

BSDS, Inc dba Brookside Charter School

**AGENDA
December 18, 2023
5:30 pm**

BCS Library and/or Join with ZOOM
<https://us02web.zoom.us/j/82127625843>

1. Motion to accept the agenda
2. Approval of Board of Director minutes
3. Visitors Comments and Addressing Agenda Items
4. [Committee Report](#) for upcoming Month
5. Financial Committee Report – Ed-Ops
 - a) Ed-Ops Dashboard – **Need Board Approval**
 - b) Check Registry – **Need Board Approval**
 - c) Audit Review – **Need Board Approval**
6. Academic Committee Report – Roger Offield
 - a) MAP and APR Data
7. Family Services – Kamilah Lee
8. SPED – Judy Hill and Natalie Young
9. Extended Care – Craig Nelson
10. Superintendent’s Report – Roger Offield
 - a) Enrollment/Attendance –EAD Report
 - b) New January Board Date – Monday, January 22nd
 - c) Expansion Update
 - a. 1800/1912 E Meyer Blvd. and Research Medical Center
 - b. NTS Lease (STEAM Building) and LOI
 - c.
11. Motion to adjourn

Next Meeting - Monday, January 22, 2024

***Posted 12/15/2023
Front Lobby, Website, and District Calendar***

Attending Meetings of the Board of Director

Visitors are welcome to attend the open sessions of the meeting of the Board of Directors. Members of the Board of Directors and Brookside Administration are the participants during these meetings.

Procedures for Petitioning the Board of Directors

1. If the issue/concern involves the classroom, meet with your child's teacher. If the problem is not resolved, contact the Administration.
2. If the issue/concern involves the daily operation of the school, contact the Administration.
3. If the issue/concern involves school policy (Family Handbook), contact the Board of Directors following these procedures:
 - a. Submit a one-page brief of the issue. Briefs to the Board of should be sent to Brookside Charter School.
 - b. The Board of Directors will respond. Responses could be inclusion on the agenda for a Board of Director's meeting, or a written reply, or a referral to the Administration.
4. Guidelines for Speaking at a Board Meeting
 - a. Visitor's Comments

Each regular business meeting opens with an opportunity for visitors to make comments to the board. Persons who wish to address any subject concerning education may do so at this time. The board president will call the meeting to order and then ask for comments from the audience. Patrons are asked to keep their remarks concise. This portion of the meeting shall not exceed one-half hour and those addressing the board are asked to limit their remarks.

b. Addressing Agenda Items

A person wishing to address an item on the official agenda during the business portion of the meeting must complete a request form, these forms are located as you enter the board room. The form is to be completed and returned to the Board Secretary/Clerk prior to the start of the meeting. Persons may speak only once on an agenda item and for no more than three minutes without consent of the board. In the event board members agree that the normal flow of business is being unnecessarily delayed, they may, by majority vote, waive public participation.

The above information is part of the Family Handbook. Families are given a copy of the Family Handbook.



1815 E 63rd St
Kansas City, MO 64130
www.BrooksideCharter.org



Phone: 816-531-2192

Fax: 816-756-3055



BSDS, Inc dba Brookside Charter School

MINUTES November 27, 2023 5:30 pm

BCS Library and/or Join with ZOOM

<https://us02web.zoom.us/j/82127625843>

Directors Present: Dr. Eric Sipes, Kraig Kohring, **Virtual:** Sherry Twyman, Jason LaSalle, Vicki Miller, Dr. Kerry Dixon, Kiva Dennis (@5:59), DiAnna Saffold **Directors Absent:** Tiffany Price **Guests Present:** Kelly Sales, Roger Offield, Craig Frazier, Brian Witt, Ryan Hyams, Linsey Thomas, Tammy Collingsworth, Beth Radtke **Guests Virtual:** Jamie Berry, Chris Loria, Dan Cooley

1. Opening Items

a) Record Attendance and Guests

b) Call the Meeting to Order

i. Dr. Eric Sipes called the meeting of the board of directors of Brookside Charter School to order on Monday, November 27 at 5:31pm

2. Motion to accept the agenda

a) Sherry Twyman motioned to accept the agenda.

b) Vicki Miller seconded the motion

c) The board voted to approve the motion - Approved

3. Approval of Board of Director minutes

a) Dr. Kerry Dixon motioned to approve the minutes from the Brookside Charter School board of directors meeting on Monday, October 30, 2023.

b) Sherry Twyman seconded the motion

c) The board voted to approve the motion - Approved

4. Visitors Comments and Addressing Agenda Items

a) No visitors comments.

