

Nicole Galloway, CPA

Missouri State Auditor

Children's Trust Fund Board

Report No. 2019-094

September 2019

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Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Children's Trust Fund Board

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from the audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Children's Trust Fund Board

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NICOLE GALLOWAY, CPA **Missouri State Auditor**

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Sarah Steelman, Commissioner
Office of Administration
and
Members of the Children's Trust Fund Board
and
Emily van Schenk Hof, Executive Director
Children's Trust Fund Board
Jefferson City, Missouri

We have audited certain operations of the Children's Trust Fund Board in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2019. The objectives of our audit were to:

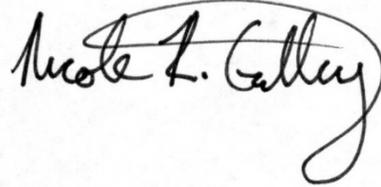
1. Evaluate the board's internal controls over significant management and financial functions.
2. Evaluate the board's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organizational and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Children's Trust Fund Board.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

| | |
|--------------------|------------------------------|
| Senior Director: | Douglas J. Porting, CPA, CFE |
| Audit Manager: | John Lieser, CPA |
| In-Charge Auditor: | Steven Barton |
| Audit Staff: | Sacha Tejan |

Children's Trust Fund Board

Organization and Statistical Information

The Children's Trust Fund Board (CTFB) was established by Sections 210.170 to 210.173, RSMo, to provide child abuse and neglect public awareness and prevention programs throughout the state using resources of the Children's Trust Fund (CTF). Receipts of the CTF are comprised of dedicated fees on marriage licenses and vital records, voluntary contributions of state income tax refunds, sales of the specialty CTF license plate, federal grants, general donations, and interest income.

Section 210.170, RSMo, provides that the CTFB shall consist of 17 members. Thirteen public members are appointed by the Governor with the advice and consent of the Senate and are appointed to serve 3-year terms, limited to two consecutive terms. Members serve until their successor is appointed. Two members of the Missouri House of Representatives are appointed by the Speaker of the House and two members of the Missouri Senate are appointed by the President Pro Tem of the Senate. Members of the Senate and House of Representatives serve on the CTFB until their term in the House or Senate expires. On June 30, 2019, the CTFB had 15 members and 2 vacancies. Members serving on the Board as of June 2019 were:

| Member | City | Term Expires |
|------------------------------------|--------------|----------------|
| John B. Heskett, Ed.D., Chair | Chesterfield | September 2020 |
| Amy Beechner-McCarthy, Chair Elect | Rolla | September 2019 |
| James D. Anderst, M.D. MSCI | Kansas City | September 2020 |
| Melissa Birdsell | St. Joseph | September 2020 |
| Nanci A. Bobrow, Ph. D. | St. Louis | September 2019 |
| Monica Davis, Ed.D. | Rolla | September 2018 |
| Sharon Faulkner | Springfield | September 2018 |
| Michael Howard | Crestwood | September 2020 |
| Margaret Peggy Krokstrom | Chesterfield | September 2019 |
| Sharon E. Rohrbach | Fenton | September 2019 |
| Cherisse Thibaut, LCSW | Kirkwood | September 2018 |
| Derek Wiseman | St. Louis | September 2018 |
| Representative Cody Smith | Carthage | |
| Senator Jeanie Riddle | Holts Summit | |
| Senator Jill Schupp | St. Louis | |
| Vacant | | |
| Vacant | | |

The CTFB is empowered to enter into contracts with public or private agencies, schools, or qualified individuals to establish community-based educational and service programs focused on the prevention of child abuse and neglect. The programs include home visiting, crisis care, safe sleep promotion, collective impact, parent education and engagement, and other child abuse prevention initiatives. The CTFB also provides public education about the problem of child abuse and neglect and how Missouri citizens can contribute to prevention efforts.



Children's Trust Fund Board Organization and Statistical Information

The CTFB may appoint an executive director to perform administrative duties. Emily van Schenk Hof was appointed Executive Director in July 2017. Four other employees perform various administrative duties and responsibilities.

