

**CROSSROADS COMMUNITY  
SERVICES BOARD  
FARMVILLE, VIRGINIA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

*As of and for the Years Ended  
June 30, 2021 and 2020*

# **CROSSROADS COMMUNITY SERVICES BOARD**

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# CROSSROADS COMMUNITY SERVICES BOARD

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**INTRODUCTORY  
SECTION**

# **CROSSROADS COMMUNITY SERVICES BOARD**

FARMVILLE, VIRGINIA

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## BOARD OF DIRECTORS

Carmalita Escoto, Chair

David Negaard, Vice - Chair

Abigail Barnes, Secretary

Robert Saunders, Jr., Treasurer

Chuck Arnason

Joseph Easter

Garland Hamlett

T. Wayne Hoover

Thomas Jordan Miles, III

Odessa Pride

Jerry Seal

Helen Simmons

Bernetta Watkins

Betty Zumbro

Interim Executive Director, Pam Wallace

Director of Administrative Services, Theresa Crenshaw

# CROSSROADS COMMUNITY SERVICES BOARD

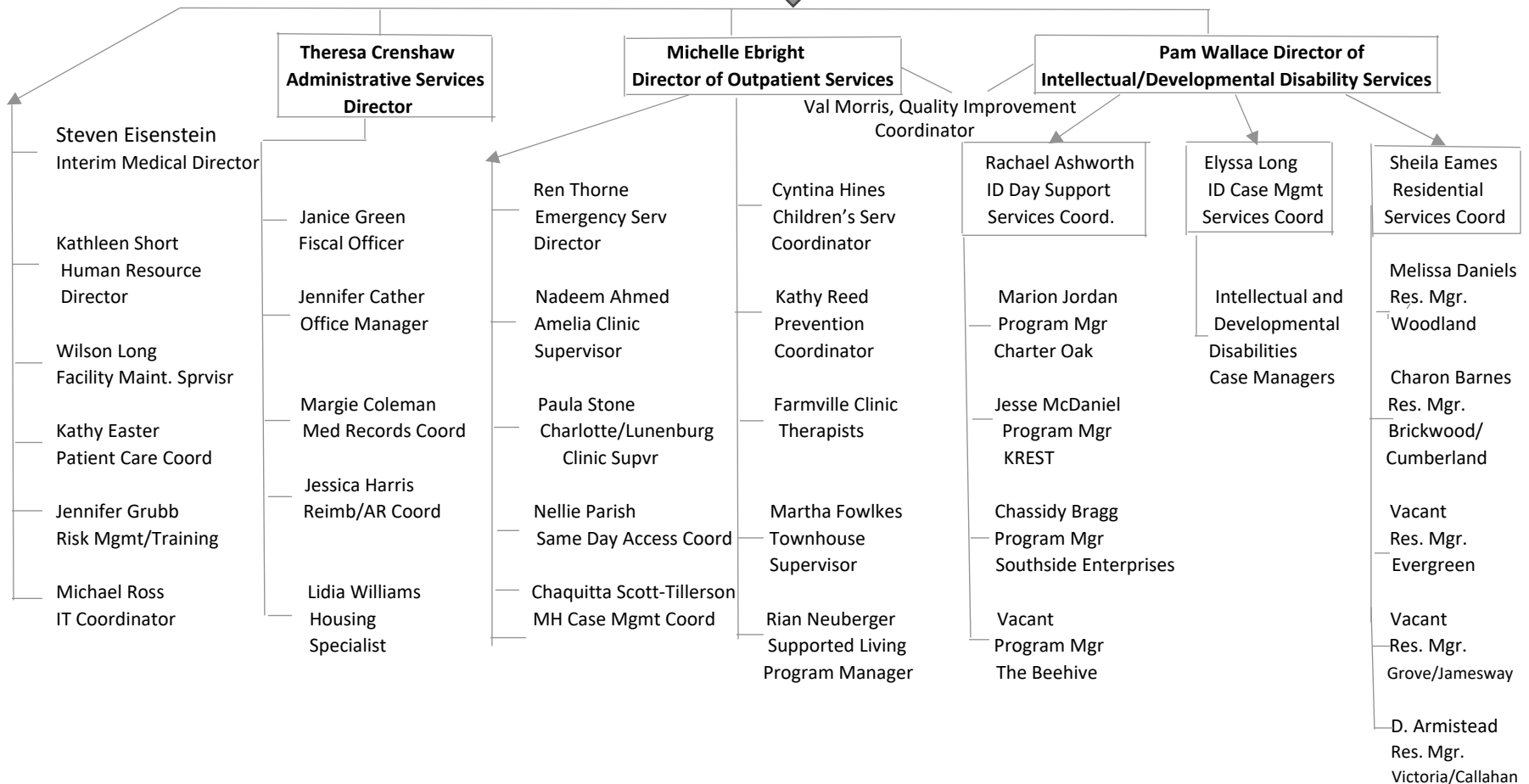
## FISCAL YEAR 2021

### ORGANIZATIONAL CHART

Serving the Counties of Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, and Prince Edward

#### **BOARD of DIRECTORS**

↓  
**Pam Wallace**  
Interim Executive Director  
↓



### INDEPENDENT AUDITORS' REPORT

To the Honorable Members of the Board of Directors  
**Crossroads Community Services Board**  
Farmville, Virginia

#### **Report on the Financial Statements**

We have audited the accompanying Statements of Net Position, Revenues, Expenses, and Changes in Net Position, and Cash Flows of **Crossroads Community Services Board** (the **Agency**) as of and for the years ended June 30, 2021 and 2020, and the related Notes to the Financial Statements, which collectively comprise the **Agency'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.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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; and *Specifications for Audit of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications 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 auditors' 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 the **Agency'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 the **Agency'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 opinion.

To the Honorable Members of the Board of Directors  
**Crossroads Community Services Board**

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the **Agency** as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced and subsequently spread through-out the world. The World Health Organization has characterized COVID-19 as a pandemic. The extent of the impact of COVID-19 on the **Agency's** operational and financial performance will depend on future developments, which are highly uncertain and cannot be predicted at this time. Please refer to Note 14.

As described in Note 15 to the financial statements, the **Agency** has restated the June 30, 2020, financial statements due to the PPP loan forgiveness. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-9 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audits 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 Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the **Agency's** Basic Financial Statements. The accompanying information listed in the Introductory Section and Supplementary Statements and Schedules in the Table of Contents is presented for purposes of additional analysis and is not a required part of the Basic Financial Statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the Basic Financial Statements.



To the Honorable Members of the Board of Directors  
**Crossroads Community Services Board**

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Basic Financial Statements. Such information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the Basic Financial Statements as a whole.

The Introductory Section and Supplementary Statements and Schedules, as listed in the Table of Contents, have not been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and, accordingly, we do not express an opinion nor provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021 on our consideration of the **Agency's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the effectiveness of the **Agency's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the **Agency's** internal control over financial reporting and compliance.



November 22, 2021  
Danville, Virginia

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

# CROSSROADS COMMUNITY SERVICES BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended June 30, 2021 and 2020

The following discussion and analysis of **Crossroads Community Services Board's** (the **Agency**) financial performance provides an overview of the **Agency's** financial activities for the fiscal years ended June 30, 2021 and 2020. Please read this information in conjunction with the **Agency's** financial statements.

### Overview of the Financial Statements

The **Agency** presents three Basic Financial Statements. These are: (1) Statements of Net Position; (2) Statements of Revenues, Expenses, and Changes in Net Position; and (3) Statements of Cash Flows.

The **Agency's** financial position is measured in terms of resources (assets) which the **Agency** owns and obligations (liabilities) that the **Agency** owes on a given date. This information is reported on the Statements of Net Position, which reflects the **Agency's** assets and deferred outflows of resources (if any), in relation to its liabilities which include its debts to its suppliers, employees and other creditors, and deferred inflows of resources (if any). The excess of the **Agency's** assets over liabilities is its equity, or net position. The Statements of Revenues, Expenses, and Changes in Net Position reports the changes in the **Agency's** net position. The Statements of Cash Flows reports the **Agency's** cash transaction activity and reconciles this activity to the net excess (deficiency) of revenues over (under) expenses.

