

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

Connor Lyons
CSC Finance Operations Manager

Comprehensive Annual Financial Report

For year ended June 30, 2019

Albany, Oregon

COMMUNITY SERVICES CONSORTIUM
Albany, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2019

Martha Lyon – Executive Director
Pegge McGuire – Acting Executive Director

Prepared by
Debbie Jackson - Finance Director
Connor Lyons - Finance Manager



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
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INDEPENDENT AUDITOR'S REPORT

CSC Governing Board
Community Services Consortium
Albany, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Community Services Consortium (CSC) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise CSC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to CSC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CSC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Community Services Consortium as of June 30, 2019, and the respective changes in financial position for the year the ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of revenues, expenditures, and changes in fund balance – budget to actual, the schedules of OPERS retirement plan pension benefits, and the schedule of other post-employment benefits liability and related ratios as seen in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to management's discussion and analysis, the schedules of OPERS retirement plan pension benefits and the schedule of other post-employment benefits liability and related ratios in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

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

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

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

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


Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2020, on our consideration of CSC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CSC's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 29, 2020, on our consideration of CSC's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By: 
Ryan T. Pasquarella, A Shareholder
January 29, 2020

COMMUNITY SERVICES CONSORTIUM
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Change in</u>
		<u>Fees for</u>	<u>Operating</u>	<u>Net Position</u>
		<u>Service</u>	<u>Grants and</u>	<u>Total</u>
			<u>Contributions</u>	
FUNCTIONS/PROGRAMS				
General	\$ 298,193	\$ -	\$ 273,785	\$ (24,408)
Workforce and Education	4,261,435	2,582	3,153,822	(1,105,031)
Housing and Energy Services	6,952,220	133,550	7,531,736	713,066
Linn Benton Food Share	7,857,362	-	7,979,749	122,387
Child Development Services	2,071,319	-	2,112,372	41,053
Miscellaneous Grants	545,957	-	429,863	(116,094)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total</i>	\$ 21,986,486	\$ 136,132	\$ 21,481,327	(369,027)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
GENERAL REVENUES				
Interest				49,035
				<u> </u>
CHANGE IN NET POSITION				
				(319,992)
NET POSITION, Beginning of year				
				4,897,293
				<u> </u>
NET POSITION, End of year				
				\$ 4,577,301
				<u> </u>

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

COMMUNITY SERVICES CONSORTIUM
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Housing and Energy Services	Workforce and Education
ASSETS			
Cash	\$ 5,183,907	\$ 650	\$ 50
Receivables			
Grants and contracts	5,744	809,705	670,696
Loans	-	595,772	-
Due from other funds	1,142,850	1,872,692	184,048
Inventories	-	137,272	-
Prepaid items	511	14,000	6,356
Other current assets	-	400	-
<i>Total Assets</i>	<u>\$ 6,333,012</u>	<u>\$ 3,430,491</u>	<u>\$ 861,150</u>
LIABILITIES			
Accounts payable	\$ 21,779	\$ 263,947	\$ 63,759
Accrued payroll	495,347	-	-
Due to other funds	4,773,648	750,285	631,396
Unearned revenue	-	495	10,000
Other payables	-	15,000	-
<i>Total Liabilities</i>	<u>5,290,774</u>	<u>1,029,727</u>	<u>705,155</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	582,685	-
FUND BALANCES			
Nonspendable	511	151,272	6,356
Restricted	7,468	1,300,128	149,489
Assigned	-	366,679	150
Unassigned	1,034,259	-	-
<i>Total Fund Balances</i>	<u>1,042,238</u>	<u>1,818,079</u>	<u>155,995</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 6,333,012</u>	<u>\$ 3,430,491</u>	<u>\$ 861,150</u>

Linn-Benton Food Share	Child Development Services	Misc. Grants	Totals
\$ -	\$ 520	\$ -	\$ 5,185,127
80,758	228,755	103,266	1,898,924
-	-	-	595,772
3,264,718	90,279	553	6,555,140
216,449	838	-	354,559
-	-	-	20,867
-	-	-	400
<u>\$ 3,561,925</u>	<u>\$ 320,392</u>	<u>\$ 103,819</u>	<u>\$ 14,610,789</u>
\$ 28,809	\$ 43,482	\$ 24,329	\$ 446,105
-	-	-	495,347
101,321	219,001	79,490	6,555,141
-	-	-	10,495
-	-	-	15,000
<u>130,130</u>	<u>262,483</u>	<u>103,819</u>	<u>7,522,088</u>
-	-	-	582,685
216,449	838	-	375,426
2,030,101	7,444	-	3,494,630
1,185,245	49,627	-	1,601,701
-	-	-	1,034,259
<u>3,431,795</u>	<u>57,909</u>	<u>-</u>	<u>6,506,016</u>
<u>\$ 3,561,925</u>	<u>\$ 320,392</u>	<u>\$ 103,819</u>	<u>\$ 14,610,789</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, 2019**