5. Operations Update – Craig Frazier

a) Craig Frazier provided an update on Facilities, Food Service, and Cleaning.



- b) Activities Director – Brian Witt
 - i. Brian Witt provided an update on Athletics, Clubs, Field Trips and Carpool.
 - c) Transportation Director – Ryan Hyams
 - i. Ryan Hyams provided an update on the Transportation program.
6. Committee Report Review
- a) Roger shared the agenda items and dates for monthly Board Committee Meetings (Governance, Finance, Academics, Development.)
7. Financial Committee Report - EdOps
- a) EdOps Dashboard – **Need Board Approval**
 - a. Jamie Berry reviewed the month’s financial status. Providing information on revenue, expenses, days of cash and changes expected from state aid. Provided in board packet.
 - b. Kraig Kohring motioned to approve the EdOps Dashboard as presented.
 - c. Vicki Miller seconded the motion.
 - d. The board voted to approve the motion - Approved
 - b) Check Registry – **Need Board Approval**
 - a. Jamie Berry presented the Check Registry. Provided in board packet.
 - b. Kraig Kohring motioned to approve the check as presented.
 - c. Vicki Miller seconded the motion.
 - d. The board voted to approve the motion - Approved
8. Academic Committee Report – Ed-Ops
- a) Chris Loria and Dan Cooley from EdOps presented the Ed-Ops Academic Report including data outlining the correlation between academics and student tenure.
9. Superintendent’s Report – Roger Offield
- a) Enrollment/Attendance –EAD Report
 - a. 714 students enrolled, 92% attendance
 - b) Audit Update
 - a. Roger Offield provided and update on the annual financial audit.



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c) 403b/457b Plan Amendments

- a. Roger Offield informed the Board of some adjustments to staff 403b/457b plans.

d) IntraFi – Sweep/CD

- a. Roger Offield provided a financial update on IntraFi.

e) Expansion Update

- a. Roger Offield Provided an update on 1800/1912 E Meyer Blvd. & Research Medical Center (HCA).

10. Motion to adjourn

- a) Kraig Kohring motioned to adjourn the meeting.
- b) Dr. Kerry Dixon seconded the motion.
- c) The board voted to approve the motion - Approved

Next Meeting - Monday, December 18, 2023

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Posted 11/22/2023

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**BOARD COMMITTEE AGENDAS
Join with ZOOM**