### Financial Summary

#### Financial Position

A summary of the **Agency's** Statements of Net Position for 2021, 2020, and 2019 is presented as follows:

#### CONDENSED STATEMENTS OF NET POSITION

	2021	Restated 2020	2019
Current Assets	\$ 12,639,605	\$ 13,330,971	\$ 9,924,760
Current Assets Restricted	1,220,084	1,205,774	1,126,979
Noncurrent Assets	5,099,922	5,513,920	6,031,265
Total Assets	<u>\$ 18,959,611</u>	<u>\$ 20,050,665</u>	<u>\$ 17,083,004</u>
Current Liabilities	\$ 1,154,785	\$ 1,062,846	\$ 1,365,835
Current Liabilities Payable from Restricted Assets	158,274	147,691	72,609
Long-Term Liabilities	703,643	2,317,143	541,018
Total Liabilities	<u>\$ 2,016,702</u>	<u>\$ 3,527,680</u>	<u>\$ 1,979,462</u>

# CROSSROADS COMMUNITY SERVICES BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended June 30, 2021 and 2020

### Financial Summary (Continued)

#### Financial Position (Continued)

#### CONDENSED STATEMENTS OF NET POSITION (CONTINUED)

	<u>2021</u>	<u>Restated 2020</u>	<u>2019</u>
Investment in Capital Assets, Net of Related Capital Debt	\$ 4,727,254	\$ 4,930,488	\$ 5,261,509
Temporarily Restricted Net Position	461,169	500,910	390,039
Unrestricted Net Position	<u>11,754,486</u>	<u>11,091,587</u>	<u>9,451,994</u>
Total Net Position	<u>\$ 16,942,909</u>	<u>\$ 16,522,985</u>	<u>\$ 15,103,542</u>

The current financial position of the **Agency** is stable. This is evidenced by the **Agency's** liquidity. The Current Ratio (Current Assets/Current Liabilities) of the **Agency** was 10.95, 12.54, and 7.27, for 2021, 2020, and 2019, respectively.

The portion of net position which represents the amount the **Agency** has invested in capital assets, net of related capital debt, decreased by approximately 6.29% from 2019 to 2020 and decreased by 1.23% from 2020 to 2021, approximately.

#### Changes in Net Position

A summary of the **Agency's** Statements of Revenues, Expenses, and Changes in Net Position for 2021, 2020, and 2019 is presented as follows:

#### CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	<u>2021</u>	<u>Restated 2020</u>	<u>2019</u>
Total Operating Revenues	\$ 10,564,605	\$ 12,272,440	\$ 12,497,776
Total Operating Expenses	<u>( 16,422,160)</u>	<u>( 16,435,090)</u>	<u>( 15,716,375)</u>
Operating (Loss)	<u>( 5,857,555)</u>	<u>( 4,162,650)</u>	<u>( 3,218,599)</u>
Nonoperating Revenues (Expenses)			
Appropriations from governments	4,715,439	4,576,504	3,492,092
PPP loan forgiveness	1,547,922	949,105	-
Interest income	17,192	63,902	78,692
Interest expense on capital note	( 11,515)	( 16,275)	( 13,488)
Rent income	<u>8,441</u>	<u>8,857</u>	<u>44,465</u>
Net Nonoperating Revenues	<u>6,277,479</u>	<u>5,582,093</u>	<u>3,601,761</u>
Excess of Revenues over Expenses	419,924	1,419,443	383,162
Net Position - Beginning of Year	<u>16,522,985</u>	<u>15,103,542</u>	<u>14,720,380</u>
Net Position - End of Year	<u>\$ 16,942,909</u>	<u>\$ 16,522,985</u>	<u>\$ 15,103,542</u>

# CROSSROADS COMMUNITY SERVICES BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended June 30, 2021 and 2020

### Financial Summary (Continued)

#### Changes in Net Position (Continued)

The following data is intended to provide a comparison of all major revenue sources for the fiscal years ended June 30:

	<u>2021</u>	<u>Restated 2020</u>	<u>2019</u>
<u>Revenues</u>			
Net Individual Service Revenue	\$ 10,153,156	\$ 11,835,091	\$ 11,958,018
Other	411,449	437,349	539,758
State	2,779,554	3,200,833	2,268,250
Federal	1,562,285	1,001,671	861,842
Local	373,600	374,000	362,000
Interest Income	17,192	63,902	78,692
PPP loan forgiveness	1,547,922	949,105	-
Rent Income	8,441	8,857	44,465

The following data provides a comparison of all expenditures by line item for the fiscal years ended June 30:

	<u>2021</u>	<u>Restated 2020</u>	<u>2019</u>
<u>Expenses</u>			
Personnel	\$ 13,360,448	\$ 13,096,284	\$ 12,846,411
Staff Development	51,253	50,149	37,283
Facilities	713,478	679,796	676,886
Minor Equipment and Supplies	489,939	788,945	614,677
Travel	292,041	403,762	481,558
Contractual and Consulting	844,811	722,807	363,636
Depreciation	453,969	559,739	558,522
Miscellaneous	216,221	133,608	137,402
Interest Expense on Capital Note	11,515	16,275	13,488

Operating revenue is defined as the amount of revenue received from providing individual services. The vast majority of those funds are received from Medicaid. From 2019 to 2020, the **Agency** had a decrease in operating revenue of approximately 1.80%. From 2020 to 2021, the **Agency** had a decrease in operating revenue of approximately 13.92%.

Operating expenses are comprised of the direct expenses of operating the **Agency**. These include salaries and benefits, occupancy, payments to contracting other agencies, and depreciation. From 2019 to 2020, operating expenses increased by approximately 4.57%. From 2020 to 2021, operating expenses decreased by approximately 0.08%.

# CROSSROADS COMMUNITY SERVICES BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended June 30, 2021 and 2020

### Financial Summary (Continued)

#### Changes in Net Position (Continued)

Nonoperating revenue is comprised of income received as appropriations or grants as well as miscellaneous income. For 2021, appropriations from the Commonwealth of Virginia constitute approximately 44.20% of nonoperating revenue, while grants from the Federal Government and appropriations from local governments constitute approximately 24.84% and 5.94%, respectively. Forgiveness from the Paycheck Protection Program loan is also included in nonoperating revenue and constitutes approximately 24.61%.

From 2019 to 2020, nonoperating revenue increased by approximately 54.85%. From 2020 to 2021, nonoperating revenue increased by approximately 12.34%.

For 2021 and 2020, the main contributing factor to the net excess of revenues over expenses in the amounts of \$419,924 and \$1,419,443, respectively, was related to an increase in government appropriations and the forgiveness of the Paycheck Protection Program loan.

#### Cash Flows

A summary of the **Agency's** Statements of Cash Flows for 2021, 2020, and 2019 is presented as follows:

#### CONDENSED STATEMENTS OF CASH FLOWS

	<u>2021</u>	Restated <u>2020</u>	<u>2019</u>
Net Cash (Used) by Operating Activities	\$ ( 5,009,406)	\$ ( 3,622,987)	\$ ( 2,362,536)
Net Cash Provided by Noncapital Financing Activities	4,715,439	4,576,504	3,492,092
Net Cash (Used) Provided by Capital and Financing Activities	( 262,250)	2,252,034	( 83,482)
Net Cash Provided by Investing Activities	<u>8,589</u>	<u>9,240</u>	<u>3,138</u>
Net (Decrease) Increase in Cash and Cash Equivalents	( 547,628)	3,214,791	1,049,212
Cash and Cash Equivalents - Beginning of Year	<u>9,310,413</u>	<u>6,095,622</u>	<u>5,046,410</u>
Cash and Cash Equivalents - End of Year	<u>\$ 8,762,785</u>	<u>\$ 9,310,413</u>	<u>\$ 6,095,622</u>

The above represents the actual changes (flows) in cash.

