

**THE COMMUNITY
PARTNERSHIP**

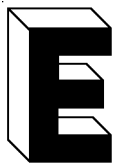
Rolla, Missouri

INDEPENDENT AUDITORS' REPORT

For the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT.....	1 – 2
FINANCIAL STATEMENTS:	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to the Financial Statements.....	7 – 15



Evers & Company, CPA's, L.L.C.

Certified Public Accountants and Consultants

Richard E. Elliott
Dale A. Siebeneck
Jo L. Moore
Wendy M. Renner
Eldon H. Becker
Jessica L. Bridges
Bobbie J. Redmon-Murray

Elmer L. Evers, Emeritus
Jerome L. Kauffman, Emeritus
Keith L. Taylor, Emeritus
Bruce A. Vanderveld, Emeritus

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Community Partnership
Rolla, Missouri:

We have audited the accompanying financial statements of **The Community Partnership** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and related notes to the financial statements.

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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity'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 entity'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Community Partnership as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Evers & Company, CPA's, LLC

EVERS & COMPANY, CPA's, L.L.C.
Jefferson City, Missouri

February 25, 2022

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS

Current assets

Cash and cash equivalents	\$ 560,798
Certificates of deposit	66,809
Grants receivable	43,688
Total current assets	<u>671,295</u>

Fixed assets

Leasehold improvements	30,083
Vehicle and trailers	3,000
Accumulated depreciation	(16,429)
Total fixed assets	<u>16,654</u>

TOTAL ASSETS \$ 687,949

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$ 30,316
Note payable (current)	5,223
Payroll liabilities	2,133
Accrued payroll	19,471
Accrued vacation	43,738
Deferred revenue	9,383
Interest payable	205
Total current liabilities	<u>110,469</u>

Long term liabilities

Note payable	52,668
Total liabilities	<u>163,137</u>

Net assets

Without donor restrictions	417,180
With donor restrictions	107,632
Total net assets	<u>524,812</u>

TOTAL LIABILITIES AND NET ASSETS \$ 687,949

See accompanying notes to the financial statements.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	<u>Without Restriction</u>	<u>With Restriction</u>	<u>Total</u>
Revenues			
Public Support:			
Donations	\$ 92,084	\$ 5,425	\$ 97,509
In-kind donations	-	10,969	10,969
State of Missouri	9,569	673,887	683,456
Children's trust fund	4,150	55,000	59,150
Foundation grants	11,000	42,983	53,983
Missouri preschool project	-	2,000	2,000
Senate Bill 40 Board	-	77,013	77,013
Total public support	<u>116,803</u>	<u>867,277</u>	<u>984,080</u>
Other Revenue:			
Interest income	2,736	-	2,736
PPP loan forgiveness	108,525	-	108,525
Other income	221	-	221
Gain (loss) on sale of fixed assets	20,117	-	20,117
Total other revenue	<u>131,599</u>	<u>-</u>	<u>131,599</u>
Net assets released from restrictions	<u>862,529</u>	<u>(862,529)</u>	<u>-</u>
Total revenues	<u>1,110,931</u>	<u>4,748</u>	<u>1,115,679</u>
Expenses			
Program expenses	749,106	-	749,106
Support services			
Management and general	249,437	-	249,437
Fundraising	8,289	-	8,289
Total support services	<u>257,726</u>	<u>-</u>	<u>257,726</u>
Total expenses	<u>1,006,832</u>	<u>-</u>	<u>1,006,832</u>
Increase (decrease) in net assets	104,099	4,748	108,847
Net assets, beginning	<u>313,081</u>	<u>102,884</u>	<u>415,965</u>
Net assets, ending	<u>\$ 417,180</u>	<u>\$ 107,632</u>	<u>\$ 524,812</u>

