



**COMMUNITY AND CHILDREN'S
RESOURCE BOARD**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended December 31, 2021

COMMUNITY AND CHILDREN'S RESOURCE BOARD

FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
COMMUNITY AND CHILDREN'S RESOURCE BOARD

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and the major fund of the **COMMUNITY AND CHILDREN'S RESOURCE BOARD** (the CCRB), as of and for the year ended December 31, 2021, and the related notes to financial statements, which collectively comprise CCRB's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of CCRB as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CCRB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CCRB's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CCRB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CCRB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2022 on our consideration of CCRB'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 solely 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 the effectiveness of CCRB's 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 CCRB's internal control over financial reporting and compliance.

Sikich LLP

St. Louis, Missouri
May 17, 2022

COMMUNITY AND CHILDREN'S RESOURCE BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

As management of the Community and Children's Resource Board (CCRB), we offer readers of CCRB's financial statements this narrative overview and analysis of the financial activities of CCRB for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with CCRB's financial statements (attached).

FINANCIAL HIGHLIGHTS

- * The assets of CCRB exceeded its liabilities at the close of the most recent fiscal year by \$5,131,758.
- * CCRB's total net position increased by \$1,643,653.
- * As of the close of the current fiscal year, CCRB's governmental fund reported an ending fund balance of \$5,137,473, an increase of \$1,647,677 in comparison with the prior year.
- * At the end of the current fiscal year, \$5,131,758 of fund balance, or 57.4% of total General Fund revenues, was restricted for community and children services.

OVERVIEW OF THE FINANCIAL STATEMENTS

CCRB oversees the administration, allocation, and distribution of the St. Charles County Community Children's Services Fund, for the purpose of establishing, operating, and maintaining community mental health and substance abuse services for St. Charles County children and youth.

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to CCRB's basic financial statements. CCRB's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of CCRB's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of CCRB is improving or deteriorating. The statement of net position also provides information on investment in capital assets and restricted amounts.

The statement of activities presents information showing how CCRB's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of timing of related cash flows.

COMMUNITY AND CHILDREN'S RESOURCE BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

Both of the government-wide financial statements distinguish functions of CCRB that are principally supported by sales tax. The governmental activities of CCRB include collection of sales tax and services funded.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. CCRB uses fund accounting to demonstrate compliance with finance-related legal requirements. CCRB only maintains one governmental fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus 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. Such 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. By doing so, readers may better understand the long-term impact of CCRB's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

CCRB maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balance for the General Fund, which is considered to be a major fund.

CCRB adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance with their budgets.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplemental information. This MD&A and the budgetary comparison schedule and notes represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide financial statements, fund financial statements, and related notes (referred to as "the basic financial statements").

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of CCRB, assets exceeded liabilities by \$5,131,758 at the close of the most recent fiscal year.

COMMUNITY AND CHILDREN'S RESOURCE BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

By far the largest portion of CCRB's net position reflects the sales tax receivable.

A condensed version of the statement of net position is as follows:

	December 31		2021 Change	
	2021	2020	Amount	Percent
ASSETS				
Current and other assets	\$ 5,575,102	3,888,468	1,686,634	43.4 %
Capital assets	800	1,308	(508)	(38.8)
Total Assets	<u>5,575,902</u>	<u>3,889,776</u>	<u>1,686,126</u>	43.3
LIABILITIES				
Current liabilities	437,629	398,672	38,957	9.8
Noncurrent liabilities	<u>6,515</u>	<u>2,999</u>	<u>3,516</u>	117.2
Total Liabilities	<u>444,144</u>	<u>401,671</u>	<u>42,473</u>	10.6
NET POSITION				
Net investment in capital assets	800	1,308	(508)	(38.8)
Restricted	<u>5,130,958</u>	<u>3,486,797</u>	<u>1,644,161</u>	47.2
Total Net Position	<u>\$ 5,131,758</u>	<u>3,488,105</u>	<u>1,643,653</u>	47.1 %

Governmental activities. Governmental activities increased CCRB's net position by \$1,643,653.

Cash and investments remained stable. Expenditures decreased due to decreased funding needed for children's services provided because of changes in programs due to COVID-19.

