



August 16, 2022

Board of Directors
East-West Gateway Council of Governments
One South Memorial Drive, Suite 1600
St. Louis, MO 63102

We have audited the financial statements of East-West Gateway Council of Governments (the Council), as of and for the year ended December 31, 2021, and have issued our report thereon dated August 16, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 12, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of East-West Gateway Council of Governments solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Management override of controls - due to the ability of management to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. *(Required to be identified as a significant risk in all audits by AU-C 240.29)*
- Improper revenue recognition as it relates to improper timing of recognizing revenue in the financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by East-West Gateway Council of Governments is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are the collectability of receivables. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We did not identify any uncorrected misstatements as a result of our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any corrected misstatements as a result of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Council's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated August 16, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Council, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Council's auditors.

This report is intended solely for the information and use of the Board of Directors and management of East-West Gateway Council of Governments and the Council's funding agencies is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Keiser, Eck & Braeckel LLP

**EAST-WEST GATEWAY
COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2021

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Independent Auditors' Report

Board of Directors
East-West Gateway Council of Governments

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of East-West Gateway Council of Governments, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of East-West Gateway Council of Governments as of December 31, 2021, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East-West Gateway Council of Governments and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

East-West Gateway Council of Governments' management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about East-West Gateway Council of Governments' ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 East-West Gateway Council of Governments' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about East-West Gateway Council of Governments' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audit 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise East-West Gateway Council of Governments' basic financial statements. The schedule of revenues and expenses by program and schedule of expenditures of federal awards, as required by Title 2 U.S. Code schedule of revenues and expenses by program and schedule of expenditures of federal awards, as required by *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues and expenses and the schedule of expenditures of federal awards are 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 revenues and expenses and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2022 on our consideration of East-West Gateway Council of Governments' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 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 East-West Gateway Council of Governments' internal control over financial reporting and compliance.

Keiser, Eck & Braeckel LLP

St. Louis, Missouri
August 16, 2022

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

Introduction

This section of the East-West Gateway Council of Governments' annual financial report offers a narrative overview and analysis of the financial activities during the year ended December 31, 2021. It should be read in conjunction with the accompanying financial statements in order to obtain a thorough understanding of East-West Gateway's financial condition. This management's discussion and analysis (MD&A) along with the financial statement presentations combine to form an integrated set of basic financial statements.

East-West Gateway Council of Governments Overview

East-West Gateway Council of Governments (the "Council") was incorporated in 1965 to provide a forum for cooperative problem solving and the coordinated development of regional policy. The Council's service area covers a bi-state geographic region of approximately 4,500 square miles that includes the City of St. Louis; Franklin, Jefferson, St. Charles, and St. Louis counties in Missouri; and Madison, Monroe, and St. Clair counties in Illinois.

The Council is governed by a 29-member Board of Directors that includes 24 voting members comprised of 18 locally elected officials and 6 citizen representatives and 5 non-voting members representing our states. With input from federal, state, and local governments, the Council provides the community with a regional perspective.

The Council's services are funded by a variety of sources including contributions by member governments, formula and discretionary grants from the federal government, states of Missouri and Illinois, and contributions for specific programs from private foundations and civic organizations.

Overview of the Financial Statements

The Council adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – For State and local Governments (Statement 34), as of January 1, 2004. Statement 34 established standards for external financial reporting for all state and local governmental entities.

Required Financial Statements

The financial statements report information of the Council and its component activities using accounting methods similar to those used by private sector companies and offer short and long-term financial information about the 2021 activities. The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

The current year revenue and expenses are accounted for in the statement of revenues, expenses, and change in net position using the accrual basis of accounting. All of the Council's operations and programs are included here.

The final required financial statement is the statement of cash flows. This statement reports cash receipts, cash disbursements, and net changes in cash resulting from operating, investing, capital and related financing activities, and noncapital financing activities and indicates the source of the cash, how the cash was used, and the net change in the cash balance during the reporting period.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis (Continued)

In addition, the notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes are followed by supplementary information that further explains and supports the information in the financial statements.

Financial Highlights

The assets of the Council exceeded its liabilities at the close of 2021 and 2020 by \$4,188,135 and \$4,203,472, respectively. Of this amount \$3,997,100 for 2021 and \$4,117,234 for 2020 represents unrestricted net position, which may be used to meet ongoing obligations to grantor agencies and creditors.

The total net position decreased in 2021 by \$15,337 compared to an increase in 2020 of \$123,745, which represents a decrease of less than 1% in 2021 and an increase of 3.03% in 2020.

SCHEDULE OF NET POSITION FOR 2021 COMPARED TO 2020 (Dollars in thousands)

	<u>2021</u>	<u>2020</u>	Increase (Decrease)	<u>Change</u>
Current assets	\$ 5,350	\$ 5,181	\$ 169	3.3%
Capital assets - net	<u>191</u>	<u>86</u>	<u>105</u>	<u>122.1%</u>
Total assets	<u>\$ 5,541</u>	<u>\$ 5,267</u>	<u>\$ 274</u>	<u>5.2%</u>
Total current liabilities	\$ 1,291	\$ 1,063	\$ 228	21.4%
Total noncurrent liabilities	<u>62</u>	<u>-</u>	<u>62</u>	<u>-</u>
Total liabilities	<u>\$ 1,353</u>	<u>\$ 1,063</u>	<u>\$ 290</u>	<u>27.3%</u>
Invested in capital assets	\$ 191	\$ 86	\$ 105	122.1%
Unrestricted	<u>3,997</u>	<u>4,118</u>	<u>(121)</u>	<u>-2.9%</u>
Total net position	<u>\$ 4,188</u>	<u>\$ 4,204</u>	<u>\$ (16)</u>	<u>-0.4%</u>

As noted earlier, net position may serve over time as a useful indicator of financial position. The Council's assets at December 31, 2021 and 2020, exceeded liabilities by \$4,188,135 and \$4,203,472, respectively. The Council's 2021 unrestricted net position represented 95.4% of the total net position while investments in capital assets (e.g., equipment) made up 4.6%. The 3.3% increase in current assets during 2021 is primarily the result of a reduction in receivables and an increase in cash payments received.