Cash flows from operating activities reconcile the operating (loss) recorded on the Statements of Revenues, Expenses, and Changes in Net Position to cash used by operating activities. In this process, the operating (loss) is decreased by the amount of any noncash transactions (i.e. depreciation) and adjusted for changes in assets and liabilities. Please see the Statements of Cash Flows for a full listing of these transactions.

# CROSSROADS COMMUNITY SERVICES BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended June 30, 2021 and 2020

### Financial Summary (Continued)

#### Cash Flows (Continued)

Cash flows from noncapital financing transactions are comprised of income received as appropriations or grants. Please see the Changes in Net Position discussion section above. Cash flows from capital and financing activities are comprised of capital assets purchased and sold by the **Agency**. Please see Note 5 for a full listing of capital assets. Cash flows from investing activities are comprised of interest transactions and the purchase of investments.

#### Economic Factors

Current economic factors which affected the **Agency** the most were conditions that continue to affect a large write-off of Medicaid accounts receivable which are due in part to changes in billing and collection procedures.

Future economic conditions will affect the **Agency's** net position. Future changes in various state regulations will affect how the **Agency** will provide its services. However, it is unclear at this time whether or not these future changes will have a positive or negative effect on the **Agency's** net position.

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced and subsequently spread through-out the world. The World Health Organization has characterized COVID-19 as a pandemic. The extent of the impact of COVID-19 on the **Agency's** operational and financial performance will depend on future developments, which are highly uncertain and cannot be predicted at this time. Please refer to Note 14.

#### Budgetary Analysis

Please see the Budget to Actual Comparison of Revenues and Expenses Schedule for a complete variance analysis of budget to actual figures.

The largest favorable budget to actual variance is attributed to PPP loan forgiveness which is reported to have a \$1,547,922 favorable variance between budget to actual revenue. The **Agency** did not budget for this item as it is not a normal component of the operating budget.

The largest unfavorable variance is attributed to net individual service revenue which reported to have an unfavorable variance of \$523,666 between budget to actual revenue. The impacts of COVID-19 was the primary contributing factor to this variance.

# CROSSROADS COMMUNITY SERVICES BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended June 30, 2021 and 2020

### Capital Asset and Debt Administration

#### Capital Assets

The **Agency's** gross total of capital assets approximately consists of the following asset types at June 30:

	2021	Restated 2020	2019
Land	4%	4%	4%
Buildings and Improvements	58%	58%	58%
Furniture and Equipment	12%	12%	12%
Vehicles	26%	26%	26%

#### Long-Term Debt

As stated in Note 7, the **Agency** has two long-term capital notes with Wells Fargo Bank, N.A. On May 15, 2019, the **Agency** secured a note with Wells Fargo Bank, N.A. The balance of this note at June 30, 2021 was \$94,287. On November 11, 2019, the **Agency** renewed another note originally due in October 2019 with Wells Fargo Bank, N.A. The balance of this note at June 30, 2021 was \$278,381. Please see Note 7 for additional details of each note.

#### Paycheck Protection Program

The **Agency** received \$2,497,027 through the Small Business Association (SBA) in connection with the Paycheck Protection Program due to the COVID-19 pandemic in 2020. These funds were previously classified in 2020 as a liability because the loan had not been forgiven at the time the financial statements were issued. The loan was forgiven in 2021. Since a portion of the loan forgiveness was attributable to personnel expenses in 2020, a portion of the revenue from the forgiveness was recognized in 2020 and the 2020 financial statements were restated, accordingly.

### Summary

The Statements of Net Position reflect that on June 30, 2021, the **Agency** had 10.95 times more current assets than current liabilities.

The Statements of Revenues, Expenses, and Changes in Net Position report that the net position of the **Agency** increased by \$419,924 during 2021 as a result of operations.

The Statements of Cash Flows report that cash decreased by \$547,628 in 2021.

As stated above, the financial position of the **Agency** is measured in terms of resources (assets and deferred outflows, if any) which are owned and obligations (liabilities and deferred inflows, if any) which are owed on a given date. The **Agency's** liquidity displays a stable and secure financial position.



**BASIC  
FINANCIAL STATEMENTS**

# CROSSROADS COMMUNITY SERVICES BOARD

## STATEMENTS OF NET POSITION

June 30, 2021 and 2020

Exhibit 1

	Note(s)	2021	Restated 2020
<b>ASSETS</b>			
Current Assets			
Cash and investments	1, 2	\$ 11,946,294	\$ 12,489,046
Prepaid expenses		65,702	45,899
Accounts receivable, net of allowance for uncollectible accounts	1	565,073	791,187
Other assets		62,536	4,839
Total Current Assets		<u>12,639,605</u>	<u>13,330,971</u>
Current Assets Restricted			
Cash held for individuals		158,274	147,691
Cash restricted for loan	7	1,061,810	1,058,083
Total Current Assets Restricted		<u>1,220,084</u>	<u>1,205,774</u>
Noncurrent Assets			
Capital assets, net of accumulated depreciation	5	5,099,922	5,513,920
Total Noncurrent Assets		<u>5,099,922</u>	<u>5,513,920</u>
Total Assets		<u><u>\$ 18,959,611</u></u>	<u><u>\$ 20,050,665</u></u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accruals		\$ 824,690	\$ 727,679
Claim reserve - third-party payor		122,989	122,989
Current portion of long-term capital note	7	207,106	212,178
Total Current Liabilities		<u>1,154,785</u>	<u>1,062,846</u>
Current Liabilities Payable from Restricted Assets			
Individual deposits		<u>158,274</u>	<u>147,691</u>
Long-Term Liabilities			
Long-term capital note, net of current portion	7	165,562	371,254
PPP loan liability	7	-	1,547,922
Compensated absences	4	538,081	397,967
Total Long-Term Liabilities		<u>703,643</u>	<u>2,317,143</u>
Total Liabilities		<u><u>\$ 2,016,702</u></u>	<u><u>\$ 3,527,680</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

## CROSSROADS COMMUNITY SERVICES BOARD

### STATEMENTS OF NET POSITION (CONTINUED)

June 30, 2021 and 2020

Exhibit 1

	<u>Notes</u>	<u>2021</u>	<u>Restated 2020</u>
NET POSITION			
Investment in capital assets, net of related capital debt		\$ 4,727,254	\$ 4,930,488
Temporarily restricted net position	1	461,169	500,910
Unrestricted net position		<u>11,754,486</u>	<u>11,091,587</u>
Total Net Position		<u>\$ 16,942,909</u>	<u>\$ 16,522,985</u>

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The accompanying Notes to the Financial Statements are an integral part of these statements.

