

LINCOLN COUNTY RESOURCE BOARD

AUDIT REPORT

YEAR ENDED DECEMBER 31, 2017

CHARLES E. MONTGOMERY
Certified Public Accountant

**LINCOLN COUNTY RESOURCE BOARD
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FOR YEAR ENDING DECEMBER 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lincoln County Resource Board
Troy, Missouri 63379

I have audited the accompanying basic financial statements of the Lincoln County Resource Board as of and for the year ended December 31, 2017, as listed in the table of contents. These financial statements are the responsibility of the Lincoln County Resource Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln County Resource Board as of December 31, 2017 and the results of its operations and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management has elected to omit the Management's Discussion and Analysis which is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in The United States of America.

Charles E. Montgomery
Certified Public Accountant

September 12, 2018

LINCOLN COUNTY RESOURCE BOARD
STATEMENT OF NET ASSETS
DECEMBER 31, 2017

| | |
|--|-------------------------|
| CURRENT ASSETS | |
| Cash and Cash Equivalents | \$ 218,455 |
| Sales Tax Receivable | 132,651 |
| Prepaid Expenses | -0- |
| Prepaid Matching Funds | <u>-0-</u> |
| Total Current Assets | \$ <u>351,106</u> |
| NON CURRENT ASSETS | |
| Capital Assets Net of Accumulated Depreciation | <u>889</u> |
| Total Assets | \$ 351,995 ===== |
| LIABILITIES | |
| Accounts Payable | \$ 196,264 |
| Accrued Expenses | <u>1,548</u> |
| Total Liabilities | \$ <u>197,812</u> |
| NET ASSETS | \$ 154,183 ===== |

THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**LINCOLN COUNTY RESOURCE BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Governmental Activities

REVENUES

| | |
|-----------------------|--------------|
| Sales Tax | \$ 1,365,512 |
| Interest Income | 1,082 |
| Children's Trust Fund | 2,734 |
| Other Income | <u>1,055</u> |
| Total Revenues | 1,370,383 |

EXPENSES

| | |
|----------------------|------------------|
| Grant Expenses | <u>1,317,666</u> |
| Total Grant Expenses | 1,317,666 |

Administrative Expenses

| | |
|-------------------------------|----------------|
| Salaries | 48,984 |
| Payroll Tax Expense | 3,747 |
| Employee Benefits | 12,743 |
| Supplies and Office Expense | 963 |
| Postage | 197 |
| Professional Services | 9,834 |
| Travel and Meetings | 1,727 |
| Insurance | 3,932 |
| Telephone | 2,483 |
| Advertising | 1,035 |
| Memberships | 372 |
| Needs Assessment | 13,000 |
| Rent | 3,384 |
| Depreciation | 356 |
| Program Expenses | <u>4,592</u> |
| Total Administrative Expenses | <u>107,349</u> |

| | |
|----------------|------------------|
| Total Expenses | <u>1,425,015</u> |
|----------------|------------------|

| | |
|------------------------|----------|
| Decrease in Net Assets | (54,632) |
|------------------------|----------|

| | |
|-------------------------------|----------------|
| Net Assets, beginning of year | <u>208,815</u> |
| Net Assets, end of year | \$ 154,183 |
| | ===== |

THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**LINCOLN COUNTY RESOURCE BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|-----------------|
| Cash received from sales tax | \$1,348,130 |
| Cash received from grants and other | 4,871 |
| Cash paid for grants | (1,195,959) |
| Cash paid to vendors | (41,519) |
| Cash paid for wages, benefits and taxes | <u>(65,421)</u> |
| Net cash provided (used) by operating activities | 50,102 |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---|------------|
| Purchase of fixed assets | <u>-0-</u> |
| Net cash used by investing and capital activities | -0- |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|--------------------------|---------------|
| Net cash provided (used) | \$ <u>-0-</u> |
| Total Cash Provided | \$ 50,102 |

CASH BALANCES

| | |
|------------------------|--------------------|
| December 31, 2017 | \$ 218,455 |
| December 31, 2016 | <u>168,353</u> |
| Net (increase) in cash | \$ 50,102 ===== |

