



The Leadership School

STUDENT LEADERSHIP AT THE CENTER OF LEARNING

The Leadership School

TLS May 30, 2023 Board Meeting

Published on May 28, 2023 at 8:41 PM CDT

Amended on May 30, 2023 at 1:01 PM CDT

Date and Time

Tuesday May 30, 2023 at 6:00 PM CDT

Location

The Leadership School
1785 Pennsylvania Ave
Pagedale, MO 63133

All board meetings will be fully in person.

<https://zoom.us/j/93648300851?pwd=RnJ0YlFzYy9qeE9vQ3MvR1RvR2JQUT09>

Attendees can still join via Zoom using the link below.

Or the following:

- Meeting ID: 936 4830 0851
- Passcode: TLS2021

Per Missouri Revised State Statute Section 610.021, the Board of Directors may close this meeting for an Executive Session to discuss permissible subjects.

This notice is published at our school site (1785 Pennsylvania Ave Pagedale, MO 63133) and on our website (<https://theleadershipschoolstl.org>).

Agenda

	Purpose	Presenter	Time
I. Opening Items			6:00 PM
A. Call the Meeting to Order			1 m
B. Record Attendance			2 m
II. Action Items			6:03 PM
A. Approve April 25, 2023 Minutes	Approve Minutes	Lennel Hunter	5 m
B. Approve April 2023 Monthly Financials	Vote	Deanne Henderson	10 m
C. Approve FY24 Budget	Vote	Deanne Henderson	20 m
D. Approve Selection of Auditor for FY23	Vote	Deanne Henderson	10 m
III. Board Business			
IV. Board Committee Reports			6:48 PM
A. Finance + Facilities Committee	Discuss	Deanne Henderson	5 m
B. Development Committee	Discuss	Brooke Black	5 m
C. Governance Committee	Discuss	Gerren McHam	5 m
D. School Performance Committee	Discuss	Chardae Rigdon	5 m
V. Executive Director Report			7:08 PM
A. FY23 Closing Items	FYI	Kimberly Townsend	15 m
B. 2023-24 Updates Enrollment, Staffing and Facilities	Discuss	Kimberly Townsend	15 m
VI. Closing Items			7:38 PM
A. Next Steps	Discuss	Lennel Hunter	5 m

	Purpose	Presenter	Time
B. Adjourn Meeting	Vote		2 m

Coversheet

Approve April 25, 2023 Minutes

Section:	II. Action Items
Item:	A. Approve April 25, 2023 Minutes
Purpose:	Approve Minutes
Submitted by:	
Related Material:	Minutes for TLS April 25, 2023 Board Meeting on April 25, 2023

DRAFT



The Leadership School

STUDENT LEADERSHIP AT THE CENTER OF LEARNING

The Leadership School

Minutes

TLS April 25, 2023 Board Meeting

Date and Time

Tuesday April 25, 2023 at 6:00 PM

Location

The Leadership School
1785 Pennsylvania Ave
Pagedale, MO 63133

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Directors Present

A. Williams, B. Black (remote), C. Rigdon, D. Henderson, G. McHam (remote), L. Hunter

Directors Absent

None

Ex Officio Members Present

K. Townsend

Non Voting Members Present

K. Townsend

Guests Present

D. Wright

I. Opening Items

A. Call the Meeting to Order

L. Hunter called a meeting of the board of directors of The Leadership School to order on Tuesday Apr 25, 2023 at 6:05 PM.

B. Record Attendance

G. McHam made a motion to approve the minutes from.

D. Henderson seconded the motion.

This approval of minutes is for TLS March 28, 2023 board meeting.

The board **VOTED** to approve the motion.

Roll Call

A. Williams	Aye
B. Black	Aye
G. McHam	Aye
D. Henderson	Aye
C. Rigdon	Aye
L. Hunter	Aye

II. FY 24 Budget Presentation

A. EdOps Presentation

- Presentation for FY24 Budget draft
- Discussed state, federal expenses and revenue.

III. Action Items

A.

Approve March 28, 2023 Minutes

B. Approve March 2023 monthly financials

G. McHam made a motion to Approve March 2023 Financials.

C. Rigdon seconded the motion.

The board **VOTED** to approve the motion.

Roll Call

C. Rigdon	Aye
G. McHam	Aye
B. Black	Aye
L. Hunter	Aye
A. Williams	Aye
D. Henderson	Aye

IV. Board Business

A. June Retreat Agenda

- Board decided Retreat date of June 10, 2023 @8:00 am - 3:00 pm.
- Location is still tentative.
- Agenda still being decided.

V. Board Committee Reports

A. Finance + Facilities Committee

- Presented FY24 Budget Draft.
- Discussed state, federal, revenue and expenses.
- Shared information on current budget in comparison to the previously projected budget..

B. Development Committee

- Update on grants and campaign goals.
- Discussed status of submitted grants.
- Shared information of fundraising goals and ideas

C. Governance Committee

- No update at this meeting
- Requesting committee to review any edit for handbook to be discussed at next meeting

D. School Performance Committee

- Shared information discussed in committee minutes.
- Shared concerns on ways to communicate with families in reference to literacy.
- Discussed the need to bridge the gap in communication with families.
- Goals of contract touching on what falls under school performance.