A condensed version of the statement of activities is as follows:

COMMUNITY AND CHILDREN'S RESOURCE BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	For The Years Ended December 31		2021 Change	
	2021	2020	Amount	Percent
REVENUES				
General revenues:				
Sales tax	\$ 8,919,666	8,058,126	861,540	10.7 %
Investment income	13,852	31,638	(17,786)	(56.2)
Other	10,554	11,708	(1,154)	(9.9)
Total Revenues	<u>8,944,072</u>	<u>8,101,472</u>	<u>842,600</u>	10.4
EXPENSES				
Children's services	6,895,608	6,371,703	523,905	8.2
Administration	<u>404,811</u>	<u>376,137</u>	<u>28,674</u>	7.6
Total Expenses	<u>7,300,419</u>	<u>6,747,840</u>	<u>552,579</u>	8.2
CHANGE IN NET POSITION	1,643,653	1,353,632	290,021	21.4
NET POSITION, JANUARY 1	<u>3,488,105</u>	<u>2,134,473</u>	<u>1,353,632</u>	63.4
NET POSITION, DECEMBER 31	<u>\$ 5,131,758</u>	<u>3,488,105</u>	<u>1,643,653</u>	47.1 %

FINANCIAL ANALYSIS OF CCRB'S FUND

As noted earlier, CCRB uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund. The focus of CCRB's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing CCRB's financing requirements.

As of the end of the current fiscal year, CCRB's governmental fund reported an ending fund balance of \$5,137,473.

GENERAL FUND BUDGETARY HIGHLIGHTS

CCRB had budget amendments during the year that increased expenditures by \$635,000 for children's services. Revenues were \$728,092 over the budgeted amount of \$8,215,980. Expenditures were \$1,937,198 under the budgeted amount of \$9,233,593.

COMMUNITY AND CHILDREN'S RESOURCE BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

CAPITAL ASSETS

At the end of the year, \$40,915 was invested in capital assets, including furniture and equipment. There was \$508 of depreciation expense for the year. More detailed information about capital assets is presented in Note C to the financial statements.

LONG-TERM DEBT

The only long-term debt is the liability for compensated absences payable amounting to \$6,515 at December 31, 2021. More detailed information about compensated absences is presented in Note F to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Sales tax is the main source of revenue for CCRB at over 99% of total revenues and children's services functional expenses are approximately 95% of total expenses. These factors were considered in preparing CCRB's 2022 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide our residents and taxpayers with a general overview of CCRB's finances and to show CCRB's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Executive Director Bruce Sowatsky at 636-939-6200.

COMMUNITY AND CHILDREN'S RESOURCE BOARD

STATEMENT OF NET POSITION

DECEMBER 31, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 4,128,053
Sales tax receivable	1,445,664
Other assets	1,385
Capital assets, net of accumulated depreciation	800
Total Assets	<u>5,575,902</u>
LIABILITIES	
Accounts payable	434,261
Accrued wages and payroll taxes	3,368
Noncurrent liabilities:	
Due within one year	<u>6,515</u>
Total Liabilities	<u>444,144</u>
NET POSITION	
Net investment in capital assets	800
Restricted	<u>5,130,958</u>
Total Net Position	<u>\$ 5,131,758</u>

COMMUNITY AND CHILDREN'S RESOURCE BOARD

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

FUNCTIONS/PROGRAMS	Net Revenues (Expenses) And Change In Net Position	
	Expenses	
Governmental Activities		
Children's services	\$ 6,895,608	(6,895,608)
Administration	404,811	(404,811)
Total Governmental Activities	<u>\$ 7,300,419</u>	<u>(7,300,419)</u>
General Revenues		
Sales tax		8,919,666
Investment income		13,852
Other		10,554
Total General Revenues		<u>8,944,072</u>
CHANGE IN NET POSITION		1,643,653
NET POSITION, JANUARY 1		<u>3,488,105</u>
NET POSITION, DECEMBER 31		<u>\$ 5,131,758</u>

