



CCDDR Financial Reporting

Accounting System

- CCDDR utilizes the Proprietary Funding Accounting System, Enterprise Fund Accounting Principles (short definition – Accrual Accounting) for official financial reporting (Audited Financial Reports)
- Carryover funds from prior years (“unrestricted”) are “restricted” for expenses in the upcoming year(s) and recorded as “Equity” in a designated Restricted Fund Account on the Balance Sheet
- CCDDR has 2 different “Departments”
 1. SB 40 Tax
 2. Services
- Income & Expenses are recorded to the appropriate “Department” applicable

CCDDR Budgets

- The budgeted income for the SB 40 Tax Department is based on the previous year's anticipated property tax collections, i.e. 2019 tax billing is used to calculate the 2020 budgeted SB 40 Tax income (at a roughly 99% collection rate)
- The budgeted income for the Services Department is based on historical billing average per client, billing averages for Support Coordinator employed by the agency, hours projected to be physically worked by Support Coordinators, and the anticipated TCM rate per unit (rent and other income are based on historical averages and anticipated amounts)
- The budgeted expenses for both departments are based on historical averages and anticipated costs of perennial expenses as well as expected costs that are not perennial
- Budget general rule of thumb: develop a “zero balance” budget and use conservative principles, i.e. income low and expenses high with reasonable and justifiable support – inflating income and deflating expenses are dangerous practices!!!

Recording of Income (Unaudited)

- SB 40 Tax income is recorded during the month the check is received
- Medicaid & Non-Medicaid Direct Service (Targeted Case Management or “TCM”) Income is recorded on the Profit & Loss Statement in Quickbooks when we bill the services (every 2 weeks – same as payroll payment dates)
- Medicaid Direct Service (TCM) income is recorded in Quickbooks on the Balance Sheet (bank account) when the electronic deposit from the State occurs
- Non-Medicaid Service (TCM) payment is recorded quarterly and is paid via a paper check from the SB 40 Tax bank Account to the Services Bank Account (occurs in January, April, July, and October for the previous 3 months)
- Re-billing of Medicaid TCM services occurs quarterly and at the end of each fiscal year (January, April, July, October, and December – this is done to capture services provided to clients whose Medicaid lapsed for any prior period and adjusted out of the Non-Medicaid services billing)
- Rent and Other Income (Keystone house rent & MO-941 filing credits) are recorded in the month received or submitted, respectively

Recording of Expenses (Unaudited)

- Assets, remodeling, and major purchases over \$1,000 are recorded as “Assets” on the Balance Sheet and depreciated monthly on the Profit & Loss Statement
- Insurances are recorded on the Balance Sheet as “Prepaid Insurance” and amortized (accrued) monthly (during the duration of the policy period) on the Profit & Loss Statement
- Monthly operational expenses are recorded in Quickbooks by the date of the invoice
- Payroll is biweekly and is recorded in Quickbooks on the payroll payment date (one week after payroll period ends)
- Expenses offset by monies reserved in Restricted Fund accounts (listed as “Equity” on the Balance Sheet) are recorded in a contra account named “Offset from Restricted Funds” for each account category
- The recorded amounts in the contra account are deducted from the appropriate Restricted Fund account
- What is reported on the monthly Unaudited Financial Statements are expenses being paid from current year income sources and expenses being paid from past year carryover income (designated Restricted Funds)

Audited Financial Statement (Annually)

- In the accrual accounting system, income and expenses are stated for the period applicable (or incurred)
- Adjusting journal entries are made to “zero out” all contra expense accounts (payments applied from Restricted Funds)
- Adjusting journal entries are made to reflect payroll expenses during December (considered a “liability”), which are not paid until January
- Invoices received in January for December of the prior year are adjusted to show as expenses in the prior year
- Services (TCM) provided in December but not recorded until January are adjusted to reflect as income for the prior year
- SB 40 Tax income received and applicable to the prior year tax billing is adjusted to reflect income from the prior year (i.e. 2019 tax billing collections received from the County Treasurer in December are recorded on the Balance Sheet as pre-paid income, which is considered a “liability”, then adjusted in Quickbooks to reflect on the Profit & Loss Statement as income for 2020 – adjusting journal entries are made to record the income in 2019 for the Audited Financial Report)