



**COMMUNITY AND CHILDREN'S  
RESOURCE BOARD**

**FINANCIAL REPORT**  
(Audited)

Year Ended December 31, 2019

# COMMUNITY AND CHILDREN'S RESOURCE BOARD

## FINANCIAL REPORT

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**Hochschild, Bloom & Company LLP**  
Certified Public Accountants  
Consultants and Advisors

## **INDEPENDENT AUDITOR'S REPORT**

March 16, 2020

The Board of Directors  
**COMMUNITY AND CHILDREN'S RESOURCE BOARD**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities and the major fund of the **COMMUNITY AND CHILDREN'S RESOURCE BOARD (CCRB)** as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise CCRB'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.

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In making those risk assessments, the auditor considers internal control relevant to CCRB'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 CCRB'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**

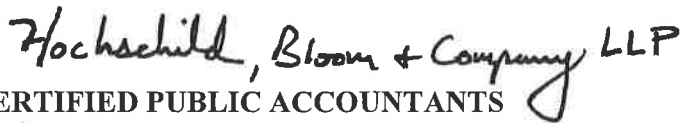
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of CCRB as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters - Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplemental information, as listed 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 the required supplemental 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 March 16, 2020 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 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 CCRB's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS  
Chesterfield, Missouri

# COMMUNITY AND CHILDREN'S RESOURCE BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED DECEMBER 31, 2019

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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, 2019. 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 \$2,134,473.
- \* CCRB's total net position increased by \$151,423.
- \* As of the close of the current fiscal year, CCRB's governmental fund reported an ending fund balance of \$2,134,715, an increase of \$154,565 in comparison with the prior year.
- \* At the end of the current fiscal year, \$2,134,715 of fund balance, or 27.8% 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, 2019

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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 \$2,134,473 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, 2019**

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		2019 Change	
	2019	2018	Amount	Percent
<b>ASSETS</b>				
Current and other assets	\$ 2,468,081	2,223,368	244,713	11.0 %
Capital assets	2,155	4,449	(2,294)	(51.6)
Total Assets	<u>2,470,236</u>	<u>2,227,817</u>	<u>242,419</u>	10.9
<b>LIABILITIES</b>				
Current liabilities	333,366	243,218	90,148	37.1
Noncurrent liabilities	2,397	1,549	848	54.7
Total Liabilities	<u>335,763</u>	<u>244,767</u>	<u>90,996</u>	37.2
<b>NET POSITION</b>				
Net investment in capital assets	2,155	4,449	(2,294)	(51.6)
Restricted	<u>2,132,318</u>	<u>1,978,601</u>	<u>153,717</u>	7.8
Total Net Position	<u>\$ 2,134,473</u>	<u>1,983,050</u>	<u>151,423</u>	7.6 %

**Governmental activities.** Governmental activities increased CCRB's net position by \$151,423.

Cash and investments remained stable. Expenditures increased due to increased funding for children's services provided.

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, 2019**

	For The Years Ended December 31		2019 Change	
	2019	2018	Amount	Percent
<b>REVENUES</b>				
General revenues:				
Sales tax	\$ 7,629,024	7,293,791	335,233	4.6 %
Investment income	37,605	20,177	17,428	86.4
Other	8,342	5,117	3,225	63.0
Total Revenues	<u>7,674,971</u>	<u>7,319,085</u>	<u>355,886</u>	4.9
<b>EXPENSES</b>				
Children's services	7,130,589	6,838,365	292,224	4.3
Administration	<u>392,959</u>	<u>360,571</u>	<u>32,388</u>	9.0
Total Expenses	<u>7,523,548</u>	<u>7,198,936</u>	<u>324,612</u>	4.5
<b>CHANGE IN NET POSITION</b>	151,423	120,149	31,274	26.0
<b>NET POSITION, JANUARY 1</b>	<u>1,983,050</u>	<u>1,862,901</u>	<u>120,149</u>	6.4
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 2,134,473</u>	<u>1,983,050</u>	<u>151,423</u>	7.6 %

**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 \$2,134,715.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

CCRB had one budget amendment during the year. Revenues were \$279,899 over the budgeted amount of \$7,395,072. Expenditures were \$488,391 under the budgeted amount of \$8,008,797.



**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**CAPITAL ASSETS**

At the end of the year, \$40,915 was invested in capital assets, including furniture and equipment. There was \$2,294 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 \$2,397 at December 31, 2019. 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 2020 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, 2019

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 1,160,903
Sales tax receivable	1,305,793
Other assets	1,385
Capital assets, net of accumulated depreciation	2,155
Total Assets	<u>2,470,236</u>
<b>LIABILITIES</b>	
Accounts payable	330,198
Accrued wages and payroll taxes	3,168
Noncurrent liabilities:	
Due within one year	<u>2,397</u>
Total Liabilities	<u>335,763</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,155
Restricted	<u>2,132,318</u>
Total Net Position	<u>\$ 2,134,473</u>