See accompanying notes to the financial statements.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	Support Services			2021 Total Expenses
	Program	Management & General	Fundraising	
Audit	\$ -	\$ 6,315	\$ -	\$ 6,315
Background search/MVR	42	46	-	88
Board group expense	-	1,003	-	1,003
Contract labor	300	9,228	-	9,528
Community neighborhood development	32,784	-	-	32,784
Copier rental/maintenance	-	827	-	827
Copies	1,548	523	-	2,071
Depreciation	-	5,405	-	5,405
Educare services	20,672	-	-	20,672
Employee benefits	61,246	23,818	-	85,064
Family support training and supplies	48,581	1,478	-	50,059
Fees/finance charges	10	621	-	631
G/L insurance	-	10,293	-	10,293
In-kind donations expense	10,969	-	-	10,969
Internet service	1,589	-	-	1,589
Mentor training	208	-	-	208
Miscellaneous program expenses	1,431	-	-	1,431
Office repairs/cleaning/maintenance	10,692	-	-	10,692
Payroll	427,326	166,183	-	593,509
Payroll taxes	31,905	12,408	-	44,313
Postage	495	622	-	1,117
Professional development	4,795	495	-	5,290
Public relations	605	-	8,289	8,894
Rent	25,638	1,891	-	27,529
Supplies	5,465	1,811	-	7,276
Technology	15,973	6,028	-	22,001
Telephone	5,269	-	-	5,269
Travel-mileage	9,599	442	-	10,041
Utilities	8,288	-	-	8,288
Youth training	23,676	-	-	23,676
Total expenses	<u>\$ 749,106</u>	<u>\$ 249,437</u>	<u>\$ 8,289</u>	<u>\$ 1,006,832</u>

See accompanying notes to the financial statements.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 108,847
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization expense	5,405
Paycheck Protection loan forgiveness	(108,525)
(Gain)/loss on equipment disposition	(20,117)
(Increase) decrease in accounts receivable	44,754
Increase (decrease) in accounts payable	(17,764)
Increase (decrease) in accrued vacation payable	5,060
Increase (decrease) in deferred revenue	(24,496)
Increase (decrease) in payroll liabilities	1,872
Increase (decrease) in accrued payroll	1,466
Increase (decrease) in interest payable	205
Total adjustments	<u>(112,140)</u>
Net cash provided (used) by operating activities	<u>(3,293)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Paycheck Protection loan	132,037
Payments on note payable	(4,056)
Net cash provided (used) by financing activities	<u>127,981</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales of assets	23,656
Purchase of certificates of deposit	(66,809)
Proceeds from certificates of deposit	167,255
Net cash provided (used) by investing activities	<u>124,102</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 248,790

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 312,008

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 560,798

Supplemental Disclosure of Cash Flow Information:

Cash Paid During the Year for:

Income taxes	\$ -
Interest expense	\$ -

See accompanying notes to the financial statements.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Business

The Community Partnership (the Partnership) was established in 1997 to support the development of healthy and thriving communities by promoting awareness of needs, creating and implementing services and partnerships to help meet those needs, and encouraging individual responsibility.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, the Partnership's net assets and changes thereto are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Partnership. These net assets may be used at the discretion of the Partnership's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Partnership or by the passage of time. Other restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

Cash and cash equivalents include bank accounts as well as certificates of deposit purchased with a maturity of three months or less from the date of purchase.

Grants Receivable

Grants receivable consists of receivables from the Missouri Department of Social Services and Child Care Aware, of which the Partnership has an unconditional right to receive. Grants receivable are stated at the amount management expects to be collected from the set standing balance. As of June 30, 2021, management has determined, based upon historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Allowance for Doubtful Accounts

The Partnership has deemed all receivables to be fully collectible due to the fact that the majority of receivables are state contracts; therefore, no allowance for doubtful accounts has been determined.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Cont'd.)

Revenue Recognition

The Partnership recognizes contributions when an unconditional promise to give is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been substantially met. Some grant contracts are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Contributions and Grant Revenue

Contributions and grants received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor or grantor restrictions. Contributions and grants received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets. Conditional contributions and grants are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Functional Allocation of Expenses

Expenses are charged to each function based on direct expenditures incurred. Certain categories of expenses are attributable to more than one program or supporting function. These expenses are allocated on a reasonable basis established by management and consistently applied. Salaries and wages, payroll taxes and benefits are allocated on the basis of estimates of time and effort. All other expenses are allocated based on consumption by functional category.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Cont'd.)

