580,339</u>
367,084	56,591	-	710	440	453,367
969,909	884,971	16,793	19,131	8,211	2,392,488
747,598	1,811	40,476	-	-	809,659
-	-	-	-	-	361,590
<u>2,084,591</u>	<u>943,373</u>	<u>57,269</u>	<u>19,841</u>	<u>8,651</u>	<u>4,017,104</u>
<u>\$ 2,141,759</u>	<u>\$ 6,969,438</u>	<u>\$ 307,645</u>	<u>\$ 38,189</u>	<u>\$ 63,483</u>	<u>\$ 14,597,443</u>
					\$ 4,017,104
					4,534,314
					(715,949)
					<u>\$ 7,835,469</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, 2012**

	<i>General</i>	<i>Emergency Services</i>	<i>Workforce and Education</i>
REVENUES			
Grants and contracts	\$ 126,416	\$ 5,087,862	\$ 3,116,275
Contributions	11,810	18,215	7,920
Loan repayments	-	-	-
Fees for service	-	102,185	554,476
Commodity foods	-	-	-
Other	26,840	-	32,906
Sale of assets	-	-	2,790
Interest	6,141	-	-
<i>Total Revenues</i>	171,207	5,208,262	3,714,367
EXPENDITURES			
Administration	5,657	442,951	714,406
Workforce and education	78,942	-	3,029,395
Retired and senior volunteers	-	-	-
Weatherization	-	-	-
Emergency services	-	4,721,932	-
Housing rehabilitation	-	-	-
Head Start	-	-	-
Food programs	-	-	-
Interagency departments	-	-	-
<i>Total Expenditures</i>	84,599	5,164,883	3,743,801
NET CHANGE IN FUND BALANCE	86,608	43,379	(29,434)
FUND BALANCES, Beginning of year	295,626	347,429	159,771
FUND BALANCES, End of year	\$ 382,234	\$ 390,808	\$ 130,337

<i>Linn-Benton Food Share</i>	<i>Housing and Community Resources</i>	<i>Child Development Services</i>	<i>Retired and Senior Volunteer Program</i>	<i>Misc. Grants</i>	<i>Totals</i>
\$ 319,590	\$ 3,615,487	\$ 1,491,575	\$ 115,390	\$ 249,712	\$ 14,122,307
727,733	262	16,246	21,040	-	803,226
-	241,289	-	-	-	241,289
-	255,630	-	-	-	912,291
8,604,144	-	-	-	-	8,604,144
292,915	39,578	6,045	4,315	225,741	628,340
-	135,000	1,750	-	-	139,540
-	5,692	-	-	-	11,833
9,944,382	4,292,938	1,515,616	140,745	475,453	25,462,970
63,550	162,728	201,581	8,740	185,872	1,785,485
-	-	-	-	-	3,108,337
-	-	-	130,727	-	130,727
-	3,224,953	-	-	-	3,224,953
-	-	-	-	-	4,721,932
-	790,097	-	-	-	790,097
-	-	1,311,282	-	-	1,311,282
9,543,203	-	-	-	-	9,543,203
-	-	-	-	281,131	281,131
9,606,753	4,177,778	1,512,863	139,467	467,003	24,897,147
337,629	115,160	2,753	1,278	8,450	565,823
1,746,962	828,213	54,516	18,563	201	3,451,281
\$ 2,084,591	\$ 943,373	\$ 57,269	\$ 19,841	\$ 8,651	\$ 4,017,104

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, 2012**

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

Net changes in fund balances - total governmental funds	\$	565,823
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds do not report other post employment benefits since they do not require the use of current financial resources. However, the statement of activities reports such expenses when incurred, regardless of when settlement ultimately occurs.	(247,401)
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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 (\$154,591) exceeded depreciation (\$201,837) less net disposals (\$261,834).	(309,081)
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Governmental funds do not report contributed capital assets since they impact current financial resources. However, the statement of activities reports such contributions when received.	1,057,132
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<i>Change in Net Assets</i>	\$	<u>1,066,473</u>
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The accompanying notes are an integral part of the financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

COMMUNITY SERVICES CONSORTIUM
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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 Community Services Consortium. 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 Board of Directors, 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 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. None of the organizations issue separate financial statements.

- Linn-Benton Food Share
- Head Start in Lincoln County
- Linn-Benton Volunteers
- Community Housing Services
- H.E.L.P.S.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Community Services Consortium.

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.

When expenditures are paid for purposes in which both restricted and unrestricted net assets are available, the Consortium deems restricted assets to be spent first.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the Consortium is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In governmental funds, the Consortium'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 Board of Directors takes formal action that places specific constraints on how the resources may be used. The Board of Directors can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the Consortium's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Board of Directors approves which resources should be "reserved" during the adoption of the annual budget. The Consortium's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the Consortium'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.

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.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 Consortium 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 is the fiscal agent for the Workforce Investment Board (WIB). CSC also administers various Oregon Counties and Cities housing rehabilitation grants. CSC reports the following special revenues funds:

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

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

The *Linn-Benton Food Share Fund* carries out food distribution programs for donated commodities, coordinates activity with 72 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 *Retired and Senior Volunteer Program Fund* coordinates a volunteer center for Linn and Benton Counties, emphasizing volunteer opportunities for persons age 55 and over within community organizations.

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

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Land and improvements inventory in the Neighborhood Stabilization housing program is recorded at cost. In general, expenditures are recorded when 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. The Agency 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. All compensated absences are considered currently payable because employees have the right to draw down their balances without restrictions.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred/Unearned Revenue

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

Unearned revenue is reported in the statement of net assets.

Due to/from Other Funds

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

Retirement Plans

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

Interfund Transactions

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

All other interfund transactions are reported as transfers.

Estimates

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

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2012

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 two supplemental budgets for the year ended June 30, 2012. The change was necessary due to the receipt of additional grants that were not anticipated when the original budget was formulated.

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

CASH AND INVESTMENTS

CSC maintains a cash and investment pool that is available for use by all funds, except for restricted cash and investments. At June 30, 2012 the carrying value of cash and investments and fair value are approximately equal. Cash and investments are comprised of the following at June 30, 2012:

Cash

Cash on hand	\$ 800
Deposits with financial institutions	1,534,519
Money market	6,305

Investments

Local Government Investment Pool	1,293,730
	<hr/>
	\$ 2,835,354

Deposits

At June 30, 2012, the Consortium's deposits with various financial institutions had a bank balance of \$1,729,631 and a book balance of \$1,540,824. 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.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2012

CASH AND INVESTMENTS (Continued)

Custodial Risk - Deposits

The Oregon legislature passed new public funds collateralization statutes effective July 1, 2008. The new legislation creates a shared liability structure for depository banks but does not guarantee that public funds are 100% protected. ORS requires depository banks to pledge collateral against public funds in excess of federal depository insurance (FDIC) amounts and sets the value and type of collateral needed. The Public Funds Collateralization Program (PFCP) was created by the Oregon Office of the State Treasurer to facilitate depository bank, custodian, and public official compliance with ORS. Depository banks are required to report quarterly to the Office of the State Treasurer information on public funds in excess of FDIC insurance limits, the bank's net worth, and FDIC capitalization information. Based on this information the PFCP calculates the amount of collateral required for the following quarter. The Consortium is required to verify that amounts in excess of FDIC insurance limits are deposited only in qualified depository banks listed by the Office of the State Treasurer. The Consortium must also report, at least annually, the depository banks the Consortium does business with and public official contact information. \$250,000 of the Consortium's cash and investment balance is insured by the FDIC. The remaining balance has been placed in qualified depository banks in compliance with Oregon Revised Statutes. The shared liability structure does not provide that all public funds are 100% protected.

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, 2012, 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 of its investments by limiting the weighted average maturity of its investments, specifically by maintaining funds in the Local Government Investment Pool.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, CSC will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. Currently CSC's investments are limited to the Local Government Investment Pool.

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

COMMUNITY SERVICES CONSORTIUM**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2012**

CASH AND INVESTMENTS (Continued)*Custodial Credit Risk – Investments (Continued)*

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. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

LOANS RECEIVABLE/UNEARNED AND DEFERRED REVENUE

The loans receivable of \$5,420,152 consists of housing rehabilitation and Self-Help Homeownership Opportunity Program (SHOP) loans. The housing rehabilitation loans total \$5,372,814 and are a deferred payment loan made to low income families or owners of property rented to low income tenants. Community Housing Services, a 501(c)(3), is the mortgagee of \$4,603,503 of loans while the municipalities and CSC are the mortgagees for the remainder. 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. The older home 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. When the grants CSC administers for the cities and the counties terminate, responsibility for administration of the loans and program income reverts to Community Housing Services. The full amount of the housing rehabilitation loans receivable is offset by unearned revenue on the statement of net assets.

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.

The housing rehabilitation loans are fully reserved with an offsetting unearned revenue account. The loans will be recognized as revenues as they are repaid in the future. Unearned revenue at year-end was \$5,372,814.