VI. Executive Director Report

A. Fall 2023 Enrollment Update

- Update on enrollment and registration status for currently enrolled and application still in progress.
- Update on available seats for each grade level
- Discussed compliance status.

B. 2023 - 2024 Staffing Update

- Staffing update for 2023 - 2024 school year for returning staff and new staff.
- Update on current open positions and possible new hires.
- Shared update on compliance progress.

C. Upcoming Events

Shared and invited board to upcoming events

VII. Closing Items

A. Next Steps

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:05 PM.

Respectfully Submitted,
L. Hunter

Coversheet

Approve April 2023 Monthly Financials

Section:	II. Action Items
Item:	B. Approve April 2023 Monthly Financials
Purpose:	Vote
Submitted by:	
Related Material:	2023 04 TLS Check Register.pdf 2023 04 Outstanding Invoices.pdf TLS - Supplemental Report - April 2023(1) (2).xlsx

The Leadership School
05/09/2023 9:00 AM

Check Register by Checking Account

Page: 1
User ID: SAS

Checking Account ID: 1

Check Type: Automatic Payment

Check Number	Check Date	Cleared	Void	Void Date	Entity ID	Entity Name	Amount
176	04/09/2023	X			BAMBOOHR	Bamboo HR	175.00
177	04/05/2023	X			CRICKET	Cricket Wireless	90.00
178	04/27/2023	X			ZOOM	Zoom	15.99
179	04/03/2023	X			GSUITE	Google Suite	899.29
180	04/17/2023	X			NEXTIVA	Nextiva	447.30
181	04/01/2023	X			SCCHARTER	SC Charter - Rent	15,107.80
183	04/17/2023	X			WELLSFARGO	Wells Fargo Vendor	1,259.32
184	04/13/2023	X			REPUBLIC	Republic Services	406.81
185	04/23/2023	X			LEVEL3	Level 3 Communications, LLC	1,710.70
199	04/24/2023	X			MIDWESTBNK	Midwest Bank Credit Card	3,413.92
Check Type Total:		Automatic Payment		Void Total:		0.00	Total without Voids: 23,526.13

Checking Account ID: 1

Check Type: Check

Check Number	Check Date	Cleared	Void	Void Date	Entity ID	Entity Name	Amount
80286564	04/11/2023	X			DANIELHEN	The Daniel and Henry Company	3,399.00
80286787	04/11/2023	X			SCHOOLSPEC	School Specialty LLC	982.70
80286788	04/11/2023	X			CINTAS	Cintas Corp	72.66
80286789	04/11/2023	X			REDCROSS	American Red Cross Training Services	1,682.40
80286960	04/11/2023	X			MANDYSON	Imani Dyson	1,000.00
80286961	04/11/2023	X			DEACONESS	Deaconess Nurse Ministry	939.97
80286962	04/11/2023	X			CLEANSTRAT	Cleaning Strategies	7,125.00
80467052	04/25/2023	X			CINTAS	Cintas Corp	68.83
80467053	04/25/2023	X			CINTAS	Cintas Corp	243.88
80467228	04/25/2023	X			FIRSTSTUDE	First Student Bus	13,659.84
80467229	04/25/2023	X			SHANDS	Shands, Elbert, Gianoulakis, Giljum Law Firm	304.00
80467230	04/25/2023	X			ROTTLER	Rottler Pest Solutions	98.00
80467231	04/25/2023	X			CLEANSTRAT	Cleaning Strategies	6,500.00
80467505	04/25/2023	X			PAYPOOL	Paypool LLC	129.56
80467506	04/25/2023	X			LITETECH	Lite Technology Solutions, LLC	2,705.00
80467507	04/25/2023	X			EDOPS	EdOps	5,000.00
80467508	04/25/2023	X			CSD	CSD Insurance Trust	5,239.95
80467509	04/25/2023	X			WARFORDS	Warford's Classic Catering & Food Service	5,889.76
80491154	04/28/2023	X			OFFICEESSE	Office Essentials	322.90
Check Type Total:		Check		Void Total:		0.00	Total without Voids: 55,363.45
Checking Account Total:		1		Void Total:		0.00	Total without Voids: 78,889.58
Grand Total:				Void Total:		0.00	Total without Voids: 78,889.58



Accounts Payable Aging Summary

As of 4/30/2023

The Leadership School

CLIENT: The Leadership School		REPORT DATE: 5/9/2023 9:48:35 AM ET				
Payee	Current	1-30	31-60	61-90	>90	Total
Cintas Corp	\$318.00	\$0.00	\$0.00	\$0.00	\$0.00	\$318.00
COCA - Center of Creative Arts	\$19,950.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,950.00
CSD Insurance Trust	\$4,607.73	\$0.00	\$0.00	\$0.00	\$0.00	\$4,607.73
EdOps	\$5,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00
EducationPlus	\$450.18	\$0.00	\$0.00	\$0.00	\$0.00	\$450.18
First Student, Inc	\$17,074.80	\$0.00	\$0.00	\$0.00	\$0.00	\$17,074.80
Jill Dunchick Consulting	\$1,050.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,050.00
Lite Technology Solutions, LLC	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00
Marshell Mitchell	\$41.75	\$0.00	\$0.00	\$0.00	\$0.00	\$41.75
Paypool LLC	\$126.17	\$0.00	\$0.00	\$0.00	\$0.00	\$126.17
Roto-Rooter	\$515.00	\$0.00	\$0.00	\$0.00	\$0.00	\$515.00
Rottler Pest Solutions	\$98.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98.00
Software Unlimited, Inc.	\$5,650.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,650.00
Warford's Classic Catering & Food Service	\$6,896.86	\$0.00	\$0.00	\$0.00	\$0.00	\$6,896.86

