



**COMMUNITY AND CHILDREN'S  
RESOURCE BOARD**

**FINANCIAL REPORT**  
(Audited)

Year Ended December 31, 2020

**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 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, 2020, 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. 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 effect-

tiveness 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, 2020, 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 18, 2021 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.

*Sikich LLP*

**Chesterfield, Missouri**

March 18, 2021

# COMMUNITY AND CHILDREN'S RESOURCE BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED DECEMBER 31, 2020

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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, 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 \$3,488,105.
- \* CCRB's total net position increased by \$1,353,632.
- \* As of the close of the current fiscal year, CCRB's governmental fund reported an ending fund balance of \$3,489,796, an increase of \$1,355,081 in comparison with the prior year.
- \* At the end of the current fiscal year, \$3,489,796 of fund balance, or 43.1% 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, 2020

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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 \$3,488,105 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, 2020**

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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:

	<b>December 31</b>		<b>2020 Change</b>	
	<b>2020</b>	<b>2019</b>	<b>Amount</b>	<b>Percent</b>
<b>ASSETS</b>				
Current and other assets	\$ 3,888,468	2,468,081	1,420,387	57.6 %
Capital assets	1,308	2,155	(847)	(39.3)
Total Assets	<u>3,889,776</u>	<u>2,470,236</u>	<u>1,419,540</u>	57.5
<b>LIABILITIES</b>				
Current liabilities	398,672	333,366	65,306	19.6
Noncurrent liabilities	2,999	2,397	602	25.1
Total Liabilities	<u>401,671</u>	<u>335,763</u>	<u>65,908</u>	19.6
<b>NET POSITION</b>				
Net investment in capital assets	1,308	2,155	(847)	(39.3)
Restricted	<u>3,486,797</u>	<u>2,132,318</u>	<u>1,354,479</u>	63.5
Total Net Position	<u><u>\$ 3,488,105</u></u>	<u><u>2,134,473</u></u>	<u><u>1,353,632</u></u>	63.4 %

**Governmental activities.** Governmental activities increased CCRB’s net position by \$1,353,632.

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, 2020**

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	<b>For The Years</b>		<b>2020 Change</b>	
	<b>Ended December 31</b>			
	<b>2020</b>	<b>2019</b>	<b>Amount</b>	<b>Percent</b>
<b>REVENUES</b>				
General revenues:				
Sales tax	\$ 8,058,126	7,629,024	429,102	5.6 %
Investment income	31,638	37,605	(5,967)	(15.9)
Other	11,708	8,342	3,366	40.4
Total Revenues	<u>8,101,472</u>	<u>7,674,971</u>	<u>426,501</u>	5.6
<b>EXPENSES</b>				
Children's services	6,371,703	7,130,589	(758,886)	(10.6)
Administration	376,137	392,959	(16,822)	(4.3)
Total Expenses	<u>6,747,840</u>	<u>7,523,548</u>	<u>(775,708)</u>	(10.3)
<b>CHANGE IN NET POSITION</b>	1,353,632	151,423	1,202,209	793.9
<b>NET POSITION, JANUARY 1</b>	<u>2,134,473</u>	<u>1,983,050</u>	<u>151,423</u>	7.6
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 3,488,105</u>	<u>2,134,473</u>	<u>1,353,632</u>	63.4 %

**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 \$3,489,796.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

CCRB had budget amendments during the year that increased expenditures by \$107,462 primarily for emergency expenditures. Revenues were \$413,792 over the budgeted amount of \$7,687,680. Expenditures were \$1,459,533 under the budgeted amount of \$8,205,924.

**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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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 \$847 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 \$2,999 at December 31, 2020. 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 94% of total expenses. These factors were considered in preparing CCRB's 2021 budget.

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus disease (COVID-19) a global pandemic. As a result, economic uncertainties have arisen which could further impact operations and revenues. The full extent and duration of the impact of COVID-19 on CCRB is continuing to be monitored.