INVENTORIES

Inventories as of June 30, 2012 consist of the following:

Linn-Benton Food Share food	\$ 362,783
USDA commodities food	4,301
Weatherization materials	56,591
Other	440
	<hr/>
<i>Total</i>	<i>\$ 424,115</i>
	<hr/>

COMMUNITY SERVICES CONSORTIUM**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2012****CAPITAL ASSETS**

Capital assets activity for the year was as follows:

	<i>Balance July 1, 2011</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2012</i>
<i>Governmental Funds</i>				
Capital assets not being depreciated:				
Land	\$ 903,762	\$ 79,880	\$ -	\$ 983,642
Construction in progress	952,972	-	(952,972)	-
NSP Properties	261,834	127,953	(261,834)	127,953
<i>Total capital assets not being depreciated</i>	<u>2,118,568</u>	<u>207,833</u>	<u>(1,214,806)</u>	<u>1,111,595</u>
Capital assets being depreciated:				
Furniture and Equipment	427,128	26,638	(144,811)	308,955
Vehicles	539,698	-	(33,790)	505,908
LBFS - Warehouse	1,059,490	-	-	1,059,490
Head Start buildings	62,799	977,252	-	1,040,051
Buildings	552,365	952,972	-	1,505,337
<i>Total capital assets being depreciated</i>	<u>2,641,480</u>	<u>1,956,862</u>	<u>(178,601)</u>	<u>4,419,741</u>
Accumulated depreciation				
Equipment	(332,952)	(41,297)	144,811	(229,438)
Vehicles	(351,087)	(59,896)	33,790	(377,193)
Buildings	(289,747)	(100,644)	-	(390,391)
<i>Total Accumulated depreciation</i>	<u>(973,786)</u>	<u>(201,837)</u>	<u>178,601</u>	<u>(997,022)</u>
<i>Total capital assets being depreciated, net</i>	<u>1,667,694</u>	<u>1,755,025</u>	<u>-</u>	<u>3,422,719</u>
<i>Capital assets, net</i>	<u>\$ 3,786,262</u>	<u>\$ 1,962,858</u>	<u>\$ (1,214,806)</u>	<u>\$ 4,534,314</u>

Depreciation is recognized as an administrative expense.

The Consortium sold one of the Neighborhood Stabilization Program (NSP) houses during the year ended June 30, 2012. As required under the NSP agreement, the land of the NSP property was donated to the Lincoln Community Land Trust. Basis for the land was \$140,000.

Grant requirements under the Community Development and Block Grant program related to the Toledo Head Start building were met during the year and the title for the property was transferred to the Consortium. The land and building are recorded as program revenue on the Statement of Activities.

COMMUNITY SERVICES CONSORTIUM**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2012**

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, 2012 was \$392,957.

Following is a schedule, by fiscal year, of the future minimum rental payments required under these leases as of June 30, 2012. 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 2015.

<u>Year Ending</u>	
2013	\$ 311,558
2014	276,075
2015	122,544
2016	19,957
<i>Total</i>	<u>\$ 730,134</u>

OTHER PAYABLES

On January 24, 2004, CSC borrowed \$30,000 from NW Regional Facilitators for the Self-Help Home Ownership (SHOP) program. The loan is non-interest bearing, and will be forgiven January 24, 2014 provided CSC complies with the terms of the agreement. \$ 30,000

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

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

<i>Total</i>	<u>\$ 85,000</u>
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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, 2012

PENSION PLAN

Plan Description

CSC contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to CSC's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. CSC participates in the state and local government rate pool (SLGRP). The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying CSC employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

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

Funding Policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. CSC is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate and a police/fire rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2012 were 12.23%, 10.16%, and 12.87% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost

CSC's contributions to PERS for the years ending June 30, 2010, 2011, and 2012 were \$431,499, \$512,505 and \$517,369 respectively, which equaled the required contribution for the year.

OTHER POST EMPLOYMENT BENEFITS

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

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2012

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. 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 the 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, 2012, the amount actually contributed to the plans, and changes in CSC's net OPEB obligation:

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net OPEB obligation - beginning of year	\$ 169,128	\$ 292,479	\$ 468,548
Annual required contribution (ARC)	120,597	167,392	234,069
Amortization of UAAL	18,503	26,410	32,162
Annual OPEB Cost	139,100	193,802	266,231
Contributions made (implicit rate subsidy)	(15,749)	(17,733)	(18,830)
Change in net OPEB obligation	123,351	176,069	247,401
Net OPEB obligation - end of year	<u>\$ 292,479</u>	<u>\$ 468,548</u>	<u>\$ 715,949</u>
Percentage of annual OPEB cost contributed	11%	9%	7%

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2012

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Methods and Assumptions

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

In the June 30, 2012 valuation, the entry age normal actuarial cost method was used. The assumptions included a 0.5% investment rate of return (net of administrative expenses), inflation of 3% and an annual healthcare cost rate of between 5.0% and 7.7%. The UAAL is being amortized over an open period of 30 years as a level of projected payroll.

<i>Year Ending</i>	<i>Value of Assets (a)</i>	<i>Accrued Liability (AAL) - Entry Age (b)</i>	<i>Unfunded AAL (UAAL) (b-a)</i>	<i>Funded Ratio (a/b)</i>	<i>Covered Payroll (c)</i>	<i>UAAL as Percentage of Covered Payroll ((b-a)/c)</i>
6/30/2012	\$ -	\$ 1,640,563	\$ 1,640,563	0%	\$ 4,710,091	35%
6/30/2011	-	2,068,865	2,068,865	0%	5,579,052	37%
6/30/2010	-	2,111,309	2,111,309	0%	6,687,199	32%

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

Community Services Consortium 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, 2012, the following nonmonetary transactions were recorded in the Linn-Benton Food Share Fund:

COMMUNITY SERVICES CONSORTIUM
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2012

NONMONETARY TRANSACTIONS (Continued)

	<u>USDA</u>	<u>Linn-Benton Food Share</u>	<u>Total</u>
Food received - revenue	\$ 280,792	\$ 8,323,352	\$ 8,604,144
Food distributed - expenditures	290,844	8,192,672	8,483,516
<i>Excess (Deficit) of Nonmonetary Revenues Over Nonmonetary Expenditures</i>	<u>\$ (10,052)</u>	<u>\$ 130,680</u>	<u>\$ 120,628</u>

RISK MANAGEMENT

CSC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

CSC carries commercial insurance for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CONSTRUCTION OF LINCOLN COUNTY BUILDING

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

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

NEW PRONOUNCEMENTS

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

GASB Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34." This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government. The statement is effective for fiscal years beginning after June 15, 2012.

COMMUNITY SERVICES CONSORTIUM*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**YEAR ENDED JUNE 30, 2012*

NEW PRONOUNCEMENTS (Continued)

GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The statement is effective for fiscal years beginning after December 15, 2011.

GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The statement is effective for fiscal years beginning after December 15, 2011.

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

PRIOR PERIOD ADJUSTMENT

The Consortium did not capitalize construction costs related to the Pelican Place remodeling project. A prior period adjustment was recorded to increase the construction in progress for Pelican Place.

SUBSEQUENT EVENTS

The Consortium follows the provisions of Accounting Standards Codification (ASC) 855 "Subsequent Events". ASC 855 establishes accounting and disclosure requirements for subsequent events. Management has evaluated subsequent events through December 21, 2012, 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, 2012**

	<u>Original Budget*</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES	\$ 25,293,725	\$ 28,523,526	\$ 25,462,970	\$ (3,060,556)
EXPENDITURES				
Personal services	6,468,406	7,459,742	7,636,579	(176,837)
Materials and services	18,799,231	21,043,952	17,233,930	3,810,022
Capital outlay	26,088	19,500	26,638	(7,138)
Fund balances/transfers	-	332	-	332
<i>Total Expenditures</i>	<u>25,293,725</u>	<u>28,523,526</u>	<u>24,897,147</u>	<u>3,626,379</u>
REVENUES OVER (UNDER) EXPENDITURES	-	-	565,823	565,823
FUND BALANCE, Beginning of year	-	-	3,451,281	3,451,281
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,017,104</u>	<u>\$ 4,017,104</u>

* The adopted budget is on a modified accrual basis of accounting.

OTHER SUPPLEMENTAL INFORMATION

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

YEAR ENDED JUNE 30, 2012

	<i>Beginning Fund Balance</i>	<i>Revenues</i>		
		<i>Operating Grants/ Contributions</i>	<i>Fees for Service</i>	<i>Total Revenues</i>
CSBG	\$ -	\$ 81,750	\$ -	\$ 81,750
Consumer Power	11,626	-	-	-
GAS Assistance Program	9,683	900	-	900
LIHEAP Energy Assistance	-	2,699,750	-	2,699,750
LIHEAP Client Education	-	177,298	-	177,298
LIHEAP WX EE	-	31,936	-	31,936
LIHEAP Leverage	-	51,477	-	51,477
Oregon Energy Assistance (OEA)	-	1,090,900	-	1,090,900
OR Low Income Gas Assistance	35,486	46,530	-	46,530
Oregon Heat	44,203	15,140	-	15,140
SOS	14,185	17,167	-	17,167
BPA Energy Ed	-	2,720	-	2,720
Echo Energy Ed	-	64,294	-	64,294
NW Natural Gas - Workshops	67,582	-	-	-
NW Natural Dwelling Inspection	59,849	-	-	-
NW Natural Schools	2,350	-	-	-
Albany Water Assistance Program	15,910	4,005	-	4,005
HPRP ARRA Homeless Prevention	-	82,890	-	82,890
HPRP ARRA Admin/Data	-	9,829	-	9,829
HPRP ARRA Rapid Re-housing	-	23,135	-	23,135
Continuum of Care IV	-	76,122	-	76,122
City of Corvallis	-	7,838	-	7,838
Miscellaneous Donations	3,520	1,048	-	1,048
Miscellaneous Housing Grants	1,998	-	-	-
Miscellaneous Energy Assistance	13,457	-	-	-
Reach FFS	12,492	-	-	-
EHA Emergency Housing	-	163,639	-	163,639
ESGP - Emergency Shelter Grant	-	90,723	-	90,723
HOMETBA	-	263,412	-	263,412
HSP - Housing Stabilization	-	30,140	-	30,140
LIRHF - Low Inc. Rental Housing	-	16,754	-	16,754
Pelican Place - Supportive Housing	-	16,683	-	16,683
Pelican Place - Rental	(4,451)	-	76,329	76,329
Pelican Place - Rental Reserve	12,000	-	-	-
SHAP	-	21,333	-	21,333
Tern House - Supportive Housing	-	18,664	-	18,664
Tern House - Rental	41,867	-	25,856	25,856
Tern House - Rental Reserve	5,672	-	-	-
<i>Total</i>	<u>\$ 347,429</u>	<u>\$ 5,106,077</u>	<u>\$ 102,185</u>	<u>\$ 5,208,262</u>