# CROSSROADS COMMUNITY SERVICES BOARD

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended June 30, 2021 and 2020

Exhibit 2

	<u>Note(s)</u>	<u>2021</u>	<u>Restated 2020</u>
Operating Revenues			
Revenues			
Net individual service revenue	1	\$ 10,153,156	\$ 11,835,091
Other		411,449	437,349
Total Operating Revenues		<u>10,564,605</u>	<u>12,272,440</u>
Operating Expenses			
Personnel		13,360,448	13,096,284
Staff development		51,253	50,149
Facilities		713,478	679,796
Minor equipment and supplies		489,939	788,945
Travel		292,041	403,762
Contractual and consulting		844,811	722,807
Depreciation		453,969	559,739
Miscellaneous		216,221	133,608
Total Operating Expenses		<u>16,422,160</u>	<u>16,435,090</u>
Operating (Loss)		<u>(5,857,555)</u>	<u>(4,162,650)</u>
Nonoperating Revenues (Expenses)			
Appropriations from governments			
State		2,779,554	3,200,833
Federal		1,562,285	1,001,671
Local	9	373,600	374,000
Interest income		17,192	63,902
Interest expense on capital note		(11,515)	(16,275)
PPP loan forgiveness		1,547,922	949,105
Rent income		8,441	8,857
Net Nonoperating Revenues		<u>6,277,479</u>	<u>5,582,093</u>
Excess of Revenues Over Expenses		419,924	1,419,443
Net Position - Beginning of Year		<u>16,522,985</u>	<u>15,103,542</u>
Net Position - End of Year		<u>\$ 16,942,909</u>	<u>\$ 16,522,985</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

# CROSSROADS COMMUNITY SERVICES BOARD

## STATEMENTS OF CASH FLOWS Years Ended June 30, 2021 and 2020

Exhibit 3

	2021	Restated 2020
Cash Flows (Uses) from Operating Activities		
Cash received from		
Net individual service revenue	\$ 10,379,270	\$ 11,688,859
Other	420,576	446,206
Cash payments for		
Personnel	(13,160,931)	(12,974,489)
Staff development	(47,103)	(49,053)
Facilities	(703,718)	(695,213)
Minor equipment and supplies	(498,516)	(806,699)
Travel	(280,747)	(426,209)
Contractual and consulting	(816,332)	(706,485)
Miscellaneous	(301,905)	(99,904)
Net Cash (Used) by Operating Activities	<u>(5,009,406)</u>	<u>(3,622,987)</u>
Cash Flows (Uses) from Noncapital Financing Activities		
State appropriations	2,779,554	3,200,833
Federal appropriations	1,562,285	1,001,671
Local appropriations	<u>373,600</u>	<u>374,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>4,715,439</u>	<u>4,576,504</u>
Cash Flows (Uses) from Capital and Financing Activities		
Proceeds from PPP loan	-	2,497,027
Purchase of capital assets	(39,971)	(42,394)
Payments on capital note payable	(210,764)	(186,324)
Interest paid on capital note	<u>(11,515)</u>	<u>(16,275)</u>
Net Cash (Used) Provided by Capital and Financing Activities	<u>(262,250)</u>	<u>2,252,034</u>
Cash Flows (Uses) from Investing Activities		
Purchase of investments, net	(4,876)	(50,949)
Invested in cash restricted for loan	(3,727)	(3,713)
Interest income	<u>17,192</u>	<u>63,902</u>
Net Cash Provided by Investing Activities	<u>8,589</u>	<u>9,240</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(547,628)	3,214,791
Cash and Cash Equivalents - Beginning of Year	<u>9,310,413</u>	<u>6,095,622</u>
Cash and Cash Equivalents - End of Year	<u>\$ 8,762,785</u>	<u>\$ 9,310,413</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

# CROSSROADS COMMUNITY SERVICES BOARD

## STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended June 30, 2021 and 2020

Exhibit 3

	2021	Restated 2020
Reconciliation of Changes in Net Position to Net Cash (Used) by Operating Activities		
Excess of revenues over expenses	\$ 419,924	\$ 1,419,443
Adjustments to reconcile changes in net position to net cash (used) by operating activities		
Net cash (provided) by noncapital financing activities	(4,715,439)	(4,576,504)
Depreciation	453,969	559,739
Forgiveness of PPP loan	(1,547,922)	(949,105)
Decrease (increase) in accounts receivable	226,114	(146,232)
(Increase) decrease in other assets	(57,697)	1,336
(Increase) decrease in prepaid expenses	(19,803)	4,425
Increase in operating accounts payable and accruals	97,011	60,107
Increase in compensated absences	140,114	51,431
Interest expense	11,515	16,275
Interest (income)	(17,192)	(63,902)
Net Cash (Used) by Operating Activities	<u>\$ (5,009,406)</u>	<u>\$ (3,622,987)</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### Note 1 - Summary of Significant Accounting Policies

#### Description and Purpose of Agency

The **Crossroads Community Services Board** (the **Agency**) operates as a cooperative venture among the Counties of Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, and Prince Edward in the establishment and operation of community mental health and intellectual disability and substance abuse programs as provided for in Chapter 5 of Title 37.2 of the *Code of Virginia (1950)*, as amended, relating to the Virginia Department of Behavioral Health and Developmental Services. In addition, the **Agency** provides a system of community mental health and intellectual disabilities and substance abuse services which relate to and are integrated with existing and planned programs. The major sources of revenue include individual fees, third-party payments by insurance companies, Medicaid, Medicare, and contract revenue. The **Agency** is also funded by appropriations from federal, state, and local governments.

The financial statements of the **Agency** have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the **Agency's** accounting policies consistent with these principles are described below.

#### Reporting Agency

For financial reporting purposes, in conformance with accounting principles generally accepted in the United States of America, the reporting **Agency** includes all net positions that are controlled by or dependent upon the **Agency** as determined on the basis of the following:

1. The **Agency's** ability to designate the management or significantly control the operations of the entity.
2. The **Agency's** responsibility for the fiscal matters of the entity including authorizations of budgetary appropriations, funding of operating deficiencies, control or use of surplus funds, responsibility for debts, and control over the collections and disbursements of funds.
3. The scope of public services rendered and the geographic location of the **Agency**.

Excluded from the reporting entity are: Residential Opportunities, Inc. (ROI), Housing Opportunities, Inc. (HOI), and Housing Alternatives, Inc. (HAI). These entities have separate appointed boards and provide rental housing to elderly and disabled persons generally within the geographic boundaries of the counties served by the **Agency**. These entities are excluded from the reporting entity because the **Agency** does not have the ability to exercise influence or control over rents, budgets, and loans from the United States Department of Housing and Urban Development (HUD).

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### Note 1 - Summary of Significant Accounting Policies (Continued)

#### Financial Statement Presentation - Basis of Accounting

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB) and the Virginia Department of Behavioral Health and Developmental Services (DBHDS). The principles prescribed by GASB represent accounting principles generally accepted in the United States of America applicable to governmental units.

In accordance with the determination by the Virginia Department of Behavioral Health and Developmental Services that all operating service boards in Virginia are governmental healthcare entities, the **Agency** follows the governmental enterprise model. Under this reporting model, the **Agency**, for reporting purposes, utilizes the accrual basis of accounting as required by accounting principles generally accepted in the United States of America whereby revenues are recognized in the year when earned and expenses are reported when the underlying obligations are incurred.

Operating revenues and expenses reported in the Statements of Revenues, Expenses, and Changes in Net Position include revenues and expenses related to the primary, continuing operations of the **Agency**. Principal operating revenues are charges to individuals for services and operating expenses are for the related cost of such services including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as nonoperating in the financial statements.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The **Agency** does not have any deferred outflows of resources as of June 30, 2021 and 2020.

In addition to liabilities, the statements of net position may report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The **Agency** does not have any deferred inflows of resources as of June 30, 2021 and 2020.

#### Allowance for Uncollectible Accounts

The **Agency** calculates its allowance for uncollectible accounts using historical collection data. The allowance amounted to \$91,658 and \$128,637 at June 30, 2021 and 2020, respectively.



# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### Note 1 - Summary of Significant Accounting Policies (Continued)

#### Estimates

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

#### Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, cash and cash equivalents are considered to be unrestricted highly liquid depository accounts.

#### Cash Held for Individuals

The **Agency** has been named the designated payee for certain federal benefits to which some residential individuals are entitled. The receipts and disbursements of these funds do not represent revenues or expenses of the **Agency**.

#### Capital Assets

Acquisitions of capital assets having a purchase value of \$1,000 or greater are capitalized at cost. Depreciation is computed using the straight-line method of depreciation over the estimated useful lives of the assets as determined by the **Agency**.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	30
Improvements	10 - 30
Vehicles	3 - 5
Furniture and equipment	3 - 10

#### Net Position

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

The **Agency** may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the **Agency's** policy to consider restricted net position to have been depleted or used before unrestricted net position is applied.

