

**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
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INTRODUCTORY SECTION

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 20186, 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.

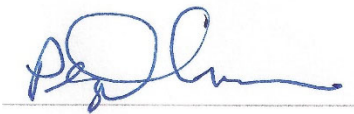
ACKNOWLEDGMENTS

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,

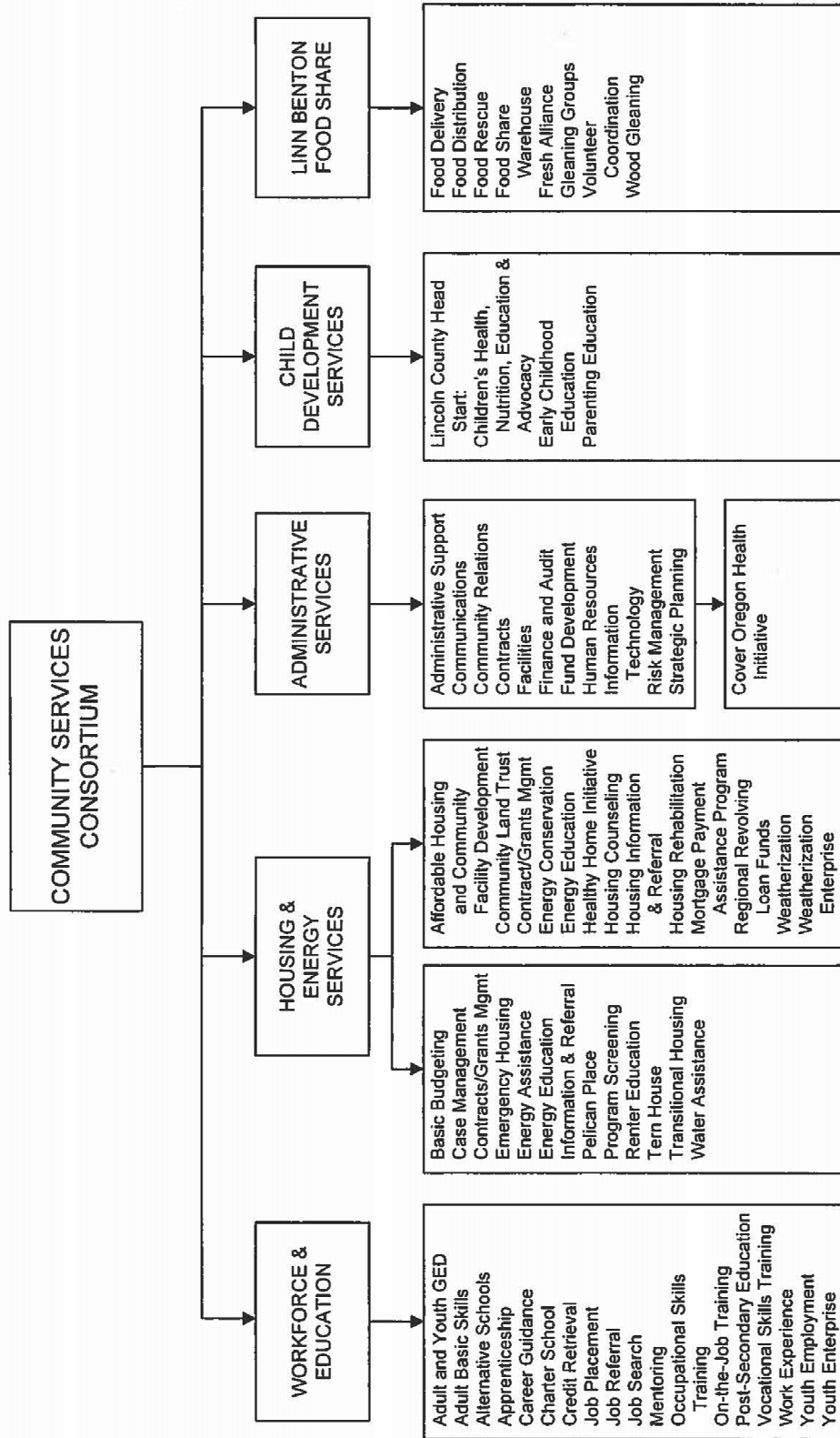


Pegge McGuire
Executive Director



Rowan Eaves
Finance Director

COMMUNITY SERVICES CONSORTIUM FUNCTIONAL CHART





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

FINANCIAL SECTION



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

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, 2020. 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 \$7.75 million in federal and federal pass-through grants, \$6.35 million in state and local governmental grants and contracts, \$6.7 million in value of donated food, \$1.4 million in contributions, and about \$1.5 million in other miscellaneous income, totaling \$23.7 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 incurred and have no potential to build up any reserves. Any fund balances generated are restricted to the program 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 the effects and eliminating the causes of poverty. As a grant-based organization, we are subject to uncertainties in both the federal and state budgets. We are directly affected when Congress does not pass a budget, confirm appropriations, adjust the debt ceiling or when there is a federal government shut down. Similarly, we are impacted when the State of Oregon experiences budget shortfalls as it has in recent history. Continuing volatility in state and federal funding makes long-term funding projections almost impossible, so we continue to operate on a fairly short-term planning cycle.
- We 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 for external funding changes. 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. Due to additional funding opportunities related to the COVID-19 pandemic budget projections have been made much more difficult. CSC has seen dramatic and rapid expansion of existing programs as well as challenges of standing up new programs in an entirely new working environment to serve new challenges within our community. The FY21 forecast raised many challenges and has and will require revisions throughout the year. The original budget for CSC for the FYE 6/30/21 reflected budgeted figures of over \$29 million, an increase of 11% over the previous year. After an additional two supplemental budgets CSC's budget stands at \$56.3 million.

Overall, CSC was able to effectively manage its resources to address the increased demands felt in our communities during the first 8 months of the fiscal year ended June 30, 2020. Due to the COVID-19 pandemic we have seen unprecedented levels of need. Many metrics of poverty have been rapidly rising throughout not only our service area but throughout the country. Many individuals that have never sought our services before are for the first time learning about the important programs we offer in the community.

The pandemic has created great uncertainty within our community and exacerbated the differences of our populations living in poverty versus those who are not. While overall unemployment spiked as a side effect of the COVID-19 Pandemic, personal incomes in our community rose. For 2020, Benton County had an unemployment rate of 5.6%, while Linn County was 7.8% and Lincoln County was 10.9%, compared to the state of Oregon average at 7.6%. While county level personal income is not available at this time, Oregon as a whole rose by over 7% during 2020.

This growing disparity makes our work more important as ever as we work to develop new programs to respond to our community members with the greatest needs. We have expanded program offerings to include significant new resources in all of our work areas, especially rental and energy assistance. While the pandemic has been the largest driver of need in our area since the completion of the fiscal year ended June 30, 2020 our communities were also devastated by the worst wild fires in recent memory. We are collaborating with funders to provide additional assistance where it is needed right now to respond to this dual emergency.

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 *statement of net position* presents information on CSC's assets, liabilities and deferred inflows/outflow of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether CSC's financial position is improving or declining.

The *statement of activities* presents information showing how CSC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expense are therefore reported in this statement for some items in which the cash flows will occur in futures fiscal periods (such as unused vacation).

The government-wide financial statement can be found on pages 15 – 16 of this report.

Fund financial statements:

Fund financial statements are also intended to give insight into CSC's overall financial health and report CSC's operations in more detail than the government-wide financial statements. CSC has only two fund types – governmental funds and fiduciary funds. The governmental funds are presented in six different departments.

Governmental Funds – *Governmental Funds* are used to account for essentially the same functions reports as governmental activities in the government-wide financial statements, however the focus is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Fiduciary Funds:

Fiduciary funds are excluded from the government-wide financial statements and are presented separately because they are funds that are administered on behalf of other entities. The fiduciary activity reported by CSC has no measurement focus and is reported on the full accrual basis of accounting.

CSC provides administrative services and accounting services for Community Housing Services (CHS), a non-profit that is no longer a wholly owned subsidiary of CSC.

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. The notes to the financial statements can be found on pages 22 -- 44 of this report.

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 this document.

Financial Analysis of the Consortium as a Whole

Net position CSC's net position at June 30, 2020 was \$5,084,090 reflecting an increase of \$506,789 (about 3%) from \$4,577,301, at June 30, 2019 (See Table A). One of the largest drivers of CSC's net position are factors outside of CSC's control in regular operations, specifically a net pension liability of \$7,160,053, reflecting an increase of over \$1 million over the previous year. CSC anticipates regular increase in the amount of contributions required in employment benefits over the next several years.

CSC's net position was benefited by stronger than anticipated contributions. As a result of the pandemic CSC saw a dramatic increase in community support that has helped bolster programs at a time of great community need. CSC saw contributions grow during the fiscal year ended June 30, 2020 by over \$500,000 dollars.

Community Services Consortium's Net Position
TABLE A

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Current and other assets	\$ 9,173,776	\$ 8,471,435
Capital assets, net of depreciation	<u>4,305,259</u>	<u>4,379,711</u>
<i>Total Assets</i>	13,479,035	12,851,146
<i>Deferred outflows related to pensions</i>	1,840,367	1,946,354
Current and other liabilities	875,167	1,636,439
Noncurrent liabilities	1,568,203	1,634,850
Net pension liability	<u>7,160,053</u>	<u>6,107,087</u>
<i>Total Liabilities</i>	9,603,423	9,378,376
<i>Deferred inflows related to pensions</i>	631,889	841,823
Net Position		
Investment in capital assets	4,305,259	4,379,711
Restricted for grant programs	3,605,115	3,494,630
Unrestricted	<u>(2,826,284)</u>	<u>(3,297,040)</u>
<i>Total Net Position</i>	<u>\$ 5,084,090</u>	<u>\$ 4,577,301</u>

Restricted and Unrestricted Net Position:

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 unassigned balance of \$1,096,016 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 position: CSC's total revenues increased by \$2,055,137 from \$21,666,494 in FY19 to \$23,721,631 in FY20. These revenue increases were primarily in the Linn Benton Food Share department as additional resources related to trade tensions became available before the pandemic, and donor strength supported a strong close of the year. Many of our departments began to see rapid expansion in funding at the end of the fiscal year, which otherwise may have led to an overall decrease in revenues.

CSC's total expenses increased \$1,228,356 from \$21,986,486 in FY19 to \$23,214,842 in FY20. Personnel expenses increased about 26% from \$6.8 million in FY19 to \$8.5 million in FY20. Materials and services stayed consistent with about \$8.6 million. Donated food in the Linn Benton Food Share department increased about 1% from \$6.48 million to \$6.57 million in value. (See Table B).

Community Services Consortium's Changes in Net Position
TABLE B

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Program Revenues		
Fees for services	\$ 118,947	\$ 136,132
Operating grants and contracts	22,104,004	20,537,514
Contributions	1,456,029	943,813
	<u>23,678,980</u>	<u>21,617,459</u>
General Revenues		
Interest and other income	<u>42,651</u>	<u>49,035</u>
<i>Total Revenues</i>	<u>23,721,631</u>	<u>21,666,494</u>
Program Expenses		
Personal Services	8,508,193	6,771,522
Materials and Services	8,572,730	8,640,541
LBFS Donated Food	6,035,607	6,478,518
Capital Outlay	98,312	95,905
	<u>23,214,842</u>	<u>21,986,486</u>
<i>Total Expenses</i>	<u>23,214,842</u>	<u>21,986,486</u>
Change in Net Position	506,789	(319,992)
Net position, beginning of year	<u>4,577,301</u>	<u>4,897,293</u>
Net Position, end of year	<u>\$ 5,084,090</u>	<u>\$ 4,577,301</u>