Payee	Current	1-30	31-60	61-90	>90	Total
Total:	\$62,778.49	\$0.00	\$0.00	\$0.00	\$0.00	\$62,778.49

Notice

The following file is attached to this PDF. You will need to open this packet in an application that supports attachments to pdf files, e.g. [Adobe Reader](#):

TLS - Supplemental Report - April 2023(1) (2).xlsx

Coversheet

Approve FY24 Budget

Section:	II. Action Items
Item:	C. Approve FY24 Budget
Purpose:	Vote
Submitted by:	
Related Material:	TLS - SY23-24 Budget.pdf



The Leadership School

STUDENT LEADERSHIP AT THE CENTER OF LEARNING

SY23-24 Budget

PREPARED **MAY 22, 2023** BY

EdOps

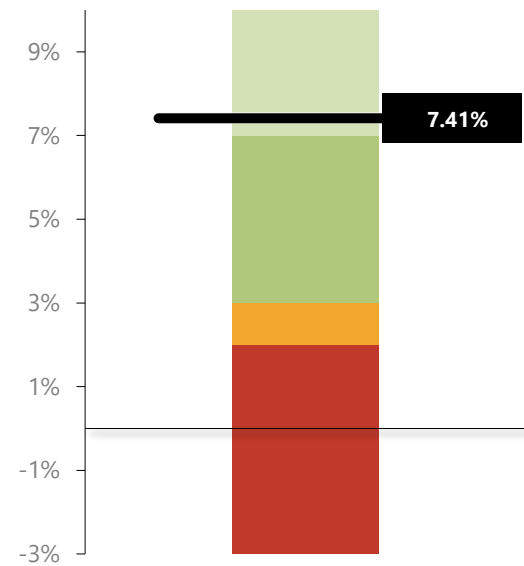
Executive Summary

The FY24 budget reflects The Leadership School's financial plan for July 1, 2023-June 2024 fiscal year. The school is required to provide a board approved 1-year budget.

We developed this budget using historical revenue and expense information, as well as inputs about enrollment, staffing and programmatic changes from school staff.

The FY24 budget is balanced-meaning revenue exceeds expenses. **The year-end cash balance is projected to be \$286k**, due to a positive net income of \$202k. This provides 11% fund balance at year end.

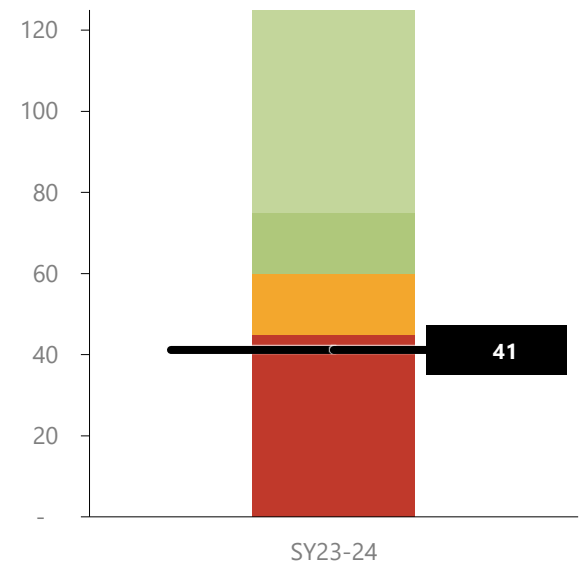
GROSS MARGIN



Revenue	2,738,426
Expenses	2,535,475
Net Income	202,951
Gross Margin	7.41%

Gross Margin = Net Income / Revenue

DAYS OF CASH



Starting Cash	83,051
Net Income	202,951
Net Annual Cash Increase	202,951
Ending Cash	286,001

COMMENTS

The forecasted net income is \$202,951 on \$2,738,426 in revenue. This yields 7.41% in gross margin.

We are predicting 41 days of cash at 6/30/24. This is based upon ending the year with 286,001 in cash.

SY24 Budget

REVENUE

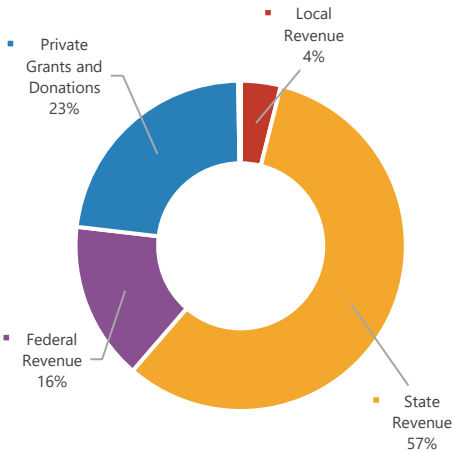
Local Revenue	107,382
State Revenue	1,572,424
Federal Revenue	424,421
Private Grants and Donations	627,500
Earned Fees	6,700
Total Revenue	2,738,426

EXPENSES

Salaries	1,133,196
Benefits and Taxes	296,862
Staff-Related Costs	20,000
Rent	181,296
Occupancy Service	163,268
Student Expense, Direct	271,440
Student Expense, Indirect	100,000
Office & Business Expense	212,813
Transportation	156,600
Total Expenses	2,535,475
Net Income	202,951