COMMUNITY AND CHILDREN'S RESOURCE BOARD

BALANCE SHEET - GOVERNMENTAL FUND

DECEMBER 31, 2021

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 4,128,053
Sales tax receivable	1,445,664
Other assets	<u>1,385</u>
Total Assets	<u><u>\$ 5,575,102</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 434,261
Accrued wages and payroll taxes	<u>3,368</u>
Total Liabilities	<u>437,629</u>
 Fund Balance	
Restricted for community and children services	<u>5,137,473</u>
Total Liabilities And Fund Balance	<u><u>\$ 5,575,102</u></u>

COMMUNITY AND CHILDREN'S RESOURCE BOARD
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total Fund Balance - Governmental Fund \$ 5,137,473

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund. The cost of the capital assets is \$40,915 and the accumulated depreciation is \$40,115. 800

Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund.

Long-term liabilities at year-end consist of:

Compensated absences payable (6,515)

Total Net Position Of Governmental Activities \$ 5,131,758

COMMUNITY AND CHILDREN'S RESOURCE BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund
REVENUES	
Sales tax	\$ 8,919,666
Investment income	13,852
Other	10,554
Total Revenues	<u>8,944,072</u>
EXPENDITURES	
Children's services funded	6,895,608
Administration	400,787
Total Expenditures	<u>7,296,395</u>
NET CHANGE IN FUND BALANCE	1,647,677
FUND BALANCE, JANUARY 1	<u>3,489,796</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 5,137,473</u></u>

COMMUNITY AND CHILDREN'S RESOURCE BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Change In Fund Balance - Governmental Fund \$ 1,647,677

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

Capital outlays are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year depreciation (\$508) exceeded capital outlays over the capitalization threshold (\$0). (508)

Under the modified accrual basis of accounting used in the governmental fund financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The changes are:

Compensated absences payable (3,516)

Change In Net Position Of Governmental Activities \$ 1,643,653

COMMUNITY AND CHILDREN'S RESOURCE BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **COMMUNITY AND CHILDREN'S RESOURCE BOARD** (CCRB), which began operations after the passing of Proposition 1 in November 2004, is a political subdivision duly organized under the laws of the State of Missouri. CCRB operates under the direction of an appointed Board of Directors. CCRB was formed for the purpose of administering a children's mental health system for St. Charles County, Missouri residents. Funding is provided through a 1/8 of 1-cent St. Charles County, Missouri sales tax that went into effect in April of 2005.

The more significant accounting policies consistently applied by CCRB in the preparation of the accompanying financial statements are summarized below:

1. Reporting Entity

The financial statements of CCRB include the financial activities of CCRB and any component units, entities which are financially accountable to CCRB. CCRB does not currently have any component units.

2. 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 the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund. The major individual governmental fund is reported in the fund financial statements.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when

COMMUNITY AND CHILDREN'S RESOURCE BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, CCRB 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 fund liability is incurred.

CCRB reports the following major governmental fund:

General Fund -- The General Fund accounts for all activities except those accounted for in another fund.

4. Cash and Investments

State statutes authorize CCRB to invest in obligations of U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements, CCRB participates in an external investment pool as more fully described in Note B.

5. Capital Assets

Capital assets, which include equipment and furniture, are reported in the government-wide financial statements. Capital assets are defined by CCRB as assets with an initial cost of more than \$500 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is being computed on the straight-line method using asset lives as follows:

Assets	Years
Office equipment	5 - 10
Office furniture	5 - 10

COMMUNITY AND CHILDREN'S RESOURCE BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires CCRB to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

7. Fund Balance Policies

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive.

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action of the Board of Directors, the highest level of decision-making authority.

Assigned -- The portion of fund balance that CCRB intends to use for a specific purpose as determined by the applicable CCRB officials to which the Board of Directors has designated authority.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, CCRB will spend the most restricted amounts before the least restricted.

The fund balance of CCRB's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain a fund balance of not less than 15% of total annual revenue.

NOTE B - CASH AND INVESTMENTS

CCRB's deposits with financial institutions may be collateralized in an amount at least equal to the uninsured deposits. As of December 31, 2021, CCRB's amount recorded on its books and bank deposits totaled \$138,245 and \$140,790, respectively. The bank balances were covered by Federal Deposit Insurance Corporation in the amount of \$140,790.