**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, 2020

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 2,550,500
Sales tax receivable	1,308,153
Advance to agency	28,430
Other assets	1,385
Capital assets, net of accumulated depreciation	<u>1,308</u>
Total Assets	<u>3,889,776</u>
<b>LIABILITIES</b>	
Accounts payable	393,283
Accrued wages and payroll taxes	5,389
Noncurrent liabilities:	
Due within one year	<u>2,999</u>
Total Liabilities	<u>401,671</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,308
Restricted	<u>3,486,797</u>
Total Net Position	<u>\$ 3,488,105</u>

# COMMUNITY AND CHILDREN'S RESOURCE BOARD

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

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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	\$ 6,371,703	(6,371,703)
Administration	376,137	(376,137)
Total Governmental Activities	<u>\$ 6,747,840</u>	<u>(6,747,840)</u>
<b>General Revenues</b>		
Sales tax		8,058,126
Investment income		31,638
Other		11,708
Total General Revenues		<u>8,101,472</u>
<b>CHANGE IN NET POSITION</b>		1,353,632
<b>NET POSITION, JANUARY 1</b>		<u>2,134,473</u>
<b>NET POSITION, DECEMBER 31</b>		<u>\$ 3,488,105</u>

**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**BALANCE SHEET - GOVERNMENTAL FUND**  
**DECEMBER 31, 2020**

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	<u>General Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 2,550,500
Sales tax receivable	1,308,153
Advance to agency	28,430
Other assets	<u>1,385</u>
Total Assets	<u><u>\$ 3,888,468</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 393,283
Accrued wages and payroll taxes	<u>5,389</u>
Total Liabilities	398,672
 <b>Fund Balance</b>	
Restricted for community and children services	<u>3,489,796</u>
Total Liabilities And Fund Balance	<u><u>\$ 3,888,468</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, 2020**

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Total Fund Balance - Governmental Fund \$ 3,489,796

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 \$39,607. 1,308

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 (2,999)

Total Net Position Of Governmental Activities \$ 3,488,105

**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGE IN FUND BALANCE - GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>General Fund</b>
<b>REVENUES</b>	
Sales tax	\$ 8,058,126
Investment income	31,638
Other	11,708
Total Revenues	8,101,472
<b>EXPENDITURES</b>	
Children's services funded	6,371,703
Current:	
Salaries and benefits	270,626
Donations to charities	4,290
Insurance	5,213
Administrative	1,425
Children's support RB 21 initiative	3,000
Memberships	1,055
Payroll taxes	15,757
Professional services	45,355
Rent	16,643
Supplies, printing, and postage	4,405
Telephone communication services	3,720
Training	115
Travel and meals	2,269
Web management	815
Total Expenditures	6,746,391
<b>NET CHANGE IN FUND BALANCE</b>	1,355,081
<b>FUND BALANCE, JANUARY 1</b>	2,134,715
<b>FUND BALANCE, DECEMBER 31</b>	\$ 3,489,796

**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, 2020**

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Net Change In Fund Balance - Governmental Fund \$ 1,355,081

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 (\$847) exceeded capital outlays over the capitalization threshold (\$0). (847)

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 (602)

Change In Net Position Of Governmental Activities \$ 1,353,632

# **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 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**

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**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. 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 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, 2020, CCRB's amount recorded on its books and bank deposits totaled \$108,326 and \$308,874, respectively. The bank balances were covered by Federal Deposit Insurance Corporation in the amount of \$250,000 and \$58,874 was uninsured and uncollateralized.

**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, 2020, CCRB's investments in the County's investment pool totaled \$2,442,174.

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, 2020 were at the Level 2 rating.

**NOTE C - CAPITAL ASSETS**

Capital assets activity was as follows:

	<b>For The Year Ended December 31, 2020</b>			
	<b>Balance</b>			<b>Balance</b>
	<b>December 31</b>	<b>Additions</b>	<b>Reductions</b>	<b>December 31</b>
	<b>2019</b>			<b>2020</b>
Office equipment	\$ 24,083	-	-	24,083
Office furniture	16,832	-	-	16,832
	40,915	-	-	40,915
Less - Accumulated depreciation	38,760	847	-	39,607
Total Capital Assets, Net	\$ 2,155	(847)	-	1,308

Depreciation expense for the year ended December 31, 2020 was \$847 and included in the administrative expense category on the statement of activities.