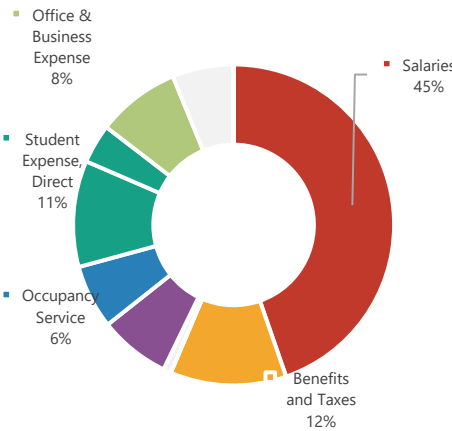
REVENUE

We have budgeted **\$2,738,426** in revenue based upon 144 end of year students, and a WADA payment of \$9,735 per student. The largest components of revenue are \$1.6m (57.4%) in State Revenue and \$628k (22.9%) in Private Grants and Donations.



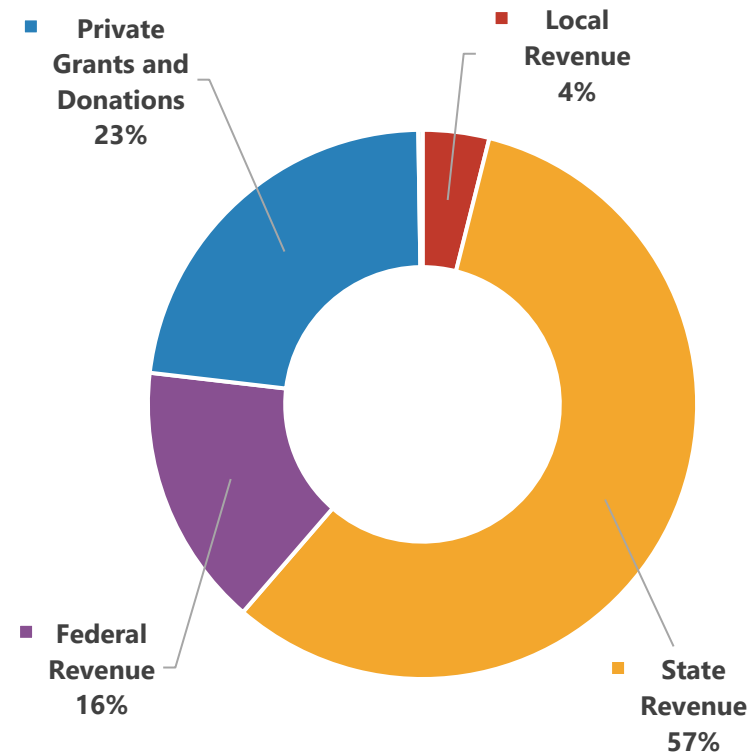
EXPENSES

We have budgeted **\$2,535,475** in expenses based on 20 staff, a 7.2 student to teacher ratio, and 20,000 in square feet for the facility. The largest components of expense are \$1,133,196 (44.7%) in Salaries and \$296,862 (11.7%) in Benefits and Taxes.



Revenue | Overview

SY24 BUDGETED REVENUE %



COMMENTS

We have budgeted **\$2,738,426** in revenue for SY23-24, which is \$835k more than the amount forecasted for the year before.

The largest components of revenue are State Revenue (57.4%) and Private Grants and Donations (22.9%). Local Revenue is Prop C , \$100k in revenue based on prior year WADA.

State

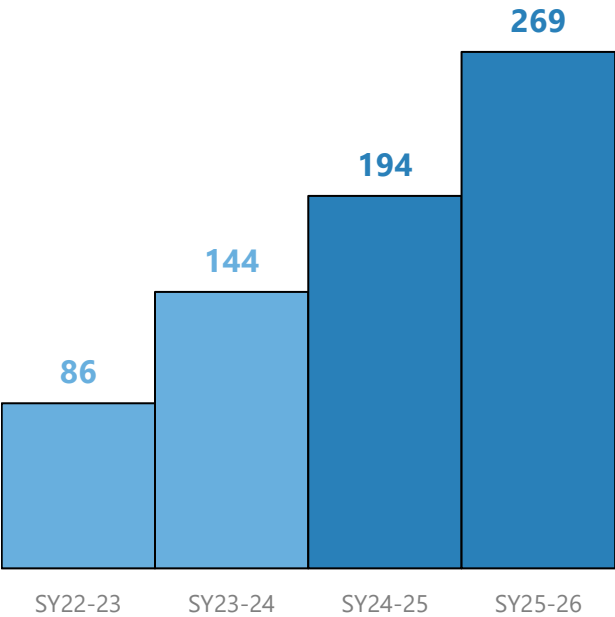
- Target students 175, with 1st-day enrollment of 147
- 144 end of year student count, 92% attendance → ADA 134 → WADA=156
- **FY24 budgeted state revenue \$1.6M**

Federal

FY24 budget nearly \$300k in Title funds, a \$115k increase from FY23.