Figure A
Sources of Revenue for the Year Ended June 30, 2020

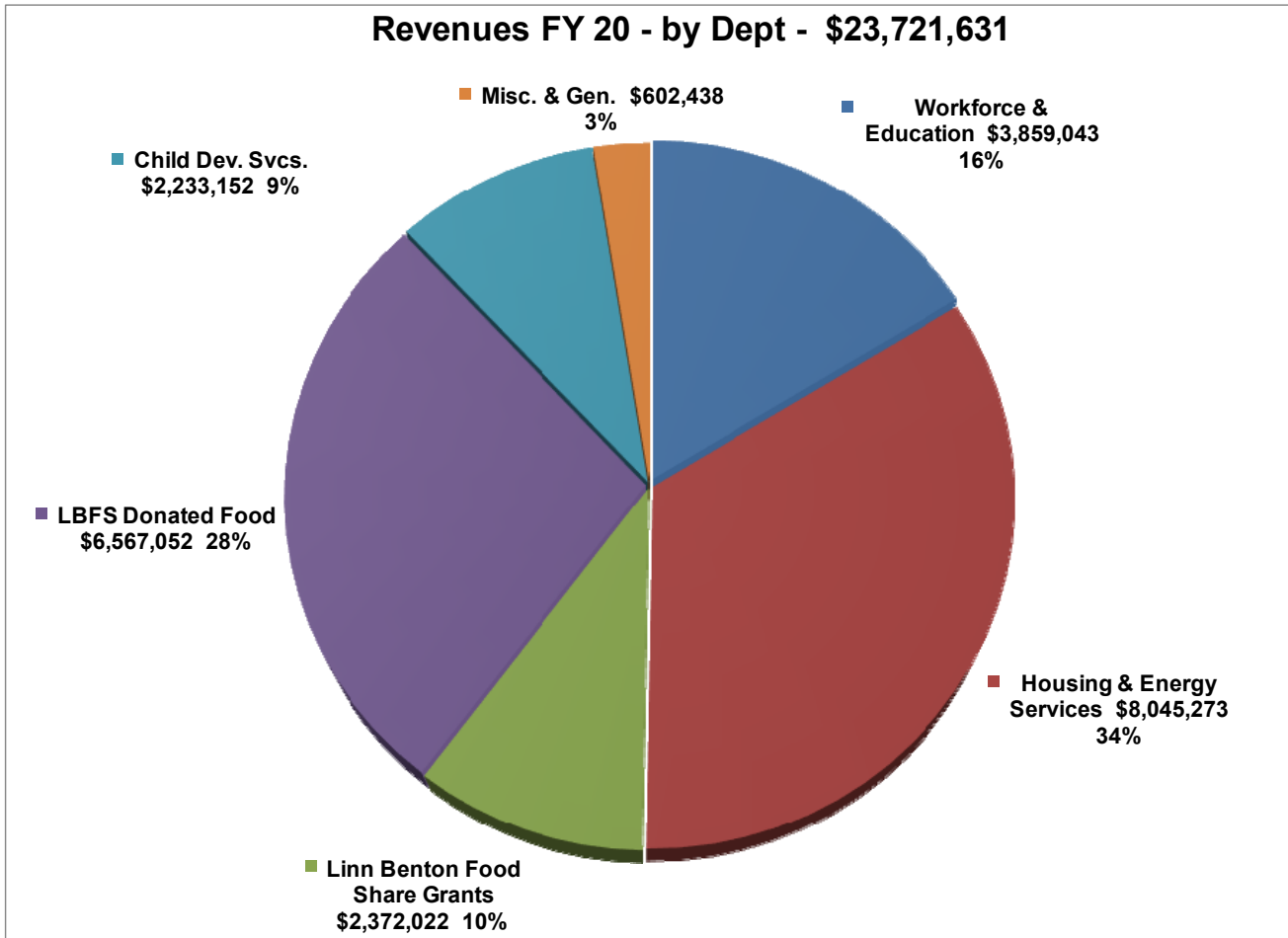
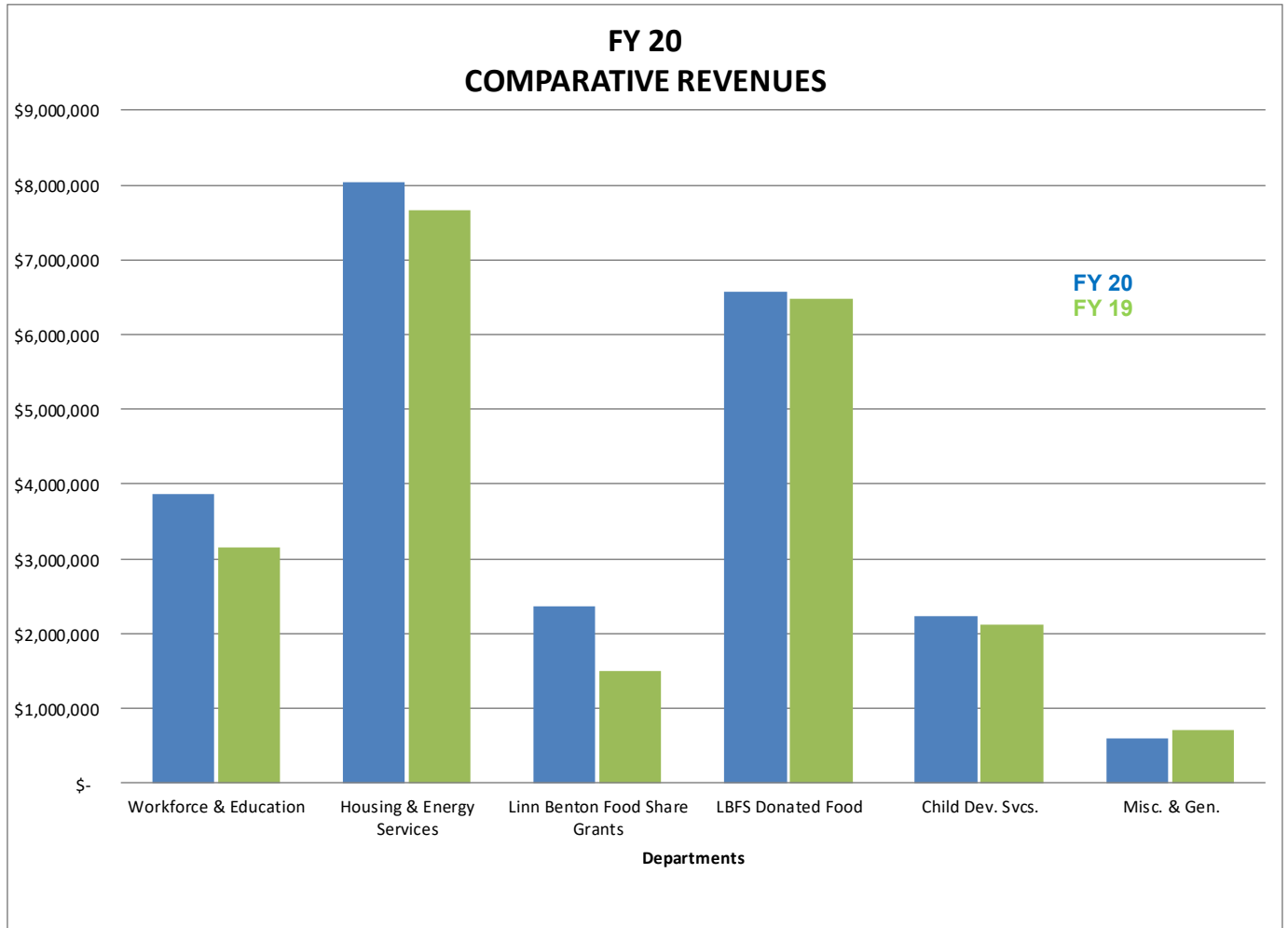


Figure B
Revenue Comparison for the Years Ended June 30, 2020 and 2019



Changes in Fund Balances – Governmental Funds

The **General Fund** increased overall by \$63,347 primarily from contributions and interest income of \$42,651 to a year-end total of \$1,105,584.

The **Housing and Energy Services** fund increased by \$167,923 comprised of loan repayments of \$52,483; weatherization fee for service of \$118,946; and contributions of \$63,603. Some of these resources were used during the year.

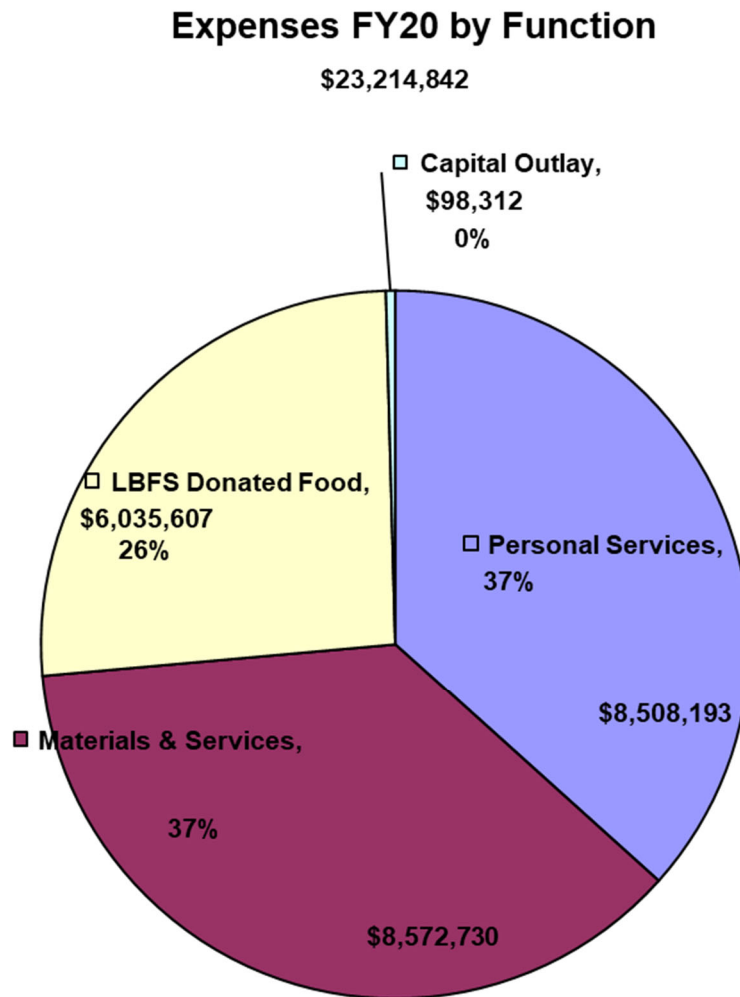
The **Workforce & Education** fund balance increased by \$146,473. The department received additional support in for various activities in response to the pandemic. These balances are planned to offer additional services in FY21.

Linn Benton Food Share fund balance increased by \$1,046,419 from contributions of cash and food. This department relies on fund balances in the event of a decrease in donor support as there are very few governmental funds supporting these programs.

Child Development Services had a slight increase of \$7,079 in various supports that are expected to be used in the following year.

The **Miscellaneous Grant** Fund operates solely on grant funds which are reimbursable and do not carry fund balances.

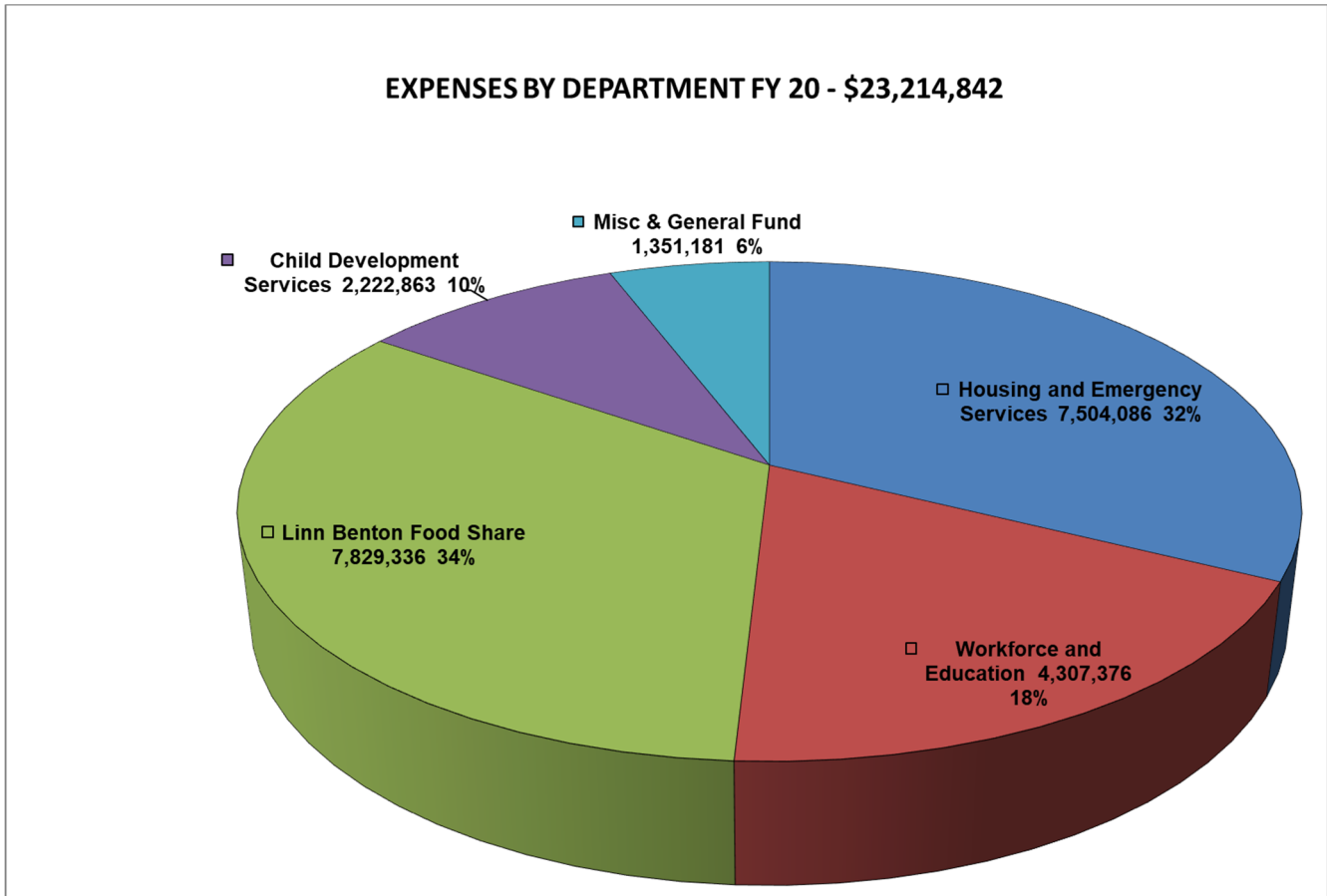
Figure C
Expenses by Function for the Year Ended June 30, 2020



The major reason for the \$1.4 million expenditure increase (about 6%), was from an expansion of grant resources available in food programs related to trade mitigation. Additionally, as the fiscal year came to a close large amounts of pandemic related funding began making its way into CSC and out to the community. Personnel costs increased with regular increases in benefits and wages as expected, and were further expanded as staffing began to ramp up in preparation for the coming fiscal year.

Of the total expenses for FY20 of \$23.4 million, over \$10 million were made directly on behalf of participants in our programs. As a proportion of the FY20 materials and services costs of \$15.6 million direct assistance was \$10.5 million (67%). Many of the expenses not directly in benefit of clients was invested in systems to help delivery significantly more resources in the year ahead as we move towards the largest expansion in antipoverty services in this century.

Figure D
Expenses by Department for the Year Ended June 30, 2020



Two funds had significant changes in their FY20 activities.

Workforce and Education saw increases of about \$700k, largely related to the beginning of a new program, STEP 50/50. This program is funded by 50% Federal dollars, and 50% non-federal share. To support the beginning of this program, CSC received \$300k of funding support through Oregon and received a \$600k award of federal dollars.