<i>Expenditures</i>					
<i>Administration</i>	<i>Program</i>	<i>Total Expenditures</i>	<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
\$ 7,622	\$ 74,128	\$ 81,750	\$ -	\$ -	\$ -
-	-	-	-	-	11,626
-	-	-	900	-	10,583
264,027	2,435,723	2,699,750	-	-	-
12,918	164,380	177,298	-	-	-
3,820	28,116	31,936	-	-	-
-	51,477	51,477	-	-	-
102,437	988,463	1,090,900	-	-	-
15,260	40,234	55,494	(8,964)	-	26,522
(7)	8,675	8,668	6,472	-	50,675
-	13,835	13,835	3,332	-	17,517
-	2,720	2,720	-	-	-
292	64,002	64,294	-	-	-
-	863	863	(863)	(2,059)	64,660
-	2,365	2,365	(2,365)	-	57,484
-	4,409	4,409	(4,409)	2,059	-
-	127	127	3,878	-	19,788
-	82,890	82,890	-	-	-
176	9,653	9,829	-	-	-
-	23,135	23,135	-	-	-
3,624	72,498	76,122	-	-	-
-	8,551	8,551	(713)	713	-
-	786	786	262	(713)	3,069
-	-	-	-	-	1,998
-	-	-	-	-	13,457
-	221	221	(221)	-	12,271
24,808	138,831	163,639	-	-	-
2,326	88,397	90,723	-	-	-
151	263,261	263,412	-	-	-
-	30,140	30,140	-	-	-
-	16,754	16,754	-	-	-
-	16,683	16,683	-	-	-
1,118	35,159	36,277	40,052	(12,000)	23,601
-	-	-	-	12,000	24,000
3,820	17,513	21,333	-	-	-
-	18,664	18,664	-	-	-
559	19,279	19,838	6,018	(2,872)	45,013
-	-	-	-	2,872	8,544
<u>\$ 442,951</u>	<u>\$ 4,721,932</u>	<u>\$ 5,164,883</u>	<u>\$ 43,379</u>	<u>\$ -</u>	<u>\$ 390,808</u>

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

YEAR ENDED JUNE 30, 2012

	<i>Beginning Fund Balance</i>	<i>Revenues</i>		
		<i>Operating Grants/ Contributions</i>	<i>Other</i>	<i>Fees for Service</i>
DCS Administration	\$ 10,156	\$ -	\$ 6,866	\$ -
DCS Residuals	15,870	-	-	-
Adult Miscellaneous	-	25	2,790	-
Fee for Service	48,718	-	1,000	78,128
Independent Living Program	-	126,348	-	-
OYCC - ARO Summer	-	11,111	-	-
OYCC - LRO	-	14,817	-	-
OYCC - CRO Projects	-	10,389	-	-
OYCC - NRO	-	11,111	-	-
OYCC BLM Yaquina Head Proj	-	8,000	-	-
OYCC Benton Comm Stewardship	-	1,000	-	-
OYCC Lincoln Comm Stewardship	-	17,100	-	-
Oregon Historic Cemetery	-	2,995	-	-
Benton Master Gardeners	-	725	-	-
Weatherization Training PGM	-	-	-	47,131
JOBS	-	80,200	-	-
Back To Work Oregon	-	22,326	-	-
Brock Home	586	-	-	-
Edith Stewart Grant	43,841	-	-	-
Youthbuild Donations	7,114	2,000	2,390	-
YB Americorp 2011-2012	-	41,156	-	-
Youthbuild Americorps 2010-2011	-	13,928	-	-
Youthbuild DOL Phase 2	-	114,237	-	-
Youthbuild FFS Construction	1,156	-	-	25,169
Youthbuild USA - OJJDP Mentoring	-	5,671	-	-
YB USA-OJJDP Mentor 2011-12	-	10,839	-	-
Youthbuild Fee for Service	27,834	-	-	33,545
Lincoln County Charter School	-	403	1,786	370,500
OR Juvenile Court PGM	-	1,836	-	-
Lincoln County Youth Comm. Const.	4,496	-	-	-
Mid Coast Watershed Council	-	-	15,328	-
Homeless and Runaway Youth	-	-	-	-
WIA Adult	-	586,218	-	-
WIA Youth	14,247	585,998	-	-
WIA Student Enterprises	(14,247)	200	5,536	-
WIA Dislocated Worker	-	590,170	-	-
WIA Local Admin Activities	-	195,064	-	-
WIA Local WIB Board	-	14,625	-	-
WIA High Concentration Youth	-	16,731	-	-
WIA Emp. Workforce Training 2011	-	46,750	-	-
WIA Incentives	-	6,565	-	-
DOL SESP ARRA	-	131,497	-	-
OGTC ARRA	-	53,354	-	-

<i>Expenditures</i>						
<i>Total Revenues</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>
\$ 6,866	\$ 75	\$ 8,838	\$ 8,913	\$ (2,047)	\$ -	\$ 8,109
-	122	-	122	(122)	-	15,748
2,815	-	-	-	2,815	-	2,815
79,128	9,993	94,403	104,396	(25,268)	-	23,450
126,348	9,611	116,737	126,348	-	-	-
11,111	1,111	10,000	11,111	-	-	-
14,817	1,450	13,367	14,817	-	-	-
10,389	1,039	9,350	10,389	-	-	-
11,111	1,111	10,000	11,111	-	-	-
8,000	800	7,200	8,000	-	-	-
1,000	-	1,000	1,000	-	-	-
17,100	1,710	15,390	17,100	-	-	-
2,995	300	2,695	2,995	-	-	-
725	-	-	-	725	-	725
47,131	3,224	43,907	47,131	-	-	-
80,200	8,020	72,180	80,200	-	-	-
22,326	2,768	19,558	22,326	-	-	-
-	-	-	-	-	-	586
-	-	17,403	17,403	(17,403)	-	26,438
4,390	11	9,248	9,259	(4,869)	-	2,245
41,156	2,057	39,099	41,156	-	-	-
13,928	665	13,263	13,928	-	-	-
114,237	14,923	99,314	114,237	-	-	-
25,169	4,615	21,710	26,325	(1,156)	-	-
5,671	-	5,671	5,671	-	-	-
10,839	-	10,839	10,839	-	-	-
33,545	5,350	54,377	59,727	(26,182)	-	1,652
372,689	31,023	296,663	327,686	45,003	-	45,003
1,836	-	1,836	1,836	-	-	-
-	-	3,545	3,545	(3,545)	-	951
15,328	1,533	13,795	15,328	-	-	-
-	-	-	-	-	-	-
586,218	138,131	448,087	586,218	-	-	-
585,998	94,727	491,271	585,998	-	-	14,247
5,736	-	5,736	5,736	-	-	(14,247)
590,170	121,749	468,421	590,170	-	-	-
195,064	195,064	-	195,064	-	-	-
14,625	14,625	-	14,625	-	-	-
16,731	1,722	15,009	16,731	-	-	-
46,750	3,239	43,511	46,750	-	-	-
6,565	-	6,565	6,565	-	-	-
131,497	9,489	122,008	131,497	-	-	-
53,354	6,333	47,021	53,354	-	-	-

COMMUNITY SERVICES CONSORTIUM**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
WORKFORCE AND EDUCATION (Continued)**
YEAR ENDED JUNE 30, 2012

	<i>Beginning Fund Balance</i>	<i>Revenues</i>		
		<i>Operating Grants/ Contributions</i>	<i>Other</i>	<i>Fees for Service</i>
National Career Readiness Certificate - ARRA	\$ -	\$ 28,685	\$ -	\$ -
OJT NEG ARRA	-	97,593	-	-
International Paper NEG ARRA	-	215,863	-	-
OYEI ARRA Summer 2011-LRO	-	30,000	-	-
Trust Management - Summer Nat'l Resource Crew	-	9,955	-	-
Benton Found - Youth Garden	-	6,500	-	-
Juan Young Trust - Helps NRO	-	5,646	-	-
Siletz Tribe Linc Nat Resource	-	4,567	-	-
OR Community Found-Benton	-	2,000	-	-
<i>Total</i>	<u>\$ 159,771</u>	<u>\$ 3,124,198</u>	<u>\$ 35,696</u>	<u>\$ 554,473</u>

<i>Expenditures</i>						
<i>Total Revenues</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>
\$ 28,685	\$ -	\$ 28,685	\$ 28,685	\$ -	\$ -	\$ -
97,593	8,795	88,798	97,593	-	-	-
215,863	14,430	201,433	215,863	-	-	-
30,000	2,980	27,020	30,000	-	-	-
9,955	995	9,356	10,351	(396)	-	(396)
6,500	363	6,137	6,500	-	-	-
5,646	-	3,750	3,750	1,896	-	1,896
4,567	53	3,399	3,452	1,115	-	1,115
2,000	200	1,800	2,000	-	-	-
<u>\$ 3,714,367</u>	<u>\$ 714,406</u>	<u>\$ 3,029,395</u>	<u>\$ 3,743,801</u>	<u>\$ (29,434)</u>	<u>\$ -</u>	<u>\$ 130,337</u>