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | |
|---|-------------|
| Operating income (loss) | \$ (54,632) |
| Adjustments to reconcile net income to cash provided by operating activities: | |
| Depreciation | 356 |
| Change in assets and liabilities: | |
| Accounts receivable increase | (17,382) |
| Prepaid expense decrease | 5,841 |
| Accounts payable increase | 115,866 |
| Accrued expenses increase | <u>53</u> |

| | |
|--|---------------------------|
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ 50,102 ===== |
|--|---------------------------|

THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**LINCOLN COUNTY RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 DESCRIPTION OF OPERATIONS

The Lincoln County Resource Board (“LCRB”) was formed in May of 2003 by the Lincoln County Commissioners. The purpose of the LCRB is to oversee the establishment, operation and maintenance of mental health services for children, youth and their families in Lincoln County. The LCRB also provides leadership in the development and implementation of early intervention, prevention and life skills programs. The current funding is provided through a ¼ of 1 cent Lincoln County, Missouri sales tax that went into effect in November of 2006. The LCRB contracts with a number of organizations to provide the related services.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

For financial reporting purposes, LCRB has included all funds and organizations. LCRB has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with LCRB are such that exclusion would cause LCRB’s financial statements to be misleading or incomplete. LCRB has no component units.

Basis Financial Statements Government-Wide/Fund Financial Statements

LCRB’s financial statements include both government-wide (reporting LCRB as a whole) and fund financial statements (reporting LCRB’s major funds), both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. However, LCRB has no business-type activities. LCRB is a single program entity and thus, has only one general fund to account for all activity.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Modified Accrual

The general fund is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, both measurable and available. “Available” means collectable within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

**LINCOLN COUNTY RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition

Sales taxes are recognized as revenue when they become measurable and available. A receivable is established for sales tax collections not yet remitted to the LCRB from the Missouri Department of Revenue.

Sales Taxes Receivable

LCRB considers the entire sales taxes receivable collectable. Because of this, no allowances have been established.

Capital Assets

LCRB buildings, improvements, furniture, equipment and vehicles with useful lives of more than one year are stated at historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on capital assets are calculated on the straight-line basis over the following estimated useful lives:

| | Useful Life | Capitalization Threshold |
|------------------|-------------|-----------------------------|
| Office Equipment | 7-10 years | \$250 |

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 CASH AND TEMPORARY INVESTMENTS

As required by law, the depository institutions are to pledge securities, in addition to Federal Deposit Insurance Corporation insurance, equal to the amount of deposit at all times. At December 31, 2017, the carrying amount of the LCRB's deposits was \$218,455 and the bank balance was \$251,179. The entire bank balance was covered by Federal Depository Insurance or by collateral pledged by the bank in LCRB's name and held by Midwest Independent Bank in Jefferson City, Missouri.

**LINCOLN COUNTY RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 PREPAID MATCHING FUNDS

LCRB has a contract with Crider Health Center (CHC) to provide funds that runs from July 1 to June 30 each year. To maximize the receipt of Federal funding for CHC the grant funds are paid to the Missouri Department of Mental Health (DMH) who reimburses CHC as bills are received. At the end of each contract year on June 30 DMH refunds any used funds not requested by CHC to the LCRB. As of December 31, 2017 DMH was holding \$0 of LCRB funds.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year end December 31, 2017 was as follows:

| | Balance at January 1 | Additions | Deductions | Balance at December 31 |
|---|-------------------------|-----------|------------|---------------------------|
| Equipment and furnishings | \$2,491 | \$ -0- | \$ -0- | \$ 2,491 |
| Less accumulated depreciation for Equipment and furnishing | 1,246 | 356 | -0- | 1,602 |
| Capital assets net | \$1,245 | \$ (356) | \$ -0- | \$ 889 |
| | ===== | ===== | ===== | ===== |

NOTE 6 GRANTS

In 2017, LCRB received a total of \$-0- in grants. These grants when received are used to cover a specific expense of the agency.

NOTE 7 LEASE COMMITMENTS

The LCRB leases office space in Troy, Missouri. Current lease payments total \$1,708 annually.

NOTE 8 RISK MANAGEMENT

Commercial insurance coverage has been obtained for the various risks to which LCRB has determined they are exposed. Settlement amounts have not exceeded coverage for the past three year.

NOTE 9 SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through September 12, 2018, the date the financial statements were available to be issued.