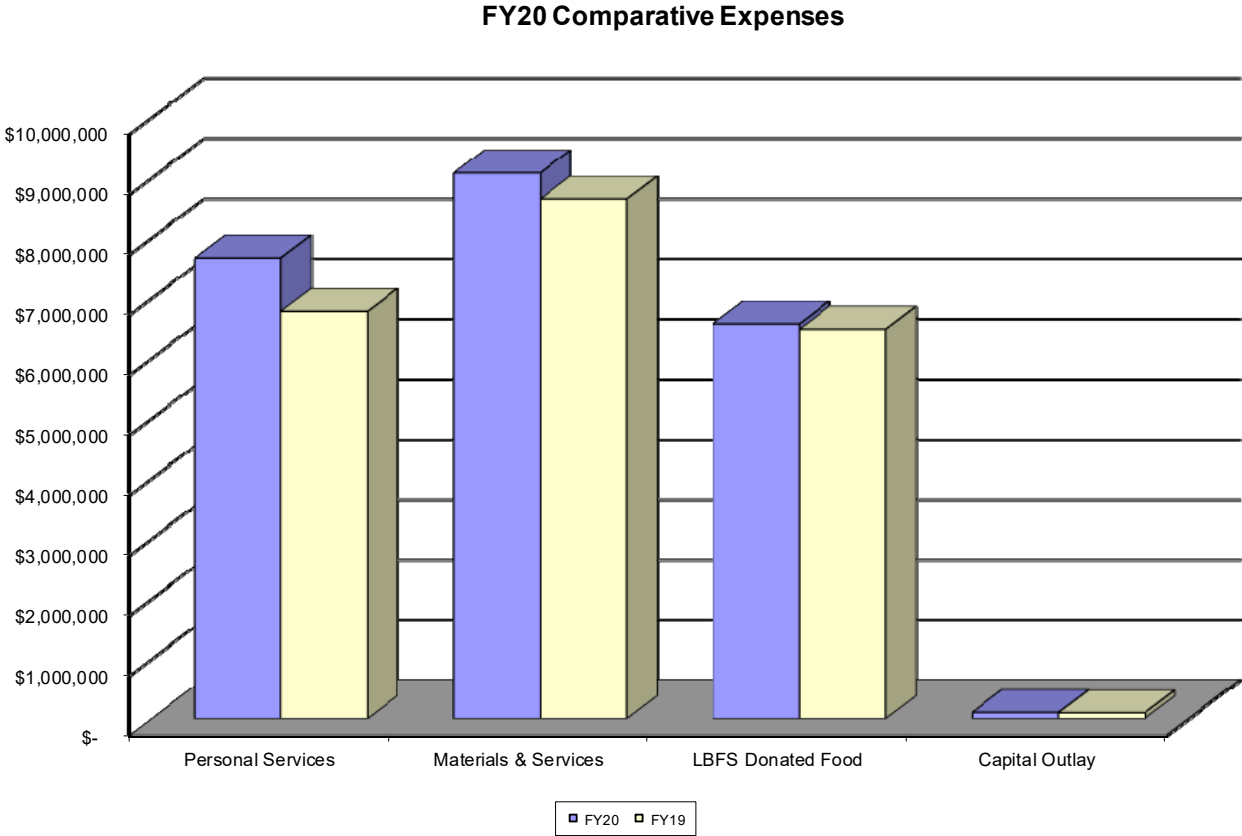
Linn Benton Food Share saw a large increase in cash grant assistance. This reflected an increase in expenses of grants of almost \$900k. With trade tensions harming farmers ability to make enough money to sustain themselves extensive additional funding was received in USDA Trade Mitigation programs, as well as increases in the amount of commodities received.

Budgetary Highlights

Community Services Consortium’s Governing Board revised its originally adopted budget in order to address unexpected changes in revenues and expenses. The original budget was adopted on a very conservative basis generally, with only grants whose award was almost certain included at the start of the fiscal year. Due to the rapidly changing landscape over the last months of the fiscal year CSC adopted 4 supplemental budgets, increasing the original budget \$3,415,575 to a total of \$29,361,232 as shown in the Required Supplementary Information for Budget and Actual on page 45 of this report. While actual figures varied from this quite significantly there are large amounts of funding that timing is nearly impossible to predict as we work with our funding partners. This applies to both funding from federal and state resources.

The following chart demonstrates a comparison of expenses between FY20 and FY19. Personal services increased from 31% to 33% of total expenditures. Total materials and services decreased from 69% to 67% of agency expenses in FY20, Services directly on behalf of our program participants, including food distributions, were about \$10.5 million dollars, approximately 45% of the total annual expenses.

**Figure E
Expense Comparison for the Years Ended June 30, 2020 and 2019**



Capital Asset Administration

Total capital assets, net of accumulated depreciation, decreased \$74,458 from \$4,379,717 in FY19 to \$4,305,259 in FY20. CSC's capital asset change is primarily due to depreciation of \$172,770, which outweighed capital asset additions of \$98,312.

As of June 2020, 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, but renovated and expanded an existing structure to respond to growing Newport Head Start demand. 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.

More detailed information is included in notes to the financial statements on page 32

Economic Factors and Next Year's Budgets – the Real Challenge

In recent years CSC has been able to continue operating robust services to clients in our areas. There has been greater than normal difficulty in projecting what future funding and program offerings will be in the future caused by uncertainty of funding at both the state and federal levels.

Now, in light of a large fiscal response from the federal and state government related to the COVID-19 pandemic and devastating wildfires in our area we are experiencing even larger levels of uncertainty. While in the past the uncertainty has largely focused on areas where we think our budget shrink we are now grappling with rapid expansion of program funding.

While this additional funding is absolutely critical to blunting the impact of these simultaneous crises it raises many new difficulties. With new funding come new regulations, program rules and rushed guidance from the government dictating how programs are supposed to operate. In this, we are also radically changing how we work, with most of our staff working remotely most of the time. While we have risen to the challenge by and large there are many questions that remain in regards to program rules and the length of this expanded funding.

To understand in greater detail how 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>.

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 POSITION
JUNE 30, 2020

ASSETS

Current Assets

Cash	\$ 5,265,395
Receivables	
Grants and contracts	3,236,110
Loans	76,186
Inventories	585,590
Prepaid items	9,505
Other current assets	990

Total Current Assets 9,173,776

Noncurrent Assets

Non-depreciable capital assets	983,642
Depreciable capital assets, net	3,321,617

Total Noncurrent Assets 4,305,259

Total Assets 13,479,035

DEFERRED OUTFLOWS

Deferred outflows related to pensions	1,840,367
---------------------------------------	-----------

LIABILITIES**Current Liabilities**

Accounts payable	\$ 543,586
Accrued payroll	261,866
Unearned revenue	69,715

Total Current Liabilities 875,167

Noncurrent Liabilities

Accrued vacation	361,349
Total OPEB liability	1,206,854
Net pension liability	7,160,053

Total Noncurrent Liabilities 8,728,256

Total Liabilities 9,603,423

DEFERRED INFLOWS

Deferred inflows related to pensions	631,889
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NET POSITION

Investment in capital assets	4,305,259
Restricted for:	
Housing and Energy Services	1,541,919
Workforce and Education	295,432
Linn-Benton Food Share	1,743,754
Head Start	16,542
Miscellaneous Grants	7,468
Unrestricted	(2,826,284)

Total Net Position \$ 5,084,090

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

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

		Program Revenues		Change in
		Fees for	Operating	Net Position
	Expenses	Service	Grants and	Total
			Contributions	
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
<i>Total</i>	<u>\$ 23,214,842</u>	<u>\$ 118,947</u>	<u>\$ 23,560,033</u>	464,138
GENERAL REVENUES				
Interest				<u>42,651</u>
CHANGE IN NET POSITION				
				506,789
NET POSITION, Beginning of year				
				<u>4,577,301</u>
NET POSITION, End of year				
				<u>\$ 5,084,090</u>

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

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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>

<i>Linn-Benton Food Share</i>	<i>Child Development Services</i>	<i>Misc. Grants</i>	<i>Totals</i>
\$ -	\$ 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
<u>\$ 4,675,076</u>	<u>\$ 719,807</u>	<u>\$ 179,929</u>	<u>\$ 17,762,337</u>
\$ 15,993	\$ 30,031	\$ 35,787	\$ 543,586
-	-	-	623,216
180,870	618,928	144,142	8,121,458
-	5,861	-	69,715
-	-	-	-
<u>196,863</u>	<u>654,820</u>	<u>179,929</u>	<u>9,357,975</u>
-	-	-	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
<u>4,478,213</u>	<u>64,987</u>	<u>-</u>	<u>7,937,259</u>
<u>\$ 4,675,076</u>	<u>\$ 719,807</u>	<u>\$ 179,929</u>	<u>\$ 17,762,337</u>

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

COMMUNITY SERVICES CONSORTIUM

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2020*

Total Governmental Fund Balances \$ 7,937,259

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds.

Cost of capital assets	6,394,169
Accumulated depreciation	(2,088,909)

The net pension liability, OPEB and related deferred outflows and deferred inflows are not current financial requirements and therefore are not reported in the governmental funds.

Net pension liability	(7,160,053)
Total OPEB liability	(1,206,854)
Deferred outflows related to pensions	1,840,367
Deferred inflows related to pensions	(631,889)

Total Net Position \$ 5,084,090

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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/>

<i>Linn-Benton Food Share</i>	<i>Child Development Services</i>	<i>Misc. Grants</i>	<i>Totals</i>
\$ 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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Net changes in fund balances - total governmental funds	\$ 1,431,241
 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.	
Capital asset purchases capitalized	98,312
Depreciation	(172,770)
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the effect of the change in these liabilities during the year.	
Net pension liability and related deferrals	(949,012)
Total OPEB liability and related deferrals	99,018
	<hr/>
<i>Change in Net Position</i>	<u><u>\$ 506,789</u></u>

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

COMMUNITY SERVICES CONSORTIUM
STATEMENT OF NET POSITION- FIDUCIARY FUND TYPE – AGENCY FUNDS
JUNE 30, 2020

ASSETS

Cash	\$ 296,262
Loans receivable	3,403,837

<i>Total Assets</i>	<u>\$ 3,700,099</u>
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LIABILITIES

Current liabilities	\$ 322
Due to Community Housing Services	3,699,777

<i>Total Liabilities</i>	<u>\$ 3,700,099</u>
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The accompanying notes are an integral part of the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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 organization. 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 Workforce Investment Opportunity Act (WIOA) 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 Governing Board, 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's 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 and management of CSC has operational responsibility for the units. None of the organizations issue separate financial statements.

- Linn-Benton Food Share
- Career Tech High School
- Head Start in Lincoln County
- H.E.L.P.S.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of CSC.

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.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements.

When expenditures are paid for purposes in which both restricted and unrestricted resources are available, CSC deems restricted resources to be spent first.

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 CSC is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In governmental funds, CSC'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.

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 Governing Board takes formal action that places specific constraints on how the resources may be used. The Governing Board can modify or rescind the commitment at any time through taking a similar formal action.

Assigned fund balance represents amounts that are not restricted or committed, but are intended to be used for specific purposes in accordance with the annual budget adopted by the board. CSC's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in CSC'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.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Definitions of Governmental Fund Types (Continued)

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.

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. For this purpose, the CSC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. 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 fiduciary activity reported by CSC has no measurement focus and is reported on the full accrual basis of accounting.

CSC 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 also administers various Oregon counties and cities housing rehabilitation grants. CSC reports the following special revenues funds:

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Funds (Continued)

The *Housing and Energy Services Fund* benefits low income and disadvantaged individuals by providing loans for owner-occupied dwellings, weatherization and project management for various construction and affordable housing projects for other entities, and 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 74 agencies, and has coordinated efforts to build a warehouse with adequate space to store food for member agencies.

The *Child Development Services Fund* operates a Head Start program in several communities in Lincoln County.

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

CSC also reports an agency fund that accounts for housing rehabilitation grants - existing and prospective on behalf of Community Housing Services.

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.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories (Continued)

Inventories of weatherization materials are recorded at average cost and work-in-progress for 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.

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 acquisition cost. CSC 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 vehicles 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. The current portion of compensated absences is estimated based on a three-year rolling average of actual payments made to employees. The liability increased by \$32,362 for an ending liability of \$361,349.

Unearned Revenue

Unearned revenues 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 unearned revenue is removed from the balance sheet and revenue is recognized.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Retirement Plans

Substantially all 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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and addition to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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.

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.

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 during the year ended June 30, 2020. 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.

COMMUNITY SERVICES CONSORTIUM
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

CASH

CSC maintains a cash and investment pool that is available for use by all funds, except for restricted cash and investments. At June 30, 2020, the carrying value of cash and investments at fair value are approximately equal. Cash and investments are comprised of the following at June 30, 2020:

Cash	
Cash on hand	\$ 1,424
Deposits with financial institutions	3,339,372
Cash held in the name of Community Housing Services	250,000
Local Government Investment Pool	1,970,861
	<u>\$ 5,561,657</u>
Cash held by CSC	\$ 5,265,395
Cash held by Fiduciary Fund	296,262
	<u>\$ 5,561,657</u>

Deposits

At June 30, 2020, CSC's deposits with various financial institutions had a bank balance of \$3,459,984 and a book balance of \$5,561,657. 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.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, CSC's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for CSC's deposits with financial institutions up to \$250,000 each for the aggregate of all demand accounts and the aggregate of all savings and time deposits accounts at each institution. Deposits not covered, if any, are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. At June 30, 2020 the balance covered by the PFCP was \$3,209,984.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

CASH (Continued)

LGIP

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool (LGIP) 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, 2020, 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 by limiting the maximum maturity of its investment portfolio to one year or less, specifically by maintaining funds in the Local Government Investment Pool. The LGIP had an average maturity of 205 days for the calendar year ended December 31, 2019.

Custodial Risk - LGIP

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

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

LOANS RECEIVABLE/UNEARNED REVENUE

The loans receivable of \$543,289 consists of housing rehabilitation and Self-Help Homeownership Opportunity Program (SHOP) loans. The housing rehabilitation loans total \$530,207 and are a deferred payment loan made to low income families or owners of property rented to low income tenants. 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. Some 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. The full amount of the housing rehabilitation loans receivable is offset by unavailable revenue on the governmental funds balance sheet.

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 a payable to Community Frameworks.

INVENTORIES

Inventories as of June 30, 2020 consist of the following:

Linn-Benton Food Share food	\$ 272,718
USDA commodities food	88,903
Weatherization materials	27,033
Weatherization work in progress	196,936
Other	-
	<hr/>
<i>Total</i>	<u><u>\$ 585,590</u></u>

COMMUNITY SERVICES CONSORTIUM
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS

Capital assets activity for the year was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
<i>Governmental Funds</i>				
Capital assets not being depreciated:				
Land	\$ 983,642	\$ -	\$ -	\$ 983,642
Capital assets being depreciated:				
Furniture and equipment	439,683	7,495	(7,500)	439,678
Vehicles	550,068	90,817	-	640,885
LBFS - Warehouse	1,059,490	-	-	1,059,490
Head Start buildings	1,827,935	-	-	1,827,935
Buildings	1,442,538	-	-	1,442,538
<i>Total capital assets being depreciated</i>	5,319,714	98,312	(7,500)	5,410,526
Accumulated depreciation				
Equipment	(282,865)	(32,678)	7,500	(308,043)
Vehicles	(514,694)	(15,279)	-	(529,973)
Buildings	(1,126,080)	(124,813)	-	(1,250,893)
<i>Total accumulated depreciation</i>	(1,923,639)	(172,770)	7,500	(2,088,909)
<i>Total capital assets being depreciated, net</i>	3,396,075	(74,458)	-	3,321,617
<i>Capital assets, net</i>	\$ 4,379,717	\$ (74,458)	\$ -	\$ 4,305,259

Depreciation is recognized as a general administrative expense.