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### Net Position (Continued)

Grants received but not expended are carried as net position - temporarily restricted until such time as they are expended or refunded, if applicable. For the year ended June 30, 2021, the **Agency** had a net position - temporarily restricted of \$461,169 due to state and federal funds that were awarded but unspent at year end. For the year ended June 30, 2020, the **Agency** had a net position - temporarily restricted of \$500,910 due to state and federal funds that were awarded but unspent at year end.

#### Net Individual Service Revenue

Individual fees, third-party payments by insurance companies, Medicaid, Medicare, and contract revenue, net of refunds and adjustments (including bad debts) are reported as net individual service revenue at the net realizable amount in the accompanying financial statements.

#### Budgets and Budgetary Accounting

The **Agency's** annual budget is a management tool that assists users in analyzing financial activity for each of its fiscal years ending June 30. The **Agency's** largest funding source is fee-for-service payments, primarily from Medicaid and other insurers. Federal, state, and local appropriations are also significant revenue sources that have periods that may or may not coincide with the **Agency's** fiscal year. These appropriations normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months.

Because of the **Agency's** dependency on uncertain fee revenues and on federal, state, and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The **Agency's** annual budget differs from that of a local government due to the uncertain nature of fee-for-service payments from other payors.

The following procedures are used by the **Agency** in establishing the budgetary data in reference to the DBHDS's Performance Contract:

1. The Executive Director submits to the Board of Directors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and means of financing them.
2. The budget is submitted to the seven counties for approval prior to June 30.
3. Prior to June 30, the budget is enacted through passage of a Budget Resolution.
4. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### Advertising Expense

The **Agency** expenses advertising costs (primarily for recruitment) as incurred. Advertising expense amounted to \$78,874 and \$34,370 for the years ended June 30, 2021 and 2020, respectively.

### **Note 2 - Deposits and Investments**

#### Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the *Virginia Security for Public Deposits Act* (the Act), Section 2.2-4400 et. seq. of the *Code of Virginia (1950)*, as amended. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and, depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

#### Investments

Statutes authorize local government and other public bodies, such as the **Agency**, to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP). Investments are stated at fair value.

Investments in the State Treasurer's Local Government Investment Pool (LGIP) are a non-categorizing investment.

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

### Note 2 - Deposits and Investments (Continued)

#### Investments (Continued)

At June 30, 2021 and 2020, the **Agency's** deposit and investment balances were as follows:

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Investment Not Subject to Categorization</u>				
Investment in State Treasurer's Local Government Investment Pool (LGIP)	\$ 3,183,509	\$ 3,183,509	\$ 3,178,633	\$ 3,178,633
Cash and cash equivalents	8,759,310		9,306,938	
Cash on hand	3,475		3,475	
Total Cash and Cash Equivalents Unrestricted	8,762,785		9,310,413	
Total Cash and Investments	11,946,294		12,489,046	
Cash (certificate of deposit) restricted for capital note	1,061,810		1,058,083	
	\$ 13,008,104		\$ 13,547,129	

The State Treasury Board provides oversight for the LGIP. The fair value of a participant's position in the pool approximates the value of the participant's pool shares, and the participant's shares are not identified with specific investments.

#### *Credit Risk*

As of June 30, 2021, credit risk for the **Agency's** investments was as follows:

Investment Type	Rating	Rating Agency	Amount
Investment in Treasurer's Local Government Investment Pool	AAAm	Standard and Poor's	\$ 3,183,509
Total Investments			\$ 3,183,509

#### *Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the **Agency** will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party's possession.

The **Agency's** investment in the LGIP represents a proportionate share of the pool's portfolio; however, the **Agency's** portion is not identified with specific investments and is not subject to custodial credit risk.

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### Note 2 - Deposits and Investments (Continued)

#### Investments (Continued)

##### *Interest Rate Risk*

The **Agency** does not have a formal investment policy with respect to interest rate risk. Portfolio securities have a remaining maturity of thirteen months or less. Floating rate sovereign government securities have a remaining maturity of two years or less.

The portfolio securities are valued by the amortized cost method, and on a weekly basis this valuation is compared to current market to monitor any variance.

### Note 3 - Lease Commitments

The **Agency** leases office space and other facilities from various lessors. Rent expense was \$131,652 for each of the fiscal years ended June 30, 2021 and 2020. A summary of future minimum lease payments as of June 30, 2021, is as follows:

<u>Year Ending June 30</u>	
2022	\$ 3,150
2023	-
2024	-
2025	-
2026	-
Total	<u>\$ 3,150</u>

### Note 4 - Compensated Absences

Employees are entitled to certain compensated absences based upon length of employment. Paid time off (PTO) includes vacation and certain other compensated absences that vest with the employee. Provision for the estimated liability for these compensated absences has been recorded in the financial statements totaling \$538,081 in the long-term obligations.

The following is a summary of compensated absences' transactions of the **Agency** for the years ended June 30, 2021 and 2020:

Balance payable at June 30, 2019	\$ 346,536
Increase, net	<u>51,431</u>
Balance payable at June 30, 2020	397,967
Increase, net	<u>140,114</u>
Balance payable at June 30, 2021	<u>\$ 538,081</u>

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

### Note 5 - Changes in Capital Assets

A summary of changes in capital assets for the years ended June 30, 2021 and 2020, is summarized below:

	Capital Assets						
	Balance June 30, 2019	2020		Balance June 30, 2020	2021		Balance June 30, 2021
		Additions	Reductions		Additions	Reductions	
Land	\$ 542,548	\$ -	\$ -	\$ 542,548	\$ -	\$ -	\$ 542,548
Buildings and improvements	7,928,846	2,799	-	7,931,645	28,109	-	7,959,754
Vehicles	3,545,603	-	-	3,545,603	-	-	3,545,603
Furniture and equipment	<u>1,667,837</u>	<u>39,595</u>	<u>-</u>	<u>1,707,432</u>	<u>11,862</u>	<u>-</u>	<u>1,719,294</u>
	<u>13,684,834</u>	<u>42,394</u>	<u>-</u>	<u>13,727,228</u>	<u>39,971</u>	<u>-</u>	<u>13,767,199</u>

	Accumulated Depreciation						
	Balance June 30, 2019	2020		Balance June 30, 2020	2021		Balance June 30, 2021
		Additions	Reductions		Additions	Reductions	
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings and improvements	3,220,847	276,990	-	3,497,837	274,048	-	3,771,885
Vehicles	2,999,632	225,249	-	3,224,881	135,370	-	3,360,251
Furniture and equipment	<u>1,433,090</u>	<u>57,500</u>	<u>-</u>	<u>1,490,590</u>	<u>44,551</u>	<u>-</u>	<u>1,535,141</u>
	<u>7,653,569</u>	<u>559,739</u>	<u>-</u>	<u>8,213,308</u>	<u>453,969</u>	<u>-</u>	<u>8,667,277</u>
Totals	<u>\$6,031,265</u>	<u>\$( 517,345)</u>	<u>\$ -</u>	<u>\$5,513,920</u>	<u>\$( 413,998)</u>	<u>\$ -</u>	<u>\$5,099,922</u>

### Note 6 - Contingent Liabilities

Federal programs in which the **Agency** participates were audited in accordance with the provisions of *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to the provisions, all programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### Note 7 - Long-Term Capital Notes

As of June 30, 2021, annual requirements to amortize the long-term capital notes and related interest are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2022 - Current portion	\$ 207,106	\$ 6,204
2023	<u>165,562</u>	<u>1,340</u>
	<u>\$ 372,668</u>	<u>\$ 7,544</u>

### Changes in Long-Term Capital Notes

The following is a summary of the long-term capital notes transactions of the **Agency** for the years ended June 30, 2021 and 2020:

Note balances at June 30, 2019	769,756
Increase in note balances	-
Retirements	<u>( 186,324)</u>
Note balances at June 30, 2020	\$ 583,432
Increase in note balances	-
Retirements	<u>( 210,764)</u>
Note balances at June 30, 2021	<u>\$ 372,668</u>

### Details of Long-Term Capital Notes

\$451,144.07, Wells Fargo Bank, N.A. loan dated November 19, 2019. Note payable in monthly installments of \$9,833.43, including interest at 2.20% and a final balloon payment at maturity estimated at November 30, 2022. The loan is secured as to payment by the assignment under a Security Agreement with restricted cash of \$755,247 (presented in the accompanying financial statements as all current at June 30, 2021). The collateral (restricted cash) is subject to release for aggregate amount of retirement on note once a year.

