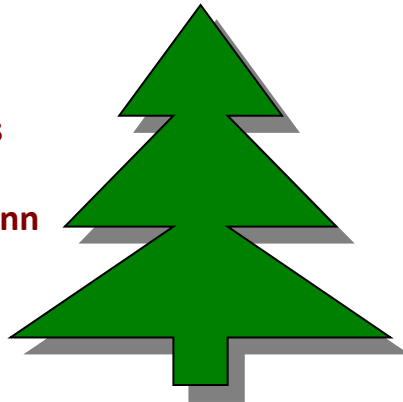




LINN BENTON FOOD SHARE is a non-profit component of Community Services Consortium (CSC). The following pages are excerpts from the CSC annual report that pertain specifically to Linn Benton Food Share.



Comprehensive Annual Financial Report For year ended June 30, 2020

Albany, Oregon

COMMUNITY SERVICES CONSORTIUM
Albany, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2020

Pegge McGuire - Executive Director

Prepared by
Connor Lyons - Finance Director

COMMUNITY SERVICES CONSORTIUM
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2020

GOVERNING BOARD

<u>Member</u>	<u>Title</u>
<i>Benton County Commissioner's Office</i> <i>Corvallis, Oregon 97339</i> Xan Augerot Nancy Wyse Patrick Malone	Board Member and Executive Committee Board Member Board Member
<i>Lincoln County Commissioner's Office</i> <i>Newport, Oregon 97365</i> Claire Hall Doug Hunt Kaety Jacobson	Board Chair and Executive Committee Board Member Board Member
<i>Linn County Commissioner's Office</i> <i>Albany, Oregon 97321</i> Sherrie Sprenger Roger Nyquist Will Tucker	Board Member Board Vice-Chair and Executive Committee Board Member

OFFICER

Pegge McGuire
Executive Director

Martha Lyon
Director Emeritus

Rowan Eaves
Finance Director

Connor Lyons
Finance Director

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

April 22, 2021

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

Community Services Consortium

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

Community Services Consortium was organized as a state-designated Community Action Agency (CAA) by Linn, Benton and Lincoln county governments over 40 years ago. We operate under ORS 190 as an “instrumentality of government,” performing essential social service roles previously considered the responsibility of local government or separate non-profit agencies.

In addition to the oversight that is required by state and federal funders, as well as the reporting which must be completed by all CAAs, CSC *voluntarily* prepares the higher level of disclosure and analysis required of local governments in a Comprehensive Annual Financial Report. CSC has undertaken this extra effort for twenty-eight years in a row in order to assure that we have provided our boards, our advisory committees, our funders and our community with this added assurance of fiscal responsibility.

More and more, expectations of Community Action Agencies include building capacity in the communities they serve. Accordingly, CSC strives to meet the highest level of decision-making transparency. This report is an important part of meeting that goal.

Finally, CSC is working towards implementing a much higher level of data analysis to help guide us in crafting the programs, supports and collaborations that promote individual, agency and community growth. We hope to provide additional transparency through the creation of an impact statement that will help us describe the results accomplished with grants and donations and data dashboards which we will post on our website.



Pegge McGuire
Executive Director

INTRODUCTION

We are pleased to submit this Comprehensive Annual Financial Report of Community Services Consortium (CSC) for the fiscal year ended June 30, 2020, in accordance with state requirements. Oregon law requires local governments to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) for the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants for each fiscal year.

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

CSC's financial statements have been audited by Grove, Mueller & Swank PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that CSC's financial statements for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an **unmodified opinion** that CSC's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

As in previous years, this report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. In accordance with GAAP, management has provided a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. MD&A can be found immediately following the report of the independent auditors.

CSC's VISION & MISSION

CSC's goal is that every individual and family will have an opportunity to become economically stable with a safe, warm, decent place to live, nutritious food, access to quality education and training and the best job their skills will support. - We are guided by our vision, mission and philosophy.

Our Vision: To end poverty in Linn, Benton and Lincoln counties. While a vision typically describes where we want to go, our focus groups were insistent that we use the "ugly poverty word" to remind ourselves that poverty exists in our midst. To those who say ending poverty is impossible, planning participants respond that it IS impossible if we don't make it our goal.