COMMUNITY SERVICES CONSORTIUM
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

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, 2020 was \$228,541.

The following is a schedule, by fiscal year, of the future minimum rental payments required under these leases as of June 30, 2020. 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 2025.

<u><i>Year Ending</i></u>	
2021	\$ 259,397
2022	54,000
2023	54,000
2024	54,000
2025	13,500
<i>Total</i>	<u><u>\$ 434,897</u></u>

OTHER PAYABLES

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. Management's intent for the 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, 2020

FUND BALANCE

Fund balance classifications for the year ended June 30, 2020 are as follows:

	<i>General</i>	<i>Housing and Energy Services</i>	<i>Workforce and Education</i>	<i>Linn- Benton Food Share</i>	<i>Child Development Services</i>	<i>Totals</i>
Restricted for:						
Housing and Energy Services	\$ -	\$ 1,541,919	\$ -	\$ -	\$ -	\$ 1,541,919
Workforce and Education	-	-	295,432	-	-	295,432
Linn-Benton Food Share	-	-	-	1,743,754	-	1,743,754
Head Start	-	-	-	-	16,542	16,542
Miscellaneous Grants	7,468	-	-	-	-	7,468
	<u>\$ 7,468</u>	<u>\$ 1,541,919</u>	<u>\$ 295,432</u>	<u>\$ 1,743,754</u>	<u>\$ 16,542</u>	<u>\$ 3,605,115</u>
Assigned to:						
Housing and Energy Services	\$ -	\$ 219,600	\$ -	\$ -	\$ -	\$ 219,600
Workforce and Education	-	-	150	-	-	150
Linn-Benton Food Share	-	-	-	2,372,838	-	2,372,838
Child Development Services	-	-	-	-	48,445	48,445
	<u>\$ -</u>	<u>\$ 219,600</u>	<u>\$ 150</u>	<u>\$ 2,372,838</u>	<u>\$ 48,445</u>	<u>\$ 2,641,033</u>

PENSION PLAN

Plan Description

The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple employer defined benefit plan. Qualified employees of CSC are provided with pensions through OPERS. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS issues a publicly available financial report that can be obtained at:

http://www.oregon.gov/pers/pages/section/financial_reports/financials.aspx.

Benefits provided under ORS Chapter 238 – Tier One/ Tier Two

Pension Benefits: The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

PENSION PLAN (Continued)

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits: Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met: the member was employed by a PERS employer at the time of death; the member died within 120 days after termination of PERS-covered employment; the member died as a result of injury sustained while employed in a PERS-covered job, or; the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits: A member with 10 or more years of creditable service who becomes disabled from other than duty connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement: Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

Benefits provided under Chapter 238A - OPSRP Pension Program (OPSRP DB)

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

PENSION PLAN (Continued)

Death Benefits: Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits: A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement: Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2017 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. CSC contribution rates in effect for the fiscal year ended June 30, 2020 were 22.55 percent for Tier One/Two members and 16.76 percent for OPSRP general service members. CSC contributions for the year ended June 30, 2020 were \$822,526, excluding amounts to fund employer specific liabilities.

Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The total contributed by employees for the year ended June 30, 2020 was \$273,569.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows

At June 30, 2020, CSC reported a liability of \$7,160,053 for its proportionate share of the OPERS net pension liability. The net pension liability was measured by OPERS as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. CSC's proportion of the net pension asset was based on a projection of CSC's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, CSC's proportion was 0.0414%, which is changed from its proportion measured as of June 30, 2018 of 0.0403%.

COMMUNITY SERVICES CONSORTIUM
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

PENSION PLAN (Continued)

For the year ended June 30, 2020, CSC recognized pension expense of \$1,764,560. The fund in which the related payroll costs are expended will be used to liquidate the net pension liability. Any residual net pension liability will be liquidated through the General Fund. At June 30, 2020, CSC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 394,856	\$ -
Changes of assumptions	971,343	-
Net difference between projected and actual earnings on investments	-	202,980
Changes in proportionate share	154,164	321,312
Differences between employer contributions and proportionate share of system contributions	22,687	107,597
Contributions subsequent to measurement date	297,317	-
Total	<u>\$ 1,840,367</u>	<u>\$ 631,889</u>

Deferred outflows of resources related to pensions of \$297,317 resulting from CSC's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in the pension expense as follows:

<u>Fiscal Year Ending</u>	
2021	\$ 526,261
2022	(17,376)
2023	208,628
2024	180,131
2025	13,517
Total	<u>\$ 911,161</u>

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

PENSION PLAN (Continued)

Actuarial Methods and Assumptions:

The employer contribution rates effective July 1, 2016, through June 30, 2020, were set by OPERS using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Valuation Date	December 31, 2017 rolled forward to June 30, 2019
Experience Study Report	2017, published July 2019
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Projected salary increases	3.50 percent overall payroll growth
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

COMMUNITY SERVICES CONSORTIUM
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

PENSION PLAN (Continued)

Plan Description (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2017 Experience Study which reviewed experience for the four-year period ending on December 31, 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of CSC’s proportionate share of the net pension liability to changes in the discount rate

The following presents CSC’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20%, as well as what CSC’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension	\$ 11,466,190	\$ 7,160,053	\$ 3,556,410

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

COMMUNITY SERVICES CONSORTIUM
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

PENSION PLAN (Continued)

Plan Description (Continued)

<u>Asset Class</u>	<u>Target</u>	<u>Compound Annual Return (Geometric)</u>
Core Fixed Income	9.60 %	4.07 %
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large Cap/Mid Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Market Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund - Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
Assumed Inflation - Mean		2.50 %

OTHER POST EMPLOYMENT BENEFITS

CSC follows Governmental Accounting Standards Board Statement No. 75 (GASB 75), Accounting and Financial Reporting for Postemployment Benefits other than Pensions. As required by GASB 75, a liability is recognized when employees earn other postemployment benefits (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.

COMMUNITY SERVICES CONSORTIUM
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefit Description

CSC provides subsidized health insurance to retirees under age 65 and their qualified dependents, as required by ORS 243.303. Retirees electing to remain on CSC-sponsored health plans must pay the entire premium in order to maintain coverage. However, while CSC does not directly contribute to the cost of premiums for retirees, the premiums paid by retirees do not represent the full cost of covering these retirees. Since retirees typically generate 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 added cost of allowing retirees to purchase health insurance at a blended rate is called an implicit rate subsidy and is required to be reported as an OPEB liability under GASB 75.

Employees Covered by Benefit Terms

All classes of employees and their qualified dependents may continue health insurance coverage upon retirement until eligible for Medicare. As of June 30, 2020, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	-
Retirees entitled to but not receiving benefits	-
Active employees	89
	<u>89</u>
	<u><u>89</u></u>

Plan Description

CSC treats the 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 75, and a separate financial report is not issued. In addition to the requirements imposed by ORS 243.303, benefits provided to employees are established and may be amended by CSC’s board of commissioners in conjunction with collective bargaining agreements.

Contribution Requirements

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; no assets are accumulated for this purpose. For the year ended June 30, 2020, the estimated implicit rate subsidy was \$69,063.

COMMUNITY SERVICES CONSORTIUM
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

OTHER POST EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability and OPEB Expense

As of June 30, 2020, CSC reported a total OPEB liability of \$1,206,854, based on the June 30, 2020 valuation. For the year ended June 30, 2020, CSC recognized OPEB expense of \$6,185.

Total OPEB liability - beginning of year	\$ 1,305,872
Changes during the year:	
Service cost	77,752
Interest on total OPEB liability	16,976
Effect of assumptions changes or inputs	(188,061)
Contributions made	(5,685)
Total OPEB liability - end of year	<u>\$ 1,206,854</u>

Valuation Methods and Assumptions

The total OPEB liability for the June 30, 2020 valuation was determined using the entry age normal method with level percent of salary and the following assumptions, applied to all periods included in the measurement: inflation rate of 2.5%, salary increases of 3.5%, discount rate of 2.75%, and a healthcare cost trend rate of 6.5% initially, to an ultimate rate of 4.25% after 20 years. The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index. Mortality rates were based on the RP-2014 sex-distinct mortality tables, with generational adjustments per scale BB.

Sensitivity of the total OPEB liability to changes in the discount rate, using rates that are 1% lower or 1% higher than the current rate, are shown in the following chart:

	1% Decrease 0.30%	Current Rate 1.30%	1% Increase 2.30%
Total OPEB Liability	\$ 1,506,457	\$ 1,206,854	\$ 980,471

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate, using rates that are 1% lower or 1% higher than the current rate, are shown in the following chart:

	1% Decrease 3.0% increasing to 3.25%	Current Rate 4.0% increasing to 4.25%	1% Increase 5.0% increasing to 5.25%
Total OPEB Liability	\$ 980,479	\$ 1,206,854	\$ 1,498,869

COMMUNITY SERVICES CONSORTIUM
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

NONMONETARY TRANSACTIONS

CSC 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, 2020 the following nonmonetary transactions were recorded in the Linn-Benton Food Share Fund:

	<u>USDA</u>	<u>Linn-Benton Food Share</u>	<u>Total</u>
Food received - revenue	\$ 914,083	\$ 5,121,524	\$ 6,035,607
Food distributed - expenditures	872,707	5,710,291	6,582,998
<i>Excess (Deficit) of Nonmonetary Revenues Over Nonmonetary Expenditures</i>	<u>\$ 41,376</u>	<u>\$ (588,767)</u>	<u>\$ (547,391)</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.

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.

COMMUNITY SERVICES CONSORTIUM

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

CONSTRUCTION OF LINCOLN COUNTY BUILDING

CSC, in conjunction with Lincoln County, raised funds to construct a Head Start facility in Newport, Oregon over several years. A Community Development Block Grant (CDBG) of \$800,000 awarded to Lincoln County was 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, loaned 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.

REQUIRED SUPPLEMENTARY INFORMATION

COMMUNITY SERVICES CONSORTIUM

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget*</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES	\$ 25,945,657	\$ 29,361,232	\$ 23,721,628	\$ (5,639,604)
EXPENDITURES				
Personal services	8,180,780	8,994,228	7,658,199	1,336,029
Materials and services	17,714,877	20,147,004	14,530,372	5,616,632
Capital outlay	-	170,000	101,816	68,184
Fund balances/transfers	50,000	50,000	-	50,000
<i>Total Expenditures</i>	<u>25,945,657</u>	<u>29,361,232</u>	<u>22,290,387</u>	<u>7,070,845</u>
REVENUES OVER (UNDER) EXPENDITURES	-	-	1,431,241	1,431,241
FUND BALANCE, Beginning of year	<u>-</u>	<u>-</u>	<u>6,506,018</u>	<u>6,506,018</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,937,259</u>	<u>\$ 7,937,259</u>

* The adopted budget is on a modified accrual basis of accounting and is adopted at the agency-wide level.

COMMUNITY SERVICES CONSORTIUM
SCHEDULES OF OPERS RETIREMENT PLAN PENSION BENEFITS
YEAR ENDED JUNE 30, 2020

Schedule of CSC's Proportionate Share of the Net Pension Liability (Asset)
Oregon Public Employees Retirement System

	CSC's Proportion of Net Pension Liability (Asset)	CSC's Proportionate Share of Net Pension Liability (Asset)	CSC's Covered Payroll	CSC's Proportionate Share of the NPL(A) as % of Payroll	Plan Fiduciary Net Position as % of Total Pension Liability
2020	0.0414%	\$ 7,160,053	\$ 1,184,924	604.3%	75.8%
2019	0.0403%	6,107,087	1,296,421	471.1%	80.2%
2018	0.0395%	5,324,209	1,352,016	393.8%	82.1%
2017	0.0455%	6,838,375	1,355,002	504.7%	83.1%
2016	0.0515%	2,955,901	1,520,180	194.4%	80.5%
2015	0.0550%	(1,245,674)	1,718,535	-72.5%	91.9%
2014	0.0550%	2,804,435	1,947,544	144.0%	103.6%

Notes:

- (1) 10-year trend information required by GASB Statement 68 will be presented prospectively.
- (2) Changes of benefit terms: Amounts reported in fiscal 2015 reflect legislation eliminating tax remedy payments for non-Oregon residents and establishing limits on cost-of-living adjustments. Amounts reported thereafter reflect a court ruling that restricts limits on cost-of-living adjustments to benefits accrued after the legislative changes were made.

Schedule of CSC's Contributions
Oregon Public Employees Retirement System

	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	CSC's Covered Payroll	Contributions as % of Payroll
2020	\$ 297,317	\$ (297,317)	\$ -	\$ 1,044,725	28.46%
2019	219,427	(219,427)	-	1,184,924	18.52%
2018	236,745	(236,745)	-	1,296,421	18.26%
2017	198,012	(198,012)	-	1,352,016	14.65%
2016	198,528	(198,528)	-	1,355,002	14.65%
2015	190,012	(190,012)	-	1,520,180	12.50%
2014	212,937	(212,937)	-	1,718,535	12.39%

COMMUNITY SERVICES CONSORTIUM**SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIO – IMPLICIT RATE SUBSIDY
LAST TWO FISCAL YEARS¹**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability - beginning of year	\$ 1,305,872	\$ 966,131	\$ 906,188
Changes during the year:			
Service cost	77,752	77,822	78,623
Interest on total OPEB liability	16,976	26,569	17,487
Effect of assumptions changes or inputs	(188,061)	242,663	(8,477)
Contributions made	(5,685)	(7,313)	(27,690)
Total OPEB liability - end of year	<u>\$ 1,206,854</u>	<u>\$ 1,305,872</u>	<u>\$ 966,131</u>
Covered payroll	\$ 3,551,554	\$ 3,244,946	\$ 2,925,466
Total OPEB liability as a percentage of covered payroll	33.98%	40.24%	33.02%
Discount rate	1.30%	2.75%	3.00%

Notes:

The above table presents the most recent actuarial valuations for the City's post-employment health insurance benefits plan and provides information that approximates the funding progress of the plan.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

¹ 10-year trend information required by GASB Statement 75 will be presented prospective.