<https://us02web.zoom.us/j/82127625843>

Governance Committee Meeting

Meeting, Monday, January 16th at 9am

- a) Proposed Agenda
- b) Superintendent Contract and Evaluation

Next Meeting, Monday, February 19th at 9am

Development Committee Meeting

Meeting, Wednesday, January ### at 12pm

Members: K. Kohring, D. Saffold, and K. Sales

- a) Grant/Fundraising Update
- b) Events Planning

Next Meeting, Wednesday, February 21st at 12pm

Academic Committee Meeting

Meeting, Wednesday, January ### at 4:30pm

Members: S. Tywman, K. Dixon, K. Dennis, E. Tywman-Brown, and R.Blake

- a) Ed-Ops Slide Deck
- b) Assessment Review/Update

Next Meeting, Wednesday, February 21st at 4:30pm

Financial Committee Meeting

Meeting, Thursday, January ### at 11am

Members: V. Miller, J. LaSalle, Ed-Ops, R. Offield, and J. George

- a) Ed-Ops Dashboard
- b) Check Registry

Next Meeting, February 22nd at 11am



November 2023 Financials

PREPARED DEC'23 BY

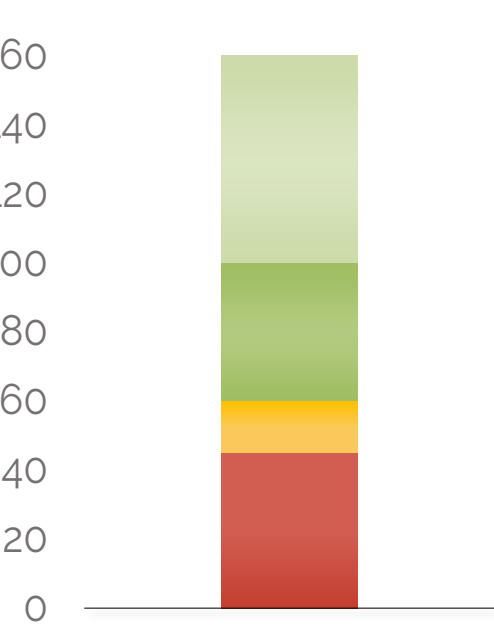


- **Executive Summary**
- **Key Performance Indicators**
- **Cash Forecast**
- **Key Forecast Changes This Month**
- **Monthly Financials**

- BCS closes November 2023 with a projected year end cash balance of \$6.9M and 193 Days of Cash. This is ahead of the full year budget, but keep in mind we still have 7 months to go in this fiscal year!
- Revenue remains relatively unchanged from October's financial report. We have made draws against our ESSER III, Title, and SPED funds which will be reflected in the December financials. We are showing improvement (already!) in interest income from investments vs. forecast.
- On the expense side of things, we are running ahead of budget in salaries and benefits by \$116K, as anticipated. However, lower than expected expenses in other areas are helping to offset some of those costs.
- As a part of the December 2023 Finance Committee and Board meetings, we will be reviewing/approving the FY23 Audit.

Days of Cash

Cash balance at year-end divided by average daily expenses

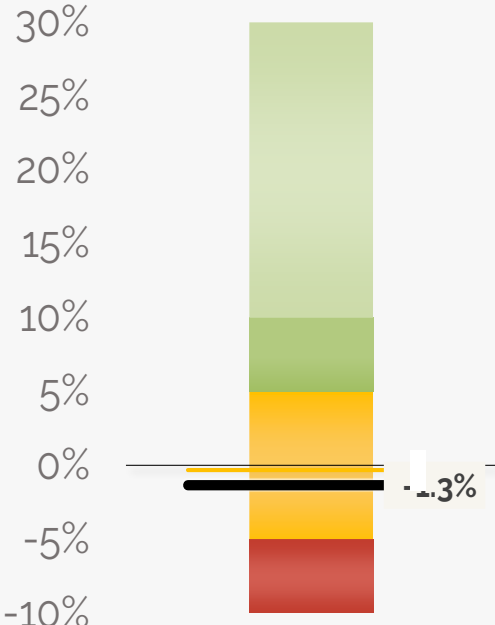


193 DAYS OF CASH AT YEAR'S END

The school will end the year with 193 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

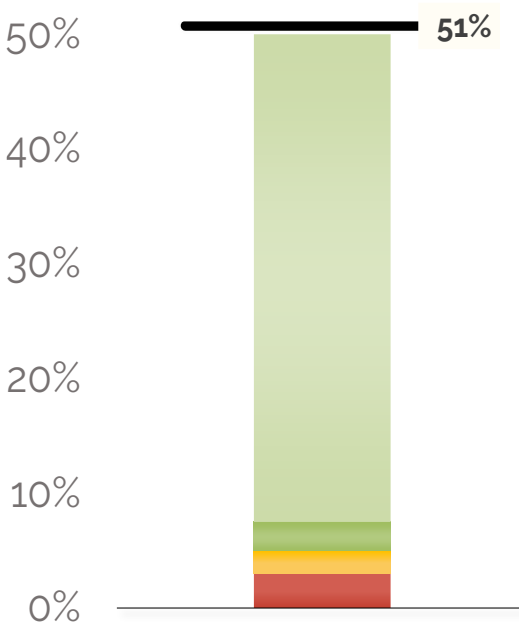


-1.3% GROSS MARGIN

The forecasted net income is -\$173k, which is \$132k below the budget. It yields a -1.3% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