**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Net Revenues (Expenses) And Change In Net Position</b>
<b>Governmental Activities</b>		
Children's services	\$ 7,130,589	(7,130,589)
Administration	392,959	(392,959)
Total Governmental Activities	<u>\$ 7,523,548</u>	<u>(7,523,548)</u>
 <b>General Revenues</b>		
Sales tax		7,629,024
Investment income		37,605
Other		8,342
Total General Revenues		<u>7,674,971</u>
 <b>CHANGE IN NET POSITION</b>		151,423
 <b>NET POSITION, JANUARY 1</b>		<u>1,983,050</u>
 <b>NET POSITION, DECEMBER 31</b>		<u><u>\$ 2,134,473</u></u>

**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**BALANCE SHEET - GOVERNMENTAL FUND**  
**DECEMBER 31, 2019**

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	<u>General Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,160,903
Sales tax receivable	1,305,793
Other assets	<u>1,385</u>
Total Assets	<u><u>\$ 2,468,081</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 330,198
Accrued wages and payroll taxes	<u>3,168</u>
Total Liabilities	<u>333,366</u>
 <b>Fund Balance</b>	
Restricted for community and children services	<u>2,134,715</u>
Total Liabilities And Fund Balance	<u><u>\$ 2,468,081</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, 2019**

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Total Fund Balance - Governmental Fund \$ 2,134,715

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 \$38,760. 2,155

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 (2,397)

Total Net Position Of Governmental Activities \$ 2,134,473

**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGE IN FUND BALANCE - GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>General Fund</b>
<b>REVENUES</b>	
Sales tax	\$ 7,629,024
Investment income	37,605
Other	8,342
Total Revenues	<u>7,674,971</u>
<b>EXPENDITURES</b>	
Children's services funded	7,130,589
Current:	
Salaries and benefits	260,810
Donations to charities	7,860
Insurance	4,988
Administrative	1,497
Children's support RB 21 initiative	12,000
Memberships	500
Payroll taxes	15,458
Professional services	42,740
Rent	16,493
Supplies, printing, and postage	4,299
Telephone communication services	2,871
Training	13,992
Travel and meals	5,490
Web management	819
Total Expenditures	<u>7,520,406</u>
<b>NET CHANGE IN FUND BALANCE</b>	154,565
<b>FUND BALANCE, JANUARY 1</b>	<u>1,980,150</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u><u>\$ 2,134,715</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, 2019**

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Net Change In Fund Balance - Governmental Fund \$ 154,565

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 (\$2,294) exceeded capital outlays over the capitalization threshold (\$0). (2,294)

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 (848)

Change In Net Position Of Governmental Activities \$ 151,423

# **COMMUNITY AND CHILDREN'S RESOURCE BOARD**

## **NOTES TO FINANCIAL STATEMENTS**

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### **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 a 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 components 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 liability is incurred, as under accrual accounting.

CCRB reports the following major governmental fund:

**General Fund** -- The General Fund accounts for all activities except those required to be 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. Investments are reported at fair value.

#### 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

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### 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 minimal fund balance of 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, 2019, CCRB's amount recorded on its books and bank deposits totaled \$105,693 and \$239,575, respectively. The bank balances were fully secured by Federal Deposit Insurance Corporation.

# 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, 2019, CCRB's investments in the County's investment pool totaled \$1,055,210.

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, 2019 were at the Level 2 rating.

### NOTE C - CAPITAL ASSETS

Capital assets activity was as follows:

	For The Year Ended December 31, 2019			
	Balance			Balance
	December 31			December 31
	2018	Additions	Reductions	2019
Office equipment	\$ 24,083	-	-	24,083
Office furniture	16,832	-	-	16,832
	40,915	-	-	40,915
Less - Accumulated depreciation	36,466	2,294	-	38,760
Total Capital Assets, Net	\$ 4,449	(2,294)	-	2,155

Depreciation expense for the year ended December 31, 2019 was \$2,294 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, 2017 through August 31, 2020. The lease payments are \$1,362 for the first twenty-four months and \$1,387 for the final twelve months. Future minimum rental payments are as follows:

**For The  
Year Ending  
December 31**

2020

\$ 11,096

Total rent expense for the year ended December 31, 2019 amounts to \$16,493.

**NOTE E - PENSION PLAN**

CCRB has a SEP IRA plan that covers all employees after one year of employment. Contributions are based on 6% of the employee's annual salary. Pension expense for the year ended December 31, 2019 was \$12,015.

**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:

	<b>For The Year Ended December 31, 2019</b>			<b>Amount</b>	
	<b>Balance</b>			<b>Balance</b>	<b>Due</b>
	<b>December 31</b>	<b>Additions</b>	<b>Reductions</b>	<b>December 31</b>	<b>Within</b>
	<b>2018</b>			<b>2019</b>	<b>One Year</b>
Compensated absences payable	<u>\$ 1,549</u>	<u>18,956</u>	<u>18,108</u>	<u>2,397</u>	<u>2,397</u>

**NOTE G - COMMITMENTS AND CONTINGENCIES**

CCRB has contractual agreements to provide service funding to 32 area agencies in an amount not to exceed \$7,695,662 for the year ending December 31, 2020.