Our mission defines the path to achieve our vision. The importance of working in partnership on long-term improvement was a key theme. Our community fortunes rise and fall together and we know that the fight to end poverty requires participation and collaboration from every resident. Thus, we stressed these elements in a new statement of our purpose:

Our Mission: In partnership with a caring community, we help people in Linn, Benton and Lincoln counties to access tools and resources to overcome poverty and build brighter and more stable futures.

Our philosophy is unchanged, affirming our agency-wide belief in the capability of individuals and families in Linn, Benton and Lincoln counties.

Our Philosophy: We believe people are capable of great things when offered the proper tools. We treat each client with dignity and respect, and offer a supportive setting where each person learns and develops new skills.

We want to be a part of a continuum of services, using our talents where they fit best into the community. After much examination of our community and the strengths of our agency, we selected focus areas. These areas may change as needs change in the three counties, but our current priorities are set forth in this statement:

Our Focus: Our priorities, programs and core services are determined by assessing the changing needs of our communities. Our current priorities are:

- 1. Jobs and financial help;**
- 2. Quality education and training;**
- 3. Adequate food and nutrition; and,**
- 4. Safe, decent and affordable housing.**

DEFINITION OF THE REPORTING ENTITY

Community Services Consortium is part of a national network of over one thousand community action agencies fighting to ameliorate the effects and stop the growth of poverty. Within the state of Oregon, we are part of the Community Action Partners of Oregon (CAPO) network. Locally, we work with our partners to help individuals and families in Linn, Benton, and Lincoln counties to build better lives, an effort which, in turn, builds stronger more vibrant communities.

CSC was formed by the governments of Linn, Benton and Lincoln counties in July 1980 to coordinate the planning and delivery of social services to residents of the three counties. The agency was formed by the merger of three organizations: the Community Action Agency, the Comprehensive Youth Program and the Linn-Benton-Lincoln Manpower Consortium.

It CSC operates as a public, not-for-profit instrumentality of government (a Council of Governments) under Oregon Revised Statute Section 190.

CSC is a grant-based entity. Our major sources of funding are secured by applying for and acquiring federal, state, and local grants and donations. In the current economic climate, with tightening resources at all levels, it is important to note that CSC is not a part of any county or city government's budget and has no permanent tax base to raise resources.

The Governing Board of CSC also served as the Board of Directors for four non-profit corporations that are tax-exempt under Internal Revenue code Section 501(c)(3) and are not considered private foundations. These private non-profit corporations utilized CSC as the administrator and fiscal agent of the programs and allowed the agency to apply for funds not otherwise available to CSC as a municipal corporation. Because of this financial accountability, the activities of four non-profit corporations are included in the Comprehensive Annual Financial Report of Community Services Consortium.

Linn Benton Food Share (LBFS) was formed in 1989 and acts as a Regional Coordinating Agency distributing purchased, donated and USDA food and nutritional support through a network of qualified pantries and meal sites as well as 14 gleaning groups in the two-county area. **Head Start in Lincoln County (HSLC)** was formed in 2001 to apply for grants and receive donations to augment federal and state funding for CSC's Head Start program. **Housing, Employment & Learning Programs for Self-Sufficiency (HELPS)**, was formed in 2003 to provide a funding vehicle for our Workforce & Education and Housing and Energy Services Departments to apply for grants related to educational, workforce training, and programs to promote economic stability. **Career Tech High School (CTHS)** was formed in 2013 as a non-profit entity, as requested in our Charter School contract with Lincoln County School District.

Linn Benton Food Share is reported as a separate fund within CSC, while HELPS, HSLC and CTHS are singular, separate grants (or smaller groups of grants) within the Housing and Energy Services fund, Child Development Services fund, and Workforce and Education fund respectively.