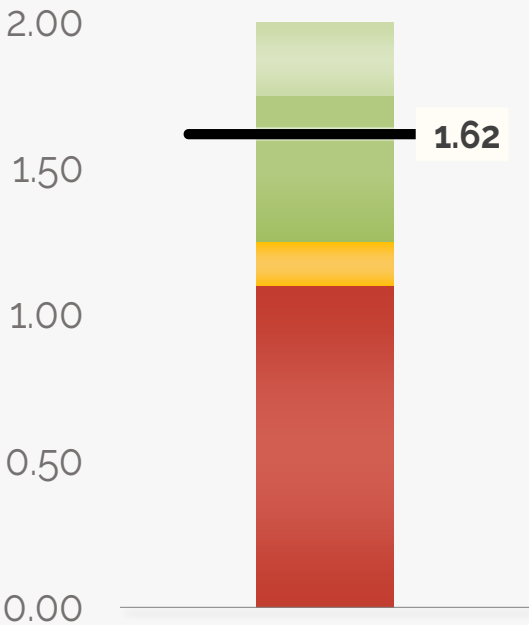


50.75% AT YEAR'S END

The school is projected to end the year with a fund balance of \$6,620,740. Last year's fund balance was \$6,794,149.

DSCR

Amount of cash flow available to meet annual interest and principal payments on debt