\$ 278,381

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### Note 7 - Long-Term Capital Notes (Continued)

#### Details of Long-Term Capital Notes (Continued)

\$300,000, Wells Fargo Bank, N.A. loan dated May 15, 2019. Note payable in monthly installments of \$8,689.76, including interest at 2.62% with final maturity estimated at May 31, 2022. The loan is secured as to payment by the assignment under a Security Agreement with restricted cash of \$306,562 (presented in the accompanying financial statements as all current at June 30, 2021). The collateral (restricted cash) is subject to release for aggregate amount of retirement on note once a year.

\$ 94,287

#### Line of Credit

The **Agency** has a \$450,000 line of credit with Wells Fargo Bank, N.A. The interest rate on the line of credit is variable based on the LIBOR index. As of June 30, 2021, the **Agency** does not have an outstanding balance on the line of credit.

#### Paycheck Protection Program (PPP) Loan

The **Agency** received \$2,497,027 through the Small Business Association (SBA) in connection with the Paycheck Protection Program due to the COVID-19 pandemic in 2020. The **Agency** received notification from the SBA in 2021 that the loan had been forgiven. The loan forgiveness has been recorded as other income in these financial statements.

### Note 8 - Retirement Plans

#### Defined Contribution Plans

##### *Profit-Sharing Plan*

The **Agency** provides pension benefits for all of its active employees who have completed one year of service through the Crossroads Community Services Board Profit-Sharing Plan, a defined contribution plan (the Plan) under *Internal Revenue Code* Section 401(a). The Plan is a single-employer noncontributory individual participant directed account plan administered by Principal Financial Group of the Principal Life Insurance Company. In a participant directed defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings based on the participants' account investments. Annual contributions to the Plan are determined by the Board of Directors and participants are fully vested after six years of service. The **Agency's** payroll for employees covered by the Plan for the years ended June 30, 2021 and 2020, was \$8,213,820 and \$7,402,290, respectively, of a total payroll of \$9,794,047 and \$9,647,690, respectively, for all employees. The **Agency** contributed 8%, less forfeitures, which is \$648,969 and \$571,127, of covered employees' payroll for the years ended June 30, 2021 and 2020, respectively. Forfeitures for the years ended June 30, 2021 and 2020 were \$11,690 and \$21,056, respectively. At June 30, 2021 and 2020, the Plan's assets and fair value as stated in the Plan's financial report were as follows:



# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

### Note 8 - Retirement Plans (Continued)

#### Defined Contribution Plans (Continued)

##### *Profit-Sharing Plan (Continued)*

	<u>2021</u>	<u>2020</u>
	<u>Fair</u>	<u>Fair</u>
	<u>Value</u>	<u>Value</u>
Due from Agency	\$ 648,969	\$ 571,127
Mutual funds	8,984,097	7,028,946
	<u>\$ 9,633,066</u>	<u>\$ 7,600,073</u>

##### *Matching Tax Deferred Savings Plan*

The **Agency** provides through the Crossroads Community Services Board Matching Tax Deferred Savings Plan (the Plan) for its employees pursuant to Section 403(b) of the *Internal Revenue Code* a participant directed contributory retirement plan. The Plan is administered by Principal Financial Group of the Principal Life Insurance Company. A participant can make fully vested elective deferrals to the Plan to the maximum amount allowed by law. The **Agency** matches the participant's contribution up to 3% of compensation of the participant.

All full-time employees of the **Agency** are eligible upon their date of hire and are fully vested as to the **Agency's** contributions after six years of service, death, disability, and early or normal retirement. Forfeitures will be used to reduce future **Agency** contributions to the Plan. Forfeitures for the years ended June 30, 2021 and 2020 were \$4,671 and \$8,568, respectively.

The contributions to the Plan for the years ended June 30, 2021 and 2020, were as follows:

	<u>Contributions</u>	
	<u>2021</u>	<u>2020</u>
Agency, net of forfeitures	\$ 140,018	\$ 138,440
Participants	214,687	239,366
	<u>\$ 354,705</u>	<u>\$ 377,806</u>

At June 30, 2021 and 2020, the Plan assets at fair value were as follows:

	<u>2021</u>	<u>2020</u>
	<u>Fair</u>	<u>Fair</u>
	<u>Value</u>	<u>Value</u>
Mutual funds	\$ 5,819,876	\$ 4,671,537
Loans to participants	30,129	67,170
	<u>\$ 5,850,005</u>	<u>\$ 4,738,707</u>

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### Note 8 - Retirement Plans (Continued)

#### Defined Contribution Plans (Continued)

The **Agency** has the authority to amend the Plans; and, although the **Agency** has no intention to do so, it may terminate the Plans at any time, subject to the Plans' provisions, the *Internal Revenue Code* and the *Employee Retirement Income Security Act of 1974* (ERISA).

For additional information on each Plan, please refer to each Plan's audited financial statements.

### Note 9 - Local Contributions

Contributions for the years ended June 30, 2021 and 2020, by the localities and other sources consisted of the following:

	<u>2021</u>	<u>2020</u>
County of Amelia	\$ 69,000	\$ 69,000
County of Buckingham	39,600	40,000
County of Charlotte	73,000	73,000
County of Cumberland	37,000	37,000
County of Lunenburg	53,000	53,000
County of Nottoway	42,000	42,000
County of Prince Edward	60,000	60,000
	<u>\$ 373,600</u>	<u>\$ 374,000</u>

### Note 10 - Surety Bonds

Limits of Liability  
Per Occurrence/  
Unlimited Aggregate

Virginia Local Government Risk Management Plan -

Public Officials and Employees Legal Liability Coverage  
Officers and Members of the Board of Directors and  
Employees of Crossroads Community Services Board  
Medical Malpractice

\$ 1,000,000  
\$ 2,000,000

### Note 11 - Risk Management

The **Agency** is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the **Agency** carries commercial insurance. There have been no significant changes in coverage in the past two years nor significant claims or settlements.

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### Note 12 - Related Organizations

The **Agency** is indirectly related to Residential Opportunities, Inc. (ROI), Farmville, Virginia, as the organizations share some of the same officers and employees. ROI is a nonprofit corporation organized to operate exclusively for charitable purposes. ROI owns and operates the Timberlake Village Apartments located in Farmville, Virginia, which is a rental housing project to house elderly families and elderly persons in accordance with the provisions of Section 202, *Housing Act of 1959*, as amended. The **Agency** receives from ROI \$585 per month under a management agreement with HUD. The total management fee for each of the years ended June 30, 2021 and 2020, was \$7,020.

The **Agency** is also indirectly related to Housing Opportunities, Inc. (HOI) and Housing Alternatives, Inc. (HAI), both of Farmville, Virginia, as the organizations share some of the same officers and employees. HOI and HAI are nonprofit corporations organized to operate, exclusively for charitable purposes, the Timberlake Village II Apartments and Evergreen Manor, located in Farmville, Virginia, as rental housing projects to house disabled persons in accordance with the provisions of Section 811, *National Affordable Housing Act*. The **Agency** receives from HOI \$855 per month and HAI \$690 per month under management agreements with HUD. The total management fees for the years ended June 30, 2021 and 2020, from HOI were \$10,260 and \$12,990, respectively. The total management fees for the years ended June 30, 2021 and 2020, from HAI were \$8,194 and \$8,105, respectively.