Community Housing Services (CHS) was formed in 2000 to respond to requirements of State directed Community Development Block Grant (CDBG) funds for housing rehabilitation in CSC's service area. CHS was reorganized under a new board structure in 2013-14 and is governed by a separate board in FY18. The CSC Governing Board no longer has controlling interest in Community Housing Services, although CSC serves as the fiscal agent for Community Housing

Services, and that activity is reported in the audit report under a separate fiduciary fund statement. The organization is in the process of dissolution with assets being turned over to DevNW to continue this work.

CSC partners with three counties, school districts, community colleges, education service districts, many incorporated cities, faith-based organizations and a variety of state, local and non-profit agencies within our service areas to meet the challenge of building economic stability and opportunity in our communities.

POLICY DETERMINATION

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

- The 18 member Community Action Advisory Council (CAAC) provides advice on gaps in services, underserved populations, community priorities, focus areas and topics related to alleviating the conditions which cause and perpetuate poverty. The CAAC includes representatives of low-income citizens, local elected officials, and the general public.
- The 12-15 member Head Start Policy Council includes Head Start parent representatives and community representatives. The Policy Council provides input to Head Start staff and the Governing Board regarding approaches to fulfilling Head Start performance standards and the improvement of services for children and families.

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

BUDGET, FINANCIAL PLANNING AND CONTROL

The annual budget serves as the foundation for CSC's financial planning and control. With input from the Community Action Advisory Council, as well as other advisory bodies, all departments submit their strategic goals and corresponding budget requests to the Executive Director in March of each year. The Finance Operations Manager develops a proposed budget based on these requests and is presented to the Budget Committee (three CSC Executive Board members, and representatives from CSC's two advisory bodies – the Community Action Advisory Committee, and the Head Start Policy Council.) The Budget Committee reviews, revises and recommends approval of the budget during public budget meetings in May or June. The approved budget is then submitted for adoption by the CSC Governing Board in June, prior to the July 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. These changes in appropriation levels require adoption of a supplemental budget by the Governing Board. (These resources are usually not more than 10% of the previously adopted budget, and do not require reconvening the Budget Committee.) During the fiscal year ended June 30, 2020, CSC adopted two Supplemental Budgets.

FACTORS AFFECTING CSC'S FINANCIAL CONDITION

For over forty years, CSC has provided a wide array of services and programs to low-income, at-risk, unemployed and/or underemployed residents. We serve thousands of children and adults who struggle with a variety of disadvantages that leave them especially vulnerable in times like our current economic crisis.

We believe that a healthy community system is one that is designed to support pathways into opportunity. We are fortunate that we share this core belief with our neighbors in Linn, Benton and Lincoln counties. Regardless of political ideology, most folks we run into believe that people are our biggest asset and fostering the growth of that asset is a wise investment.

We will continue working with Community Care Organizations, Early Learning Councils, Workforce Investment Boards and the Community Action Partners of Oregon, among others, to help describe what well-being looks like in an individual, a family and a community. We will utilize our local university and community colleges to help us look at outcome measures and evidence-based practices. Finally, we will utilize the creativity and dedication of our staff to shape our programs and services to promote that well-being and opportunity.

We will continue to pursue additional resources throughout the year, but must also maintain a fiscally conservative position against further potential funding cuts.

POVERTY IN THE U.S

The COVID-19 pandemic has exacerbated poverty conditions through the US, requiring the rapid deployment of large amounts of resources. This has led to a massive increase in services and funding amounts for Community Action Agencies while they work to provide these services while also reimagining how service delivery is accomplished.

According to the U.S. Department of Labor, Bureau of Labor Statistics' most recent survey data for 2020 showed Oregon's unemployment rate grew from a post financial crisis low of 3.7% at the end of 2019 to 7.6% at the end of 2020. The U.S. jobless rates surged to 8.1% at the end of 2020.¹

The Census Bureau's data for 2019 showed that the official poverty rate was 10.5 percent, decreased by 1.3 percent from 11.8 percent in 2018. The number of people in poverty decreased from 38.2 million in 2018 to 34 million in 2019 as the economy improved. Data for 2020 has not been released but it is widely expected that the poverty rate dramatically increased.²ⁱ Before factoring the COVID-19 caused spike there were still an unacceptably large number of our population living in poverty and work to be done to alleviate the causes and conditions of poverty.