COMMUNITY SERVICES CONSORTIUM

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

LINN-BENTON FOOD SHARE

YEAR ENDED JUNE 30, 2012

	<i>Beginning Fund Balance</i>	<i>Revenues</i>		
		<i>Operating Grants/ Contributions</i>	<i>Other</i>	<i>Total Revenues</i>
Linn-Benton Food Share	\$ 1,386,063	\$ 8,897,407	\$ 292,915	\$ 9,190,322
Linkage	-	2,920	-	2,920
GFFP	-	30,574	-	30,574
USDA Cash for Commodities	-	34,725	-	34,725
USDA Commodity Foods*	(8,508)	280,792	-	280,792
Benton County	-	21,000	-	21,000
Linn County	-	16,000	-	16,000
City of Corvallis	-	35,106	-	35,106
Trust Management Services	-	5,000	-	5,000
Miscellaneous Grants	112,638	39,348	-	39,348
Bank of America Foundation	42,000	-	-	-
Warehouse Building Fund	66,435	-	-	-
Warehouse Expansion Reserve	72,709	91,737	-	91,737
DEQ Matching	61,986	50,632	-	50,632
LBFS Truck Reserve	13,639	-	-	-
SHAP	-	15,929	-	15,929
CSBG	-	130,297	-	130,297
<i>Total</i>	<u>\$ 1,746,962</u>	<u>\$ 9,651,467</u>	<u>\$ 292,915</u>	<u>\$ 9,944,382</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>	
\$ 28,718	\$ 8,896,828	\$ 8,925,546	\$ 264,776	\$ (10,000)	\$ 1,640,839	
420	2,500	2,920	-	-	-	
903	29,671	30,574	-	-	-	
-	34,725	34,725	-	-	-	
-	290,844	290,844	(10,052)	-	(18,560)	
4,111	16,889	21,000	-	-	-	
3,900	12,100	16,000	-	-	-	
4,815	30,291	35,106	-	-	-	
-	-	-	5,000	-	5,000	
223	26,229	26,452	12,896	-	125,534	
-	27,847	27,847	(27,847)	-	14,153	
-	5,000	5,000	(5,000)	10,000	71,435	
-	-	-	91,737	-	164,446	
-	44,513	44,513	6,119	-	68,105	
-	-	-	-	-	13,639	
2,000	13,929	15,929	-	-	-	
18,460	111,837	130,297	-	-	-	
<u>\$ 63,550</u>	<u>\$ 9,543,203</u>	<u>\$ 9,606,753</u>	<u>\$ 337,629</u>	<u>\$ -</u>	<u>\$ 2,084,591</u>	

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

YEAR ENDED JUNE 30, 2012

	<i>Beginning Fund Balance</i>	<i>Revenues</i>			
		<i>Operating Grants/ Contributions</i>	<i>Other</i>	<i>Fees for Service</i>	<i>Total Revenues</i>
Housing Project Dev.	\$ 162	\$ -	\$ -	\$ -	\$ -
Pelican Place - Foundations	(81,072)	-	5,000	-	5,000
Adair Village CDBG	18,209	-	-	-	-
Toledo CDBG	-	-	29,846	-	29,846
RD HPG - USDA 2011	-	475	-	-	475
Lincoln County Land Trust - Financial	7,242	1,755	29,217	7,739	38,711
Loan Repayment - CSC as Grantee	12,289	-	20,651	-	20,651
LIHEAP WX FFY12	-	148,361	-	-	148,361
BPA WX 11	-	27,724	-	-	27,724
BPA WX 12	-	13,082	-	-	13,082
DOE FY11 WX	-	127,057	-	-	127,057
LIEAP WX 11	-	156,625	-	-	156,625
ECHO WX	-	250,385	-	-	250,385
Rebates - Fee for Service	1,498	-	2,411	-	2,411
OR Low Income Energy Efficiency	37,697	-	-	200,832	200,832
CLPUD	600	-	-	42,863	42,863
Misc Revenue Weatherization	-	-	2,690	-	2,690
ARRA - DOE 09 WX	-	981,393	-	-	981,393
ARRA - DOE ARRA - Furnace EEARP	-	25,499	-	-	25,499
DOE ARRA SERC	-	1,397,062	-	-	1,397,062
Subtotal Non 501 (C) (3)	(3,375)	3,129,418	89,815	251,434	3,470,667
Neighborhood Stabilization	55,913	-	135,000	-	135,000
Land Acquisition and Development	167,443	-	-	-	-
Community Land Trust	1,740	-	-	4,196	4,196
Community Housing Services	6,775	7	200	-	207
Lincoln Regional Loan Fund	57,754	-	83,242	-	83,242
Linn Benton Revolving Loan	105,881	-	106,462	-	106,462
Regional Housing Center 6	-	20,944	-	-	20,944
RCAC HSG Counseling FFY11	-	19,597	-	-	19,597
Home Owner Asist Prg	11,999	9,293	6,000	-	15,293
NFMC - National Foreclosure Counseling	836	14,720	-	-	14,720
Self-Help Housing Ownership	82,131	-	-	-	-
OAHAC MORTG PYMT Assistance	22,404	250,850	-	-	250,850
UCAN / MEYER Memorial	19,973	-	-	-	-
CDBG City of Newport	298,739	-	840	-	840
CDBG Albany	-	170,920	-	-	170,920
Subtotal 501 (C) (3)	831,588	486,331	331,744	4,196	822,271
Total	\$ 828,213	\$ 3,615,749	\$ 421,559	\$ 255,630	\$ 4,292,938

<i>Expenditures</i>						
<i>Admin</i>	<i>Weatherization</i>	<i>Housing Rehabilitation</i>	<i>Total Expenditures</i>	<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
\$ -	\$ -	\$ 162	\$ 162	\$ (162)	\$ -	\$ -
-	-	-	-	5,000	-	(76,072)
-	-	-	-	-	-	18,209
-	-	-	-	29,846	-	29,846
-	-	475	475	-	-	-
-	-	18,175	18,175	20,536	-	27,778
-	-	-	-	20,651	(457)	32,483
6,623	141,738	-	148,361	-	-	-
1,631	26,093	-	27,724	-	-	-
907	12,175	-	13,082	-	-	-
10,177	116,880	-	127,057	-	-	-
4,759	151,866	-	156,625	-	-	-
31,930	218,455	-	250,385	-	-	-
-	3,909	-	3,909	(1,498)	-	-
9,871	194,313	-	204,184	(3,352)	-	34,345
2,951	36,988	-	39,939	2,924	-	3,524
-	-	-	-	2,690	-	2,690
24,437	956,956	-	981,393	-	-	-
-	25,499	-	25,499	-	-	-
56,980	1,340,081	-	1,397,061	1	-	1
150,266	3,224,953	18,812	3,394,031	76,636	(457)	72,804
-	-	211,612	211,612	(76,612)	-	(20,699)
-	-	-	-	-	-	167,443
-	-	6,393	6,393	(2,197)	457	-
100	-	6,882	6,982	(6,775)	-	-
699	-	80,845	81,544	1,698	-	59,452
52	-	21,188	21,240	85,222	-	191,103
-	-	20,944	20,944	-	-	-
400	-	19,197	19,597	-	-	-
27	-	9,266	9,293	6,000	-	17,999
350	-	15,206	15,556	(836)	-	-
-	-	-	-	-	-	82,131
9,684	-	145,670	155,354	95,496	-	117,900
-	-	19,973	19,973	(19,973)	-	-
250	-	44,089	44,339	(43,499)	-	255,240
900	-	170,020	170,920	-	-	-
12,462	-	771,285	783,747	38,524	457	870,569
\$ 162,728	\$ 3,224,953	\$ 790,097	\$ 4,177,778	\$ 115,160	\$ -	\$ 943,373

COMMUNITY SERVICES CONSORTIUM

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

CHILD DEVELOPMENT SERVICES

YEAR ENDED JUNE 30, 2012

	<i>Beginning Fund Balance</i>	<i>Revenues</i>		<i>Total Revenues</i>
		<i>Operating Grants/ Contributions</i>	<i>Other</i>	
Head Start HHS 10/10 - 9/11	\$ -	\$ 272,245	\$ -	\$ 272,245
Head Start Oregon Pre K	-	495,444	-	495,444
Head Start Building Repair	741	-	3,260	3,260
Miscellaneous Donations	1,697	4,800	-	4,800
Head Start - Body Start Play Center	-	5,000	-	5,000
Head Start HHS 10/11 - 9/12	-	718,886	-	718,886
Subtotal	2,438	1,496,375	3,260	1,499,635
Head Start in Lincoln County - 501(c)(3)	52,078	11,446	4,535	15,981
<i>Total</i>	<i>\$ 54,516</i>	<i>\$ 1,507,821</i>	<i>\$ 7,795</i>	<i>\$ 1,515,616</i>

<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>	
\$ 42,091	\$ 230,154	\$ 272,245	\$ -	\$ -	\$ -	
66,480	428,964	495,444	-	-	-	
-	3,130	3,130	130	-	871	
-	4,795	4,795	5	-	1,702	
-	5,000	5,000	-	-	-	
92,345	626,541	718,886	-	-	-	
200,916	1,298,584	1,499,500	135	-	2,573	
665	12,698	13,363	2,618	-	54,696	
\$ 201,581	\$ 1,311,282	\$ 1,512,863	\$ 2,753	\$ -	\$ 57,269	