Revenue | Enrollment Assumptions Detail

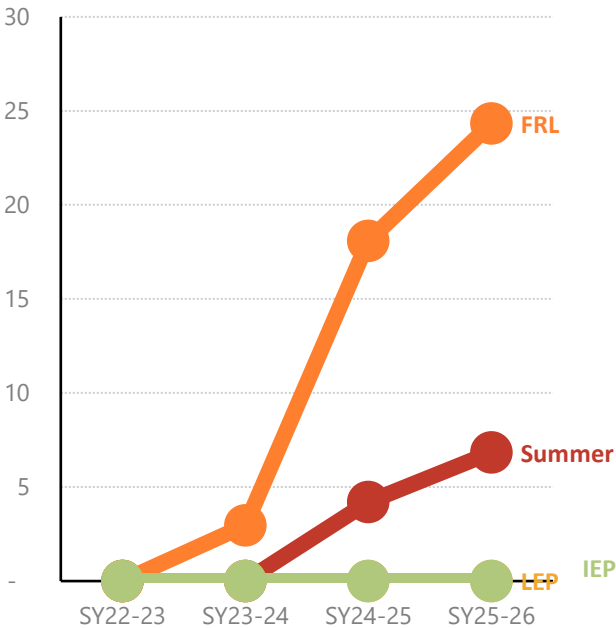
ENROLLMENT



ENROLLMENT TRENDS

Enrollment trends increase each year with an added grade level. FY24 includes K-3

SPECIAL POPULATIONS



WADA

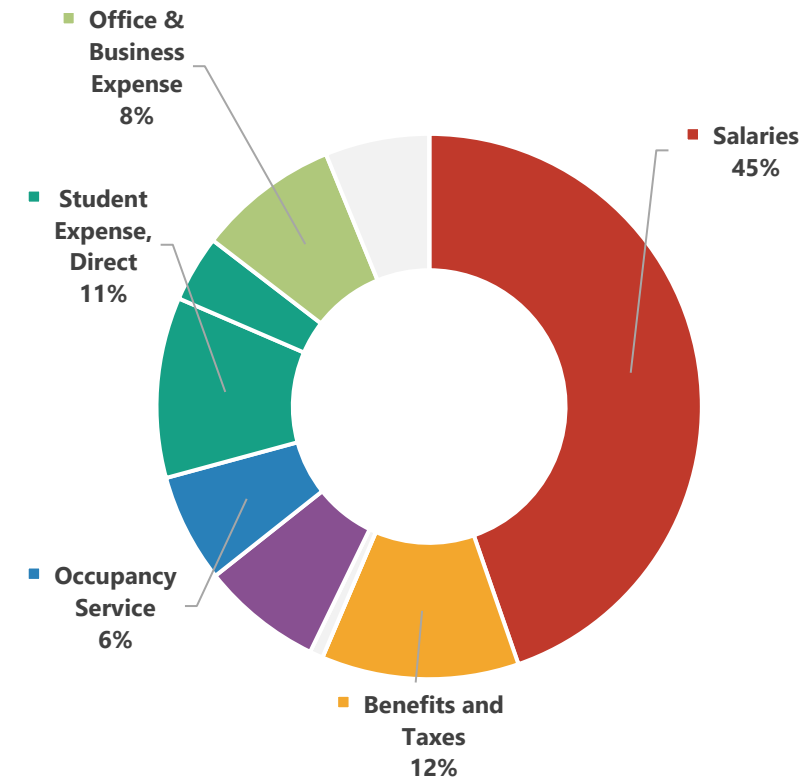
TLS has an increase in FRL, with the plan to collect lunch applications. Summer School provide 4 WADA which boosts state revenue.

WADA Detail

	FY 24
End of Year Enrollment	144
Attendance Rate	92%
Regular Term ADA	134
Summer ADA	4
FRL	18
LEP	0
WADA	156
Per WADA amount	\$9,735

Expenses | Overview

SY24 BUDGETED EXPENSE %



COMMENTS

We have budgeted **\$2,535,475** in expenses for SY23-24, which is \$669k more than the amount forecasted for the year before.

The largest components of expenses are Salaries (44.7%) and Benefits and Taxes (11.7%).

Salaries

20 staff includes:

- 11 Teaching Instructional Staff: Includes grade level teachers and 3 building subs
- 2 Instructional support Staff including counseling staff.
- 7 Administrative Staff including Head of School, Ops/Admin and community engagement staff.

Appendix | Profit and Loss Changes

Income Statement	SY22-23	SY23-24	Difference	Comments
Revenue				
Local Revenue	-	107,382	107,382	Prop C begins YR 2; \$1,360 per Prior Year WADA.
State Revenue	825,519	1,572,424	746,905	Increase based on number of students and estimated ADA. \$9,735 per 156 estimated WADA.
Federal Revenue	236,723	424,421	187,697	Title funds allocation increases, as well as food revenue due to increase in student count.
Private Grants and Donations	823,739	627,500	(196,239)	Private donations: \$150k TOT; \$150k CSGF; \$127,500 New Schools; \$150k additional.
Earned Fees	17,339	6,700	(10,639)	Estimated food and fee revenue from students.
Total Revenue	1,903,320	2,738,426	835,106	
Operating Expense				
Salaries	613,128	1,133,196	(520,068)	3% COLA increase for returning staff; additional grade level staff.
Benefits and Taxes	134,417	296,862	(162,445)	Employer paid insurance 6k per EE, retirement and payroll taxes.
Staff-Related Costs	11,569	20,000	(8,431)	PD and staff recruitment increase with larger staff size.
Rent	172,522	181,296	(8,774)	Rent for FY24 based on contract.
Occupancy Service	120,719	163,268	(42,549)	Additional maintenance expense after 1 YR warranty expires.
Student Expense, Direct	241,414	271,440	(30,026)	Student supplies, tech and curriculum for additional students.
Student Expense, Indirect	59,158	100,000	(40,842)	Estimated food costs for 144 students.
Office & Business Expense	368,927	212,813	156,114	Savings with less 1 st year start up expenses.
Transportation	144,782	156,600	(11,818)	2 Buses for 168 school days.
Total Expenses	1,866,636	2,535,475	(668,840)	
Net Income	36,684	202,951	166,266	