COMMUNITY AND CHILDREN'S RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

CCRB participates in an external investment pool program operated by St. Charles County, Missouri (the County) and available to other government and nonprofit entities operating within the County. Interest is allocated to CCRB based on month-end balances. The investment pool maintains investments consisting of repurchase agreements, obligations of the U.S. government, U.S. governmental agencies, and municipal bonds and is carried at fair value. As of December 31, 2021, CCRB's investments in the County's investment pool totaled \$3,989,808.

CCRB classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for those securities; Level 2 inputs are significant other observable inputs using a matrix pricing technique; and Level 3 inputs are significant unobservable inputs. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities. CCRB's fair value level measurements as of December 31, 2021 were at the Level 2 rating.

NOTE C - CAPITAL ASSETS

Capital assets activity was as follows:

	For The Year Ended December 31, 2021			
	Balance			Balance
	December 31			December 31
	2020	Additions	Reductions	2021
Office equipment	\$ 24,083	-	-	24,083
Office furniture	16,832	-	-	16,832
	<u>40,915</u>	<u>-</u>	<u>-</u>	<u>40,915</u>
Less - Accumulated depreciation	39,607	508	-	40,115
	<u>39,607</u>	<u>508</u>	<u>-</u>	<u>40,115</u>
Total Capital Assets, Net	<u>\$ 1,308</u>	<u>(508)</u>	<u>-</u>	<u>800</u>

Depreciation expense for the year ended December 31, 2021 was \$508 and included in the administration expense category on the statement of activities.

COMMUNITY AND CHILDREN'S RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS

NOTE D - LEASE COMMITMENTS

CCRB entered into a three-year lease for office space beginning September 1, 2020 through August 31, 2023. The lease payments are \$1,387 for the first twelve months and \$1,422 for the final twenty-four months. Future minimum rental payments are as follows:

For The Years Ending December 31	
2022	\$ 17,064
2023	<u>11,376</u>
Total	<u><u>\$ 28,440</u></u>

Total rent expense for the year ended December 31, 2021 amounts to \$16,924.

NOTE E - PENSION PLAN

CCRB has a SEP IRA defined contribution plan that covers all employees after one year of employment which was established by Board of Directors in 2016. Contributions are based on 6% of the employee's annual salary and are immediately vested for eligible contributions. Pension expense for the year ended December 31, 2021 was \$12,747.

NOTE F - COMPENSATED ABSENCES

CCRB grants vacation to all employees at a rate based on years of experience on the employees' annual start date. A maximum of 240 hours of vacation leave may be accumulated by each employee.

The following is a summary of changes in CCRB's compensated absences:

	For The Year Ended December 31, 2021			Amount	
	Balance		Balance	Due	
	December 31		December 31	Within	
	2020	Additions	Reductions	2021	One Year
Compensated absences payable	\$ 2,999	22,302	18,786	6,515	6,515

COMMUNITY AND CHILDREN'S RESOURCE BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE G - COMMITMENTS AND CONTINGENCIES

CCRB has contractual agreements to provide service funding to multiple area agencies amounting to approximately \$19.2 million for the two years ending December 31, 2023.

NOTE H - RISK MANAGEMENT

CCRB carries commercial insurance for its risks of loss, including liability insurance. Health insurance is provided by a third-party insurance company. During the past three years, there have been no settled claims resulting from these risks and therefore, the claims have not exceeded commercial insurance coverage accordingly.

NOTE I - NEW PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by CCRB. The Statements which might impact CCRB are as follows:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This Statement: 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset--an intangible asset--and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