¹ "Regional and State Unemployment – 2020 Annual Averages U.S. Department of Labor, Bureau of Labor Statistics, March 2021

² "Income and Poverty in the United States, 2019", J. Semega, K. Fontenot and M. Kollar, September 2020, U.S. Census Bureau, Report # P60-270

What is the federal poverty level (FPL) in 2021?

- \$26,500 for a family of four.
- \$21,960 for a family of three.
- \$17,420 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:

- \$66,250 for a family of four.
- \$54,900 for a family of three.
- \$43,550 for a family of two.

The estimated percentage of U.S. households that were food insecure declined significantly from 11.1 percent in 2016, to 10.5 percent in 2019 continuing a downward trend in food insecurity from a high of 14.9 percent in 2011. Information for 2020 is not yet available, but is expected to show an increase in the amount of food insecurity in the U.S. The prevalence of very low food security remained flat at 4.1 percent in 2019.³

Linn Benton Food Share, one of our departments, is the regional food bank for Linn and Benton Counties, and locally we are forced to find new ways to reach people as many of our traditional models have changed due to COVID-19. We believe an additional factor that influences food insecurity locally is that Oregon has one of the lowest rates of affordable available housing⁴. Households that devote more than 40% of their income to housing are considered overburdened in their housing costs.

³“Household Food Security in the United States in 2019”, by Alisha Coleman-Jensen, Matthew Rabbitt, Christina Gregory, and Anita Singh, Economic Research Report No. (ERR-275) September 2020.

⁴ The GAP: A Shortage of Affordable Homes, by Andrew Aurand, Ph.D., MSW, Dan Emmanuel, MSW, Diane Yentel, MSSW, Ellen Errico, National Low Income Housing Coalition, March 2017

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

In 2020, Oregon like most states saw a jump in unemployment to 7.6% and in 2019 13.2% of residents living in poverty.

The American Community Survey for 2019 estimated that the percentage of individuals living in poverty in Benton, Linn and Lincoln counties was 19.1%, 13.3% and 16.2% (2019) respectively. While 2019 rates are what is available at this time conditions of poverty are expected to have been exacerbated by COVID-19 and the wildfires in our area.

BENTON COUNTY

Benton County encompasses 679 square miles and is the third smallest of Oregon's 36 counties. Based on information from the Center for Population Research at Portland State University, Benton County's July 1, 2020, population estimate was 94,665.⁵ According to the US Department of Commerce Bureau of Economic Analysis using 2019 data, per capita personal income (PCPI) in Benton County was \$48,725.⁶ The unemployment rate for Benton County was estimated at 5.6% in 2020.

LINN COUNTY

Linn County encompasses 2,297 square miles and consists largely of small rural communities. Its July 1, 2020 population estimate was 127,320 with an estimated annual per capita personal income (PCPI) of \$44,830 in 2019. Linn County has an estimated 13.3 percent of the population living in poverty in 2019. The unemployment rate in Linn County is estimated at 7.8% in 2020.

LINCOLN COUNTY

Lincoln County is located on the central Oregon coast and has an area of 992 square miles. The County's 2020 population estimate was 48,305. In 2019, the county's per capita personal income (PCPI) was \$45,935. Lincoln County had an estimated 16.3% of the population living in poverty in 2019. In July 2020, Lincoln County's unemployment rate was 10.9%. As with other areas of the state, many jobs are in the service sectors with many dependent on the tourism industry.

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.

⁵ Portland State University Population and Research Center: July 1, 2020 release date.

⁶ Benton County, Oregon: Selected Economic Characteristics;; Data Set: 2019 American Community Survey 1-Year Estimates, Survey: American Community Survey.

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.

As a local government, CSC is subject to the budget provisions of ORS 294.900 to 294.930.

CSC is organized into three governmental accounting types of funds - the general fund, special revenue funds and fiduciary funds. For budgeting purposes, six funds have been established. These include a General Fund and five special revenue funds: Housing and Energy Services; Workforce and Education; Linn Benton Food Share; Child Development Services and Miscellaneous Grants.