The **Agency** also charges each related organization for employee salaries and fringe benefits for those employees who work with each related organization. For the year ended June 30, 2021, the **Agency** charged ROI \$19,890, HOI \$19,867, and HAI \$19,867 for salaries and fringe benefits.

For ROI, for the years ended June 30, 2021 and 2020, the **Agency** had accounts receivable of \$19,890 and \$2,565, respectively. For HOI, for the years ended June 30, 2021 and 2020, the **Agency** had accounts receivable of \$19,867 and \$0, respectively. For HAI, for the years ended June 30, 2021 and 2020, the **Agency** had accounts receivable of \$19,867 and \$0, respectively.

### Note 13 - Accounting for Uncertainty in Income Taxes

The **Agency** has implemented FASB ASC 740-10 regarding Accounting for Uncertainty in Income Taxes. The **Agency** does not currently have any unrelated business taxable income. The **Agency** is subject to routine audits by taxing jurisdictions. However, currently no audits of any tax periods are in progress. Management of the **Agency** believes that the **Agency** is no longer subject to income tax examinations for the years prior to June 30, 2018.

# CROSSROADS COMMUNITY SERVICES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### Note 14 - Subsequent Events and Management Review

The **Agency** must disclose the date through which subsequent events have been evaluated, in accordance with the requirements in FASB ASC Paragraph 855-10-50-1. In regard to these financial statements, the **Agency** has evaluated all subsequent events through November 22, 2021 the date the **Agency's** financial statements were available to be issued.

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments as well as private entities mandating restrictions, including travel restrictions, restrictions on public gathering, shelter-in-home orders and advisories and quarantining of people who may have been exposed to the virus. The **Agency** continues to monitor development, including state and local requirements to evaluate any necessary changes in work structure.

The **Agency** has taken such actions to strengthen its financial position, minimizing the effects on operations as well as maintaining financial liquidity and flexibility, including reviewing operating expenses and reducing capital asset purchases. Since the COVID-19 pandemic is complex and rapidly evolving, the **Agency's** plan as described above may change. At this point, the **Agency** continues operations as normal; however, as of November 22, 2021, the date the **Agency's** financial statements were available to be issued, the **Agency** cannot reasonably estimate the duration and severity of the pandemic, which could have a material adverse impact on the business, results of operations, financial position and cash flows.

### Note 15 - Prior Period Adjustment

The **Agency** has restated its 2020 financial statements regarding forgiveness of the Paycheck Protection Loan, which occurred in 2021. Part of the loan proceeds were used for payroll expenses in 2020 and the remaining was used for payroll expenses in 2021.

	As Previously Reported	Adjustments	Restated
PPP loan liability	\$ 2,497,027	\$ ( 949,105)	\$ 1,547,922
Unrestricted net position	\$ 10,142,482	\$ 949,105	\$11,091,587
PPP loan forgiveness	\$ -	\$ 949,105	\$ 949,105
Excess of Revenues Over Expenses	\$ 470,338	\$ 949,105	\$ 1,419,443

**SUPPLEMENTARY  
STATEMENTS AND SCHEDULES**

## CROSSROADS COMMUNITY SERVICES BOARD

### RECONCILIATION OF REVENUES AND EXPENSES 4TH QUARTER REPORT AND STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (UNAUDITED) Year Ended June 30, 2021

Schedule 1

	Mental Health	Developmental Services	Substance Use Disorder	Other	Total
REVENUES					
Per 4th Quarter Report	\$ 8,989,343	\$ 6,546,146	\$ 1,763,300	\$ -	\$ 17,298,789
Accruals/adjustments					
Adjust accounts receivable	(50,267)	(61,957)	(4,676)	-	(116,900)
Adjust reserve for uncollectible accounts	7,038	8,674	655	-	16,367
Interest and other income, transfers between programs	(372,912)	398,545	-	(126,617)	(100,984)
Other	638,752	(797,090)	(85,335)	-	(243,673)
Per Audited Statements	<u>\$ 9,211,954</u>	<u>\$ 6,094,318</u>	<u>\$ 1,673,944</u>	<u>\$ (126,617)</u>	<u>\$ 16,853,599</u>
EXPENSES					
Per 4th Quarter Report	\$ 7,994,807	\$ 6,546,146	\$ 1,399,738	\$ -	\$ 15,940,691
Accruals/adjustments					
Expenses not allocated	-	-	-	(59,602)	(59,602)
Adjust prepaid expenses to actual	(24,466)	(7,807)	(3,081)	15,552	(19,802)
Adjust accounts payable and accruals and other adjustments	28,783	10,301	(38,731)	17,922	18,275
Capitalization of capital assets expensed	(28,923)	(8,709)	-	(2,339)	(39,971)
Compensated absences	-	-	-	140,115	140,115
Depreciation	-	-	-	453,969	453,969
Per Audited Statements	<u>\$ 7,970,201</u>	<u>\$ 6,539,931</u>	<u>\$ 1,357,926</u>	<u>\$ 565,617</u>	<u>\$ 16,433,675</u>

## CROSSROADS COMMUNITY SERVICES BOARD

RECONCILIATION OF FEDERAL REVENUES  
4TH QUARTER REPORT AND STATEMENT OF REVENUES,  
EXPENSES, AND CHANGES IN NET POSITION (UNAUDITED)  
Year Ended June 30, 2021

Schedule 2

	<u>Mental Health</u>	<u>Developmental Services</u>	<u>Substance Use Disorder</u>	<u>Total</u>
REVENUES				
Per 4th Quarter Report				
Federal Block Grant				
SED Child and Adolescent	\$ 67,083	\$ -	\$ -	\$ 67,083
Federal Block Grant				
SMI	75,731	-	-	75,731
Other Federal COVID-19				
Medicare Stimulus	415,613	-	-	415,613
Other Federal COVID-19				
DMAS CRF Day Support	-	137,701	-	137,701
Other Federal COVID-19				
DMAS CRF Residential	-	102,050	-	102,050
Federal Block Grant				
SARPOS	-	-	49,736	49,736
Federal Block Grant				
Alcohol/Drug Treatment	-	-	305,787	305,787
Federal Block Grant				
Women	-	-	35,622	35,622
Federal Block Grant				
Opioid Response Funds	-	-	230,000	230,000
Federal Block Grant				
Prevention	-	-	142,962	142,962
Per Federal Revenues				
Per Audited Statements	<u>\$ 558,427</u>	<u>\$ 239,751</u>	<u>\$ 764,107</u>	<u>\$ 1,562,285</u>