The 21.4% increase in current liabilities is mainly attributable to the purchase of the Council's new accounting system and an increase in accounts payable at the end of 2021 compared to 2020.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis (Continued)

Schedule of Revenues, Expenses, and Changes in Net Position for 2021 Compared to 2020

**CONDENSED SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
(Dollars in thousands)**

	2021	2020	Increase (Decrease)
Operating revenues:			
Federal and state funding	\$ 6,852	\$ 7,287	\$ (435)
Local fees	1,266	1,321	(55)
Miscellaneous revenues	1	3	(2)
	<u>8,119</u>	<u>8,611</u>	<u>(492)</u>
Total operating revenues			
Operating expenses:			
Property and facilities	460	390	70
Salaries, wages, and employee benefits	4,552	4,586	(34)
Consultants/contractual services	406	1,629	(1,223)
Subrecipient expenses	2,395	1,604	791
In-kind services	198	210	(12)
Other expenses	124	133	(8)
	<u>8,135</u>	<u>8,551</u>	<u>(416)</u>
Total operating expenses			
Operating loss before nonoperating revenues	(16)	60	(76)
Nonoperating revenues	(0)	64	(64)
Change in net position	(16)	124	(140)
Net position at beginning of year	4,204	4,080	124
Net position at end of year	<u>\$ 4,188</u>	<u>\$ 4,204</u>	<u>\$ (16)</u>

A comparison of 2021 to 2020 activity is shown in the condensed schedule of revenue, expenses, and changes in net position. Operating revenues decreased by 5.7% between 2020 and 2021 primarily due to the reduction in revenue from federal grants and state grants. The Council completed several major projects in 2020 which resulted in less federal grant revenue being received in 2021, including one phase of the MetroLink Security Assessment, the Alton Great Streets project, the Frenchtown Great Streets project, and a phase of the CCTA project. Additionally, the Council's expenditures for the 2021 Metropolitan Transportation Planning grant program decreased from 2020 to 2021 and this resulted in both less federal and less state revenue being received in 2021. Local fees decreased by 4.2% between 2020 and 2021 primarily due to the completion of the projects noted above and the reduction in activities and expenses in 2021.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis (Continued)

The Council's total operating expenses decreased by approximately 4.9%, in 2021 compared to 2020. The reduction in expenses is primarily due to the completion of the projects noted above which resulted in less consultant and contractual and other project related expenses and a reduction in staff meeting and travel expenses.

Economic Conditions

The Council relies on federal and state grants for the majority of its revenue. Our expenditures vary from year to year depending on the number and size of projects that are undertaken by the agency. The fundamental transportation planning funding remains relatively stable and this remains true despite the COVID-19 pandemic. These stable transportation-funded activities are supplemented with competitively awarded transportation projects and significant activities in other areas such as safety and security, environmental, and economic development. In addition, locally funded studies are undertaken for the advancement of the St. Louis metropolitan area.

Since 2013, the Council has received annual Urban Area Security Initiative funding of approximately \$3,000,000. The existing funding will continue into 2024. The level of funding for this program in the federal fiscal year 2022 is expected to increase.

The cash match generated from the member counties and municipalities in the form of fees provides some of the necessary match required to access much of our federal planning funds. The Council's match is a combination of per capita contribution, state appropriated funds, transportation project administrative fees, local government commitments and contributed services. These sources will continue to provide adequate non-federal match for many of the federal planning assistance programs that are available to us in 2022.

Due to the COVID-19 pandemic, the Council's office closed on March 23, 2020 and almost all staff continued to work remotely until April 1, 2022. During this time, the Council conducted all its meetings virtually, staff did not travel to attend meetings or conferences, and one major project was delayed until future fiscal years (the Regional Household Travel Survey). Despite the challenges presented by the pandemic, the Council's staff quickly transitioned to remote work and the Council was able to continue its operations uninterrupted. The pandemic has not resulted in a significant impact on the Council's financials. As noted above, the suspension of travel and in-person meetings had a minimal impact on the Council's revenues; however, these factors did reduce the Council's expenditures on these items. Since March 2020, the Council has not experienced a significant increase in its overall expenditures directly related to the pandemic. In 2021, the Council's COVID-related expenditures decreased by approximately 48.6% from 2020 expenditures; from approximately \$35,000 in 2020 to a little more than \$18,000 in 2021.

We expect that the pandemic will have similar impacts on the 2022 financial results; though the type and degree of the impact are unknown at this time. The implications beyond 2022 are similarly unclear at this time; however, there could be financial impacts in future periods.

Given the minimal impact the pandemic has had on our operations thus far, we feel that the Council is well-positioned to continue to provide planning services to the St. Louis metropolitan area.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis (Continued)

Contacting the Council

This financial report is designed to provide a general overview of the East-West Gateway Council of Government's finances for all those with an interest in the Council. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration, East-West Gateway Council of Governments, One Memorial Drive, St. Louis, MO 63102.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

--ASSETS--

CURRENT ASSETS:

Cash	\$ 3,649,814
Receivables:	
Grants	994,248
Project costs in process	614,889
Prepaid expenses and other current assets	90,743

Total current assets 5,349,694

CAPITAL ASSETS - at cost:

Equipment	148,951
Leasehold improvements	23,262
Software	257,868

430,081

Less accumulated depreciation and amortization (239,046)

191,035

TOTAL ASSETS \$ 5,540,729

--LIABILITIES AND NET POSITION--

CURRENT LIABILITIES:

Payroll withholdings	\$ 54,471
Accrued salaries payable	102,235
Accounts payable and other accrued expenses	605,632
Unearned revenue	48,190
Accrued lease payments	199,472
Accrued vacation payable	230,740
Current portion of leases payable	49,983

Total current liabilities 1,290,723

NONCURRENT LIABILITIES:

Noncurrent portion of leases payable 61,871

Total liabilities 1,352,594

NET POSITION:

Invested in capital assets	191,035
Unrestricted	3,997,100

Total net position 4,188,135

TOTAL LIABILITIES AND NET POSITION \$ 5,540,729

See notes to financial statements.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

OPERATING REVENUES:

Federal grants	\$ 6,638,744
State grants	213,384
Local fees	1,265,680
Miscellaneous	910

Total operating revenues 8,118,718

OPERATING EXPENSES:

Salaries and wages	3,067,007
Employee benefits	1,484,730
Services	406,153
Property	118,149
Facilities	341,882
Publications	8,739
Meetings and conferences	5,160
Travel and parking	13,483
Supplies	19,978
Professional development	21,717
Non-program	16,359
In-kind match	197,581
Training and exercises	39,152
Subrecipient expenses	2,394,588

Total operating expenses 8,134,678

Operating loss before nonoperating revenues (15,960)

NONOPERATING REVENUES:

Interest income	2,309
State appropriations	53,350
Loss on disposal of capital assets	(55,036)

Total nonoperating revenues 623

CHANGE IN NET POSITION (15,337)

NET POSITION AT BEGINNING OF YEAR 4,203,472

NET POSITION AT END OF YEAR \$ 4,188,135

See notes to financial statements.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from federal grants	\$ 7,412,409
Cash received from state grants	282,801
Cash received from local fees	1,089,017
Payments to employees	(3,565,820)
Payments to vendors	(4,138,818)
Other miscellaneous - nongrants	4,168
Net cash provided by operating activities	<u>1,083,757</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State appropriations	<u>53,350</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchases of capital assets	<u>(25,969)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on cash	2,309
Payments on capital lease	(87,723)
Net cash used in investing activities	<u>(85,414)</u>

Net increase in cash 1,025,724

CASH AT BEGINNING OF YEAR 2,624,090

CASH AT END OF YEAR \$ 3,649,814

RECONCILIATION OF OPERATING LOSS TO NET CASH

FLOWS PROVIDED BY OPERATING ACTIVITIES:

Operating loss before nonoperating revenues	\$ (15,960)
Adjustments to reconcile operating loss to net cash flows provided by operating activities:	
Depreciation and amortization	65,713
Net changes in other assets and liabilities:	
Grant and other receivables	340,273
Project costs in process	480,339
Prepaid expenses and other current assets	35,730
Accounts payable, accrued, and other liabilities	173,957
Accrued lease payments	3,705

Net cash flows provided by operating activities \$ 1,083,757

NONCASH TRANSACTION:

Increase in capital assets due to increase in liabilities	<u><u>\$ 199,577</u></u>
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See notes to financial statements.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

East-West Gateway Council of Governments (the "Council"), a wholly owned instrumentality of the political subdivisions of the States of Missouri and Illinois, was established in 1965 as a result of the 1962 Highway Act, which required metropolitan areas to plan highway improvements and construction on an area-wide basis. The Council is a voluntary association of local governments, which includes the city of St. Louis and the Missouri counties of Franklin, Jefferson, St. Charles, and St. Louis, plus the Illinois counties of Madison, Monroe, and St. Clair. Its purpose is to provide a means for planning St. Louis Metropolitan area projects through local government coordination.

The major area of emphasis is transportation; however, regional security, economic development, natural resources, environmental studies, community facilities, and the general improvement of living conditions also come within the scope of the Council's activities.

Basis of Presentation and Accounting

The financial statements of the Council are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

In accordance with GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus, U.S. Amended*, the Council's financial statements have been prepared on the basis of the governmental enterprise fund concept, which pertains to financial activities that operate similarly to a private business enterprise. The Council accounts for resources received and expenses incurred on a source, grant, and "work element" basis as required by the Missouri Department of Transportation. For financial statement presentation, such resources and related expenses are reported by major granting agency. Financial records and statements are maintained on the accrual basis.

Use of Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Project Costs in Process

The Council reports current project costs in process as an asset as prescribed by the Federal Transit Administration. Project costs in process represent expenditures incurred that are not currently billable to the granting agency. At December 31, 2021, project costs in process included open projects totaling \$614,889.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Notes to Financial Statements (Continued)

Capital Assets, Depreciation, and Amortization

Capital assets are recorded at cost, except for those purchases under federal and nonfederal grants where the title of the capital asset has transferred to the subrecipient organization under the terms of the grant. The Council's policy is to capitalize all expenditures in excess of \$1,000. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets (3 years for computers and 5 to 20 years for all other property).

Net Position

The net position of the Council is classified into two categories: unrestricted and invested in capital assets. Invested in capital assets consists of capital assets such as office equipment, leasehold improvements, and software. Unrestricted net position include net position available for the operation of the Council.

Operating Revenues and Expenses

Operating revenues generally result from providing services and include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities. Grant revenue is received for specific grant expenditures. The grants are contracts for services and therefore the grant revenue and related expenses are classified as operating revenues in the statement of revenues, expenses, and changes in net position. This grant revenue is the principal source of funds necessary to carry out the purpose of the Council's activities as described above.

Grant Revenue

Federal and nonfederal grant resources are recognized as revenue when project costs are expended and all eligibility requirements are met. Reimbursement requests to granting agencies are made primarily on a monthly basis.

Indirect Cost and Employee Benefit Allocations

The indirect cost and employee benefit pools are composed of expenses that benefit more than one grant. Indirect costs and employee benefit pools are allocated based on the rates established in the Council's Indirect Cost Allocation Plan. Allocation rates are based on a fixed rate with carry-forward.

Tax Status

The Council is exempt from federal and state income taxes.

Risk Management

The Council is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. Coverage for these various risks of loss is obtained through commercial insurance. There has been no significant reduction in insurance coverage from the prior year for all categories of risk. Commercial insurance is purchased in an amount that is sufficient to cover the Council's risk of loss. The Council will record an estimated loss from a claim as an expense and a liability if it meets the following requirements: (1) information available before the financial statements are issued indicates that it is probable that an asset has been impaired or a liability has

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Notes to Financial Statements (Continued)

been incurred at the date of the financial statements and (2) the amount of the loss can be reasonably estimated.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Council expects such amounts, if any, to be immaterial.

2. CASH AND CASH EQUIVALENTS

As of December 31, 2021, the Council had bank deposits of \$3,649,714 and cash on hand of \$100.

Credit Risk

It is the Council's investment policy to only invest in time deposits, money market funds, U.S. Treasury and federal agency securities, and repurchase agreements. As of December 31, 2021, the Council was in compliance with this policy.

Interest Rate Risk

Under the Council's established investment policy, the maximum allowed maturity for time deposits is five years. U.S. Treasury and federal agency securities and repurchase agreements have an allowed maximum maturity of 90 days or less. The Council had no investments during 2021.

Custodial Credit Risk

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the Council's deposit may not be returned to it. The Council does not have a deposit policy for custodial credit risk. State law requires depository financial institutions to pledge governmental unit securities as collateral for public funds on deposit, which, when combined with Federal Deposit Insurance Corporation (FDIC) insurance, are at least equal to the amount on deposit at all times. At December 31, 2021, the Council's carrying amount of deposits was \$3,649,714 and the bank balance was \$3,746,787. At December 31, 2021, none of the Council's bank balances were exposed to custodial credit risk.