The budget is approved by the Governing Board at the following level of appropriation:

- Personnel services
- Materials and services
- Capital outlay (equipment purchases)
- Fund balance increases/decreases, if applicable

Budget versus actual statements are presented in this report. Line item budgets are maintained in the accounting records and are monitored monthly by the responsible parties.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Community Services Consortium for its Comprehensive Annual Financial Report for the year ended June 30, 2019. This was the **twenty-eighth** 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, 2020 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.

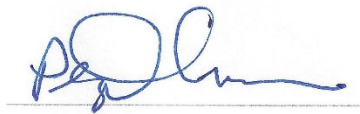
ACKNOWLEDGMENTS

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 members of the Finance Department – Iva Murphree, Kelly Gould, Kelli Prather, Colby Matsumoto, Staci Grenz, Kathy Robertson, Connor Lyons and Rowan Eaves; as well as administrative staff members Susanne Lee and Emely Day.

We commend the entire CSC staff for their hard work and dedicated devotion to the mission and programs CSC administers within the communities of Benton, Linn, Lincoln and Polk counties. The people and communities that we serve have many challenges awaiting them in the next fiscal year, and CSC will make every possible effort to assist.

We also thank the members of the Governing Board and our Advisory Councils for their guidance and support in conducting CSC's operations in a responsible and transparent manner.

Sincerely,



Pegge McGuire
Executive Director



Rowan Eaves
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Community Services Consortium
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO



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, 2020, 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, 2020, 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 June 22, 2021, 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 June 22, 2021, 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
June 22, 2021

COMMUNITY SERVICES CONSORTIUM
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	<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	\$ 1,112,368	\$ -	\$ 218,471	\$ (893,897)
Workforce and Education	4,307,376	-	3,859,043	(448,333)
Housing and Energy Services	7,504,086	118,947	7,926,326	541,187
Linn Benton Food Share	7,829,336	-	8,939,074	1,109,738
Child Development Services	2,222,863	-	2,233,152	10,289
Miscellaneous Grants	238,813	-	383,967	145,154
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total</i>	\$ 23,214,842	\$ 118,947	\$ 23,560,033	464,138
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
GENERAL REVENUES				
Interest				42,651
				<u> </u>
CHANGE IN NET POSITION				
				506,789
NET POSITION, Beginning of year				
				4,577,301
				<u> </u>
NET POSITION, End of year				
				\$ 5,084,090
				<u> </u>

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

COMMUNITY SERVICES CONSORTIUM
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Housing and Energy Services	Workforce and Education
ASSETS			
Cash	\$ 5,236,473	\$ 28,352	\$ 50
Receivables			
Grants and contracts	5,370	1,348,297	964,687
Loans	-	543,289	-
Due from other funds	1,331,015	2,253,453	242,075
Inventories	-	223,969	-
Prepaid items	2,100	500	6,905
Other current assets	-	990	-
	<u>6,574,958</u>	<u>4,398,850</u>	<u>1,213,717</u>
LIABILITIES			
Accounts payable	\$ 43,361	\$ 353,290	\$ 65,124
Accrued payroll	623,216	-	-
Due to other funds	4,802,797	1,528,615	846,106
Unearned revenue	-	63,854	-
Other payables	-	-	-
	<u>5,469,374</u>	<u>1,945,759</u>	<u>911,230</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	467,103	-
FUND BALANCES			
Nonspendable	2,100	224,469	6,905
Restricted	7,468	1,541,919	295,432
Assigned	-	219,600	150
Unassigned	1,096,016	-	-
	<u>1,105,584</u>	<u>1,985,988</u>	<u>302,487</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 6,574,958</u>	<u>\$ 4,398,850</u>	<u>\$ 1,213,717</u>