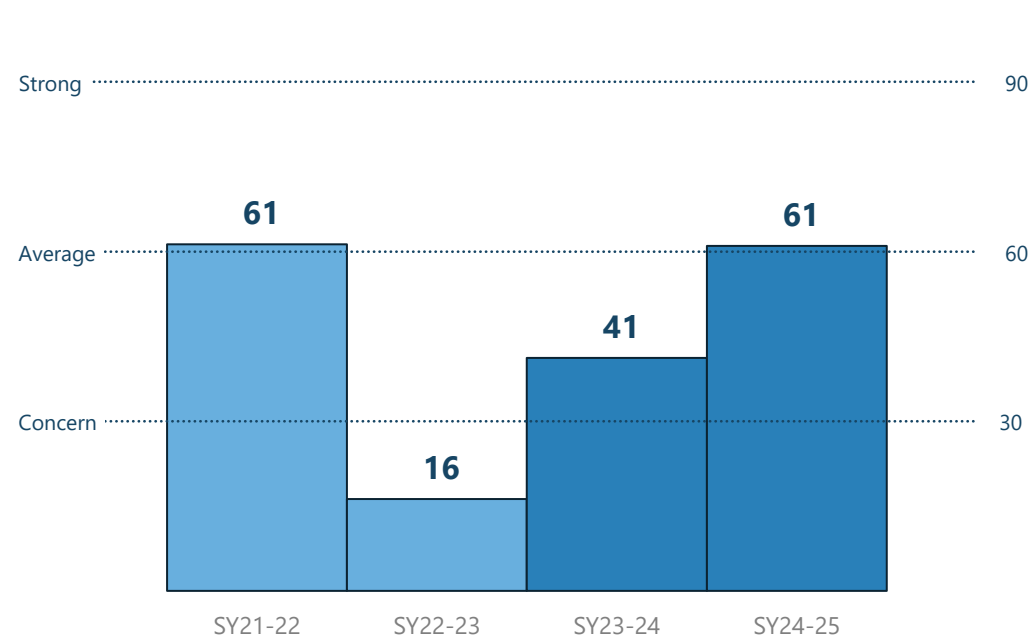
QUESTIONS?

Please contact your
EdOps School Finance Manager:

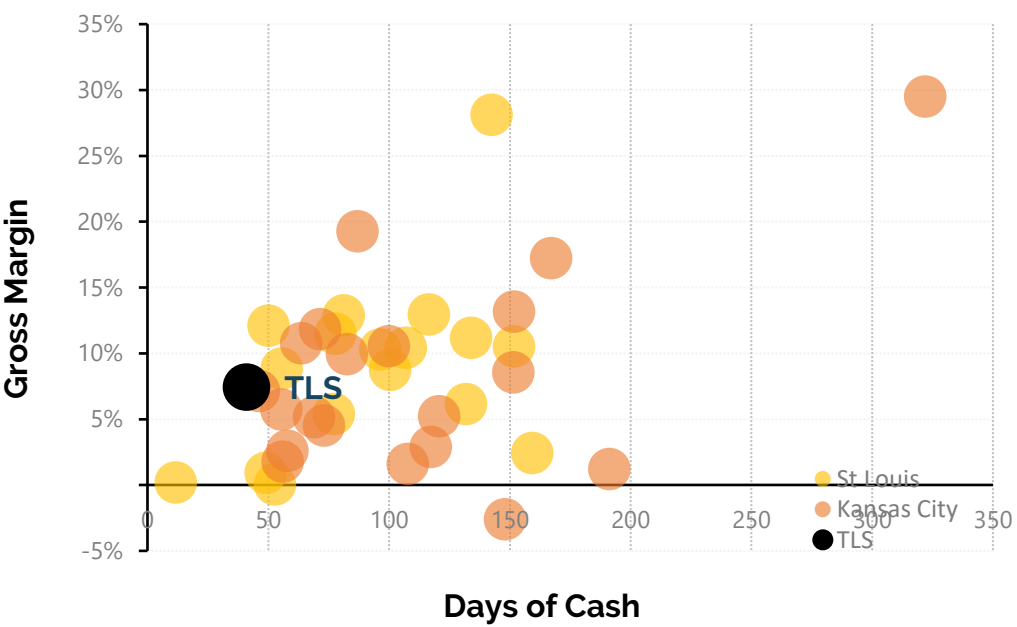
Anne Nichols
anichols@ed-ops.com

Days of Cash, In Context

Historical Context: Days of Cash



Industry Context: Days of Cash vs Gross Margin



41 DAYS OF CASH AT YEAR'S END

The budget predicts that we will end the year with 41 days of cash, which is 25 days better than the cash forecast for 6/30/23.