COMMUNITY AND CHILDREN'S RESOURCE BOARD
REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION SECTION

COMMUNITY AND CHILDREN'S RESOURCE BOARD
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE
OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Sales tax	\$ 8,216,892	8,216,892	8,943,149	726,257
Refund of taxes	(38,880)	(38,880)	(23,483)	(15,397)
Total Sales Tax	8,178,012	8,178,012	8,919,666	741,654
Investment income	37,968	37,968	13,852	(24,116)
Other	-	-	10,554	10,554
Total Revenues	8,215,980	8,215,980	8,944,072	728,092
EXPENDITURES				
Children's services funded:				
Children's services funded	8,169,493	8,804,493	6,895,608	(1,908,885)
Current:				
Salaries and benefits	297,680	297,680	290,484	(7,196)
Donations to charities	-	-	120	120
Insurance	5,500	5,500	5,466	(34)
Administrative	2,650	2,650	1,486	(1,164)
Memberships	1,100	1,100	1,166	66
Payroll taxes	16,580	16,580	16,384	(196)
Professional services	42,800	42,800	52,371	9,571
Rent	17,000	17,000	18,086	1,086
Supplies, printing, and postage	5,500	5,500	7,045	1,545
Telephone communication services	3,900	3,900	3,922	22
Training	29,540	29,540	-	(29,540)
Travel and meals	5,000	5,000	3,083	(1,917)
Web management	850	850	1,174	324
Capital outlay	1,000	1,000	-	(1,000)
Total Expenditures	8,598,593	9,233,593	7,296,395	(1,937,198)
NET CHANGE IN FUND BALANCE	\$ (382,613)	(1,017,613)	1,647,677	2,665,290
FUND BALANCE, JANUARY 1			3,489,796	
FUND BALANCE, DECEMBER 31			<u>\$ 5,137,473</u>	

COMMUNITY AND CHILDREN'S RESOURCE BOARD
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

Budgetary Data

CCRB follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The proposed budget is submitted to the Board of Directors prior to the fiscal year. The operating budget includes proposed expenditures and means of financing them.
- b. The budget is adopted by the Board of Directors prior to the beginning of the fiscal year.
- c. Budget amendments are approved by the Board of Directors.
- d. All annual appropriations lapse at fiscal year-end.

INTERNAL CONTROL AND COMPLIANCE SECTION

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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**

The Board of Directors
COMMUNITY AND CHILDREN'S RESOURCE BOARD

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 the major fund information of the **COMMUNITY AND CHILDREN'S RESOURCE BOARD** (CCRB), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise CCRB's basic financial statements, and have issued our report thereon dated May 17, 2022.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered CCRB'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 CCRB's internal control. Accordingly, we do not express an opinion on the effectiveness of CCRB'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 CCRB'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 CCRB'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 CCRB's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCRB's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

St. Louis, Missouri
May 17, 2022

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The Board of Directors
COMMUNITY AND CHILDREN'S RESOURCE BOARD

We have audited the financial statements of the governmental activities and the major fund of the **COMMUNITY AND CHILDREN'S RESOURCE BOARD (CCRB)** for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by CCRB are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by CCRB during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting CCRB's financial statements were:

Management makes various other accounting estimates related to investments and donations. These estimates are based on market value and historical experience.

We evaluated the key factors and the assumptions used to develop the above estimates and determined they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements considered to be material, either individually or in the aggregate. Refer to the attached schedule labeled Adjusting Journal Entries for a summary of the corrected misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 17, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to CCRB's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as CCRB's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In planning and performing our audit of the financial statements of CCRB as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and the required supplemental information (RSI), as listed in the table of contents of the financial report, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

St. Louis, Missouri

May 17, 2022

Community and Children's Resource Board

December 31, 2021

Adjusting Journal Entries

Number	Date	Name	Account No	Amount
AJE001	12/31/2021	SALES TAX RECEIVABLE	1250	191,788
AJE001	12/31/2021	ADVANCE TO AGENCY	9200	28,430
AJE001	12/31/2021	SALES TAX	4000	1
AJE001	12/31/2021	FUND BALANCE	3000	(220,219)
To record prior year adjustments.				
AJE002	12/31/2021	SALES TAX	4000	137,511
AJE002	12/31/2021	SALES TAX RECEIVABLE	1250	(137,511)
To record 2021 receivables.				
AJE003	12/31/2021	MISCELLANEOUS REVENUE	4100	7,658
AJE003	12/31/2021	SALES TAX	4000	(7,658)
To adjust for 2020 TIF received in 2021.				
AJE004	12/31/2021	UNITS OF SERVICE EXPENSE	5925	28,430
AJE004	12/31/2021	ADVANCE TO AGENCY	9200	(28,430)
To reverse prior year advance to agency.				