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Council has an informal policy to reduce custodial credit risk where securities pledged are held by the pledging financial institution's safekeeping department in the Council's name. U.S. agency securities are held in the Council's name at the Bank of New York under a custodial relationship with the Bank of America. The Council does not have a concentration of credit risks policy.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Notes to Financial Statements (Continued)

3. CAPITAL ASSETS

For the year ended December 31, 2021, capital asset activity is as follows:

	2021			
	Beginning balance	Additions	Retirements/ Other	Ending balance
Equipment	\$ 201,922	\$ 8,900	\$ (61,871)	\$ 148,951
Leasehold improvements	6,692	16,570	-	23,262
Software	21,954	200,077	35,837	257,868
Total capital assets	230,568	225,547	(26,034)	430,081
Less accumulated depreciation and amortization	(144,330)	(65,713)	(29,003)	(239,046)
Net	\$ 86,238	\$ 159,834	\$ (55,037)	\$ 191,035

Depreciation and amortization expense allocated to the grant funds as part of indirect costs was \$53,761 in 2021.

4. CAPITAL LEASE

During 2021, the Council entered into various software licensing agreements which were classified as capital leases and recorded at the present value of the future lease payments. Payments are made quarterly or annually depending on the agreement with the final payment due in January 2024. At December 31, 2021, \$49,983 is recorded as current and \$61,871 as long-term.

The related software is included in capital assets, net of accumulated amortization. At December 31, 2021, the total cost is \$199,577 and the total accumulated amortization is \$57,874.

Future minimum lease payments under the capital leases described above are as follows:

December 31,	Capital Leases		
	Principal	Interest	Total
2022	\$ 49,983	\$ 2,639	\$ 52,622
2023	51,260	1,240	52,500
2024	10,611	86	10,697
Total	\$ 111,854	\$ 3,965	\$ 115,819

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Notes to Financial Statements (Continued)

5. COMMITMENTS

Leases

The future minimum rental payments under noncancelable operating leases for office space and equipment are as follows:

2022	\$ 282,552
2023	290,602
2024	298,654
2025	306,208
2026	308,799
2027 - 2028	<u>641,750</u>
Total minimum lease payments	<u>\$ 2,128,565</u>

The office space lease agreements provide for scheduled rent increases. Rent expense is recognized on a straight-line basis over the lease term which expires December 31, 2028. Total rent expense in 2021 for office space and equipment was \$274,220.

Sub-Awards and Contracts

The Council has entered into sub-award agreements and contracts with various governmental agencies and consulting firms for projects and studies in connection with the grants administered by the Council. At December 31, 2021, the aggregate amount of outstanding contractual commitments for which services are to be performed in future periods is \$820,058.

6. RETIREMENT SAVINGS PLAN

The Council adopted the East-West Gateway Council of Governments Retirement Savings Plan and Trust (the "Plan"), a defined contribution plan, which allows voluntary tax-deferred contributions pursuant to the provisions of Section 401(k) of the Internal Revenue Code. The investment management and recordkeeping services for the Plan are performed by Principal Financial Group. The Council is required to make matching contributions to the Plan. The Council contributes a maximum of 6.0% of gross employee salary. The Plan is available to all employees over the age of 21 regardless of their time of service. During 2021, the Council contributed \$190,109 to the Plan.

SUPPLEMENTARY INFORMATION

This section of the Council's annual financial report presents detailed information about the Council's revenues and expenses by program for the year ended December 31, 2021. For federally funded programs, this section provides information about the federal participation and share of expenses for each grant.

This section is organized alphabetically by the federal funding agency followed by the pass-through entity with an overall summary at the beginning. Locally funded projects are presented last.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2021**

SUMMARY BY FUNDER									
	U.S. DHHS, ASPR	U.S. DHS, FEMA	U.S. DOT, FHWA	U.S. DOT, FTA	U.S. EPA	Local & State Grants	Local Projects	Total	
REVENUES									
Federal grants	\$ 203,503	\$ 2,901,993	\$ 3,376,428	\$ 46,915	\$ 109,905	\$ -	\$ -	\$ 6,638,744	
State grants & appropriations	-	-	187,991	-	20,715	4,678	-	213,384	
Local contributions	-	-	18,035	3,918	-	-	-	21,953	
Other grants	-	-	-	-	-	-	237,999	237,999	
In-Kind match	-	-	222,080	-	-	-	-	222,080	
EWG Contributions	-	1	415,391	-	1,694	951	-	418,037	
Total revenues	203,503	2,901,994	4,219,925	50,833	132,314	5,629	237,999	7,752,197	
EXPENSES									
Salaries & Wages	105,810	280,533	1,930,894	16,461	69,707	2,962	146,901	2,553,269	
Paid Time Off, Vacation	-	-	-	-	-	-	18,182	18,182	
Services	-	132,480	108,542	19,588	-	-	-	260,610	
Property	-	-	28,695	-	-	-	3,281	31,976	
Facilities	1	29	165	-	6	7	3,536	3,744	
Publications	-	1,171	6,266	-	-	-	-	7,437	
Meeting & Conferences	1,485	1,350	2,200	-	-	-	-	5,035	
Travel & Parking	1,182	2,338	2,307	-	-	-	11	5,838	
Supplies	-	-	-	-	-	-	25	25	
Professional Development	-	-	7,652	-	-	-	-	7,652	
Non-Program Expenses	-	-	-	-	-	-	-	-	
In-Kind Match	-	-	197,582	-	-	-	-	197,582	
Training & Exercises	-	39,151	-	-	-	-	-	39,151	
Sub-Recipient Expenses	-	2,193,004	201,542	-	-	-	-	2,394,546	
Allocations									
Indirect costs	47,759	126,624	871,549	7,430	31,463	1,337	442	1,086,604	
Fringe benefits	47,266	125,314	862,530	7,354	31,138	1,323	65,621	1,140,545	
Total expenses	\$ 203,503	\$ 2,901,994	\$ 4,219,925	\$ 50,833	\$ 132,314	\$ 5,629	\$ 237,999	\$ 7,752,197	