Linn-Benton Food Share	Child Development Services	Misc. Grants	Totals
\$ -	\$ 520	\$ -	\$ 5,265,395
166,746	610,803	140,207	3,236,110
-	-	-	543,289
4,146,709	108,484	39,722	8,121,458
361,621	-	-	585,590
-	-	-	9,505
-	-	-	990
\$ 4,675,076	\$ 719,807	\$ 179,929	\$ 17,762,337
\$ 15,993	\$ 30,031	\$ 35,787	\$ 543,586
-	-	-	623,216
180,870	618,928	144,142	8,121,458
-	5,861	-	69,715
-	-	-	-
196,863	654,820	179,929	9,357,975
-	-	-	467,103
361,621	-	-	595,095
1,743,754	16,542	-	3,605,115
2,372,838	48,445	-	2,641,033
-	-	-	1,096,016
4,478,213	64,987	-	7,937,259
\$ 4,675,076	\$ 719,807	\$ 179,929	\$ 17,762,337

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, 2020**

	<u>General</u>	<u>Housing and Energy Services</u>	<u>Workforce and Education</u>
REVENUES			
Grants and contracts	\$ 23,206	\$ 7,787,510	\$ 3,722,771
Contributions	103,419	63,603	3,243
Loan repayments	-	52,483	-
Fees for service	-	118,946	-
Commodity foods	-	-	-
Other	91,846	22,728	133,030
Interest	42,651	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	261,122	8,045,270	3,859,044
EXPENDITURES			
Administration	197,775	690,310	616,460
Workforce and Education	-	-	3,096,111
Housing and Energy Services	-	7,187,037	-
Head Start	-	-	-
Food programs	-	-	-
Miscellaneous programs	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	197,775	7,877,347	3,712,571
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	63,347	167,923	146,473
FUND BALANCES, Beginning of year	1,042,237	1,818,065	156,014
	<hr/>	<hr/>	<hr/>
FUND BALANCES, End of year	\$ 1,105,584	\$ 1,985,988	\$ 302,487
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Linn-Benton Food Share	Child Development Services	Misc. Grants	Totals
\$ 728,662	\$ 2,231,629	\$ 383,967	\$ 14,877,745
1,284,240	1,522	-	1,456,027
-	-	-	52,483
-	-	-	118,946
6,712,224	-	-	6,712,224
213,948	-	-	461,552
-	-	-	42,651
8,939,074	2,233,151	383,967	23,721,628
54,981	298,235	240,548	2,098,309
-	-	-	3,096,111
-	-	-	7,187,037
-	1,927,837	-	1,927,837
7,837,674	-	-	7,837,674
-	-	143,419	143,419
7,892,655	2,226,072	383,967	22,290,387
1,046,419	7,079	-	1,431,241
3,431,794	57,908	-	6,506,018
\$ 4,478,213	\$ 64,987	\$ -	\$ 7,937,259

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, 2020

	<i>Beginning Fund Balance</i>	<i>Revenues</i>		
		<i>Operating Grants/ Contributions</i>	<i>Other</i>	<i>Total Revenues</i>
CSBG CY19	\$ -	\$ 82,915	\$ -	\$ 82,915
CSBG CY20	-	7,444	-	7,444
CSBG Cares Act	-	29,541	-	29,541
Linn-Benton Food Share	2,825,122	6,373,757	213,948	6,587,705
OFB Food Purchase	-	15,557	-	15,557
OFB Food Purchase - COVID	-	234,355	-	234,355
Oregon Hunger Response Fund	-	69,249	-	69,249
USDA Cash for Commodities	-	149,542	-	149,542
USDA - Trade Mitigation	-	45,186	-	45,186
USDA Commodity Foods*	35,813	1,502,497	-	1,502,497
Benton County	-	30,000	-	30,000
Linn County	-	17,100	-	17,100
City of Corvallis	-	20,976	-	20,976
Miscellaneous Grants	116,177	29,737	-	29,737
Warehouse Building Fund	89,323	485	-	485
Warehouse Expansion Reserve	332,121	1,785	-	1,785
LBFS Truck Reserve	3,587	-	-	-
Permanent Endowment Fund	25,000	-	-	-
Commodity Supplemental Food Program	-	26,797	-	26,797
Commodity Supplemental Food Program	4,651	88,203	-	88,203
<i>Total</i>	<u>\$ 3,431,794</u>	<u>\$ 8,725,126</u>	<u>\$ 213,948</u>	<u>\$ 8,939,074</u>

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