Coversheet

Approve Selection of Auditor for FY23

Section:	II. Action Items
Item:	D. Approve Selection of Auditor for FY23
Purpose:	Vote
Submitted by:	
Related Material:	TLS 2023 Tax contract (1).pdf TLS 2023 Attest engagement letter (1).pdf TLS 2023 Audit engagement letter (1).pdf



MARR AND COMPANY, P.C.

Certified Public Accountants



Employee Benefit Plan Audit
Quality Center Member

Government Audit
Quality Center Member

May 9, 2023

Board of Directors
The Leadership School
1785 Pennsylvania Avenue
Saint Louis, MO 63133-1301

Marr and Company, P.C. (“firm,” “we,” “us,” or “our”) is pleased to provide The Leadership School (the “School”) (“you” or “your”) with the professional services described below. This letter (collectively, “Agreement”) confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

We will prepare the federal Form 990 and applicable state tax returns for the year ended June 30, 2023. We will rely upon the completeness and accuracy of the information and representations you provide to us to prepare your tax returns. We have not been engaged to and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service (“IRS”) and applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS, state and local tax authorities regardless of the nature of the claim, including the negligence of any party, excepting claims arising from the gross negligence of intentional wrongful acts of Marr and Company, P.C.

Our engagement does not include any procedures designed to detect errors, fraud, theft, or other wrongdoing. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls. You are responsible for developing and implementing internal controls applicable to your operations.

This engagement is limited to the professional services outlined above.

CPA Firm Responsibilities

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services (“SSTs”) issued by the American Institute of Certified Public Accountants (“AICPA”) and U.S. Treasury Department Circular 230 (“Circular 230”). It is our duty to perform services with the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

Marr and Company, P.C. will not make management decisions or perform management functions on your behalf.

Arguable positions

We will use our professional judgment to resolve questions in your favor where a tax law is unclear, provided that we have a reasonable belief that there is substantial authority for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of tax reference materials. Tax reference materials include, but are not limited to, the Internal Revenue Code ("IRC"), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings, court cases, and similar state and local guidance. If the IRS, state or local tax authorities later contest the position you select, additional tax, penalties, and interest may be assessed. You will be responsible for these amounts, as well as any related professional fees, you may incur to respond to the tax authority.

Bookkeeping assistance

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. These services will be performed solely in accordance with the AICPA Code of Professional Conduct. In the event we conclude that such services are necessary to prepare your tax returns, we will advise you in writing before services are performed and bill you for the required services. These services will be billed at our standard hourly rates and will be subject to the terms of this Agreement.

Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, and we agree, we will confirm this engagement in a separate written agreement.

Third party requests

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We do not communicate with third parties or provide them with copies of tax returns.

Client Responsibilities

You will provide us with a trial balance and other supporting data necessary to prepare your tax returns. You must provide us with accurate and complete information. Income from all sources, including those outside of the U.S., is required to be reported.

Unrelated business taxable income

If your organization produces revenue from a trade or business activity not directly related to its tax-exempt purpose, it may have unrelated business taxable income that must be reported separately from other income. You are responsible for informing us of any potential unrelated business taxable income. At your written request, we are available to provide you with written answers to your questions on this matter.

Other responsibilities of not-for-profit organizations

As a non-profit organization, you are subject to additional obligations including but not limited to:

- Maintaining state registrations related to solicitations with state charitable divisions;
- Meeting the public support test; and
- Maintaining non-profit status by timely filing tax returns.

You acknowledge that these are solely your responsibilities. If you would like assistance in understanding your responsibilities, and we agree, we will confirm this engagement in a separate written agreement.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. Our records are not a substitute for yours. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You will be responsible for any liability, including but not limited to, additional tax, penalties, interest and related professional fees, resulting from the disallowance of tax deductions due to inadequate documentation.

State and local filing obligations

You are responsible for determining your filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, and property taxes or abandoned and unclaimed property. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. You acknowledge that the scope of our services under this Agreement does not include any services related to your compliance with filing obligations other than those identified in the *Engagement Objective and Scope* section of this Agreement. If you ask us to prepare any other returns, and we agree, we will confirm this engagement in a separate written agreement. You will be responsible for penalties associated with the failure to file or untimely filing of any form for which we were not engaged to prepare.

Ultimate responsibility

You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS, state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879-EO, *IRS e-file Signature Authorization for an Exempt Organization*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

In the event that you do not wish to have your tax returns filed electronically, please contact our firm. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

Timing of the Engagement

Our services will conclude upon the earlier of:

- the filing and acceptance of your 2023 tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) to you for your review and your filing with the appropriate tax authorities,
- written notification by either party that the engagement is terminated, or
- one (1) year from the execution date of this Agreement.

Extensions of Time to File Tax Returns

The original filing due dates for your tax returns are November 15, 2023 for federal and Missouri. It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may limit your ability to make certain elections, extend the time available for a government agency to undertake an audit of your return and/or extend the statute of limitations to file a legal action.

If we apply for an extension of time to file because you have not provided us all of the information needed to prepare the tax returns by the original due date, you agree to hold our firm harmless from any consequences arising from any election waived. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations including failure to file or late filing of returns, and underpayment of taxes. You will be responsible for the payment of any additional tax, penalties, and interest charges imposed by tax authorities.