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

**U.S. Department of Health and Human Services
Assistant Secretary for Preparedness and Response (ASPR)**

PASSED THROUGH, MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES

FAIN FALN Grant Pass-Through ID #	20HPP 93.889 FY 2020 HPP CS200690001	21HPP 93.889 FY 2021 HPP CS200690001	3REP15048901 93.817 Ebola Preparedness FY19 CS200690001	Total
REVENUES				
Federal grants	\$ 103,449	\$ 95,390	\$ 4,664	\$ 203,503
State grants & appropriations	-	-	-	-
Local contributions	-	-	-	-
Other grants	-	-	-	-
In-Kind match	-	-	-	-
EWG contributions	-	-	-	-
Total revenues	103,449	95,390	4,664	203,503
EXPENSES				
Salaries & Wages	54,075	49,278	2,457	105,810
Employee Benefits	-	-	-	-
Services	-	-	-	-
Property	-	-	-	-
Facilities	-	1	-	1
Publications	-	-	-	-
Meeting & Conferences	810	675	-	1,485
Travel & Parking	-	1,182	-	1,182
Supplies	-	-	-	-
Professional Development	-	-	-	-
Non-Program Expenses	-	-	-	-
In-Kind Match	-	-	-	-
Training & Exercises	-	-	-	-
Sub-Recipient Expenses	-	-	-	-
Allocations				
Indirect costs	24,408	22,242	1,109	47,759
Fringe benefits	24,156	22,012	1,098	47,266
Total expenses	\$ 103,449	\$ 95,390	\$ 4,664	\$ 203,503
Revenues over expenses	-	-	-	-
Federal Award Information				
Total grant award amount	\$ 249,014	\$ 249,835	\$ 20,105	\$ 518,954
Federal participation percentage	100%	100%	100%	
Maximum federal grant allowable	\$ 249,014	\$ 249,835	\$ 20,105	\$ 518,954
Federal share of expenses	\$ 103,449	\$ 95,390	\$ 4,664	\$ 203,503

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

**U.S. Department of Homeland Security
Federal Emergency Management Agency**

DIRECT, FEDERAL EMERGENCY MANAGEMENT AGENCY

FAIN FALN Grant Pass-Through ID #	EMW-2016-GR-00101-S01 97.133 FY 2016 CCTA n/a	EMK-2020-CA-00014-S01 97.111 FY 2020 RCPG n/a	Total
REVENUES			
Federal grants	\$ 140,207	\$ 22,044	\$ 162,252
State grants & appropriations	-	-	-
Local contributions	-	-	-
Other grants	-	-	-
In-Kind match	-	-	-
EWG contributions	1	-	1
Total revenues	140,208	22,044	162,252
EXPENSES			
Salaries & Wages	10,726	11,614	22,340
Employee Benefits	-	-	-
Services	119,850	-	119,850
Property	-	-	-
Facilities	-	-	-
Publications	-	-	-
Meeting & Conferences	-	-	-
Travel & Parking	-	-	-
Supplies	-	-	-
Professional Development	-	-	-
Non-Program Expenses	-	-	-
In-Kind Match	-	-	-
Training & Exercises	-	-	-
Sub-Recipient Expenses	-	-	-
Allocations			
Indirect costs	4,841	5,242	10,083
Fringe benefits	4,791	5,188	9,979
Total expenses	\$ 140,208	\$ 22,044	\$ 162,252
Revenues over expenses	-	-	-
Federal Award Information			
Total grant award amount	\$ 1,474,716	\$ 929,414	\$ 2,404,130
Federal participation percentage	100%	100%	
Maximum federal grant allowable	\$ 1,474,716	\$ 929,414	\$ 2,404,130
Federal share of expenses	\$ 140,207	\$ 22,044	\$ 162,252

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

**U.S. Department of Homeland Security
Federal Emergency Management Agency**

PASSED THROUGH, MISSOURI OFFICE OF HOMELAND SECURITY

FAIN	EMW-2017-SS-00047	EMW-2018-SS-00044	EMW-2019-SS-00039	EMW-2020-SS-00051	
FALN	97.067	97.067	97.067	97.067	
Grant	FY 2017 UASI	FY 2018 UASI	FY 2019 UASI	FY 2020 UASI	Total
Pass-Through ID #	n/a	n/a	n/a	n/a	
REVENUES					
Federal grants	\$ 4,741	\$ 2,040,094	\$ 407,525	\$ 287,381	\$ 2,739,741
State grants & appropriations	-	-	-	-	-
Local contributions	-	-	-	-	-
Other grants	-	-	-	-	-
In-Kind match	-	-	-	-	-
EWG contributions	-	-	-	-	-
Total revenues	4,741	2,040,094	407,525	287,381	2,739,741
EXPENSES					
Salaries & Wages	1,210	219,435	33,814	3,734	258,193
Employee Benefits	-	-	-	-	-
Services	-	12,629	-	-	12,629
Property	-	-	-	-	-
Facilities	-	12	14	3	29
Publications	-	1,171	-	-	1,171
Meeting & Conferences	-	-	1,350	-	1,350
Travel & Parking	-	-	2,338	-	2,338
Supplies	-	-	-	-	-
Professional Development	-	-	-	-	-
Non-Program Expenses	-	-	-	-	-
In-Kind Match	-	-	-	-	-
Training & Exercises	-	5,895	18,557	14,699	39,151
Sub-Recipient Expenses	2,445	1,603,883	321,084	265,592	2,193,004
Allocations					
Indirect costs	546	99,047	15,263	1,685	116,541
Fringe benefits	540	98,022	15,105	1,668	115,335
Total expenses	\$ 4,741	\$ 2,040,094	\$ 407,525	\$ 287,381	\$ 2,739,741
Revenues over expenses	-	-	-	-	-
Federal Award Information					
Total grant award amount	\$ 2,691,400	\$ 2,835,000	\$ 3,082,570	\$ 3,309,319	\$ 11,918,289
Federal participation percentage	100%	100%	100%	100%	
Maximum federal grant allowable	\$ 2,691,400	\$ 2,835,000	\$ 3,082,570	\$ 3,309,319	\$ 11,918,289
Federal share of expenses	\$ 4,741	\$ 2,040,094	\$ 407,525	\$ 287,381	\$ 2,739,741