In-Kind Donations

Donated services, and other miscellaneous in-kind donations such as use of facilities, are recognized as contributions if the donations (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Partnership. Volunteers also provided tutoring and other services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The Partnership receives more than 700 volunteer hours per year from approximately 217 volunteers.

Due to the reports the Partnership is required to file with the State of Missouri, in-kind donations are reported as a single line item on the expense side of the transaction. Reporting each in-kind donation with the appropriate expense account would misstate the amounts to be refunded by the State of Missouri to the Partnership.

Income Taxes

The Partnership is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Partnership's tax-exempt purpose is subject to taxation as unrelated business income. The Partnership had no unrelated business income. Open tax years subject to examination by the Internal Revenue Service as of June 30, 2021 were 2020, 2019, and 2018.

Fixed Assets

Major acquisitions of property and equipment which were purchased with thrift store income are capitalized. Property and equipment is stated at cost, or if donated, at the approximate fair value at the date of donation. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed when paid. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in additions to or deductions from net assets.

Fixed assets are depreciated over the estimated useful lives of the assets using the straight-line method of depreciation.

Some furniture and equipment purchased by the Partnership are used to meet grant requirements. The State of Missouri owns the assets purchased using state dollars and if the Partnership should dissolve, these assets would be returned to the state. Accordingly, this furniture and equipment is expensed when purchased.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Cont'd.)

Fundraising

Fundraising costs are expensed as incurred. Fundraising costs for the year ended June 30, 2021 were \$5,313.

Employee Benefit Plan

The Partnership has a SIMPLE Individual Retirement Account plan covering substantially all employees. Under the plan, the Partnership matches employee contributions up to 3% of gross wages. Plan expenses incurred by the Partnership during the year ended June 30, 2021 were \$16,550.

Subsequent Events

The Partnership evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through February 25, 2022, which is the date the financial statements were available to be issued.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The guidance applies only to exchange type transactions. These transactions are defined as reciprocal transfers between two parties; one of the parties acquires assets or services, or satisfies liabilities, by giving up other assets or services or incurring other obligations to the other party. Examples include, but are not necessarily limited to: receiving fees for services and investment income. The new guidance includes a five step process to evaluate performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each separate performance obligation. The Organization adopted Topic 606, as amended, as of April 1, 2019. There was no impact to net assets or changes in net assets.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities* (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this ASU to clarify and improve scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Cont'd.)

Recently Adopted Accounting Pronouncements (Cont'd.)

The Organization adopted ASU 2018-08 March 1, 2019. There was no impact to net assets or changes in net assets. The Partnership adopted this standard effective January 1, 2019, using the modified prospective approach, with no effect on net assets.

Recently Issued Accounting Pronouncements

The FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which replaces existing lease accounting guidance. This new guidance is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the statement of financial position. The guidance will also require additional disclosures to better inform financial statement users of the amount, timing and uncertainty of cash flows arising from leases. The primary impact of this guidance, which will be effective for the Partnership's fiscal year 2022, will be to record right-of-use assets and lease obligations for current operating leases. The impact of this standard on the Partnership's financial statements is being evaluated.

The FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958) on Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires organizations to present contributed nonfinancial assets as a separate line item in the Statement of Activities, apart from cash and other financial assets, and disaggregate into different categories those nonfinancial assets. For each category of utilized assets, the description of programs or other activities in which the assets are utilized and any donor-imposed restrictions on the use of assets need to be disclosed. The standard is effective for the Organization's fiscal year 2022. The impact of this standard on the Partnership's financial statements is being evaluated.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 2 – NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions were available for the following purposes at June 30, 2021:

Capable Kids and Families	\$ 34,291
Missouri Mentoring Partnership	26,546
Educare/Early Care and Education	31,719
Linking Hearts	5,993
Independent Living Program	6,150
Foster Parent Appreciation	1,617
CKF Expansion	1,137
PREP	179
	<u>\$ 107,632</u>

NOTE 3 – CONCENTRATIONS OF CREDIT RISK:

The Partnership places its cash and cash equivalents with credit-worthy, high quality financial institutions. Balances at these institutions are insured by FDIC up to \$250,000. All balances were fully insured As of June 30, 2021.