Professional Fee

Our professional fee for the services outlined above is estimated to be **\$1,740**. This fee is based upon the complexity of the expected work to be performed, our professional time and out-of-pocket expenses. Circumstances may arise that impact our estimated fee such as, but not limited to, issues encountered with the timely delivery, availability, quality, or completeness of the information you provide to us, changes in your personnel or operations that impact our services or other unanticipated items that arise during our engagement and that require additional time in order to complete the agreed-upon services. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the tax returns.

* * * * *

If the foregoing correctly sets forth your understanding of our tax engagement, please sign the accepted by section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com. If you disagree with any of these terms, please notify us immediately. We want to express our appreciation for this opportunity to work with you. If you have any questions or need any additional information, please do not hesitate to call.



Marr and Company, P.C.
Certified Public Accountants

ACCEPTED BY:

The Leadership School

Signature: _____

Date: _____

Printed Name: _____

Title: _____



MARR AND COMPANY, P.C.

Certified Public Accountants



Employee Benefit Plan Audit
Quality Center Member

Government Audit
Quality Center Member

May 9, 2023

Board of Directors and Management
The Leadership School
1785 Pennsylvania Avenue
St. Louis, MO 63133

We are pleased to confirm our understanding of the services we are to provide for The Leadership School (the "School").

We will examine management's assertions that the School complied with the requirements of Missouri laws and regulations regarding attendance and pupil transportation records, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2023. The objectives of our examination are to (1) obtain reasonable assurance about whether the Schedule of Selected Statistics is free from material misstatement based on the requirements by the Missouri Department of Elementary and Secondary Education ("DESE"); and (2) to express an opinion as to whether management's assertions that the School complied with the aforementioned requirements are fairly stated, in all material respects.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report as a part of the audited financial statement reporting package upon completion of our examination. Our report will be addressed to the Board of Directors of the School. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

You understand that the report is intended solely for the information and use of the Board of Directors, School's management, and the Missouri DESE and is not intended to be and should not be used by anyone other than those specified parties.

We will plan and perform the examination to obtain reasonable assurance about whether the Schedule of Selected Statistics is free from material misstatement based on the requirements by the Missouri DESE. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies, that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

You are responsible for the presentation of the Schedule of Selected Statistics in accordance with the requirements by the Missouri DESE; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for, and agree to provide us with, a written assertion about whether the Schedule of Selected Statistics is presented in accordance with the requirements of the Missouri DESE. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

Clark Hanner is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

The fees for these services were included in the signed engagement letter for the audit of the financial statements.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the RESPONSE section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com.

Very truly yours,



Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of The Leadership School.

By: _____

Title: _____

Date: _____



MARR AND COMPANY, P.C.

Certified Public Accountants



Employee Benefit Plan Audit
Quality Center Member

Government Audit
Quality Center Member

May 9, 2023

Board of Directors and Management
The Leadership School
1785 Pennsylvania Avenue
St. Louis, MO 63133

We are pleased to confirm our understanding of the services we are to provide for The Leadership School (the “School”), a nonprofit organization, for the year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of The Leadership School, which comprise the statement of assets and net assets – cash basis as of June 30, 2023, the related statements of receipts, disbursements and changes in net assets-cash basis and functional expenses-cash basis for the year then ended, and the disclosures (collectively, the “financial statements”). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor’s report on the financial statements:

1. Statement of assets and fund balances - cash basis by fund
2. Statement of receipts, disbursements, and changes in fund balance - cash basis by fund
3. Schedule of receipts collected by source-by fund
4. Schedule of disbursements paid by object-by fund

The objectives of our audit 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 issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with the cash basis of accounting, and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the School or to acts by management or employees acting on behalf of the School. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. We may also request written representations from the School's attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risk of material misstatement as part of our audit planning: management override of controls and improper revenue recognition due to fraud.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the School and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the School's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of these procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will prepare the School's federal Form 990 (Return of Organization Exempt from Federal Income Tax) and state information returns for the year ended June 30, 2023 based on information provided by you. We will also assist in preparing the financial statements and related notes of the School in conformity with the cash basis of accounting based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will issue a **separate** engagement letter contract for the tax preparation services.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

You agree to assume all management responsibilities for the tax services, financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with the cash basis of accounting, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for including all informative disclosures that are appropriate for the cash basis of accounting. Those disclosures will include (1) a description of the cash basis, including a summary of significant accounting policies, and how the cash basis differs from GAAP, (2) informative disclosures similar to those required by GAAP, and (3) additional disclosures beyond those specifically required that may be necessary for the financial statements to achieve fair presentation.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the School from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the School involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the School received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the School complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with the cash basis of accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The School is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all asset, liability, revenue, and other confirmations and schedules we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the School; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Marr and Company, P.C. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to Missouri DESE or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Marr and Company's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by Missouri DESE. If we are aware that an auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Clark Hanner is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign.

Our estimated fees for audit related services for the year ended June 30, 2023, will be **\$9,900** (an additional fee would be assessed for a federal single audit). You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the School's financial statements. Our report will be addressed to Board of Directors of the School. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the School is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the response section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of the terms of this engagement with The Leadership School for the year ended June 30, 2023.

Management Signature: _____ Date: _____

Board Officer Signature: _____ Date: _____
(if necessary)