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

**U.S. Department of Transportation
Federal Highway Administration**

PASSED THROUGH, ILLINOIS DEPARTMENT OF TRANSPORTATION

FAIN FALN Grant Pass-Through ID #	JBIL592 20.205 FY 2021 MTP - IL 21-1009/1437-20090	PFFU(066) 20.205 FY 2022 MTP - IL 22-1009-25234	RQM3519 20.205 FY 2022 SPR - IL 21-1439-24818	Total
REVENUES				
Federal grants	\$ 371,019	\$ 380,941	\$ 2,150	\$ 754,110
State grants & appropriations	92,757	95,234	-	187,991
Local contributions	-	-	-	-
Other grants	-	-	-	-
In-Kind match	-	-	-	-
EWG contributions	25	-	537	562
Total revenues	463,801	476,175	2,687	942,663
EXPENSES				
Salaries & Wages	226,695	235,734	1,416	463,845
Employee Benefits	-	-	-	-
Services	-	-	-	-
Property	3,514	3,917	-	7,431
Facilities	5	24	-	29
Publications	922	577	-	1,499
Meeting & Conferences	187	231	-	418
Travel & Parking	-	309	-	309
Supplies	-	-	-	-
Professional Development	1,091	880	-	1,971
Non-Program Expenses	-	-	-	-
In-Kind Match	-	-	-	-
Training & Exercises	-	-	-	-
Sub-Recipient Expenses	27,800	22,796	-	50,596
Allocations				
Indirect costs	102,323	106,404	639	209,366
Fringe benefits	101,264	105,303	632	207,199
Total expenses	\$ 463,801	\$ 476,175	\$ 2,687	\$ 942,663
Revenues over expenses	-	-	-	-
Federal Award Information				
Total grant award amount	\$ 1,272,237	\$ 1,422,238	\$ 498,394	\$ 3,192,869
Federal participation percentage	80%	80%	100%	
Maximum federal grant allowable	\$ 1,017,790	\$ 1,137,790	\$ 498,394	\$ 2,653,974
Federal share of expenses	\$ 371,019	\$ 380,941	\$ 2,150	\$ 754,110

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EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

**U.S. Department of Transportation
Federal Highway Administration**

PASSED THROUGH, MISSOURI DEPARTMENT OF TRANSPORTATION

FAIN FALN Grant Pass-Through ID #	693JJ2203000020MPMO00FY521; M450MO00FY521; Z450MO00FY521; M77DMO00FY521		693JJ2213000018MPMO00FY522; 19MPMO00FY522; Z450MO00FY522		Total
	20.205 FY 2021 MTP - MO MP52101C		20.205 FY 2022 MTP - MO MP52201C		
REVENUES					
Federal grants	\$	1,409,147	\$	1,213,171	\$ 2,622,318
State grants & appropriations		-		-	-
Local contributions		7,360		10,675	18,035
Other grants		-		-	-
In-Kind match		128,156		93,924	222,080
EWG contributions		216,844		197,985	414,829
Total revenues		1,761,507		1,515,755	3,277,262
EXPENSES					
Salaries & Wages		776,038		691,011	1,467,049
Employee Benefits		-		-	-
Services		72,000		36,542	108,542
Property		10,787		10,477	21,264
Facilities		60		76	136
Publications		2,821		1,946	4,767
Meeting & Conferences		573		1,209	1,782
Travel & Parking		18		1,980	1,998
Supplies		-		-	-
Professional Development		3,335		2,346	5,681
Non-Program Expenses		-		-	-
In-Kind Match		115,172		82,410	197,582
Training & Exercises		-		-	-
Sub-Recipient Expenses		83,765		67,181	150,946
Allocations					
Indirect costs		350,281		311,902	662,183
Fringe benefits		346,656		308,675	655,331
Total expenses	\$	1,761,507	\$	1,515,755	\$ 3,277,262
Revenues over expenses		-		-	-
Federal Award Information					
Total grant award amount	\$	5,616,698	\$	4,862,719	\$ 10,479,417
Federal participation percentage		80%		80%	
Maximum federal grant allowable	\$	4,493,413	\$	3,890,381	\$ 8,383,794
Federal share of expenses	\$	1,409,147	\$	1,213,171	\$ 2,622,318

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EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

**U.S. Department of Transportation
Federal Transit Administration**

PASSED THROUGH, BI-STATE DEVELOPMENT AGENCY

FAIN	MO-2017-034	MO-2020-033	MO-2017-033-00	
FALN	20.513	20.513	20.507	Total
Grant	FY 16 - 18 Section 5310	FY 19 & 20 Section 5310	MetroLink Security	
Pass-Through ID #	n/a	n/a	n/a	
REVENUES				
Federal grants	\$ 29,593	\$ 1,652	\$ 15,670	\$ 46,915
State grants & appropriations	-	-	-	-
Local contributions	-	-	3,918	3,918
Other grants	-	-	-	-
In-Kind match	-	-	-	-
EWG contributions	-	-	-	-
Total revenues	29,593	1,652	19,588	50,833
EXPENSES				
Salaries & Wages	15,591	870	-	16,461
Employee Benefits	-	-	-	-
Services	-	-	19,588	19,588
Property	-	-	-	-
Facilities	-	-	-	-
Publications	-	-	-	-
Meeting & Conferences	-	-	-	-
Travel & Parking	-	-	-	-
Supplies	-	-	-	-
Professional Development	-	-	-	-
Non-Program Expenses	-	-	-	-
In-Kind Match	-	-	-	-
Training & Exercises	-	-	-	-
Sub-Recipient Expenses	-	-	-	-
Allocations				
Indirect costs	7,037	393	-	7,430
Fringe benefits	6,965	389	-	7,354
Total expenses	\$ 29,593	\$ 1,652	\$ 19,588	\$ 50,833
Revenues over expenses	-	-	-	-
Federal Award Information				
Total grant award amount	\$ 69,302	\$ 47,218	\$ 3,600,000	\$ 3,716,520
Federal participation percentage	100%	100%	80%	
Maximum federal grant allowable	\$ 69,302	\$ 47,218	\$ 2,880,000	\$ 2,996,520
Federal share of expenses	\$ 29,593	\$ 1,652	\$ 15,670	\$ 46,915

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EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

U.S. Environmental Protection Agency

PASSED THROUGH, ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

FAIN	98542816
FALN	66.605
Grant	FY20-22 PPG - IL
Pass-Through ID #	FA-20001

REVENUES

Federal grants	\$	33,963
State grants & appropriations		-
Local contributions		-
Other grants		-
In-Kind match		-
EWG contributions		-

Total revenues **33,963**

EXPENSES

Salaries & Wages		17,894
Employee Benefits		-
Services		-
Property		-
Facilities		-
Publications		-
Meeting & Conferences		-
Travel & Parking		-
Supplies		-
Professional Development		-
Non-Program Expenses		-
In-Kind Match		-
Training & Exercises		-
Sub-Recipient Expenses		-
Allocations		
Indirect costs		8,076
Fringe benefits		7,993

Total expenses **\$ 33,963**

Revenues over expenses -

Federal Award Information

Total grant award amount	\$	105,000
Federal participation percentage		100%
Maximum federal grant allowable	\$	105,000
Federal share of expenses	\$	33,963