COMMUNITY SERVICES CONSORTIUM

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

RETIRED AND SENIOR VOLUNTEER PROGRAM

YEAR ENDED JUNE 30, 2012

	<i>Beginning Fund Balance</i>	<i>Revenues</i>		
		<i>Operating Grants/ Contributions</i>	<i>Other</i>	<i>Total Revenues</i>
CNCS	\$ -	\$ 69,350	\$ -	\$ 69,350
CNCS April 2012 - March 2013	-	20,417	-	20,417
Other	1,455	499	2,400	2,899
LB Vision Volunteer	1,863	1,141	905	2,046
Spirit Mountain	1,367	2,500	-	2,500
Linn United Way	-	12,300	-	12,300
City of Corvallis	-	1,747	-	1,747
SHIBA - Linn County	1,396	12,000	-	12,000
SHIBA - MIPAA	-	4,655	-	4,655
Senior Medical Fraud Patrol	6,000	4,268	-	4,268
Linn-Benton Volunteers - 501(c)(3)	6,482	7,553	1,010	8,563
<i>Total</i>	<i>\$ 18,563</i>	<i>\$ 136,430</i>	<i>\$ 4,315</i>	<i>\$ 140,745</i>

<i>Expenditures</i>					
<i>Administration</i>	<i>RSVP</i>	<i>Total Expenditures</i>	<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
\$ -	\$ 69,350	\$ 69,350	\$ -	\$ -	\$ -
-	20,417	20,417	-	-	-
566	2,716	3,282	(383)	-	1,072
1,530	2,379	3,909	(1,863)	-	-
-	1,367	1,367	1,133	-	2,500
435	11,865	12,300	-	-	-
-	1,747	1,747	-	-	-
2,230	5,963	8,193	3,807	-	5,203
500	1,759	2,259	2,396	-	2,396
1,436	8,832	10,268	(6,000)	-	-
2,043	4,332	6,375	2,188	-	8,670
\$ 8,740	\$ 130,727	\$ 139,467	\$ 1,278	\$ -	\$ 19,841

COMMUNITY SERVICES CONSORTIUM

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MISCELLANEOUS GRANTS
YEAR ENDED JUNE 30, 2012

	<i>Revenues</i>		
	<i>Beginning Fund Balance</i>	<i>Operating Grants</i>	<i>Total Revenues</i>
Workforce Investment Board	\$ 201	\$ 167,241	\$ 167,241
CSBG Resource Development	-	76,764	76,764
CSBG Interagency	-	61,407	61,407
CSBG Discretionary	-	4,000	4,000
Americorps Vista V	-	15,502	15,502
Americorps Vista VI	-	73,500	73,500
DHS Healthy Kids	-	77,039	77,039
<i>Total</i>	<u>\$ 201</u>	<u>\$ 475,453</u>	<u>\$ 475,453</u>

<i>Expenditures</i>					
<i>Administration</i>	<i>Interagency</i>	<i>Total Expenditures</i>	<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
\$ 167,442	\$ -	\$ 167,442	\$ (201)	\$ -	\$ -
9,358	67,406	76,764	-	-	-
-	61,407	61,407	-	-	-
4,000	-	4,000	-	-	-
832	14,670	15,502	-	-	-
123	64,726	64,849	8,651	-	8,651
4,117	72,922	77,039	-	-	-
<u>\$ 185,872</u>	<u>\$ 281,131</u>	<u>\$ 467,003</u>	<u>\$ 8,450</u>	<u>\$ -</u>	<u>\$ 8,651</u>

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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 city'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. CSC implemented GASB Statement 34 in 2003 - schedules presenting government-wide information include information beginning in that year.*

STATISTICAL SECTION

FINANCIAL TRENDS

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

	<u>2012</u>	<u>Restated 2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 4,534,314	\$ 3,786,264	\$ 3,771,555	\$ 3,221,558	\$ 1,733,160
Restricted	2,392,488	2,272,834	2,622,005	2,709,156	3,024,848
Unrestricted	<u>908,667</u>	<u>709,898</u>	<u>276,097</u>	<u>262,130</u>	<u>248,723</u>
Total net assets	<u>\$ 7,835,469</u>	<u>\$ 6,768,996</u>	<u>\$ 6,669,657</u>	<u>\$ 6,192,844</u>	<u>\$ 5,006,731</u>

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

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

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,808,644	\$ 1,389,081	\$ 1,430,658	\$ 1,438,836	\$ 1,490,800
2,360,859	2,028,832	1,625,529	1,728,210	1,376,750
<u>255,194</u>	<u>207,550</u>	<u>193,327</u>	<u>182,453</u>	<u>178,458</u>
<u>\$ 4,424,697</u>	<u>\$ 3,625,463</u>	<u>\$ 3,249,514</u>	<u>\$ 3,349,499</u>	<u>\$ 3,046,008</u>

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

	<u>2012</u>	<u>Restated 2011</u>	<u>2010</u>	<u>2009</u>
Expenses				
Governmental activities:				
Workforce and education	\$ 3,108,337	\$ 5,278,519	\$ 6,441,682	\$ 4,403,039
Weatherization	3,224,953	2,282,750	2,033,711	1,344,917
Emergency services	4,711,932	5,517,482	5,993,035	4,886,597
Housing rehabilitation	802,144	1,423,212	1,300,741	1,398,821
Child development services	1,311,282	1,173,940	1,596,804	1,401,874
Food programs	9,543,203	7,905,891	8,337,625	8,394,943
Retirement and senior volunteers	130,727	190,533	207,425	214,813
Interagency departments	281,131	234,806	376,920	172,454
Administration	2,218,087	2,245,267	2,237,542	2,165,064
Total governmental activities expenses	<u>25,331,796</u>	<u>26,252,400</u>	<u>28,525,485</u>	<u>24,382,522</u>
Program Revenues				
Governmental activities:				
Grants and contracts	25,460,982	25,217,647	27,850,884	24,290,332
Charges for services	912,288	1,125,963	1,138,336	1,255,349
General revenues:				
Interest	11,833	6,627	13,078	22,948
Sales of house and other assets	<u>13,166</u>	<u>1,500</u>	<u>-</u>	<u>-</u>
Total governmental activities program revenues	<u>26,398,269</u>	<u>26,351,737</u>	<u>29,002,298</u>	<u>25,568,629</u>
Change in Net Assets	<u>\$ 1,066,473</u>	<u>\$ 99,337</u>	<u>\$ 476,813</u>	<u>\$ 1,186,107</u>

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 4,676,578	\$ 5,578,603	\$ 5,813,186	\$ 5,161,745	\$ 4,684,032	\$ 4,849,612
884,679	854,264	1,030,992	983,601	760,895	765,187
3,544,412	3,043,521	2,861,134	3,149,305	2,938,519	3,033,389
1,410,755	1,412,293	1,255,650	1,614,365	1,203,684	1,540,403
1,613,622	1,376,038	1,230,250	1,028,853	1,101,090	1,238,841
7,997,334	8,652,019	7,868,476	7,671,270	6,771,974	6,014,012
183,752	-	-	-	-	-
241,844	187,082	10,792	5,687	76,312	-
1,303,150	915,494	1,548,086	1,565,015	1,490,261	1,731,789
<u>21,856,126</u>	<u>22,019,314</u>	<u>21,618,566</u>	<u>21,179,841</u>	<u>19,026,767</u>	<u>19,173,233</u>
21,625,431	21,524,612	21,041,139	19,976,456	18,658,546	19,060,266
772,544	1,137,549	944,486	1,098,952	663,173	235,548
40,185	38,127	8,890	9,791	8,539	7,128
-	<u>118,264</u>	-	-	-	-
<u>22,438,160</u>	<u>22,818,552</u>	<u>21,994,515</u>	<u>21,085,199</u>	<u>19,330,258</u>	<u>19,302,942</u>
<u>\$ 582,034</u>	<u>\$ 799,238</u>	<u>\$ 375,949</u>	<u>\$ (94,642)</u>	<u>\$ 303,491</u>	<u>\$ 129,709</u>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund				
Reserved	\$ -	\$ -	\$ 14,443	\$ 89,083
Unreserved	-	-	261,654	173,053
Nonspendable	20,644	10,423	-	-
Unassigned	<u>361,590</u>	<u>285,203</u>	<u>-</u>	<u>-</u>
Total general fund	382,234	295,626	276,097	262,136
All Other Governmental Funds				
Reserved, reported in:				
Special revenue funds	-	-	2,914,484	2,878,271
Nonspendable	432,723	345,088	-	-
Restricted	2,392,488	2,272,834	-	-
Assigned	809,659	537,832	-	-
Unassigned	<u>-</u>	<u>(100)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>3,634,870</u>	<u>3,155,654</u>	<u>2,914,484</u>	<u>2,878,271</u>
Total Fund Balance	<u>\$ 4,017,104</u>	<u>\$ 3,451,280</u>	<u>\$ 3,190,581</u>	<u>\$ 3,140,407</u>