The Partnership also maintains a brokerage account at one financial institution. These funds are secured by SIPC insurance up to \$500,000, which includes a \$250,000 limit for cash. All balances were fully insured as of June 30, 2021.

Amounts maintained in Investaccounts are not insured or guaranteed by FDIC or any other government agency. The balances do, however, represent the purchase of government-backed securities. At June 30, 2021, the Partnership had \$316,066 in the uninsured Investaccount. These balances are included in cash and cash equivalents at year-end and reflect current market value. Due to the nature of these investments, there are no realized or unrealized gains and losses recorded in the financial statements.

NOTE 4 – CONCENTRATION OF REVENUE:

The Partnership receives a large portion of its funding, approximately 73% of total annual revenue, from the State of Missouri. If material funding changes occurred this could severely impact the Organization’s ability to continue their current operations.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 5 – PARTNERSHIP ADMINISTRATIVE FEES:

The Partnership charges each of its programs administrative fees for administering the grants. \$51,595 is included in Partnership income and the various grant program expenses for administering the grant programs.

NOTE 6 – AVAILABILITY AND LIQUIDITY:

The Partnership’s goal is generally to maintain financial assets to meet 90 days of operating expenses. The following represents the Partnership’s financial assets at June 30, 2021:

Financial assets at year end:		
Cash and cash equivalents	\$	560,798
Certificates of deposit		66,809
Accounts receivable		<u>43,688</u>
Total financial assets		671,295
Less amounts not available to be used within one year:		
Net assets with donor restrictions		<u>107,632</u>
Financial assets available to meet general expenditures over the next twelve months	\$	<u><u>563,663</u></u>

NOTE 7 – DEFERRED REVENUE:

Deferred revenue represents unexpended grant funds at year-end. As of June 30, 2021, unexpended grant revenues are as follows:

Community Foundation of the Ozarks	\$	8,707
State of Missouri		<u>676</u>
	\$	<u><u>9,383</u></u>

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – LEASE AGREEMENT:

The Partnership entered into a lease agreement on July 11, 2007, for the building they occupy. The lease extends until July 31, 2022, with payments of \$1,995 per month. Rental expense under this lease agreement for the year ended June 30, 2021 was \$23,940.

Future yearly lease payments are as follows:

2022	\$ 23,940
2023	1,995
	<u>\$ 25,935</u>

NOTE 9 – NONCOMPLIANCE WITH GRANTOR RESTRICTIONS:

The Partnership receives a large portion of its funding for projects through one state agreement for specific purposes that are subject to audit by the state. Compliance audits conducted by the state in the future could lead to disallowed costs relating to the current period; however the Partnership expects such amounts, if any, to be immaterial.

NOTE 10 – NOTES PAYABLE:

On December 21, 2015, the Partnership entered into a note agreement with Riverways Federal Credit Union. The total amount borrowed was \$39,024. The Partnership paid off this note on July 17, 2020.

On February 23, 2021, the Partnership entered into a Paycheck Protection Program loan agreement through Phelps County Bank. The total amount borrowed was \$132,037. At June 30, 2021, the outstanding principle on the loan amounted to \$132,037. The Partnership has requested forgiveness of \$74,146. There are no monthly payments due for repayment of the loan for the first ten months following the loan date. The loan carries an interest rate of 1.00% and matures on December 23, 2026.

THE COMMUNITY PARTNERSHIP
Rolla, Missouri

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 10 – NOTES PAYABLE: (Cont'd.)