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OTHER SUPPLEMENTARY INFORMATION

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

YEAR ENDED JUNE 30, 2020

	<i>Revenues</i>			<i>Total Revenues</i>
	<i>Beginning Fund Balance</i>	<i>Operating Grants/ Contributions</i>	<i>Other</i>	
Administration	\$ 411,706	\$ 102,064	\$ 42,651	\$ 144,715
Administration - Misc Income	32,498	-	-	-
CSC Unrestricted Sources	402,154	84,260	-	84,260
CSC Employee Wellness Fund	608	-	-	-
COVID Leave	-	-	-	-
Discretionary Donations	80,848	19,959	-	19,959
Barrel To Keg Relay	106,464	8,152	-	8,152
Coast To Cascades Wellness Network	7,468	-	-	-
Infrastructure Pool	492	4,036	-	4,036
<i>Total</i>	<u>\$ 1,042,238</u>	<u>\$ 218,471</u>	<u>\$ 42,651</u>	<u>\$ 261,122</u>

<i>Expenditures</i>				
<i>Administration</i>	<i>Total Expenditures</i>	<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
\$ 117,835	\$ 117,835	\$ 26,880	\$ -	\$ 438,586
-	-	-	-	32,498
-	-	84,260	-	486,414
-	-	-	-	608
1,241	1,241	(1,241)	-	(1,241)
55,024	55,024	(35,065)	-	45,783
19,641	19,641	(11,489)	-	94,975
-	-	-	-	7,468
4,036	4,036	-	-	492
<u>\$ 197,777</u>	<u>\$ 197,777</u>	<u>\$ 63,345</u>	<u>\$ -</u>	<u>\$ 1,105,583</u>

COMMUNITY SERVICES CONSORTIUM**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
HOUSING AND ENERGY SERVICES
YEAR ENDED JUNE 30, 2020**

	<u>Beginning Fund Balance</u>	<u>Operating Grants/ Contributions</u>	<u>Fees for Service</u>	<u>Other</u>
CSBG CY19 - Emergency Services	\$ -	\$ 2,778	\$ -	\$ -
CSBG CY20 - Emergency Services	-	4,973	-	-
CSBG Cares - Emergency Services	-	22,875	-	-
CPI - Low Income Energy Assist	26,347	-	-	-
GAS Assistance Program	15,981	1,100	-	-
LIHEAP - Low Income Energy Assist 18-19	-	463,996	-	-
LIHEAP - Low Income Energy Assist 19-20	-	1,253,195	-	-
LIHEAP - Education 18-19	-	58,940	-	-
LIHEAP Education 19-20	-	38,876	-	-
OEAP - Oregon Energy Assist 17-18	(495)	-	-	-
OEAP - Oregon Energy Assist 18-19	-	217,424	-	-
OEAP - Oregon Energy Assist 19-20	-	1,153,697	-	-
OLGA - Oregon Low Income Gas 17-18	39,881	-	-	-
OLGA - Oregon Low Income Gas 18-19	109,146	6,088	-	-
OLGA - Oregon Low Income Gas 19-20	-	70,865	-	-
Oregon Heat	87,530	5,183	-	-
SOS	20,433	12,848	-	-
Heart Resource Fair	621	-	-	-
NW Natural Gas - Workshops	56,777	-	-	-
NW Natural Dwelling Inspection	29,082	-	-	-
Albany Water Assistance Program	42,960	3,840	-	-
Mill City Water Assistance - MWVCAA	-	-	-	-
Toledo Water Assistance	375	-	-	-
City of Newport Water Assistance	-	1,140	-	-
OHCS E-Board Rental Assistance	-	338,527	-	-
Continuum of Care HUD	-	71,560	-	-
COVID Rent Relief 2nd - Cares	-	20,360	-	-
C of C - Passport 18-19	-	28,899	-	-
Continuum of Care - SUPP HSG PRGM CONSOL	-	129,338	-	-
Cares Energy Assitance COVID	-	1,345	-	-
CSC SHP - C of C - 18-19	-	52,207	-	-
Samaritan Health - Social Accountability	-	45,000	-	-
Samartian Homeless Resource Team Project	-	6,000	-	-
Miscellaneous Donations	3,409	5,285	-	-
Miscellaneous Housing Grants	1,053	-	-	-
Miscellaneous Energy Assistance	17,852	-	-	-
Reach FFS	10,951	-	-	-
EHA Emergency Housing	-	620,142	-	-
EHA Discretionary	-	174,317	-	-
SSVF - Cares	-	91,019	-	-
ESGP	2	-	-	4,345
ESGP - Emergency Shelter Grant	-	-	-	-
ESGP FY18	-	26,167	-	-
ESGP FY19	-	125,494	-	-
Home TBA 17 - Tenant Based Assistance	-	76	-	-
Home TBA 18 - Tenant Based Assistance	-	163,012	-	-
Home TBA 19 - Tenant Based Assistance	-	98,482	-	-
SSVF - Cares	-	1,260	-	-
SVDP - VA Support Services - Cycle 15-16	1	-	-	-
SVDP - VA Support Services - Cycle 18-19	-	73,410	-	-
Veteran's Stand Down - HELPS	2,786	1,173	-	-
SSVF 19/20	-	186,749	-	-
Veteran's Donations - HELPS 501(c)(3)	4,000	-	-	-
EHA 15 VET DRF	-	52,674	-	-

<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>
\$ 2,778	\$ -	\$ 2,778	\$ 2,778	\$ -	\$ -	\$ -
4,973	-	4,973	4,973	-	-	-
22,875	-	22,875	22,875	-	-	-
-	-	33	33	(33)	-	26,314
1,100	-	-	-	1,100	-	17,081
463,996	54,365	409,631	463,996	-	-	-
1,253,195	104,283	1,148,912	1,253,195	-	-	-
58,940	-	58,940	58,940	-	-	-
38,876	-	38,876	38,876	-	-	-
-	-	-	-	-	-	(495)
217,424	28,168	189,257	217,425	(1)	-	(1)
1,153,697	93,991	1,059,706	1,153,697	-	-	-
-	-	-	-	-	-	39,881
6,088	4,099	14,483	18,582	(12,494)	-	96,652
70,865	7,707	24,556	32,263	38,602	-	38,602
5,183	-	-	-	5,183	-	92,713
12,848	-	10,000	10,000	2,848	-	23,281
-	-	-	-	-	-	621
-	-	-	-	-	-	56,777
-	-	-	-	-	-	29,082
3,840	-	-	-	3,840	-	46,800
-	-	1,244	1,244	(1,244)	-	(1,244)
-	-	(2,360)	(2,360)	2,360	-	2,735
1,140	-	-	-	1,140	-	1,140
338,527	-	338,527	338,527	-	-	-
71,560	4,681	66,879	71,560	-	-	-
20,360	-	20,360	20,360	-	-	-
28,899	1,265	27,634	28,899	-	-	-
129,338	5,527	123,811	129,338	-	-	-
1,345	-	1,345	1,345	-	-	-
52,207	2,748	49,459	52,207	-	-	-
45,000	-	15,245	15,245	29,755	-	29,755
6,000	-	3,000	3,000	3,000	-	3,000
5,285	-	4,261	4,261	1,024	-	4,433
-	-	-	-	-	-	1,053
-	-	-	-	-	-	17,852
-	-	-	-	-	-	10,951
620,142	79,676	540,466	620,142	-	-	-
174,317	26,148	148,169	174,317	-	-	-
91,019	5,080	85,940	91,020	(1)	-	(1)
4,345	-	-	-	4,345	-	4,347
-	(600)	-	(600)	600	-	600
26,167	659	25,508	26,167	-	-	-
125,494	3,205	122,290	125,495	(1)	-	(1)
76	-	76	76	-	-	-
163,012	1,051	161,961	163,012	-	-	-
98,482	4,326	94,156	98,482	-	-	-
1,260	-	1,259	1,259	1	-	1
-	-	-	-	-	-	1
73,410	18,950	54,460	73,410	-	-	-
1,173	-	1,287	1,287	(114)	-	2,672
186,749	11,342	175,407	186,749	-	-	-
-	-	-	-	-	-	4,000
52,674	7,838	44,836	52,674	-	-	-

COMMUNITY SERVICES CONSORTIUM

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

HOUSING AND ENERGY SERVICES (Continued)

YEAR ENDED JUNE 30, 2020

	<i>Beginning Fund Balance</i>	<i>Operating Grants/ Contributions</i>	<i>Fees for Service</i>	<i>Other</i>
HSP - TANF	\$ -	\$ 157,478	\$ -	\$ -
Pelican Place - Rental	197,801	-	80,813	133
Pelican Place - Rental Reserve	144,080	-	-	-
SHAP	-	362,839	-	-
SB5512 Warming Shelter Funds	-	150,000	-	-
My Sister's Place	-	37,689	-	-
Elderly Rental Assistance	-	50,499	-	-
Tern House - Rental	46,652	-	38,133	-
Tern House - Repair Reserve	20,470	-	-	-
OCF Lincoln County Rental Assistance	-	10,000	-	-
LIHEAP 19/20 CARES	-	43,799	-	-
Land Acquisition and Development	150,000	-	-	-
Home Owner Assistance Program	21,387	-	-	6,000
Self-Help Housing Ownership	104,614	-	-	-
OAHAC Mortgage Payment Assist	1,526	-	-	-
HPG - Linn	8,267	-	-	-
CSC Reloaned Proceeds	149,042	-	-	18,878
Loan Repayment - CSC as Grantee	5,494	-	-	7,500
LIHEAP WX 19	-	163,366	-	-
LIHEAP WX 20	-	219,746	-	-
BPA WX 20	-	108,621	-	-
DOE WX	1	141,826	-	-
ECHO WX	1	444,290	-	-
Rebates - Fee for Service	371,218	79,526	-	15,250
OR Low Income Energy Efficiency	-	202,957	-	-
NW Natural - Energy Ed #2	81,306	16,000	-	-
CLPUD	-	2,163	-	-
Misc Revenue - Housing	12,397	-	-	-
CAAB Corvallis Weatherization	-	30,000	-	-
Misc Revenue - Weatherization	3,138	-	-	-
Healthy Homes	11,911	-	-	-
Housing Pool	68	-	-	-
CHS Contracted Services	-	-	-	3,000
Albany Rehab - Contracted Services	20,000	-	-	20,105
<i>Total</i>	<u>\$ 1,818,065</u>	<u>\$ 7,851,113</u>	<u>\$ 118,946</u>	<u>\$ 75,211</u>

<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>
\$ 157,478	\$ 14,540	\$ 142,938	\$ 157,478	\$ -	\$ -	\$ -
80,946	-	48,067	48,067	32,879	-	230,680
-	-	-	-	-	-	144,080
362,839	54,495	308,344	362,839	-	-	-
150,000	-	150,000	150,000	-	-	-
37,689	159	37,256	37,415	274	-	274
50,499	6,714	43,785	50,499	-	-	-
38,133	-	17,574	17,574	20,559	-	67,211
-	-	-	-	-	-	20,470
10,000	-	10,000	10,000	-	-	-
43,799	3,571	40,228	43,799	-	-	-
-	-	-	-	-	-	150,000
6,000	904	-	904	5,096	-	26,483
-	-	-	-	-	-	104,614
-	-	-	-	-	-	1,526
-	-	-	-	-	-	8,267
18,878	2,343	-	2,343	16,535	-	165,577
7,500	3,426	-	3,426	4,074	-	9,568
163,366	7,023	156,343	163,366	-	-	-
219,746	26,399	193,347	219,746	-	-	-
108,621	10,045	98,338	108,383	238	-	238
141,826	16,826	125,001	141,827	(1)	-	-
444,290	64,044	380,246	444,290	-	-	1
94,776	15,312	100,886	116,198	(21,422)	-	349,796
202,957	-	238,422	238,422	(35,465)	-	(35,465)
16,000	-	-	-	16,000	-	97,306
2,163	-	2,163	2,163	-	-	-
-	-	-	-	-	-	12,397
30,000	-	-	-	30,000	-	30,000
-	-	-	-	-	-	3,138
-	-	859	859	(859)	-	11,052
-	-	-	-	-	-	68
3,000	-	3,000	3,000	-	-	-
20,105	-	-	-	20,105	-	40,105
\$ 8,045,270	\$ 690,310	\$ 7,187,037	\$ 7,877,347	\$ 167,923	\$ -	\$ 1,985,988

COMMUNITY SERVICES CONSORTIUM**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
WORKFORCE AND EDUCATION
YEAR ENDED JUNE 30, 2020**

	<i>Beginning Fund Balance</i>	<i>Operating Grants/ Contributions</i>	<i>Fees for Service</i>	<i>Other</i>
CSBG CY19	\$ -	\$ 63,206	\$ -	\$ -
CSBG Cares Act	-	8,697	-	-
Garden Gnome Run	366	2,969	-	531
Zonta Club - At Risk Girls	900	-	-	-
CSD - Polk Couty	4,769	-	-	61,860
Independent Living Program	(1)	170,338	-	-
OYCC - CRO Projects	-	13,000	-	-
OYCC - OR. Youth Conservation	-	13,000	-	-
OYCC - Benton Comm Stewardship	-	20,000	-	-
OYCC - Lincoln Comm Stewardship	-	20,000	-	-
OYCC - Linn County - Summer	-	13,000	-	-
OYCC - Linn County - Year Round	-	20,000	-	-
OYCC - Polk County - Summer	-	13,000	-	-
OYCC - Polk County - Year Round	-	20,000	-	-
JOBS	-	609,935	-	-
Empath Intergen	-	92,000	-	57,775
YDC - Benton County Youth and Innovation	-	112,222	-	-
Youthbuild Donations	-	199	-	-
YB AMC 16-17	3	-	-	-
Youthbuild Fee for Service	150	-	-	-
Lincoln County Charter School	135,764	442,670	-	9,297
Lincoln County Youth - Donations	2,306	-	-	-
ODE - Career Tech - Career Readiness Act	-	55,707	-	-
Charter - CTE Revitalization GF - Drone	-	74,000	-	-
Federal Step Grant	-	350,649	-	-
State Step Grant	-	222,857	-	-
Incite - Adult - Linn	(5)	267,277	-	-
WIOA Adult Specialized Populations	-	22,500	-	-
WWP - State GF WEX	-	10,998	-	-
Incite - WIOA Youth - Linn	25	313,908	-	-
Incite - WIOA Youth - Polk	-	348,309	-	-
WIOA Student Enterprises	262	-	-	20
WIA Student Enterprises - Polk	(1)	-	-	3,547
Incite - WIOA DW - Linn	1	348,773	-	-
WIOA DW Specialized Populations	-	27,500	-	-
WIOA - HCY - Linn	(1)	-	-	-
WIOA - HCY - Polk	(1)	-	-	-
Samaritan IHN-COO	-	1,815	-	-
IHN-CCO COVID-19	-	7,485	-	-
Samaritan Health - HELPS - Corvallis	908	-	-	-
Samaritan Health - HELPS - Lincoln	794	-	-	-