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ (17,367)	\$ 13,215	\$ 10,619	\$ 10,690	\$ 10,685	\$ 12,940
231,356	241,979	207,550	193,327	182,453	178,458
-	-	-	-	-	-
-	-	-	-	-	-
<u>213,989</u>	<u>255,194</u>	<u>218,169</u>	<u>204,017</u>	<u>193,138</u>	<u>191,398</u>
3,059,582	2,360,859	2,018,213	1,614,839	1,717,525	1,363,810
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,059,582</u>	<u>2,360,859</u>	<u>2,018,213</u>	<u>1,614,839</u>	<u>1,717,525</u>	<u>1,363,810</u>
<u>\$ 3,273,571</u>	<u>\$ 2,616,053</u>	<u>\$ 2,236,382</u>	<u>\$ 1,818,856</u>	<u>\$ 1,910,663</u>	<u>\$ 1,555,208</u>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues				
Grants and contracts	\$ 14,122,307	\$ 16,642,556	\$ 18,820,051	\$ 15,200,673
Contributions	803,226	781,713	729,103	758,607
Loan repayments	241,289	181,758	193,547	171,515
Fees for service	912,291	1,125,963	1,138,336	1,271,092
Commodity foods	8,604,144	6,916,493	7,238,221	7,518,064
Other	628,340	695,126	666,254	625,728
Sale of houses and other assets	139,540	1,500	203,708	-
Interest	<u>11,833</u>	<u>6,627</u>	<u>13,079</u>	<u>22,948</u>
Total Revenues	<u>25,462,970</u>	<u>26,351,736</u>	<u>29,002,299</u>	<u>25,568,627</u>
Expenditures				
Workforce and education	3,108,337	5,294,442	6,510,030	4,403,039
Weatherization	3,224,953	2,282,750	2,033,711	1,344,917
Emergency services	4,721,932	5,532,482	5,993,468	4,886,597
Housing rehabilitation	790,097	1,528,283	1,798,168	2,871,671
Child development services	1,311,282	1,173,940	1,607,747	1,401,874
Food programs	9,543,203	7,905,891	8,416,338	8,394,943
Retired and senior volunteers	130,727	190,533	207,425	214,813
Interagency departments	281,131	234,806	376,920	172,454
Interest expenses	-	-	-	-
Capital outlay	-	-	-	-
Administration	<u>1,785,485</u>	<u>1,947,910</u>	<u>2,008,318</u>	<u>2,011,482</u>
Total Expenditures	<u>24,897,147</u>	<u>26,091,037</u>	<u>28,952,125</u>	<u>25,701,790</u>
Net Change in Fund Balance	<u>\$ 565,823</u>	<u>\$ 260,699</u>	<u>\$ 50,174</u>	<u>\$ (133,163)</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 12,758,612	\$ 12,550,730	\$ 12,856,442	\$ 12,265,541	\$ 12,146,932	\$ 12,379,233
598,401	547,775	439,393	387,754	360,394	318,547
248,810	380,804	396,136	522,227	90,284	79,318
984,170	756,745	548,350	502,628	500,542	552,398
7,246,770	7,896,190	7,253,985	6,663,036	6,206,013	5,538,128
557,145	229,917	192,396	146,076	69,516	125,500
4,067	220,791	340,500	596,324	-	358,000
40,185	38,127	8,890	9,791	8,539	7,128
<u>22,438,160</u>	<u>22,621,079</u>	<u>22,036,092</u>	<u>21,093,377</u>	<u>19,382,220</u>	<u>19,358,252</u>
4,676,578	5,578,603	5,795,035	5,135,662	4,663,595	4,849,612
884,679	854,264	1,015,258	983,601	746,896	765,187
3,544,412	3,094,382	2,861,134	3,149,305	2,925,439	3,033,389
1,410,755	1,412,293	1,243,934	1,575,256	1,203,684	1,540,403
1,613,622	883,073	1,176,755	1,028,853	1,092,860	1,238,841
7,997,334	8,652,019	7,864,691	7,580,110	6,771,974	6,014,012
183,752	-	-	-	-	-
241,844	187,082	10,792	12,812	76,312	63,704
-	27,466	11,716	11,458	13,928	27,170
-	518,388	91,165	110,772	59,505	55,514
<u>1,227,667</u>	<u>1,033,837</u>	<u>1,548,086</u>	<u>1,592,012</u>	<u>1,472,574</u>	<u>1,585,401</u>
<u>21,780,643</u>	<u>22,241,407</u>	<u>21,618,566</u>	<u>21,179,841</u>	<u>19,026,767</u>	<u>19,173,233</u>
<u>\$ 657,517</u>	<u>\$ 379,672</u>	<u>\$ 417,526</u>	<u>\$ (86,464)</u>	<u>\$ 355,453</u>	<u>\$ 185,019</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>2012</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Grants and contracts	\$ 14,122,307	\$ 16,642,556	\$ 18,820,051	\$ 15,200,673
Contributions	803,226	781,713	729,103	758,607
Loan repayments	241,289	181,758	193,547	171,515
Fees for service	912,291	1,125,963	1,138,336	1,271,092
Commodity foods	8,604,144	6,916,493	7,238,221	7,518,064
Other	767,880	696,626	869,962	625,728
Interest	11,833	6,627	13,079	22,948
<i>Total Revenues</i>	<u>\$ 25,462,970</u>	<u>\$ 26,351,736</u>	<u>\$ 29,002,299</u>	<u>\$ 25,568,627</u>

Source: Comprehensive annual financial report.

<i><u>2008</u></i>	<i><u>2007</u></i>	<i><u>2006</u></i>	<i><u>2005</u></i>	<i><u>2004</u></i>	<i><u>2003</u></i>
\$ 12,758,612	\$ 12,550,730	\$ 12,856,442	\$ 12,265,541	\$ 12,404,036	\$ 12,379,233
598,401	547,775	439,393	387,754	360,394	318,547
248,810	380,804	396,136	522,227	90,284	79,318
984,170	756,745	548,350	502,628	243,438	235,548
7,246,770	7,896,190	7,253,985	6,663,036	6,206,013	5,538,128
561,212	450,708	532,896	742,400	69,516	800,350
40,185	38,127	8,890	9,791	8,539	7,128
<u>\$ 22,438,160</u>	<u>\$ 22,621,079</u>	<u>\$ 22,036,092</u>	<u>\$ 21,093,377</u>	<u>\$ 19,382,220</u>	<u>\$ 19,358,252</u>

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

<i>Function</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
<i>Current</i>				
Administration	\$ 1,785,485	\$ 1,947,910	\$ 2,008,318	\$ 2,011,482
Workforce and education	3,108,337	5,294,442	6,510,030	4,403,039
Weatherization	3,224,953	2,282,750	2,033,711	1,344,917
Emergency services	4,721,932	5,532,482	5,993,468	4,886,597
Housing rehabilitation	790,097	1,528,283	1,798,168	2,871,671
Head Start	1,311,282	1,173,940	1,607,747	1,401,874
Food programs	9,543,203	7,905,891	8,416,338	8,394,943
Retired and senior volunteers	130,727	190,533	207,425	214,813
Interagency departments	281,131	234,806	376,920	172,454
<i>Total Current</i>	24,897,147	26,091,037	28,952,125	25,701,790
<i>Debt Service</i>				
Interest	-	-	-	-
<i>Total Debt Service</i>	-	-	-	-
<i>Total Expenditures</i>	\$ 24,897,147	\$ 26,091,037	\$ 28,952,125	\$ 25,701,790

Source: Comprehensive annual financial report.

<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>
\$ 1,227,667	\$ 1,552,225	\$ 1,639,251	\$ 1,592,012	\$ 1,476,333	\$ 1,740,619
4,676,578	5,578,603	5,795,035	5,161,745	4,684,032	4,849,612
884,679	854,264	1,015,258	983,601	760,895	765,187
3,544,412	3,094,382	2,861,134	3,149,305	2,938,519	3,033,389
1,410,755	1,412,293	1,243,934	1,614,365	1,203,684	1,540,403
1,613,622	883,073	1,176,755	1,028,853	1,101,090	1,238,841
7,997,334	8,652,019	7,864,691	7,625,690	6,771,974	6,014,012
183,752	-	-	-	-	-
241,844	187,082	10,792	12,812	76,312	-
21,780,643	22,213,941	21,606,850	21,168,383	19,012,839	19,182,063
-	27,466	11,716	11,458	13,928	27,170
-	27,466	11,716	11,458	13,928	27,170
\$ 21,780,643	\$ 22,241,407	\$ 21,618,566	\$ 21,179,841	\$ 19,026,767	\$ 19,209,233

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STATISTICAL SECTION

REVENUE CAPACITY

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Function/Program				
General Fund				
Grants and contracts	\$ 126,416	\$ -	\$ -	\$ -
Contributions	11,810	8,410	5,100	2,550
Other	26,840	6,105	84	2,016
Interest	<u>6,141</u>	<u>5,137</u>	<u>10,586</u>	<u>22,266</u>
<i>Subtotal General Revenues</i>	<u>171,207</u>	<u>19,652</u>	<u>15,770</u>	<u>26,832</u>
Governmental activities:				
Grants and contracts	13,995,891	16,642,556	18,820,051	15,200,673
Contributions	791,416	773,303	724,003	756,057
Loan repayments	241,289	181,758	193,547	171,515
Fees for service	912,291	1,125,963	1,138,336	1,271,092
Commodity foods	8,604,144	6,916,493	7,238,221	7,518,064
Other	601,500	689,021	666,170	623,712
Sale of houses and other assets	139,540	1,500	203,708	-
Interest	<u>5,692</u>	<u>1,490</u>	<u>2,493</u>	<u>682</u>
<i>Subtotal Special Revenues</i>	<u>25,291,763</u>	<u>26,332,084</u>	<u>28,986,529</u>	<u>25,541,795</u>
Total Revenues	<u>\$ 25,462,970</u>	<u>\$ 26,351,736</u>	<u>\$ 29,002,299</u>	<u>\$ 25,568,627</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,200	954	1,016	1,321	158	8,413
1,573	87	5,659	1,011	134	649
<u>39,415</u>	<u>37,204</u>	<u>8,106</u>	<u>8,547</u>	<u>6,804</u>	<u>5,998</u>
 42,188	 38,245	 14,781	 10,879	 7,096	 15,060
 12,758,612	 12,550,730	 12,856,442	 12,265,541	 12,146,896	 12,379,233
597,201	546,821	438,377	386,433	360,236	310,134
248,810	380,804	396,136	522,227	90,284	79,318
984,170	756,745	548,350	502,628	500,542	552,398
7,246,770	7,896,190	7,253,985	6,663,036	6,206,013	5,538,128
555,572	229,830	186,737	145,065	69,418	124,851
4,067	220,791	340,500	596,324	-	358,000
<u>770</u>	<u>923</u>	<u>784</u>	<u>1,244</u>	<u>1,735</u>	<u>1,130</u>
 22,395,972	 22,582,834	 22,021,311	 21,082,498	 19,375,124	 19,343,192
 <u>\$ 22,438,160</u>	 <u>\$ 22,621,079</u>	 <u>\$ 22,036,092</u>	 <u>\$ 21,093,377</u>	 <u>\$ 19,382,220</u>	 <u>\$ 19,358,252</u>