	<u>General</u>	<u>Housing and Energy Services</u>	<u>Workforce and Education</u>
REVENUES			
Grants and contracts	\$ 18,841	\$ 7,473,257	\$ 3,063,992
Contributions	169,071	14,522	887
Loan repayments	-	35,253	-
Fees for service	-	133,550	2,582
Commodity foods	-	-	-
Other	85,873	8,704	88,943
Interest	49,035	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	322,820	7,665,286	3,156,404
EXPENDITURES			
Administration	104,371	652,735	557,605
Workforce and Education	-	-	2,562,810
Housing and Energy Services	-	6,875,632	-
Head Start	-	-	-
Food programs	-	-	-
Miscellaneous programs	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	104,371	7,528,367	3,120,415
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	218,449	136,919	35,989
OTHER FINANCING SOURCES AND (USES)			
Transfers	3,611	-	(3,611)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	222,060	136,919	32,378
FUND BALANCES, Beginning of year	820,178	1,681,160	123,617
	<hr/>	<hr/>	<hr/>
FUND BALANCES, End of year	\$ 1,042,238	\$ 1,818,079	\$ 155,995
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Linn-Benton Food Share	Child Development Services	Misc. Grants	Totals
\$ 445,491	\$ 2,110,904	\$ 429,863	\$ 13,542,348
757,865	1,468	-	943,813
-	-	-	35,253
-	-	-	136,132
6,478,518	-	-	6,478,518
297,875	-	-	481,395
-	-	-	49,035
7,979,749	2,112,372	429,863	21,666,494
60,747	280,978	24,519	1,680,955
-	-	-	2,562,810
-	-	-	6,875,632
-	1,829,926	-	1,829,926
7,811,571	-	-	7,811,571
-	-	405,357	405,357
7,872,318	2,110,904	429,876	21,166,251
107,431	1,468	(13)	500,243
-	-	-	-
107,431	1,468	(13)	500,243
3,324,364	56,441	13	6,005,773
\$ 3,431,795	\$ 57,909	\$ -	\$ 6,506,016

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

COMMUNITY SERVICES CONSORTIUM

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

LINN-BENTON FOOD SHARE

YEAR ENDED JUNE 30, 2019

	<i>Beginning Fund Balance</i>	<i>Revenues</i>		
		<i>Operating Grants/ Contributions</i>	<i>Other</i>	<i>Total Revenues</i>
CSBG CY18	\$ -	\$ 166,169	\$ -	\$ 166,169
CSBG CY19	-	3,599	-	3,599
Linn-Benton Food Share	2,723,287	6,317,187	297,875	6,615,062
OFB Food Purchase	-	15,670	-	15,670
Oregon Hunger Response Fund	-	95,804	-	95,804
Oregon Hunger Response Fund - II	-	18,355	-	18,355
USDA Cash for Commodities	-	28,841	-	28,841
USDA Commodity Foods*	(1,287)	802,445	-	802,445
Benton County	-	26,000	-	26,000
Linn County	-	17,100	-	17,100
City of Corvallis	-	25,000	-	25,000
Miscellaneous Grants	130,606	10,486	-	10,486
Warehouse Building Fund	96,284	-	-	-
Warehouse Expansion Reserve	346,512	500	-	500
LBFS Truck Reserve	3,587	-	-	-
Intentional Production	-	-	-	-
Permanent Endowment Fund	25,000	-	-	-
OFB Capacity Building Grant	-	25,000	-	25,000
Commodity Supplemental Food Program	-	18,080	-	18,080
Commodity Supplemental Food Program	375	111,638	-	111,638
<i>Total</i>	<u>\$ 3,324,364</u>	<u>\$ 7,681,874</u>	<u>\$ 297,875</u>	<u>\$ 7,979,749</u>

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

<i>Expenditures</i>			<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
<i>Administration</i>	<i>Food Programs</i>	<i>Total Expenditures</i>			
\$ -	\$ 166,169	\$ 166,169	\$ -	\$ -	\$ -
-	3,600	3,600	(1)	-	(1)
50,055	6,452,772	6,502,827	112,235	(10,400)	2,825,122
-	15,670	15,670	-	-	-
4,584	91,220	95,804	-	-	-
-	18,355	18,355	-	-	-
-	28,841	28,841	-	-	-
-	765,345	765,345	37,100	-	35,813
3,012	22,988	26,000	-	-	-
421	16,679	17,100	-	-	-
2,675	22,325	25,000	-	-	-
-	24,914	24,914	(14,428)	-	116,178
-	6,960	6,960	(6,960)	-	89,324
-	14,891	14,891	(14,391)	-	332,121
-	-	-	-	-	3,587
-	10,400	10,400	(10,400)	10,400	-
-	-	-	-	-	25,000
-	25,000	25,000	-	-	-
-	18,080	18,080	-	-	-
-	107,362	107,362	4,276	-	4,651
<u>\$ 60,747</u>	<u>\$ 7,811,571</u>	<u>\$ 7,872,318</u>	<u>\$ 107,431</u>	<u>\$ -</u>	<u>\$ 3,431,795</u>