<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>
\$ 63,206	\$ (5,347)	\$ 68,552	\$ 63,205	\$ 1	\$ -	\$ 1
8,697	-	8,697	8,697	-	-	-
3,500	20	2,346	2,366	1,134	-	1,500
-	-	-	-	-	-	900
61,860	5,708	50,294	56,002	5,858	-	10,627
170,338	14,558	155,780	170,338	-	-	(1)
13,000	1,300	11,700	13,000	-	-	-
13,000	1,300	11,700	13,000	-	-	-
20,000	2,000	18,000	20,000	-	-	-
20,000	2,000	18,000	20,000	-	-	-
13,000	1,300	11,700	13,000	-	-	-
20,000	1,947	18,053	20,000	-	-	-
13,000	1,300	11,700	13,000	-	-	-
20,000	2,000	18,000	20,000	-	-	-
609,935	73,032	535,568	608,600	1,335	-	1,335
149,775	7,749	42,748	50,497	99,278	-	99,278
112,222	10,098	65,053	75,151	37,071	-	37,071
199	-	-	-	199	-	199
-	-	-	-	-	-	3
-	-	-	-	-	-	150
451,967	47,921	430,456	478,377	(26,410)	-	109,354
-	-	-	-	-	-	2,306
55,707	1,828	43,879	45,707	10,000	-	10,000
74,000	-	74,000	74,000	-	-	-
350,649	34,656	315,993	350,649	-	-	-
222,857	25,335	197,522	222,857	-	-	-
267,277	26,328	240,949	267,277	-	-	(5)
22,500	1,800	20,700	22,500	-	-	-
10,998	-	10,997	10,997	1	-	1
313,908	67,231	246,675	313,906	2	-	27
348,309	258,548	89,758	348,306	3	-	3
20	-	-	-	20	-	282
3,547	-	3,067	3,067	480	-	479
348,773	28,512	320,261	348,773	-	-	1
27,500	2,200	25,300	27,500	-	-	-
-	-	-	-	-	-	(1)
-	-	-	-	-	-	(1)
1,815	-	-	-	1,815	-	1,815
7,485	-	7,485	7,485	-	-	-
-	385	-	385	(385)	-	523
-	385	-	385	(385)	-	409

COMMUNITY SERVICES CONSORTIUM

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

WORKFORCE AND EDUCATION (Continued)

YEAR ENDED JUNE 30, 2020

	<i>Beginning Fund Balance</i>	<i>Operating Grants/ Contributions</i>	<i>Fees for Service</i>	<i>Other</i>
OCF - Helps - Polk Makerspace	\$ 3,673	\$ 25,000	\$ -	\$ -
HELPS - Youthbuild	1,102	-	-	-
HELPS - Trust Management - Polk	-	10,000	-	-
HELPS - Pacific Power Fdn	5,000	-	-	-
OCF - HELPS	-	5,000	-	-
<i>Total</i>	<u>\$ 156,014</u>	<u>\$ 3,726,014</u>	<u>\$ -</u>	<u>\$ 133,030</u>

<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>
\$ 25,000	\$ 815	\$ 6,626	\$ 7,441	\$ 17,559	\$ -	\$ 21,232
-	50	1,052	1,102	(1,102)	-	-
10,000	1,001	9,000	10,001	(1)	-	(1)
-	500	4,500	5,000	(5,000)	-	-
5,000	-	-	-	5,000	-	5,000
<u>\$ 3,859,044</u>	<u>\$ 616,460</u>	<u>\$ 3,096,111</u>	<u>\$ 3,712,571</u>	<u>\$ 146,473</u>	<u>\$ -</u>	<u>\$ 302,487</u>

COMMUNITY SERVICES CONSORTIUM**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
LINN-BENTON FOOD SHARE
YEAR ENDED JUNE 30, 2020**

	Beginning Fund Balance	Revenues		
		Operating Grants/ Contributions	Other	Total Revenues
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.

<i>Expenditures</i>			<i>Net Change in Fund Balance</i>	<i>Ending Fund Balance</i>
<i>Administration</i>	<i>Program</i>	<i>Total Expenditures</i>		
\$ 7,922	\$ 74,994	\$ 82,916	\$ (1)	\$ (1)
-	7,444	7,444	-	-
-	29,541	29,541	-	-
34,807	5,515,643	5,550,450	1,037,255	3,862,377
-	15,557	15,557	-	-
-	234,355	234,355	-	-
4,121	65,128	69,249	-	-
-	149,542	149,542	-	-
-	45,186	45,186	-	-
-	1,472,896	1,472,896	29,601	65,414
2,047	27,953	30,000	-	-
1,898	15,202	17,100	-	-
2,431	18,546	20,977	(1)	(1)
1,755	44,635	46,390	(16,653)	99,524
-	895	895	(410)	88,913
-	1,134	1,134	651	332,772
-	-	-	-	3,587
-	-	-	-	25,000
-	26,797	26,797	-	-
-	92,226	92,226	(4,023)	628
<u>\$ 54,981</u>	<u>\$ 7,837,674</u>	<u>\$ 7,892,655</u>	<u>\$ 1,046,419</u>	<u>\$ 4,478,213</u>

COMMUNITY SERVICES CONSORTIUM

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

CHILD DEVELOPMENT SERVICES

YEAR ENDED JUNE 30, 2020

	<i>Beginning Fund Balance</i>	<i>Revenues</i>	
		<i>Operating Grants/ Contributions</i>	<i>Total Revenues</i>
CSBG CY19	\$ -	\$ 37,500	\$ 37,500
CSBG CY20	-	12,500	12,500
Head Start Oregon Pre K	-	547,288	547,288
Head Start - Samaritan Health Services	1	9,000	9,000
Head Start Building Repair	871	-	-
Spirit Mountain Donations	6,571	-	-
Head Start in Lincoln County - 501(c)(3)	50,465	1,522	1,522
Lincoln County - Staffing Assistance	-	10,525	10,525
H/S HHS 4.1.19 - 3.31.20	-	1,351,028	1,351,028
H/S HHS 4.1.20 - 3.31.21	-	189,375	189,375
HS ODE CACFP 10/1/18-9/30/20	-	8,657	8,657
HS ODE CACFP 10/1/19-9/30/20	-	65,756	65,756
<i>Total</i>	<u>\$ 57,908</u>	<u>\$ 2,233,151</u>	<u>\$ 2,233,151</u>

<i>Expenditures</i>			<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
<i>Administration</i>	<i>Program</i>	<i>Total Expenditures</i>			
\$ -	\$ 37,500	\$ 37,500	\$ -	\$ -	\$ -
-	12,500	12,500	-	-	-
77,065	470,223	547,288	-	-	-
1,180	4,681	5,861	3,139	-	3,140
-	-	-	-	-	871
-	-	-	-	-	6,571
825	2,717	3,542	(2,020)	-	48,445
-	4,565	4,565	5,960	-	5,960
186,872	1,161,165	1,348,037	2,991	(2,991)	-
32,293	169,353	201,646	(12,271)	12,271	-
-	16,557	16,557	(7,900)	7,900	-
-	48,576	48,576	17,180	(17,180)	-
<u>\$ 298,235</u>	<u>\$ 1,927,837</u>	<u>\$ 2,226,072</u>	<u>\$ 7,079</u>	<u>\$ -</u>	<u>\$ 64,987</u>

COMMUNITY SERVICES CONSORTIUM

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

MISCELLANEOUS GRANTS

YEAR ENDED JUNE 30, 2020

	<u>Revenues</u>		
	<u>Beginning Fund Balance</u>	<u>Operating Grants</u>	<u>Total Revenues</u>
OCF - COVID 19 (Oregon Community Foundation)	\$ -	\$ 71,000	\$ 71,000
CSBG CY19	-	149,099	149,099
CSBG CY20	-	57,054	57,054
CSBG Cares Act COVID	-	5,442	5,442
OHA - Outreach and Enrollment	-	95,084	95,084
OHA - Strategic Plan	-	6,288	6,288
<i>Total</i>	<u>\$ -</u>	<u>\$ 383,967</u>	<u>\$ 383,967</u>

Expenditures

<i>Administration</i>	<i>Miscellaneous Programs</i>	<i>Total Expenditures</i>	<i>Net Change in Fund Balance</i>	<i>Transfers</i>	<i>Ending Fund Balance</i>
\$ 71,000	\$ -	\$ 71,000	\$ -	\$ -	\$ -
99,883	49,216	149,099	-	-	-
57,054	-	57,054	-	-	-
5,442	-	5,442	-	-	-
7,169	87,915	95,084	-	-	-
-	6,288	6,288	-	-	-
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\$ 240,548	\$ 143,419	\$ 383,967	\$ -	\$ -	\$ -
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COMMUNITY SERVICES CONSORTIUM**COMBINING STATEMENT OF NET POSITION – FIDUCIARY FUND TYPE – AGENCY FUNDS**JUNE 30, 2020

	<i>Community Housing Services</i>	<i>Lincoln Regional Loan Fund</i>	<i>Linn Benton Revolving Loan</i>	<i>Adair Village CDBG</i>	<i>Lincoln City CDBG</i>
ASSETS					
Cash and investments	\$ 371	\$ 89,790	\$ 159,537	\$ 3,894	\$ -
Loans receivable	-	528,813	439,913	49,654	371,049
<i>Total Assets</i>	<u>\$ 371</u>	<u>\$ 618,603</u>	<u>\$ 599,450</u>	<u>\$ 53,548</u>	<u>\$ 371,049</u>
LIABILITIES					
Due to Community Housing Services	\$ 322 49	\$ - 618,603	\$ - 599,450	\$ - 53,548	\$ - 371,049
<i>Total Liabilities</i>	<u>\$ 371</u>	<u>\$ 618,603</u>	<u>\$ 599,450</u>	<u>\$ 53,548</u>	<u>\$ 371,049</u>

<i>City of Toledo CDBG</i>	<i>Waldport CDBG</i>	<i>Benton County CDBG</i>	<i>Lincoln County CDBG</i>	<i>City of Newport CDBG</i>	<i>City of Albany CDBG</i>	<i>City of Lyons CDBG</i>	<i>Total Fidiciary Funds</i>
\$ 14,189	\$ -	\$ -	\$ (58)	\$ 16,353	\$ -	\$ 12,186	\$ 296,262
77,034	111,970	527,020	396,564	398,296	469,014	34,510	3,403,837
<u>\$ 91,223</u>	<u>\$ 111,970</u>	<u>\$ 527,020</u>	<u>\$ 396,506</u>	<u>\$ 414,649</u>	<u>\$ 469,014</u>	<u>\$ 46,696</u>	<u>\$ 3,700,099</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322
91,223	111,970	527,020	396,506	414,649	469,014	46,696	3,699,777
<u>\$ 91,223</u>	<u>\$ 111,970</u>	<u>\$ 527,020</u>	<u>\$ 396,506</u>	<u>\$ 414,649</u>	<u>\$ 469,014</u>	<u>\$ 46,696</u>	<u>\$ 3,700,099</u>

COMMUNITY SERVICES CONSORTIUM**COMBINING STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUND TYPE – AGENCY FUNDS
YEAR ENDED JUNE 30, 2020**

	<i>Community Housing Services</i>	<i>Lincoln Regional Loan Fund</i>	<i>Linn Benton Revolving Loan</i>	<i>Adair Village CDBG</i>	<i>Lincoln City CDBG</i>
<i>Balance July 1, 2019</i>	\$ -	\$ 1,062,222	\$1,088,372	\$ 88,596	\$ 392,467
Additions					
Transfers in	-	32,210	85,765	-	-
Other additions	1,516	-	-	-	-
Loan repayments	-	44,360	118,299	-	-
	<u>1,516</u>	<u>76,570</u>	<u>204,064</u>	<u>-</u>	<u>-</u>
Deductions					
Transfers out	-	469,148	531,890	35,048	21,418
Other deductions	1,145	6,681	42,797	-	-
New amounts made available to loan	-	44,360	118,299	-	-
	<u>1,145</u>	<u>520,189</u>	<u>692,986</u>	<u>35,048</u>	<u>21,418</u>
<i>Balance June 30, 2020</i>	<u>\$ 371</u>	<u>\$ 618,603</u>	<u>\$ 599,450</u>	<u>\$ 53,548</u>	<u>\$ 371,049</u>

<i>City of Toledo CDBG</i>	<i>Waldport CDBG</i>	<i>Benton County CDBG</i>	<i>Lincoln County CDBG</i>	<i>City of Newport CDBG</i>	<i>City of Albany CDBG</i>	<i>City of Lyons CDBG</i>	<i>Total Fidiciary Funds</i>
\$ 218,927	\$ 117,434	\$ 573,410	\$ 401,834	\$ 561,822	\$ 494,389	\$ 48,510	\$ 5,047,983
-	-	-	-	-	-	-	117,975
-	-	-	-	-	-	-	1,516
-	-	-	-	-	-	-	162,659
-	-	-	-	-	-	-	282,150
127,704	5,464	46,390	5,328	147,173	25,375	1,814	1,416,752
-	-	-	-	-	-	-	50,623
-	-	-	-	-	-	-	162,659
127,704	5,464	46,390	5,328	147,173	25,375	1,814	1,630,034
\$ 91,223	\$ 111,970	\$ 527,020	\$ 396,506	\$ 414,649	\$ 469,014	\$ 46,696	\$ 3,700,099

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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 CSC'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.*

STATISTICAL SECTION

FINANCIAL TRENDS

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental Activities				
Investment in capital assets	\$ 4,305,259	\$ 4,379,717	\$ 4,440,290	\$ 4,023,961
Restricted	3,605,115	3,494,630	3,770,117	3,255,087
Unrestricted	(2,826,284)	(3,297,046)	(3,312,611)	(3,519,649)
Total Net Position	<u>\$ 5,084,090</u>	<u>\$ 4,577,301</u>	<u>\$ 4,897,796</u>	<u>\$ 3,759,399</u>