STATISTICAL SECTION
DEMOGRAPHIC AND ECONOMIC
INFORMATION

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

Date of Incorporation

July 1, 1980

Form of Government

Nine-member governing board

Area by County

Benton County
Linn County
Lincoln County

679 square miles
2,297 square miles
992 square miles

State of Oregon		Total Personal Income	Per Capita Personal Income	Unemployment Rate	Percentage of Population Living In Poverty
Year	Population				
2003	3,541,500	\$ 108,486,910	\$ 29,607	8.1%	13.9%
2004	3,582,600	112,973,834	30,679	7.4%	14%
2005	3,631,440	117,634,076	31,580	6.1%	14%
2006	3,690,505	127,403,090	33,648	5.4%	13.3%
2007	3,745,455	133,821,268	35,143	5.2%	12.9%
2008	3,791,075	140,948,951	35,956	5.1%	13.6%
2009	3,823,465	135,474,469	36,365	6.4%	14.3%
2010	3,837,300	139,841,938	35,667	10.3%	15.8%
2011	3,856,815	145,299,628	36,427	9.7%	17.5%
2012	3,857,625	N/A	37,909	8.6%	N/A

Benton County		Total Personal Income	Per Capita Personal Income	Unemployment Rate	Percentage of Population Living In Poverty
Year	Population				
2003	80,500	\$ 2,656,749	\$ 32,945	4.0%	15.7%
2004	81,750	2,785,012	34,444	3.5%	13.0%
2005	82,835	2,707,034	33,256	4.9%	16.6%
2006	84,125	2,863,698	34,956	4.7%	15.3%
2007	85,300	3,012,941	36,398	4.1%	19.3%
2008	86,120	3,160,392	36,937	6.4%	18.5%
2009	86,725	3,132,559	37,755	7.6%	15.6%
2010	85,735	3,193,015	37,922	7.0%	18.9%
2011	85,995	N/A	37,333	6.5%	21.2%
2012	85,995	N/A	N/A	6.4%	25.4%

Linn County		Total Personal Income	Per Capita Personal Income	Unemployment Rate	Percentage of Population Living In Poverty
Year	Population				
2003	104,900	\$ 2,669,956	\$ 21,512	10.9%	11.9%
2004	106,350	2,798,188	25,361	9.3%	10.9%
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	N/A	29,197	11.8%	20.7%
2012	117,340	N/A	N/A	11.0%	N/A

Lincoln County		Total	Per			
Year	Population	Personal	Capita	Personal	Unemployment	Percentage of
		Income	Personal	Income	Rate	Population Living
						In Poverty
2003	45,000	\$ 1,252,012	\$	26,893	7.6%	14.1%
2004	44,400	1,312,356		27,880	8.3%	15.3%
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	N/A		33,681	9.6%	14.8%
2012	46,155	N/A		N/A	8.9%	N/A

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

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

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF INSURANCE
JUNE 30, 2012

PROPERTY

Business personal property - blanket	\$ 1,628,939
Excludes flood and earthquake, \$1,000 deductible	
Earthquake/flood expense, \$25,000 deductible	5,000,000
Contractor's equipment	10,000
"All-risk" coverage, \$500 deductible	
Computer equipment	Included
"All-risk" coverage, \$500 deductible	

LIABILITY

Bodily injury and property damage each occurrence limit	1,000,000
Personal injury limit	1,000,000
Errors and omissions limit	1,000,000
Products-completed operations aggregate limit	2,000,000
General aggregate limit	2,000,000

BONDS

Honesty blanket bond, \$5,000 deductible	1,000,000
Contractor's license bond	

AUTOMOBILE

Per accident or loss	1,000,000
Uninsured motorist	1,000,000
\$100 comprehensive deductible	
\$500 collision deductible	

WORKERS COMPENSATION

Fully covered by separate policy with SAIF Corporation

COMMUNITY SERVICES CONSORTIUM
MISCELLANEOUS STATISTICS
LAST FIVE FISCAL YEARS - UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Population					
Benton	85,995	85,995	85,735	86,725	86,120
Linn	117,340	117,340	116,840	110,865	110,815
Lincoln	46,155	46,060	46,135	44,700	44,715
Employees					
Non-management (represented) employees	107	132	128	106	100
Management (exempt) employees	15	23	24	27	30
Total FTE	<u>122</u>	<u>155</u>	<u>152</u>	<u>133</u>	<u>130</u>
Employees by Function					
Administration	6	5	5	5	5
Finance	4	6	6	5	5
Technology	3	3	3	3	2
Workforce Investment Board	2	2	2	2	2
Resource Development / Americorps VISTA	4	3	3	2	2
Child Development Services	19	18	20	21	26
Workforce and Education	34	59	60	50	48
Emergency Services	22	24	22	20	17
Housing and Community Resources	19	25	21	15	14
Linn Benton Food Share / Gleaning	7	7	7	7	7
Retired and Senior Volunteers	2	3	3	3	2
	<u>122</u>	<u>155</u>	<u>152</u>	<u>133</u>	<u>130</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 30th 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. The Consortium operates over two hundred grants and would have a separate measure. Additionally, many of the grants are combined to provide services to duplicative individuals.

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

Governing Board
Community Services Consortium
Albany, Oregon

We have audited the basic financial statements of Community Services Consortium (the Consortium) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Consortium'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).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294.900).**
- **Insurance and fidelity bonds in force or required by law.**
- **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 the Consortium 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.

OAR 162-10-0230 Internal Control

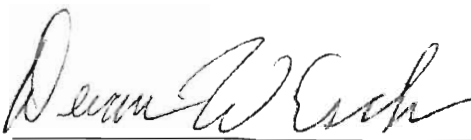
In planning and performing our audit of the statements of net assets and statements of revenues, expenses and changes in net assets of the Consortium as of and for the year ended June 30, 2012 in accordance with auditing standards generally accepted in the United States of America, we considered the Consortium's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Consortium's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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

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

By: 

Devan W. Esch, A Shareholder
December 21, 2012

FEDERAL COMPLIANCE SECTION

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

	Federal CFDA Number	Pass Through Organization	Pass Through ID	Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Emergency Food Assistance Cluster</i>				
Temporary Emergency Food Assistance Program - Cash	10.568	Oregon Food Bank	unknown	\$ 34,725
Temporary Emergency Food Assistance Program				
- Commodities	10.569	Oregon Food Bank	unknown	290,844
				<u>325,569</u>
Housing Preservation Grant - USDA	10.433	Rural Development Administration	USDA-RD-HCRP-HPG-2011	475
Child and Adult Care Food Program	10.558	Oregon Department of Education	unknown	48,601
Child and Adult Care Food Program	10.558	Oregon Department of Education	unknown	23,846
ARRA Wildland Fire Management - OYEI 3 - Summer 2011	10.688	Oregon Dept. of Community Colleges and Workforce Development	GRNT0732	30,000
				<u>428,491</u>
Total U.S. Department of Agriculture				
<u>U.S. Department of Housing and Urban Development</u>				
Continuum of Care IV	14.235	Direct	OR0075B0E051003	76,122
Housing Counseling Assistance Program - RCAC	14.169	Rural Community Assistance Corporations	HOC11-C348-11	19,597
Emergency Shelter Grant Program	14.231	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	90,723
Home Tenant Based Assistance	14.239	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	263,412
ARRA - Homeless Prevention	14.257	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	82,890
ARRA - Homeless Prevention - Data Collection and Admin	14.257	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	9,829
ARRA - Rapid Rehousing	14.257	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	23,135
				<u>565,708</u>
Total U.S. Department of Housing and Urban Development				
<u>U.S. Department of the Interior - Bureau of Land Management</u>				
Oregon Youth Conservation Corps - BLM Yaquina Head Project	15.224	Oregon Community Colleges and Workforce Development	GRNT0653	8,000
Cultural Resource Management Grant				
				<u>8,000</u>
Total U.S. Department of the Interior - Bureau of Land Management				

See notes to schedule of expenditures of federal awards.

COMMUNITY SERVICES CONSORTIUM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

YEAR ENDED JUNE 30, 2012

	Federal CFDA Number	Pass Through Organization	Pass Through ID	Expenditures
U.S. Department of Justice - Juvenile Justice and Delinquency Prevention				
Juvenile Mentoring Program	16.726	Youthbuild USA	2009-FU-JX-0004	\$ 5,671
Juvenile Mentoring Program 2011-2012	16.726	Youthbuild USA	2009-FU-JX-0004	10,839
Total U.S. Department of Justice - Juvenile Justice and Delinquency Prevention				16,510
U.S. Department of Labor				
Youthbuild Phase II	17.274	Direct	YB-18717A 10	114,237
Workforce Investment Act (WIA) Cluster				
Title IB - Adult - PY11	17.258	Oregon Community Colleges and Workforce Development	J02014	42,473
Title IB - Adult - FY11	17.258	Oregon Community Colleges and Workforce Development	J02014	118,952
Title IB - Adult - FY12	17.258	Oregon Community Colleges and Workforce Development	J02014	424,794
Title IB - Local Admin - PY11 - Adult	17.258	Oregon Community Colleges and Workforce Development	J02014	4,719
Title IB - Local Admin - PY11 - Youth	17.259	Oregon Community Colleges and Workforce Development	J02014	75,179
Title IB - Local Admin - PY11 - Dislocated Worker	17.260	Oregon Community Colleges and Workforce Development	J02014	13,133
Title IB - Local Admin - PY12 - Dislocated Worker	17.260	Oregon Community Colleges and Workforce Development	J02014	61,185
Title IB - Local Admin - FY11 - Adult	17.258	Oregon Community Colleges and Workforce Development	J02014	1,169
Title IB - Local Admin - FY12 - Adult	17.258	Oregon Community Colleges and Workforce Development	J02014	39,678
Title IB - Local Board Support - PY10 - Adult	17.258	Oregon Community Colleges and Workforce Development	J02014	5,875

See notes to schedule of expenditures of federal awards.