Maturities of long-term debt are as follows:

Year Ending June 30:	
2022	\$ 78,809
2023	11,622
2024	11,739
2025	11,857
2026	11,976
2027	6,034
	<u>\$ 132,037</u>

NOTE 11 – COVID RESPONSE:

During March 2020, the COVID-19 virus was declared a global pandemic, as it continued to spread rapidly. Business continuity, including major supply chains and consumer demands across the United States and other countries, could be impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Operations have not been suspended due to the pandemic to date, however, The Board of Directors and management have made several adaptations to operations to keep business fully functional, while protecting their workforce. The Board of Directors and management continues to closely monitor the situation and will take action when necessary.



Evers & Company, CPA's, L.L.C.

Certified Public Accountants and Consultants

Richard E. Elliott
Dale A. Siebeneck
Jo L. Moore
Wendy M. Renner
Eldon H. Becker
Jessica L. Bridges
Bobbie J. Redmon-Murray

Elmer L. Evers, Emeritus
Jerome L. Kauffman, Emeritus
Keith L. Taylor, Emeritus
Bruce A. Vanderveld, Emeritus

To the Board of Directors and Management of
The Community Partnership
Rolla, Missouri:

In planning and performing our audit of the financial statements of The Community Partnership as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered The Community Partnership's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of the Partnership's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Partnership's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in The Community Partnership's internal control to be significant deficiencies:

CURRENT YEAR RECOMMENDATIONS:

Internal Control Structure

We are required to give consideration to the Partnership's ability to prepare financial statements and related note disclosures, as well as the oversight of the financial reporting process by those charged with governance. The Partnership does not have in place controls that would assure the preparation of internal financial statements and related note disclosures in accordance with generally accepted accounting principles. The Partnership engages independent auditors to draft the financial statements, which includes drafting the primary financial statements and ensuring the disclosures are complete. Once drafted, the financial statements are submitted to the Partnership for review and approval. While this practice is common and practical, we must inform those charged with governance that this must be considered a significant deficiency in internal control since the financial statement preparation cannot be performed in-house.

In addition, we became aware of certain matters that are opportunities for strengthening internal control and operating efficiency but did not meet the definition of a significant deficiency. These matters are summarized in Attachment A.

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

Evers & Company, CPA's, LLC

EVERS & COMPANY, CPA's, L.L.C.
Jefferson City, Missouri

February 25, 2022

Attachment A

Form W-4

During our audit of the current year, we noted that the majority of the employees tested did not have an updated W-4 on file. In order to ensure compliance with current payroll laws, the W-4s of all employees should be updated on an annual basis.

Approval of invoices

During our audit of the current year, we tested one invoice that was not properly approved in accordance with the Partnership's policies and procedures. We recommend that the Partnership follow its procedures on all disbursements and accordingly approve them prior to all payment remittances.



Evers & Company, CPA's, L.L.C.

Certified Public Accountants and Consultants

Richard E. Elliott
Dale A. Siebeneck
Jo L. Moore
Wendy M. Renner
Eldon H. Becker
Jessica L. Bridges
Bobbie J. Redmon-Murray

Elmer L. Evers, Emeritus
Jerome L. Kauffman, Emeritus
Keith L. Taylor, Emeritus
Bruce A. Vanderveld, Emeritus

February 25, 2022

To the Board of Directors
The Community Partnership
Rolla, Missouri

We have audited the financial statements of The Community Partnership for the year ended June 30, 2021, and have issued our report thereon dated February 25, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 26, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Community Partnership are described in Note 1 to the financial statements. As described in Note 1, the Organization changed accounting policies related to revenue recognition by adopting FASB Accounting Standards Update (ASU) No. 2016-10, *Revenue from Contracts with Customers (Topic 606)*, in 2021. We noted no transactions entered into by the Partnership during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the depreciation is based on the estimated useful life of the assets. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts is based on historical revenues, historical loss levels, and analysis of the collectability of accounts. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair market value of goods and services is based on actual cost information provided by the donor or the subsequent sales amount. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: unrecognized Paycheck Protection Program forgiveness, and unrecognized in-kind donations.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 25, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

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

Very truly yours,

A handwritten signature in black ink that reads "Evers & Company, CPA's, LLC". The signature is written in a cursive, slightly slanted style.

Evers & Company, CPA's L.L.C.
Jefferson City, Missouri