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EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

U.S. Environmental Protection Agency

PASSED THROUGH, MISSOURI DEPARTMENT OF NATURAL RESOURCES

FAIN	C6007476-16	99731320	BG99731320	
FALN	66.454	66.605	66.605	
Grant	FY 2019 604(b)	FY 2021 PPG - MO	FY 2022 PPG - MO	Total
Pass-Through ID #	n/a	A-3001-21	A-3001-22	
REVENUES				
Federal grants	\$ 17,091	\$ 14,531	\$ 3,495	\$ 35,117
State grants & appropriations	-	16,699	4,016	20,715
Local contributions	-	-	-	-
Other grants	-	-	-	-
In-Kind match	-	-	-	-
EWG contributions	1,694	-	-	1,694
Total revenues	18,784	31,230	7,511	57,526
EXPENSES				
Salaries & Wages	9,896	16,454	3,957	30,307
Employee Benefits	-	-	-	-
Services	-	-	-	-
Property	-	-	-	-
Facilities	-	-	-	-
Publications	-	-	-	-
Meeting & Conferences	-	-	-	-
Travel & Parking	-	-	-	-
Supplies	-	-	-	-
Professional Development	-	-	-	-
Non-Program Expenses	-	-	-	-
In-Kind Match	-	-	-	-
Training & Exercises	-	-	-	-
Sub-Recipient Expenses	-	-	-	-
Allocations				
Indirect costs	4,467	7,427	1,786	13,680
Fringe benefits	4,421	7,350	1,768	13,539
Total expenses	\$ 18,784	\$ 31,230	\$ 7,511	\$ 57,526
Revenues over expenses	-	-	-	-
Federal Award Information				
Total grant award amount	\$ 55,000	\$ 35,595	\$ 35,595	\$ 126,190
Federal participation percentage	90.9%	47%	47%	
Maximum federal grant allowable	\$ 50,000	\$ 16,562	\$ 16,562	\$ 83,125
Federal share of expenses	\$ 17,091	\$ 14,531	\$ 3,495	\$ 35,117

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

U.S. Environmental Protection Agency

PASSED THROUGH, WICHITA STATE UNIVERSITY

FAIN	97756601
FALN	66.203
Grant	Urban Waters Ambassador Program
Pass-Through ID #	20-00171

REVENUES

Federal grants	\$	40,825
State grants & appropriations		-
Local contributions		-
Other grants		-
In-Kind match		-
EWG contributions		-

Total revenues

40,825

EXPENSES

Salaries & Wages		21,506
Employee Benefits		-
Services		-
Property		-
Facilities		6
Publications		-
Meeting & Conferences		-
Travel & Parking		-
Supplies		-
Professional Development		-
Non-Program Expenses		-
In-Kind Match		-
Training & Exercises		-
Sub-Recipient Expenses		-
Allocations		
Indirect costs		9,707
Fringe benefits		9,606

Total expenses

\$ 40,825

Revenues over expenses

-

Federal Award Information

Total grant award amount	\$	165,924
Federal participation percentage		100%
Maximum federal grant allowable	\$	165,924
Federal share of expenses	\$	40,825

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Local & State Grants

DIRECT, ST. LOUIS-JEFFERSON SOLID WASTE MANAGEMENT DISTRICT

FAIN	n/a	n/a	
FALN	n/a	n/a	
Grant	FY 2021 Waste Reduction	OneSTL Recycle & Food Waste	Total
Local Identification #	2019024	2021045	
REVENUES			
Federal grants	\$ -	\$ -	\$ -
State grants & appropriations	4,209	469	4,678
Local contributions	-	-	-
Other grants	-	-	-
In-Kind match	-	-	-
EWG contributions	744	207	951
Total revenues	4,953	676	5,629
EXPENSES			
Salaries & Wages	2,606	356	2,962
Employee Benefits	-	-	-
Services	-	-	-
Property	-	-	-
Facilities	7	-	7
Publications	-	-	-
Meeting & Conferences	-	-	-
Travel & Parking	-	-	-
Supplies	-	-	-
Professional Development	-	-	-
Non-Program Expenses	-	-	-
In-Kind Match	-	-	-
Training & Exercises	-	-	-
Sub-Recipient Expenses	-	-	-
Allocations			
Indirect costs	1,176	161	1,337
Fringe benefits	1,164	159	1,323
Total expenses	\$ 4,953	\$ 676	\$ 5,629
Revenues over expenses	-	-	-

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Local Projects

DIRECT, SW ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL

REVENUES

Federal grants	\$	-
State grants & appropriations		-
Local contributions		-
Other grants		229,285
In-Kind match		-
EWG contributions		-

Total revenues 229,285

EXPENSES

Salaries & Wages		145,920
Employee Benefits		18,182
Services		-
Property		-
Facilities		-
Publications		-
Meeting & Conferences		-
Travel & Parking		-
Supplies		-
Professional Development		-
Non-Program Expenses		-
In-Kind Match		-
Training & Exercises		-
Sub-Recipient Expenses		-
Allocations		-
Indirect costs		-
Fringe benefits		65,183

Total expenses \$ 229,285

Revenues over expenses -

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Local Projects

DIRECT, ST. LOUIS AREA REGIONAL RESPONSE SYSTEM

REVENUES

Federal grants	\$	-
State grants & appropriations		-
Local contributions		-
Other grants		8,714
In-Kind match		-
EWG contributions		-
		<hr/>
Total revenues		8,714
		<hr/>

EXPENSES

Salaries & Wages		981
Employee Benefits		-
Services		-
Property		3,281
Facilities		3,536
Publications		-
Meeting & Conferences		-
Travel & Parking		11
Supplies		25
Professional Development		-
Non-Program Expenses		-
In-Kind Match		-
Training & Exercises		-
Sub-Recipient Expenses		-
Allocations		
Indirect costs		442
Fringe benefits		438
		<hr/>
Total expenses	\$	8,714
		<hr/> <hr/>

Revenues over expenses -

Federal Compliance

**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***

Board of Directors
East-West Gateway Council of Governments

We have audited, 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, the financial statements of the business-type activities of East-West Gateway Council of Governments as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise East-West Gateway Council of Governments' basic financial statements, and have issued our report thereon dated August 16, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered East-West Gateway Council of Governments' internal control over financial reporting (internal control) as a basis for designing 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 East-West Gateway Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of East-West Gateway Council of Governments' 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 entity'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether East-West Gateway Council of Governments' 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keiser, Eck & Braeckel LLP