**COMMUNITY AND CHILDREN'S RESOURCE BOARD**  
**NOTES TO FINANCIAL STATEMENTS**

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**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:

<b>For The Years Ending December 31</b>		
2021		\$ 16,924
2022		17,064
2023		<u>11,376</u>
Total		<u><u>\$ 45,364</u></u>

Total rent expense for the year ended December 31, 2020 amounts to \$16,643.

**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, 2020 was \$12,255.

**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, 2020</b>			<b>Amount Due Within One Year</b>
	<b>Balance December 31 2019</b>	<b>Additions</b>	<b>Reductions</b>	
	<b>Balance December 31 2020</b>			
Compensated absences payable	<u>\$ 2,397</u>	<u>21,254</u>	<u>20,652</u>	<u>2,999</u>

# COMMUNITY AND CHILDREN'S RESOURCE BOARD

## NOTES TO FINANCIAL STATEMENTS

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### NOTE G - COMMITMENTS AND CONTINGENCIES

CCRB has contractual agreements to provide service funding to 32 area agencies in an amount not to exceed \$8,169,493 for the year ending December 31, 2021.

### 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 - SUBSEQUENT EVENTS

As a result of COVID-19 coronavirus, the ongoing pandemic continues to lead to economic uncertainty. The duration of these uncertainties and the ultimate effects cannot be reasonably estimated at this time. In addition, the amount of collection after year-end and other factors could be significantly affected by the COVID-19 pandemic due to economic issues.

### NOTE J - 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.
- In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

**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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales tax	\$ 7,672,680	7,672,680	8,096,245	423,565
Refund of taxes	(30,000)	(30,000)	(38,119)	8,119
Total Sales Tax	7,642,680	7,642,680	8,058,126	415,446
Investment income	39,000	39,000	31,638	(7,362)
Other	6,000	6,000	11,708	5,708
Total Revenues	<u>7,687,680</u>	<u>7,687,680</u>	<u>8,101,472</u>	<u>413,792</u>
<b>EXPENDITURES</b>				
Children's services funded:				
Children's services funded	7,695,662	7,700,655	6,304,425	(1,396,230)
Emergency funding	-	102,469	67,278	(35,191)
Current:				
Salaries and benefits	270,800	270,800	270,626	(174)
Donations to charities	6,000	6,000	4,290	(1,710)
Insurance	5,000	5,000	5,213	213
Administrative	1,000	1,000	1,425	425
Children's support RB 21 initiative	12,000	12,000	3,000	(9,000)
Memberships	1,100	1,100	1,055	(45)
Payroll taxes	15,900	15,900	15,757	(143)
Professional services	41,900	41,900	45,355	3,455
Rent	16,800	16,800	16,643	(157)
Supplies, printing, and postage	5,500	5,500	4,405	(1,095)
Telephone communication services	3,000	3,000	3,720	720
Training	16,000	16,000	115	(15,885)
Travel and meals	5,000	5,000	2,269	(2,731)
Web management	2,000	2,000	815	(1,185)
Capital outlay	800	800	-	(800)
Total Expenditures	<u>8,098,462</u>	<u>8,205,924</u>	<u>6,746,391</u>	<u>(1,459,533)</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	<u>\$ (410,782)</u>	<u>(518,244)</u>	1,355,081	<u>1,873,325</u>
FUND BALANCE, JANUARY 1			<u>2,134,715</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 3,489,796</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, 2020**

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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.

**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, 2020, and the related notes to the financial statements, which collectively comprise CCRB’s basic financial statements, and have issued our report thereon dated March 18, 2021.

**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 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 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.

*Sikich LLP*

**Chesterfield, Missouri**

March 18, 2021