# CROSSROADS COMMUNITY SERVICES BOARD

## STANDARD SCHEDULE OF CURRENT PROPERTY & CASUALTY INSURANCE (UNAUDITED)

Year Ended June 30, 2021

Schedule 3

Insurance Coverage	Insurance Company Agent Policy Number	Policy Period	Limits of Liability	Ded.	Annual Premium
Automobile Liability & Physical Damage	Co: Philadelphia Ag: USI Pol.#: PHPK1993004	07/01/2020 06/30/2021	BI/PD Uninsured Motorist Medical Payments ACV-Comprehensive ACV-Collision	\$1,000,000 1,000,000 5,000	\$ 500 1,000 \$ 104,766
Crime	Co: Philadelphia Ag: USI Pol.#: PHPK1993004	07/01/2020 06/30/2021	Employee Dishonesty Money & Securities Money Orders	500,000 5,000 5,000	5,000 100 100 1,813
Electronic Data Processing	Co: Philadelphia Ag: USI Pol.#: PHPK1993004	07/01/2020 06/30/2021	Hardware Software Extra Expense	170,000 30,000 25,000	250 1,656
General Liability	Co: Philadelphia Ag: USI Pol.#: PHPK1993004	07/01/2020 06/30/2021	Aggregate Occurrence Medical Employee Benefits	2,000,000 1,000,000 1,000,000 5,000	- 7,785
Medical Malpractice	Co: VARisk 2 Member G99270 Pol.#: 71517-0747	07/01/2020 06/30/2021	Occurrence Aggregate	2,000,000 Unlimited	1,000 18,714
Public Officials Liability	Co: VARisk 2 Member G99270 Pol.#: 71516-0747	07/01/2020 06/30/2021	Occurrence Aggregate	1,000,000 Unlimited	1,000 3,856
Property	Co: Philadelphia Ag: USI Pol.#: PHPK1993004	07/01/2020 06/30/2021	Real Property and Personal Property <i>Blanket</i> Business Income	10,325,600 1,670,000 4,904,460	2,500 31,765
Umbrella/Excess	Co: Philadelphia Ag: USI Pol.#: PHUB679465	07/01/2020 06/30/2021	Occurrence Aggregate	5,000,000 5,000,000	- 22,761
Workers Compensation	Co: Key Risk Ag: USI Pol.#: KEY0138838	07/01/2020 06/30/2021	Each Accident Policy Limit - Disease Each Employee - Disease	1,000,000 1,000,000 1,000,000	- 168,314
Crossroads Community Services Board Matching Tax Deferred Savings Plan	Co: Hartford Ag: USI Pol.#: 14BDDFH5295	07/01/2020 06/30/2021	Bond Limit	500,000	- 103
Crossroads Community Services Board Profit-Sharing Plan	Co: Hartford Ag: USI Pol.#: 14BDDFH5286	07/01/2020 06/30/2021	Bond Limit	500,000	- 103
Cyber Liability	Co: Ace Insurance USA Ag: USI Pol.#: EON G23665918 007	07/01/2020 06/30/2021	Privacy Liability Data Breach Fund Network Security Liability	1,000,000 500,000 1,000,000	- 18,608
Fiduciary Liability	Co: Philadelphia Ag: USI Pol.#: PHSD1448561	07/01/2020 06/30/2021	Privacy Liability	1,000,000	- 2,385
<b>TOTAL</b>					\$ 382,629



## CROSSROADS COMMUNITY SERVICES BOARD

### BUDGET TO ACTUAL COMPARISON OF REVENUES AND EXPENSES (UNAUDITED)

Year Ended June 30, 2021

Schedule 4

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Operating Revenues			
Revenues			
Net individual service revenue	\$ 10,676,822	\$ 10,153,156	\$ (523,666)
Other	481,010	411,449	(69,561)
Total Operating Revenues	<u>11,157,832</u>	<u>10,564,605</u>	<u>(593,227)</u>
Operating Expenses			
Personnel	12,928,951	13,360,448	(431,497)
Staff development	27,819	51,253	(23,434)
Facilities	772,351	713,478	58,873
Minor equipment and supplies	636,701	489,939	146,762
Travel	414,680	292,041	122,639
Contractual and consulting	651,362	844,811	(193,449)
Depreciation	-	453,969	(453,969)
Miscellaneous	147,165	216,221	(69,056)
Total Operating Expenses	<u>15,579,029</u>	<u>16,422,160</u>	<u>(843,131)</u>
Operating (Loss)	<u>(4,421,197)</u>	<u>(5,857,555)</u>	<u>(1,436,358)</u>
Nonoperating Revenues (Expenses)			
Appropriations from governments			
State	3,256,008	2,779,554	(476,454)
Federal	739,530	1,562,285	822,755
Local	362,000	373,600	11,600
Interest income	75,384	17,192	(58,192)
Interest expense on capital note	(11,725)	(11,515)	210
PPP loan forgiveness	-	1,547,922	1,547,922
Rent income	-	8,441	8,441
Net Nonoperating Revenues	<u>4,421,197</u>	<u>6,277,479</u>	<u>1,856,282</u>
Excess of Revenues Over Expenses	<u>\$ -</u>	<u>\$ 419,924</u>	<u>\$ 419,924</u>

General operating budget does not include depreciation expense as a normal budget line item. Other budget variances have been discussed previously in the significant changes in both revenues and expenses.

**COMPLIANCE  
SECTION**

INDEPENDENT AUDITORS' 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

To the Honorable Members of the Board of Directors  
**Crossroads Community Services Board**  
Farmville, Virginia

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 **Crossroads Community Services Board** (the **Agency**), which comprise the Statements of Net Position as of June 30, 2021, the related Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows for the year then ended, and the related Notes to the Financial Statements, and have issued our report thereon dated November 22, 2021.

### **Internal Control Over Financial Reporting**

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

To the Honorable Members of the Board of Directors  
**Crossroads Community Services Board**

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the **Agency's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Davis Harvey Neal & Co. LLP".

November 22, 2021  
Danville, Virginia

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

To the Honorable Members of the Board of Directors

**Crossroads Community Services Board**

Farmville, Virginia

### **Report on Compliance for Each Major Federal Program**

We have audited **Crossroads Community Services Board's** (the **Agency**) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the **Agency's** major federal programs for the year ended June 30, 2021. The **Agency's** major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the **Agency's** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the **Agency's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the **Agency's** compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the **Agency** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

To the Honorable Members of the Board of Directors  
**Crossroads Community Services Board**

## **Report on Internal Control Over Compliance**

Management of the **Agency** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the **Agency's** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the **Agency's** internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



November 22, 2021  
Danville, Virginia

## CROSSROADS COMMUNITY SERVICES BOARD

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalogue Number	Pass-through Entity Identifying Number	Federal Expenditures (\$)
Department of the Treasury			
COVID-19 Coronavirus Relief Fund	21.019	Not Available	\$ 239,751
Total Department of the Treasury			<u>239,751</u>
United States Department of Health and Human Services			
COVID-19 Provider Relief Fund	93.498	Not Available	415,613
Pass-Through Payments			
Virginia Department of Behavioral Health and Developmental Services			
Substance Abuse and Mental Health Services - Projects of Opioid STR	93.788	Not Available	195,216
Block Grants for Community Mental Health Services	93.958	Not Available	142,814
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Not Available	481,475
Total United States Department of Health and Human Services			<u>1,235,118</u>
Total Expenditures of Federal Awards			<u>\$ 1,474,869</u>

# CROSSROADS COMMUNITY SERVICES BOARD

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) Year Ended June 30, 2021

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### **Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of **Crossroads Community Services Board** (the **Agency**) and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the **Agency**, it is not intended to and does not present the financial position, changes in net position, or cash flows of the **Agency**.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The **Agency** has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



# CROSSROADS COMMUNITY SERVICES BOARD

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

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### I. Summary of Auditors' Results

- A. The auditors' report expresses an unmodified opinion on the financial statements of **Crossroads Community Services Board** (the **Agency**).
- B. No material weaknesses were identified during the audit of the financial statements.
- C. No instances of noncompliance material to the financial statements of the **Agency** were disclosed during the audit.
- D. No material weaknesses were identified during the audit of the major federal award programs.
- E. The auditors' report on compliance for the major federal award programs for the **Agency** expresses an unmodified opinion.
- F. The audit disclosed no audit findings that are required to be reported in accordance with the Uniform Guidance.
- G. The program tested as a major program was:

<u>Program Name</u>	<u>CFDA#</u>
COVID-19 Coronavirus Relief Fund	21.019
Block Grants for Prevention and Treatment of Substance Abuse	93.959

- H. The threshold for Type A and Type B programs was \$750,000.

- I. The **Agency** was not determined to be a low-risk auditee.

### II. Findings Related to the Audit of the Financial Statements of the **Agency**

None

### III. Findings and Questioned Cost Related to the Audit of Federal Awards

None

## **CROSSROADS COMMUNITY SERVICES BOARD**

### **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS** **Year Ended June 30, 2021**

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None