# **COMMUNITY AND CHILDREN'S RESOURCE BOARD**

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## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE H - RISK MANAGEMENT**

CCRB carries commercial insurance for its risks of loss, including liability insurance. 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.

**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**REQUIRED SUPPLEMENTAL INFORMATION**

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**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, 2019

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018

	2019				
	Budgeted Amounts		Actual	Over (Under) Budget	2018 Actual
	Original	Final			
<b>REVENUES</b>					
Sales tax	\$ 7,464,072	7,464,072	7,717,640	253,568	7,378,786
Refund of taxes	(90,000)	(90,000)	(88,616)	(1,384)	(84,995)
Total Sales Tax	7,374,072	7,374,072	7,629,024	254,952	7,293,791
Investment income	15,000	15,000	37,605	22,605	20,177
Other	6,000	6,000	8,342	2,342	5,117
Total Revenues	7,395,072	7,395,072	7,674,971	279,899	7,319,085
<b>EXPENDITURES</b>					
Children's services funded	7,531,183	7,618,897	7,130,589	(488,308)	6,838,365
Current:					
Salaries and benefits	264,150	264,150	260,810	(3,340)	250,052
Donations to charities	6,000	6,000	7,860	1,860	3,965
Insurance	5,000	5,000	4,988	(12)	4,899
Administrative	500	500	1,497	997	907
Children's support RB 21 initiative	12,000	12,000	12,000	-	12,000
Memberships	450	450	500	50	300
Payroll taxes	15,700	15,700	15,458	(242)	15,395
Professional services	39,000	39,000	42,740	3,740	37,925
Rent	16,350	16,350	16,493	143	16,378
Supplies, printing, and postage	5,000	5,000	4,299	(701)	4,281
Telephone communication services	3,000	3,000	2,871	(129)	2,932
Training	17,250	17,250	13,992	(3,258)	5,250
Travel and meals	4,500	4,500	5,490	990	4,756
Web management	650	650	819	169	637
Capital outlay	350	350	-	(350)	4,412
Total Expenditures	7,921,083	8,008,797	7,520,406	(488,391)	7,202,454
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (526,011)</u>	<u>(613,725)</u>	154,565	<u>768,290</u>	116,631
<b>FUND BALANCE, JANUARY 1</b>			<u>1,980,150</u>		<u>1,863,519</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 2,134,715</u>		<u>1,980,150</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, 2019**

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**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.



**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**INTERNAL CONTROL AND COMPLIANCE**

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**INTERNAL CONTROL AND COMPLIANCE SECTION**



Hochschild, Bloom & Company LLP  
Certified Public Accountants  
Consultants and Advisors\*

**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**

March 16, 2020

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, 2019, and the related notes to the financial statements, which collectively comprise CCRB's basic financial statements, and have issued our report thereon dated March 16, 2020.

**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) 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 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.

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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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

*Hochschild, Bloom & Company LLP*

**CERTIFIED PUBLIC ACCOUNTANTS**

*Chesterfield, Missouri*



**Hochschild, Bloom & Company LLP**  
Certified Public Accountants  
Consultants and Advisors

March 16, 2020

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, 2019. 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 June 8, 2018. 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. All significant transactions have been recognized in the financial statements in the proper period.

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's estimate of depreciation expense of its depreciable capital assets is based upon management's assumptions regarding the useful lives of these assets.

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

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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 March 16, 2020.

*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, 2019, 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. However, during the audit we became aware of a certain comment for management.

The attachment that accompanies this letter entitled "Schedule of Management Comment and Recommendation" summarizes our comment and suggestion regarding this matter. This letter does not affect our report dated March 16, 2020 on the financial statements. We will review the status of this comment during our next audit engagement. We have already discussed this comment and recommendation with various personnel.

#### **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.

*Hochschild, Bloom + Company LLP*  
CERTIFIED PUBLIC ACCOUNTANTS  
*Chesterfield, Missouri*

# COMMUNITY AND CHILDREN'S RESOURCE BOARD

## ADJUSTING JOURNAL ENTRIES

FOR THE YEAR ENDED DECEMBER 31, 2019

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To record prior year receivable adjustment			
1200	INTEREST RECEIVABLE	5,503.00	
1250	SALES TAX RECEIVABLE	61,077.00	
3000	FUND BALANCE		66,580.00
<b>Total</b>		<b>66,580.00</b>	<b>66,580.00</b>
<b>Adjusting Journal Entries JE # 2</b>			
To adjust interest and sales tax receivable			
1250	SALES TAX RECEIVABLE	128,351.00	
4300	INTEREST INCOME	5,503.00	
1200	INTEREST RECEIVABLE		5,503.00
4000	SALES TAX		128,351.00
<b>Total</b>		<b>133,854.00</b>	<b>133,854.00</b>

**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**SCHEDULE OF MANAGEMENT COMMENT**  
**AND RECOMMENDATION**

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**Finding for the year ended December 31, 2019:**

**1. COMMENT**

We noted the annual baby shower (Shower of Love) event has various policies related to procedures, however the documentation of the receipts, and related review and approval was not maintained.

**RECOMMENDATION**

We recommend that documentation for receipts and related review be maintained.

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