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2012

Federal CFDA Number	Pass Through Organization	Pass Through ID	Expenditures
Workforce Investment Act (WIA) Cluster (Continued)			
17.278	Oregon Community Colleges and Workforce Development	J02014	\$ 8,750
17.259	Oregon Community Colleges and Workforce Development	J02014	16,731
17.259	Oregon Community Colleges and Workforce Development	J02014	3,239
17.278	Oregon Community Colleges and Workforce Development	J02014	2,033
17.278	Oregon Community Colleges and Workforce Development	J02014	19,727
17.278	Oregon Community Colleges and Workforce Development	J02014	21,751
17.258	Oregon Community Colleges and Workforce Development	J02014	3,349
17.258	Oregon Community Colleges and Workforce Development	J02014	3,216
17.259	Oregon Community Colleges and Workforce Development	J02014	28,965
17.259	Oregon Community Colleges and Workforce Development	J02014	569,674
17.260	Oregon Community Colleges and Workforce Development	IGA 0472	47,775
17.275	Oregon Community Colleges and Workforce Development	IGA 0472	770
17.277	Oregon Community Colleges and Workforce Development	IGA 0472	1,840
17.278	Oregon Community Colleges and Workforce Development	IGA 0472	28,557
17.278	Oregon Community Colleges and Workforce Development	J02014	118,200
17.278	Oregon Community Colleges and Workforce Development	J02014	76,438

See notes to schedule of expenditures of federal awards.

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2012

	Federal CFDA Number	Pass Through Organization	Pass Through ID	Expenditures
Workforce Investment Act (WIA) Cluster (Continued)				
Title IB - Dislocated Workers - FY12	17.278	Oregon Community Colleges and Workforce Development	J02014	\$ 395,531
Title IB - ARRA - IP NEG - FY09 - Admin	17.260	Oregon Community Colleges and Workforce Development	OR-47	14,436
Title IB - ARRA - IP NEG - FY09 - Program	17.260	Oregon Community Colleges and Workforce Development	OR-47	201,427
Title IB - NCRC -FY11 DW-RR	17.278	Oregon Community Colleges and Workforce Development	J02014	18,936
Title IB - NCRC -FY11 Adult	17.258	Oregon Community Colleges and Workforce Development	J02014	2,437
Title IB - NCRC -FY12 DW-RR	17.278	Oregon Community Colleges and Workforce Development	J02014	7,312
Title IB ARRA - OJT NEGFY09 -ADMIN	17.258	Oregon Community Colleges and Workforce Development	OR-50	8,795
Title IB ARRA - OJT NEGFY09 -Program	17.258	Oregon Community Colleges and Workforce Development	OR-50	88,798
Total Workforce Investment Act (WIA) Cluster				2,475,844
ARRA SESP - State Energy Sector Partnership and Training Grant - Admin	17.275	Oregon Community Colleges and Workforce Development	GRNT0448	9,482
ARRA SESP - State Energy Sector Partnership and Training Grant - Program	17.275	Oregon Community Colleges and Workforce Development	GRNT0448	122,015
Title IB WIA -ARRA -OGTC -Oregon Green Tech - SESP	17.275	The Oregon Consortium	PY10-R4-OGTC SESP	53,354
Total U.S. Department of Labor				2,774,932

See notes to schedule of expenditures of federal awards.

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2012

	Federal CFDA Number	Pass Through Organization	Pass Through ID	Expenditures
U.S. Department of Treasury				
National Foreclosure Mitigation Counseling	21.000	Oregon Housing and Community Services	GRNT # 01138	\$ 14,720
Total U.S. Department of Treasury				14,720
U.S. Department of Energy				
BPA - WX FFY 11	81.042	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	27,724
BPA - WX FFY 12	81.042	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	13,082
DOE - WX FY11	81.042	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	127,057
DOE - WX FY09 ARRA	81.042	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	981,393
DOE - SERC ARRA	81.042	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	1,397,063
DOE - WX FY10 ARRA - Energy Efficiency Appliance Rebate Program (EEARP)	81.127	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	25,499
Total U.S. Department of Energy				2,571,818
U.S. Department of Health and Human Services				
Head Start Cluster				
Headstart 2010-11	93.600	Direct	G-10CH0155/16	272,245
Headstart 2011-12	93.600	Direct	G-10CH0155/17	718,886
Head Start Body Start 2012 Play Space Grant	93.600	Head Start Body Start National Center for Physical Development and Outdoor Play	HSBS Grant No. D091	5,000
Total Head Start Cluster				996,131
Temporary Assistance for Needy Families (TANF) Cluster				
Housing Stabilization Program / TANF	93.558	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	30,140
Community Services Block Grants Cluster				
Passed through Oregon Housing and Community Services				
Community Services Block Grant - FFY12	93.569	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	223,155
Community Services Block Grant - FFY11	93.569	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	127,063
Community Services Block Grant - FFY11 Discretionary	93.569	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	4,000
Total Community Services Block Grants Cluster				354,218

See notes to schedule of expenditures of federal awards.

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2012

	Federal CFDA	Pass		Expenditures
	Number	Pass Through Organization	Through ID	
U.S. Department of Health and Human Services (Continued)				
LJHEAP - Energy Assistance	93.568	Oregon Housing and Community Services	OHCS MGA 11-13 #2035	\$ 2,699,750
LJHEAP - WX	93.568	Oregon Housing and Community Services	OHCS MGA 09-11 #2035	31,936
LJHEAP - Leverage	93.568	Oregon Housing and Community Services	OHCS MGA 09-11 #2035	51,477
LJHEAP - Education	93.568	Oregon Housing and Community Services	OHCS MGA 09-11 #2035	177,298
LJHEAP - Weatherization - FFY11	93.568	Oregon Housing and Community Services	OHCS MGA 09-11 #2035	156,625
LJHEAP - Weatherization - FFY12	93.568	Oregon Housing and Community Services	OHCS MGA 09-11 #2035	148,361
Senior Health Insurance Benefits Assistance - MIPPA	93.779	Oregon Department of Consumer and Business Affairs	SHIBA 11-12-14	8,192
RSVP -MIPAA -SHIBA	93.779	Oregon Department of Consumer and Business Affairs	MIPPA 11-3	2,259
Total U.S. Department of Health and Human Services				4,656,387
Corporation for National and Community Service				
Americorps - VISTA Round Five	94.006	Direct	07VSPOR006	4,902
Americorps - VISTA Round Six	94.006	Direct	07VSPOR006	15,000
Americorps - Youthbuild - 2011-2012	94.006	Youthbuild USA	10NDHMA0030053	41,167
Americorps - Youthbuild - 2010-2011	94.006	Youthbuild USA	10NDHMA0030051	13,928
Retired and Senior Volunteer Program - RSVP	94.002	Direct	07SRPOR006	69,350
Retired and Senior Volunteer Program - RSVP	95.002	Direct	10SRPOR003	20,417
Total Corporation for National and Community Service				164,764
Total Expenditures of Federal Awards				\$ 11,201,330

See notes to schedule of expenditures of federal awards.

COMMUNITY SERVICES CONSORTIUM

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2012

Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to the Community Services Consortium's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the Community Services Consortium, it is not intended to and does not present either the financial position, changes in net assets 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 the Community Services Consortium 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 the Community Services Consortium for the year ended June 30, 2012.

Revenue and Expenditure Recognition

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

COMMUNITY SERVICES CONSORTIUM*NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**YEAR ENDED JUNE 30, 2012*

Subrecipients

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

<i>Program Title</i>	<i>Federal CFDA Number</i>	<i>Amount Provided to Subrecipients</i>
Workforce Investment Act - WIA		
Title 1B - Adult	17.258	\$ 15,268
Title 1B - Youth	17.259	3,215
Title 1B - Dislocated Worker	17.260	11,704
		<hr/>
		\$ 30,187
		<hr/>



GROVE, MUELLER & SWANK, P.C.

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

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

Governing Board
Community Services Consortium
Albany, Oregon

We have audited the financial statements of Community Services Consortium (the Consortium), as of and for the year ended June 30, 2012, and have issued our report thereon dated December 21, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Consortium's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Consortium's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Consortium's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Consortium, federal awarding agencies, pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.


CERTIFIED PUBLIC ACCOUNTANTS
December 21, 2012



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Governing Board
Community Services Consortium
Albany, Oregon

Compliance

We have audited Community Services Consortium's (the Consortium) compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The Consortium's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Consortium's management. Our responsibility is to express an opinion on the Consortium's compliance based on our audit.

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 the Consortium'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. Our audit does not provide a legal determination on the Consortium's compliance with those requirements.

In our opinion, the Consortium complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

The management of Consortium is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Consortium's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Consortium'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 a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Consortium, federal awarding agencies, pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.


CERTIFIED PUBLIC ACCOUNTANTS
December 21, 2012

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
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:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

17.275	Worker Training and Placement
81.042	U.S. Dept. of Energy – WX – BPA & DOE
93.568	Low-Income Home Energy Assistance

Dollar threshold used to distinguish between type A and type B programs:	\$336,040
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.