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

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

<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
\$ 3,885,373	\$ 4,020,329	\$ 4,275,108	\$ 4,395,361	\$ 4,534,314	\$ 3,786,264
2,732,290	2,655,109	2,202,276	2,709,696	2,392,488	2,272,834
(2,982,813)	(1,095,877)	(53,990)	150,250	908,667	709,898
<u>\$ 3,634,850</u>	<u>\$ 5,579,561</u>	<u>\$ 6,423,394</u>	<u>\$ 7,255,307</u>	<u>\$ 7,835,469</u>	<u>\$ 6,768,996</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses				
Governmental activities:				
Workforce and Education	\$ 4,307,376	\$ 4,261,435	\$ 3,296,843	\$ 2,746,616
Weatherization***	-	-	-	-
Emergency services***	-	-	-	-
Housing and Energy Services	7,504,086	6,952,220	7,680,652	8,117,961
Housing rehabilitation**	-	-	-	-
Child development services	2,222,863	2,071,319	2,485,072	1,739,413
Food programs	7,829,336	7,857,362	9,367,316	8,998,523
Retired and senior volunteers*	-	-	-	-
Miscellaneous programs	238,813	545,957	208,739	314,185
Administration	1,112,368	298,193	200,623	365,161
Total governmental activities expenses	<u>23,214,842</u>	<u>21,986,486</u>	<u>23,239,245</u>	<u>22,281,859</u>
Program Revenues				
Governmental activities:				
Grants and contracts	23,560,033	21,481,327	23,549,514	22,148,809
Fees for services	118,947	136,132	217,314	237,388
General revenues:				
Interest	42,651	49,035	32,464	20,211
Sales of house and other assets	-	-	-	-
Total governmental activities program revenues	<u>23,721,631</u>	<u>21,666,494</u>	<u>23,799,292</u>	<u>22,406,408</u>
Extraordinary Item - transfer to CHS	-	-	-	-
Total Change in Net Position	<u><u>\$ 506,789</u></u>	<u><u>\$ (319,992)</u></u>	<u><u>\$ 560,047</u></u>	<u><u>\$ 124,549</u></u>

*The Retired and senior volunteers program ended in FY13

**Community Housing Services moved to a fiduciary type fund in FY14

***Weatherization and Emergency Services were combined in FY16 into Housing and Energy Services

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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 3,308,762	\$ 2,844,473	\$ 2,674,387	\$ 2,575,053	\$ 3,108,337	\$ 5,278,519
-	1,124,872	1,149,804	1,335,908	3,224,953	2,282,750
-	3,822,670	4,119,090	4,136,330	4,711,932	5,517,482
6,724,386	-	-	-	-	-
-	68,515	351,574	727,252	802,144	1,423,212
2,083,866	1,088,529	1,224,532	1,323,522	1,311,282	1,173,940
9,617,410	9,245,825	9,750,167	9,072,553	9,543,203	7,905,891
-	-	-	129,238	130,727	190,533
259,281	269,523	119,237	163,707	281,131	234,806
640,696	1,492,078	1,924,508	2,066,891	2,218,087	2,245,267
<u>22,634,401</u>	<u>19,956,485</u>	<u>21,313,299</u>	<u>21,530,454</u>	<u>25,331,796</u>	<u>26,252,400</u>
19,731,074	21,110,182	20,551,517	20,029,785	25,460,982	25,217,647
525,159	558,144	416,373	909,850	912,288	1,125,963
11,808	4,778	7,479	10,657	11,833	6,627
-	31,046	-	-	13,166	1,500
<u>20,268,041</u>	<u>21,704,150</u>	<u>20,975,369</u>	<u>20,950,292</u>	<u>26,398,269</u>	<u>26,351,737</u>
-	-	(493,983)	-	-	-
<u>\$(2,366,360)</u>	<u>\$ 1,747,665</u>	<u>\$ (831,913)</u>	<u>\$ (580,162)</u>	<u>\$ 1,066,473</u>	<u>\$ 99,337</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	7,468	7,468	-	1,118
Nonspendable	2,100	511	15,456	89,178
Unassigned	1,096,016	1,034,259	804,723	652,355
Total general fund	<u>1,105,584</u>	<u>1,042,238</u>	<u>820,179</u>	<u>742,651</u>
All Other Governmental Funds				
Reserved, reported in:				
Special revenue funds	-	-	-	-
Nonspendable	592,995	374,915	512,641	557,398
Restricted	3,597,647	3,487,162	3,770,117	3,253,969
Assigned	2,641,033	1,601,701	1,083,525	922,000
Unassigned	-	-	(180,194)	(111,090)
Total all other governmental funds	<u>6,831,675</u>	<u>5,463,778</u>	<u>5,186,089</u>	<u>4,622,277</u>
Total Fund Balance	<u><u>\$ 7,937,259</u></u>	<u><u>\$ 6,506,016</u></u>	<u><u>\$ 6,006,268</u></u>	<u><u>\$ 5,364,928</u></u>

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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,500	-	-	-	-	-
10,913	11,385	11,939	13,608	20,644	10,423
622,392	590,988	477,117	413,917	361,590	285,203
<u>635,805</u>	<u>602,373</u>	<u>489,056</u>	<u>427,525</u>	<u>382,234</u>	<u>295,626</u>
-	-	-	-	-	-
380,062	450,582	381,517	318,499	432,723	345,088
2,729,790	2,655,109	2,202,276	2,709,696	2,392,488	2,272,834
930,388	751,905	762,399	644,842	809,659	537,832
-	-	(179,589)	(177,555)	-	(100)
<u>4,040,240</u>	<u>3,857,596</u>	<u>3,166,603</u>	<u>3,495,482</u>	<u>3,634,870</u>	<u>3,155,654</u>
<u>\$ 4,676,045</u>	<u>\$ 4,459,969</u>	<u>\$ 3,655,659</u>	<u>\$ 3,923,007</u>	<u>\$ 4,017,104</u>	<u>\$ 3,451,280</u>

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

	2020	2019	2018	2017
Revenues				
Grants and contracts	\$ 14,877,745	\$ 13,542,348	\$ 13,942,528	\$ 12,733,636
Contributions	1,456,027	943,813	1,081,051	948,425
Loan repayments	52,483	35,253	36,309	70,835
Fees for service	118,946	136,132	217,314	237,388
Commodity foods	6,712,224	6,478,518	7,957,280	7,934,880
Other	461,552	481,395	532,344	461,032
Sale of houses and other assets	-	-	-	-
Interest	42,651	49,035	32,464	20,211
Total Revenues	23,721,628	21,666,494	23,799,290	22,406,407
Expenditures				
Workforce and Education	3,096,111	2,562,810	2,446,206	2,630,891
Weatherization***	-	-	-	-
Emergency services***	-	-	-	-
Housing and Energy Services***	7,187,037	6,875,632	6,919,885	6,593,406
Housing rehabilitation**	-	-	-	-
Child development services	1,927,837	1,829,926	2,417,785	1,674,908
Food programs	7,837,674	7,811,571	9,107,414	8,936,791
Retired and senior volunteers*	-	-	-	-
Miscellaneous programs	143,419	405,357	114,660	185,287
Interest expenses	-	-	-	-
Capital outlay	-	-	-	-
Administration	2,098,309	1,680,955	2,152,000	1,696,242
Total Expenditures	22,290,387	21,166,251	23,157,950	21,717,525
Transfer to CHS	-	-	-	-
Total Net Change in Fund Balance	\$ 1,431,241	\$ 500,243	\$ 641,340	\$ 688,882

*The Retired and senior volunteers program ended in FY13

**Community Housing Services moved to a fiduciary type fund in FY14

***Weatherization and Emergency Services were combined in FY16 into Housing and Energy Services

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 10,160,597	\$ 11,335,048	\$ 10,163,020	\$ 10,630,359	\$ 14,122,307	\$ 16,642,556
853,985	934,374	895,289	851,903	803,226	781,713
40,165	67,967	30,444	264,807	241,289	181,758
525,159	560,211	661,762	887,032	912,291	1,125,963
8,190,209	8,404,858	8,687,104	7,882,273	8,604,144	6,916,493
486,118	365,868	530,269	423,262	628,340	695,126
-	169,867	-	-	139,540	1,500
11,808	4,778	7,479	10,656	11,833	6,627
<u>20,268,041</u>	<u>21,842,971</u>	<u>20,975,367</u>	<u>20,950,292</u>	<u>25,462,970</u>	<u>26,351,736</u>
2,308,173	3,234,465	2,696,383	2,602,001	3,108,337	5,294,442
-	1,305,197	1,149,804	1,335,908	3,224,953	2,282,750
-	4,102,461	4,119,090	4,136,330	4,721,932	5,532,482
5,608,792	-	-	-	-	-
-	79,383	351,574	727,252	790,097	1,528,283
1,387,591	1,367,898	1,224,532	1,323,522	1,311,282	1,173,940
9,355,052	9,420,057	9,778,703	9,072,553	9,543,203	7,905,891
-	-	-	129,238	130,727	190,533
181,683	290,944	119,237	163,707	281,131	234,806
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,210,674</u>	<u>1,238,256</u>	<u>1,309,409</u>	<u>1,553,882</u>	<u>1,785,485</u>	<u>1,947,910</u>
<u>20,051,965</u>	<u>21,038,661</u>	<u>20,748,732</u>	<u>21,044,393</u>	<u>24,897,147</u>	<u>26,091,037</u>
-	-	(493,983)	-	-	-
<u>\$ 216,076</u>	<u>\$ 804,310</u>	<u>\$ (267,348)</u>	<u>\$ (94,101)</u>	<u>\$ 565,823</u>	<u>\$ 260,699</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>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
Grants and contracts	\$ 14,877,745	\$ 13,542,348	\$ 13,942,528	\$ 12,733,636	\$ 10,160,597
Contributions	1,456,027	943,813	1,081,051	948,425	853,985
Loan repayments	52,483	35,253	36,309	70,835	40,165
Fees for service	118,946	136,132	217,314	237,388	525,159
Commodity foods	6,712,224	6,478,518	7,957,280	7,934,880	8,190,209
Other	461,552	481,395	532,344	461,032	486,118
Interest	42,651	49,035	32,464	20,211	11,808
<i>Total Revenues</i>	<u>\$ 23,721,628</u>	<u>\$ 21,666,494</u>	<u>\$ 23,799,290</u>	<u>\$ 22,406,407</u>	<u>\$ 20,268,041</u>

Source: Comprehensive annual financial report.

<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
\$ 11,335,048	\$ 10,163,020	\$ 10,630,359	\$ 14,122,307	\$ 16,642,556
934,374	895,289	851,903	803,226	781,713
67,967	30,444	264,807	241,289	181,758
560,211	661,762	887,032	912,291	1,125,963
8,404,858	8,687,104	7,882,273	8,604,144	6,916,493
535,735	530,269	423,262	767,880	696,626
4,778	7,479	10,656	11,833	6,627
<u>\$ 21,842,971</u>	<u>\$ 20,975,367</u>	<u>\$ 20,950,292</u>	<u>\$ 25,462,970</u>	<u>\$ 26,351,736</u>

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

<i>Function</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
Administration	\$ 2,098,309	\$ 1,680,955	\$ 2,152,000	\$ 1,696,242
Workforce and Education	3,096,111	2,562,810	2,446,206	2,630,891
Weatherization***	-	-	-	-
Housing and Energy Services***	7,187,037	6,875,632	6,919,885	6,593,406
Emergency services	-	-	-	-
Housing rehabilitation**	-	-	-	-
Head Start	1,927,837	1,829,926	2,417,785	1,674,908
Food programs	7,837,674	7,811,571	9,107,414	8,936,791
Retired and senior volunteers*	-	-	-	-
Miscellaneous programs	143,419	405,357	114,660	185,287
<i>Total Expenditures</i>	<u>\$ 22,290,387</u>	<u>\$ 21,166,251</u>	<u>\$ 23,157,950</u>	<u>\$ 21,717,525</u>

*The Retired and senior volunteers program ended in FY13

**Community Housing Services moved to a fiduciary type fund in FY14

***Weatherization and Emergency Services were combined in FY16 into Housing and Energy Services

Source: Comprehensive annual financial report.

<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
\$ 1,210,674	\$ 1,238,256	\$ 1,309,409	\$ 1,553,882	\$ 1,785,485	\$ 1,947,910
2,308,173	3,234,465	2,696,383	2,602,001	3,108,337	5,294,442
-	1,305,197	1,149,804	1,335,908	3,224,953	2,282,750
5,608,792	-	-	-	-	-
-	4,102,461	4,119,090	4,136,330	4,721,932	5,532,482
-	79,383	351,574	727,252	790,097	1,528,283
1,387,591	1,367,898	1,224,532	1,323,522	1,311,282	1,173,940
9,355,052	9,420,057	9,778,703	9,072,553	9,543,203	7,905,891
-	-	-	129,238	130,727	190,533
181,683	290,944	119,237	163,707	281,131	234,806
<u>\$ 20,051,965</u>	<u>\$ 21,038,661</u>	<u>\$ 20,748,732</u>	<u>\$ 21,044,393</u>	<u>\$ 24,897,147</u>	<u>\$ 26,091,037</u>

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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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Function/Program				
General Fund				
Grants and contracts	\$ 23,206	\$ 18,841	\$ 10,414	\$ 397
Contributions	103,419	169,071	104,855	95,564
Other	91,846	85,873	91,529	83,497
Interest	42,651	49,035	32,464	20,211
	<u>261,122</u>	<u>322,820</u>	<u>239,262</u>	<u>199,669</u>
<i>Subtotal General Revenues</i>				
Governmental activities:				
Grants and contracts	14,854,539	13,523,507	13,932,114	12,733,239
Contributions	1,352,608	774,742	976,196	852,861
Loan repayments	52,483	35,253	36,309	70,835
Fees for service	118,946	136,132	217,314	237,388
Commodity foods	6,712,224	6,478,518	7,957,280	7,934,880
Other	369,706	395,522	440,815	377,535
Sale of houses and other assets	-	-	-	-
Interest	-	-	-	-
	<u>23,460,506</u>	<u>21,343,674</u>	<u>23,560,028</u>	<u>22,206,738</u>
<i>Subtotal Special Revenues</i>				
Total Revenues	<u><u>\$ 23,721,628</u></u>	<u><u>\$ 21,666,494</u></u>	<u><u>\$ 23,799,290</u></u>	<u><u>\$ 22,406,407</u></u>

<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
\$ 5,281	\$ 1,186	\$ 26,822	\$ 99,996	\$ 126,416	\$ -
56,391	89,494	31,462	12,063	11,810	8,410
64,149	34,818	41,875	36,637	26,840	6,105
11,808	4,778	7,479	7,813	6,141	5,137
137,629	130,276	107,638	156,509	171,207	19,652
10,155,316	11,333,862	10,136,198	10,530,363	13,995,891	16,642,556
797,594	844,880	863,827	839,840	791,416	773,303
40,165	67,967	30,444	264,807	241,289	181,758
525,159	560,211	661,762	887,032	912,291	1,125,963
8,190,209	8,404,858	8,687,104	7,882,273	8,604,144	6,916,493
421,969	331,050	488,394	386,625	601,500	689,021
-	169,867	-	-	139,540	1,500
-	-	-	2,843	5,692	1,490
20,130,412	21,712,695	20,867,729	20,793,783	25,291,763	26,332,084
\$ 20,268,041	\$ 21,842,971	\$ 20,975,367	\$ 20,950,292	\$ 25,462,970	\$ 26,351,736