Appendix A

Children's Trust Fund Board

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

| | Year Ended June 30, | |
|---|---------------------|-----------|
| | 2019 | 2018 |
| CHILDREN'S TRUST FUND | | |
| Receipts | \$ 2,196,086 | 2,298,141 |
| Disbursements | 2,089,143 | 1,862,027 |
| Receipts Over (Under) Disbursements | 106,943 | 436,114 |
| Transfers In ¹ | 41,810 | 63,813 |
| Transfers Out ² | (142,952) | (104,695) |
| Receipts Over (Under) Disbursements and Transfers | 5,801 | 395,232 |
| Cash and Investments, July 1 | 4,076,509 | 3,681,277 |
| Cash and Investments, June 30 | \$ 4,082,310 | 4,076,509 |

¹ Transfers In include donations of individual or corporation state income tax refunds.

² Transfers Out generally include payments for fringe benefits and the state's cost allocation plan.

Appendix B

Children's Trust Fund Board
 Comparative Statement of Appropriations and Expenditures

| | Year Ended June 30, | | | | | |
|---|----------------------------|------------------|--------------------|----------------------------|------------------|--------------------|
| | 2019 | | | 2018 | | |
| | Appropriation Authority | Expenditures | Lapsed Balances | Appropriation Authority | Expenditures | Lapsed Balances |
| CHILDREN'S TRUST FUND | | | | | | |
| Program disbursements | \$ 2,800,000 | 1,749,123 | 1,050,877 | 2,800,000 | 1,552,404 | 1,247,596 |
| Administrative, promotional, and programmatic costs of the Children's Trust Fund Board: | | | | | | |
| Personal service | 282,266 | 263,500 | 18,766 | 222,996 | 214,614 | 8,382 |
| Expense and equipment | 112,092 | 56,129 | 55,963 | 112,092 | 72,904 | 39,188 |
| Operation of state-owned facilities, utilities, systems furniture, and structural modifications - expense and equipment | 13,592 | 13,572 | 20 | 13,059 | 13,059 | 0 |
| Refunds | 13,495 | 6,203 | 7,292 | 13,495 | 6,065 | 7,430 |
| Total Children's Trust Fund | <u>\$ 3,221,445</u> | <u>2,088,527</u> | <u>1,132,918</u> | <u>3,161,642</u> | <u>1,859,046</u> | <u>1,302,596</u> |

Appendix C

Children's Trust Fund Board
 Comparative Statement of Expenditures (From Appropriations)

| | Year Ended June 30, | | | | |
|-------------------------------------|---------------------|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Salaries and wages | \$ 263,500 | 214,614 | 230,547 | 215,873 | 214,548 |
| Travel, in-state | 17,286 | 11,938 | 6,346 | 4,928 | 5,293 |
| Travel, out-of-state | 15,275 | 3,942 | 2,549 | 1,946 | 3,299 |
| Supplies | 11,811 | 5,281 | 3,919 | 8,859 | 3,725 |
| Professional development | 9,897 | 4,577 | 4,640 | 3,092 | 3,718 |
| Communication services and supplies | 2,012 | 1,966 | 1,730 | 2,197 | 3,706 |
| Services: | | | | | |
| Professional | 217,097 | 177,667 | 34,041 | 43,958 | 24,967 |
| Maintenance and repair | 417 | 255 | 163 | 63 | 407 |
| Equipment: | | | | | |
| Computer | 0 | 0 | 1,543 | 0 | 0 |
| Office | 4,460 | 288 | 499 | 40 | 0 |
| Other | 7,627 | 1,488 | 151 | 0 | 0 |
| Property and improvements | 635 | 0 | 0 | 0 | 0 |
| Building lease payments | 16,159 | 14,389 | 13,483 | 12,952 | 13,343 |
| Equipment rental and leases | 569 | 0 | 0 | 0 | 0 |
| Miscellaneous expenses | 18,623 | 3,022 | 2,208 | 1,879 | 1,067 |
| Refunds | 6,203 | 6,065 | 6,772 | 7,060 | 6,090 |
| Program distributions | 1,496,956 | 1,413,554 | 1,960,130 | 1,859,917 | 2,557,806 |
| Total Expenditures | \$ <u>2,088,527</u> | <u>1,859,046</u> | <u>2,268,721</u> | <u>2,162,764</u> | <u>2,837,969</u> |