St. Louis, Missouri
August 16, 2022

**Independent Auditors' Report on Compliance for Each Major Program
and Report on Internal Control Over Compliance
In Accordance with the Uniform Guidance**

Board of Directors
East-West Gateway Council of Governments

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited East-West Gateway Council of Governments' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of East-West Gateway Council of Governments' major federal programs for the year ended December 31, 2021. East-West Gateway Council of Governments' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, East-West Gateway Council of Governments complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of East-West Gateway Council of Governments and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of East-West Gateway Council of Governments' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to East-West Gateway Council of Governments' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on East-West Gateway Council of Governments' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about East-West Gateway Council of Governments' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding East-West Gateway Council of Governments' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of East-West Gateway Council of Governments' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 East-West Gateway Council of Governments' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
August 16, 2022

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Program Title	Federal Assistance Listing Number	Federal Award Identification Number	Pass-Through Identification Number	Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES / ASSISTANT SECRETARY FOR PREPAREDNESS AND RESPONSE:					
Passed Through the Missouri Department of Health and Senior Services:					
DHHS: Hospital Preparedness Program (HPP) EBOLA Preparedness and Response Activities	93.817	3REP15048901	CS200690001	\$ 4,664	\$ -
DHHS: National Bioterrorism Hospital Preparedness Program	93.889	20HHP	CS200690001	103,449	-
DHHS: National Bioterrorism Hospital Preparedness Program	93.889	21HHP	CS200690001	95,390	-
Subtotal Assistance Listing 93.889				<u>198,839</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>203,503</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:					
Direct from Federal Emergency Management Agency:					
Regional Catastrophic Preparedness Grant Program	97.111	EMW-2020-CA-00014-S01	N/A	22,044	-
Preparing for Emerging Threats and Hazards	97.133	EMW-2016-GR-00101-S01	N/A	140,208	-
Passed Through the Missouri Office of Homeland Security:					
FEMA: Homeland Security Grant Program	97.067	EMW-2017-SS-00047	N/A	4,741	-
FEMA: Homeland Security Grant Program	97.067	EMW-2018-SS-00044	N/A	2,040,094	120,360
FEMA: Homeland Security Grant Program	97.067	EMW-2019-SS-00039	N/A	407,525	205,872
FEMA: Homeland Security Grant Program	97.067	EMW-2020-SS-00051	N/A	287,381	56,546
Subtotal Assistance Listing 97.067				<u>2,739,741</u>	<u>382,778</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>2,901,993</u>	<u>382,778</u>
U.S. DEPARTMENT OF TRANSPORTATION:					
Passed through the Bi-State Development Agency:					
FTA:Federal Transit - Formula Grants	20.507	MO-2017-033-00	N/A	15,670	-
Subtotal Federal Transit Cluster				<u>15,670</u>	<u>-</u>
FTA:Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	MO-2017-034	N/A	29,593	-
FTA:Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	MO-2020-033	N/A	1,652	-
Subtotal Assistance Listing 20.513				<u>31,245</u>	<u>-</u>
Subtotal Transit Services Program Center				<u>31,245</u>	<u>-</u>
Passed Through the Illinois Department of Transportation:					
FHWA: Highway Planning and Construction	20.205	JBIL592	21-1009/1437-20090	371,019	22,241
FHWA: Highway Planning and Construction	20.205	PFFU(006)	22-1009-25234	380,941	68,095
FHWA: Highway Planning and Construction	20.205	RQM3519	21-1439-24818	2,150	-
				<u>754,110</u>	<u>90,336</u>
Passed Through the Missouri Highway and Transportation Commission:					
FHWA: Highway Planning and Construction	20.205	693JJ21930000Z45MO00FY521	MP52101C	1,409,147	18,238
FHWA: Highway Planning and Construction	20.205	693JJ221300000Z45MO00FY522	MP52201C	1,213,171	54,312
				<u>2,622,318</u>	<u>72,550</u>
Subtotal Assistance Listing 20.205				<u>3,376,428</u>	<u>162,886</u>
Subtotal Highway Planning and Construction Cluster				<u>3,376,428</u>	<u>162,886</u>
TOTAL U. S. DEPARTMENT OF TRANSPORTATION				<u>3,423,343</u>	<u>162,886</u>

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Program Title	Federal Assistance Listing Number	Federal Award Identification Number	Pass-Through Identification Number	Expenditures	Passed Through to Subrecipients
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
Passed Through the Illinois Environmental Protection Agency:					
EPA: Performance Partnership Grants	66.605	98542815	FA-20001	\$ 33,963	\$ -
				<u>33,963</u>	<u>-</u>
Passed Through the Missouri Department of Natural Resources:					
EPA: Performance Partnership Grants	66.605	99731320	A-3001-21	14,531	-
EPA: Performance Partnership Grants	66.605	BG99731320	A-3001-22	3,495	-
				<u>18,026</u>	<u>-</u>
Subtotal Assistance Listing 66.605				<u>51,989</u>	
EPA: Water Quality Mangement Planning	66.454	C6007476-16	N/A	17,091	-
Passed Through Wichita State University:					
EPA: Enviormental Finance Center Grants	66.203	97756601	20-00171	40,825	-
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY				<u>109,905</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 6,638,744</u>	<u>\$ 545,664</u>

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

NOTES TO SCHEDULE OF FEDERAL AWARDS

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Council under programs of the federal government for the year ended December 31, 2021. The Council's reporting entity is defined in Note 1 to the Council's financial statements. The information reported 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 Council, it is not intended to and does not present the financial position, changes in net position or cash flows of the Council.

Note 2 - Significant Accounting Policies

The Council prepares its Schedule of Expenditures of Federal Awards on the accrual basis of accounting which is described in Note 1 to the Council's financial statements. 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.

Note 3 – Indirect Cost Rate

The Council has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Insurance

The Council did not have any federal insurance in effect during the year ended December 31, 2021.

Note 5 – Donated Personal Protective Equipment (Unaudited)

The Council did not receive donations of personal protective equipment during the year ended December 31, 2021.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? Yes No
Significant deficiency(ies) identified
not considered to be material weaknesses? Yes None reported

Noncompliance material to financial
statements noted? Yes No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? Yes No
Significant deficiency(ies) identified
not considered to be material weaknesses? Yes None reported

Type of auditors' report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with
2 CFR Section 200.516(a)? Yes No

Identification of major programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

2. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards.

4. FOLLOW-UP OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings and questioned costs.