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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 679 square miles
 Linn County 2,297 square miles
 Lincoln County 992 square miles

State of Oregon		Total	Per	Unemployment	Percentage of
Year	Population	Personal	Capita	Rate	Population Living
		Income	Personal		In Poverty
			Income		
2011	3,856,815	\$ 145,299,628	\$ 37,744	9.7%	17.5%
2012	3,857,625	152,489,633	39,109	8.6%	17.3%
2013	3,883,735	155,147,986	39,521	8.7%	17.1%
2014	3,919,020	165,816,558	41,785	7.7%	16.7%
2015	3,962,710	181,022,258	45,069	6.9%	11.2%
2016	4,013,845	190,240,952	46,498	5.7%	10.5%
2017	4,141,100	200,579,203	48,372	4.1%	8.8%
2018	4,195,300	213,070,136	50,843	3.6%	14.1%
2019	4,236,400	224,316,400	53,212	3.7%	13.2%
2020	4,268,055	240,770,800	56,765	7.6%	N/A

Benton County		Total	Per	Unemployment	Percentage of
Year	Population	Personal	Capita	Rate	Population Living
		Income	Personal		In Poverty
			Income		
2011	85,995	\$ 3,306,025	\$ 38,439	6.5%	21.8%
2012	85,995	3,240,670	37,490	6.0%	23.4%
2013	86,785	3,259,125	37,886	5.7%	23.8%
2014	87,725	3,439,876	39,807	5.1%	22.7%
2015	88,740	3,707,774	42,083	4.2%	8.9%
2016	90,005	3,914,857	43,623	3.9%	8.3%
2017	92,575	4,076,498	44,519	3.3%	8.5%
2018	93,590	4,330,505	47,019	3.2%	19.4%
2019	94,360	4,597,691	47,019	3.0%	19.1%
2020	94,665	N/A	N/A	5.6%	N/A

Linn County					
Year	Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate	Percentage of Population Living In Poverty
2011	117,340	\$ 3,530,136	\$ 29,882	11.8%	19.2%
2012	117,340	3,921,881	33,135	10.7%	19.8%
2013	118,035	3,991,947	33,675	9.7%	19.0%
2014	118,665	4,219,670	35,379	8.1%	19.5%
2015	119,705	4,562,539	37,955	6.7%	13.7%
2016	120,860	4,806,613	39,164	5.8%	12.2%
2017	124,010	5,107,152	40,865	4.8%	12.3%
2018	125,575	5,461,463	42,891	4.7%	14.4%
2019	126,550	5,673,237	44,830	4.3%	13.3%
2020	127,320	N/A	N/A	7.8%	N/A

Lincoln County					
Year	Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate	Percentage of Population Living In Poverty
2011	46,060	\$ 1,611,429	\$ 35,119	9.6%	14.8%
2012	46,155	1,648,531	35,709	9.9%	15.6%
2013	46,295	1,661,972	35,903	8.8%	16.8%
2014	46,560	1,737,712	37,462	7.8%	17.1%
2015	46,890	1,865,146	39,641	6.6%	11.5%
2016	47,225	1,949,989	40,761	5.7%	12.2%
2017	47,960	2,050,903	42,009	4.7%	11.2%
2018	48,210	2,178,950	44,119	4.9%	16.7%
2019	48,260	2,216,823	45,935	4.3%	16.3%
2020	48,305	N/A	N/A	10.9%	N/A

COMMUNITY SERVICES CONSORTIUM
MISCELLANEOUS STATISTICS
LAST NINE FISCAL YEARS - UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Population					
Benton	94,665	94,360	93,590	91,320	90,005
Linn	127,320	126,550	125,575	122,315	120,860
Lincoln	48,305	48,260	48,210	47,735	47,225
Employees					
Non-management (represented) employees	96	94	95	93	85
Management (exempt) employees	21	21	21	21	16
Total FTE	<u>117</u>	<u>115</u>	<u>116</u>	<u>114</u>	<u>101</u>
Employees by Function					
Administration	4	4	4	4	4
Finance	6	5	5	5	5
Technology	3	4	3	3	3
Community Resource Development	1	3	2	3	2
Child Development Services	27	26	27	21	20
Workforce and Education	35	28	32	36	29
Emergency Services	26	26	24	26	23
Housing and Community Resources	8	11	12	9	8
Linn Benton Food Share / Gleaning	7	8	7	7	7
	<u>117</u>	<u>115</u>	<u>116</u>	<u>114</u>	<u>101</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. CSC operates almost two hundred grants and each would have a separate measure. Additionally, many of the grants are combined to provide services to duplicative individuals.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
88,740	87,725	86,785	85,995	85,995
119,705	118,655	118,035	117,340	117,340
46,890	46,560	46,295	46,155	46,060
87	79	88	107	132
16	17	19	15	23
<u>103</u>	<u>96</u>	<u>107</u>	<u>122</u>	<u>155</u>
4	4	4	6	5
4	4	4	4	6
3	3	3	3	3
2	3	3	4	3
20	19	21	19	18
33	25	27	34	59
20	20	20	22	24
10	11	16	19	25
7	7	7	7	7
<u>103</u>	<u>96</u>	<u>107</u>	<u>122</u>	<u>155</u>

STATE COMPLIANCE SECTION



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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

CSC Governing Board
Community Services Consortium
Albany, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Community Services Consortium (CSC) as of and for the year ended June 30, 2020, and have issued our report thereon dated June 22, 2021.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CSC'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).**
- **Budgets legally required (ORS Chapter 294.900).**
- **Insurance and fidelity bonds in force or required.**
- **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 CSC 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.


Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CSC's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CSC's internal control. Accordingly, we do not express an opinion on the effectiveness of CSC's internal control.

Restriction on Use

This report is intended solely for the information and use of the governing board, management of CSC, 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: 
Ryan T. Pasquarella, A Shareholder
June 22, 2021

FEDERAL COMPLIANCE SECTION

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

	Federal CFDA Number	Pass Through Organization	Pass Through ID	Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Food Distribution Cluster</i>				
Temporary Emergency Food Assistance Program (TEFAP) - Cash	10.568	Oregon Food Bank	unknown	\$ 149,542
Temporary Emergency Food Assistance Program (TEFAP) - Commodities	10.569	Oregon Food Bank	unknown	1,472,896
CSFP - Senior USDA - Cash	10.565	Oregon Food Bank	unknown	26,797
CSFP - Senior USDA - Commodities	10.565	Oregon Food Bank	unknown	92,226
<i>Total Food Distribution Cluster</i>				1,741,461
Trade Mitigation Program Foods	10.179	Oregon Food Bank	unknown	45,186
Supplemental Nutrition Assistance Program	10.561	Oregon Department of Human Services	unknown	350,649
Child and Adult Care Food Program	10.558	Oregon Department of Education	2103001	8,657
Child and Adult Care Food Program	10.558	Oregon Department of Education	2103001	65,756
Total Child and Adult Care Food Program				74,413
Total U.S. Department of Agriculture				2,211,709
<u>U.S. Department of Housing and Urban Development</u>				
Continuum of Care HUD	14.267	Direct	OR0079L0E051407	71,560
Continuum of Care HUD - Passport - CSC 18-19	14.267	Direct	OR0079L0E051407	28,899
Continuum of Care HUD - Supp HSG Program	14.267	Direct	OR0079L0E051407	129,338
Continuum of Care HUD - CSC SHP 18-19	14.267	Direct	OR0079L0E051405	52,207
Total Continuum of Care				282,004
ESGP - Emergency Shelter Grant Program 19	14.231	Oregon Housing and Community Services	OHCS MGA 20-21 #4500	125,494
ESGP - Emergency Shelter Grant Program 18	14.231	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	26,167
Total ESGP				151,661

See notes to schedule of expenditures of federal awards.

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 YEAR ENDED JUNE 30, 2020

	Federal CFDA Number	Pass Through Organization	Pass Through ID	Expenditures
Home Tenant Based Assistance 17	14.239	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	\$ 76
Home Tenant Based Assistance 18	14.239	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	163,012
Home Tenant Based Assistance 19	14.239	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	98,482
Total Home Tenant Based Assistance				261,570
Total U.S. Department of Housing and Urban Development				695,235
<u>U.S. Department of Justice</u>				
My Sisters' Place - Transitional Housing for Individuals	16.736	Direct	2017-WH-AX-0043	37,689
Total U.S. Department of Justice				37,689
<u>U.S. Department of Labor</u>				
<i>WIOA Cluster</i>				
WIOA - Adult - Linn - INCITE	17.258	Oregon Community Colleges and Workforce Development	006-17	267,277
WIOA - Youth - Linn - INCITE	17.259	Oregon Community Colleges and Workforce Development	#SO4-19	313,908
WIOA - Youth - Polk - INCITE	17.259	Oregon Community Colleges and Workforce Development	#SO4-19	348,309
WIOA - DW - Linn - INCITE	17.278	Oregon Community Colleges and Workforce Development	006-17	348,773
WIOA - HCY - LINN	17.258	Oregon Community Colleges and Workforce Development	#SO4-19	22,500
WIOA - HCY - POLK	17.258	Oregon Community Colleges and Workforce Development	#SO4-19	27,500
Total WIOA Cluster				1,328,267
Total U.S. Department of Labor				1,328,267

See notes to schedule of expenditures of federal awards.

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2020

	Federal CFDA Number	Pass Through Organization	Pass Through ID	Expenditures
<u>U.S. Department of Veterans Affairs</u>				
Supportive Services for Veterans and Families CARES	64.033	St. Vincent de Paul	GRNT # 01138	\$ 91,019
Supportive Services for Veterans and Families SSVF 18-19	64.033	St. Vincent de Paul	GRNT # 01138	73,410
Supportive Services for Veterans and Families SSVF 17-18	64.033	St. Vincent de Paul	GRNT # 01138	186,749
Total U.S. Department of Veterans Affairs				351,178
<u>U.S. Department of Energy</u>				
BPA 20	81.U01	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	108,621
DOE - WX	81.042	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	141,826
Total U.S. Department of Energy				250,447
<u>U.S. Department of Health and Human Services</u>				
Headstart 2019-2020	93.600	Direct	10CH0216-05-00	189,375
Headstart 2018-2019	93.600	Direct	10CH0216-05-00	1,351,028
Total Headstart				1,540,403
<u>TANF Cluster</u>				
Housing Stabilization Program / TANF 14-15	93.558	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	157,478
Community Services Block Grant - FFY19	93.569	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	335,498
Community Services Block Grant - FFY20	93.569	Oregon Housing and Community Services	OHCS MGA 20-21 #4500	81,970
Community Services Block Grant - CARES Act	93.569	Oregon Housing and Community Services	OHCS MGA 19-21 #4500	66,554
Total Community Services Block Grant				484,022

See notes to schedule of expenditures of federal awards.

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 YEAR ENDED JUNE 30, 2020

	Federal CFDA Number	Pass Through Organization	Pass Through ID	Expenditures
LIHEAP - Low Income Energy Assistance	93.568	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	\$ 463,996
LIHEAP - Low Income Energy Assistance	93.568	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	1,253,195
LIHEAP - WX EE 20	93.568	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	-
LIHEAP - WX EE 20	93.568	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	-
LIHEAP - Education 17-18	93.568	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	58,940
LIHEAP - Education 17-18	93.568	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	38,876
LIHEAP - Weatherization 19	93.568	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	163,366
LIHEAP - Weatherization 20	93.568	Oregon Housing and Community Services	OHCS MGA 17-19 #4500	219,746
Total LIHEAP				<u>2,198,119</u>
Total U.S. Department of Health and Human Services				4,380,022
<u>U.S. Department of Treasury</u>				
COVID Rent and Energy Relief	21.019	Oregon Housing and Community Services	OHCS MGA 19-21 #4500	43,799
CCVRP CARES	21.019	Oregon Housing and Community Services	OHCS MGA 19-21 #5086	338,527
COVID Rent Relief - CARES	21.019	Oregon Housing and Community Services	OHCS MGA 19-21 #4500	20,360
Total Corporation for National and Community Service				<u>402,686</u>
Total Expenditures of Federal Awards				<u>\$ 9,657,233</u>

See notes to schedule of expenditures of federal awards.

COMMUNITY SERVICES CONSORTIUM

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

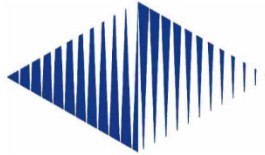
BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of Community Services Consortium (CSC) under programs of the federal government for the year ended June 30, 2020. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the SEFA presents only a selected portion of the operations of CSC, it is not intended to and does not present the net position or changes in net position of CSC.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

CSC has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.



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INDEPENDENT AUDITOR'S 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

CSC Governing Board
Community Services Consortium
Albany, Oregon

We have audited, in accordance with the 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, the 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, and have issued our report thereon dated June 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CSC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CSC's internal control. Accordingly, we do not express an opinion on the effectiveness of CSC's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of CSC'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.

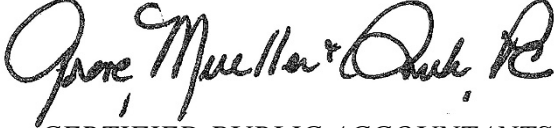
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

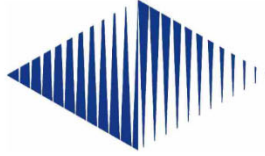
Compliance and Other Matters

As part of obtaining reasonable assurance about whether CSC’s financial statements are free from 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 financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CSC’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CSC’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS
June 22, 2021



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

CSC Governing Board
Community Services Consortium
Albany, Oregon

Report on Compliance for Each Major Federal Program

We have audited Community Services Consortium's (CSC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CSC's major federal programs for the year ended June 30, 2020. CSC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CSC's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 CSC'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 on compliance for each major federal program. However, our audit does not provide a legal determination of CSC's compliance.

Opinion on Each Major Federal Program

In our opinion, Community Services Consortium complied, in all material respects, with the types of compliance 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, 2020.

Report on Internal Control over Compliance


Management of CSC, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CSC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 CSC'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 material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS
June 22, 2021

COMMUNITY SERVICES CONSORTIUM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
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:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major program:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.561	Supplemental Nutrition Assistance Program
14.239	Home Investment Partnerships Program
17.258, 17.259, 17.278	WIOA Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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