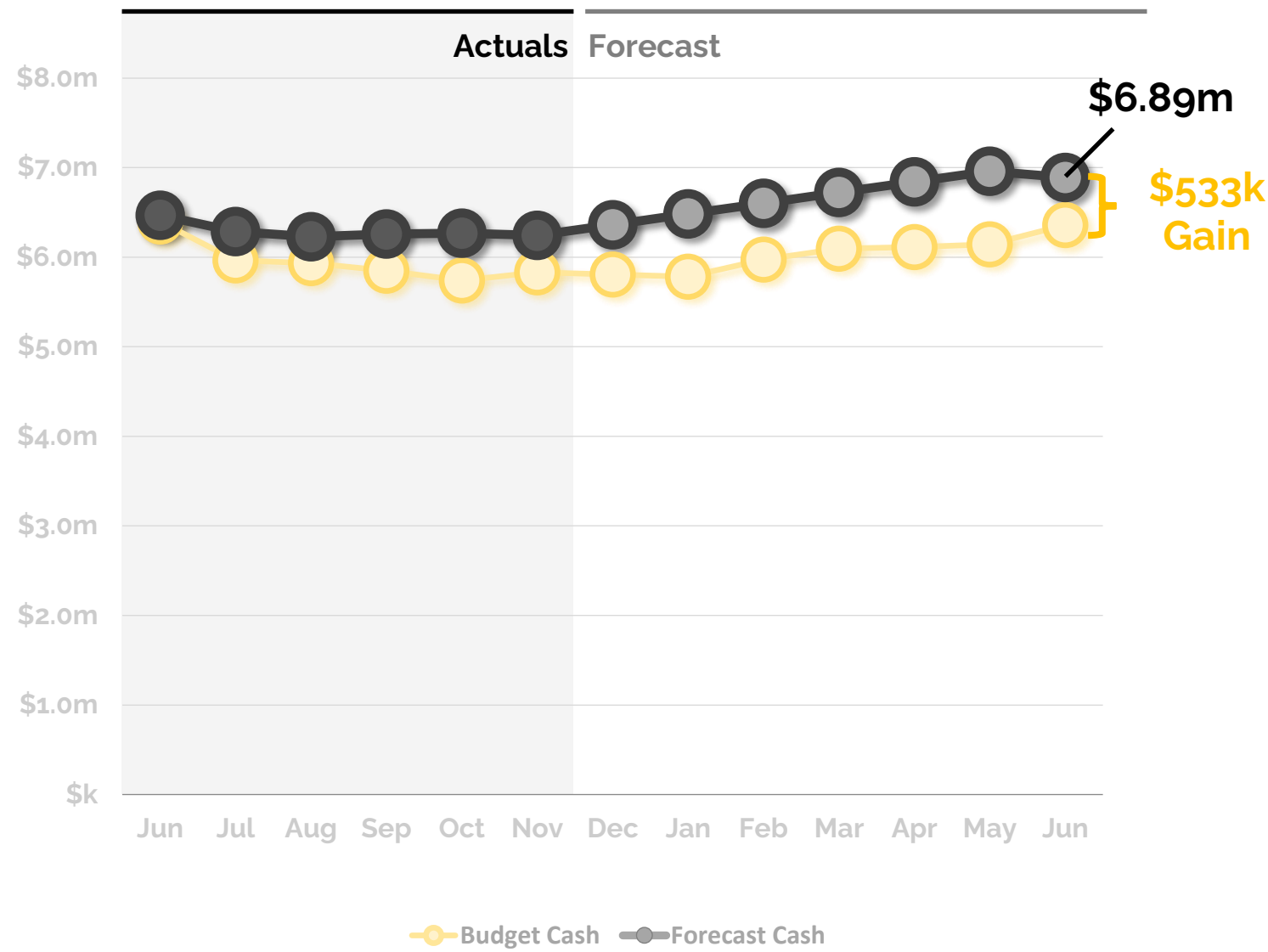
DSCR IS 1.62

Debt Service Coverage Ratio is defined by the school's bank covenants.

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193 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$6.9m**, **\$533k** above budget. Please keep in mind that we are still relatively early in this fiscal year!



| | Year-To-Date | | | Annual Forecast | | | |
|------------------------------|--------------|-----------|-----------|-----------------|------------|-------------|-----------|
| | Actual | Budget | Variance | Forecast | Budget | Variance | Remaining |
| Revenue | | | | | | | |
| Local Revenue | 596,312 | 507,506 | 88,806 | 1,181,116 | 1,181,116 | 0 | 584,804 |
| State Revenue | 3,915,632 | 3,571,214 | 344,418 | 9,345,974 | 9,361,710 | (15,736) | 5,430,342 |
| Federal Revenue | 156,799 | 573,444 | (416,645) | 1,668,046 | 1,668,046 | (0) | 1,511,247 |
| Private Grants and Donations | 184,599 | 100,000 | 84,599 | 500,000 | 500,000 | 0 | 315,401 |
| Earned Fees | 113,289 | 71,150 | 42,139 | 177,754 | 191,760 | (14,006) | 64,465 |
| Total Revenue | 4,966,630 | 4,823,314 | 143,316 | 12,872,890 | 12,902,633 | (29,743) ① | 7,906,259 |
| Expenses | | | | | | | |
| Salaries | 3,022,452 | 3,055,857 | 33,405 | 7,446,896 | 7,334,057 | (112,839) | 4,424,444 |
| Benefits and Taxes | 828,779 | 865,727 | 36,947 | 2,081,756 | 2,077,744 | (4,012) | 1,252,977 |
| Staff-Related Costs | 50,827 | 59,321 | 8,493 | 147,506 | 142,369 | (5,137) | 96,679 |
| Rent | 40,000 | 36,667 | (3,333) | 88,000 | 88,000 | (0) | 48,000 |
| Occupancy Service | 267,334 | 265,777 | (1,557) | 615,402 | 637,864 | 22,462 | 348,068 |
| Student Expense, Direct | 167,006 | 259,013 | 92,007 | 575,849 | 621,632 | 45,783 | 408,843 |
| Student Expense, Food | 95,189 | 125,000 | 29,811 | 300,000 | 300,000 | 0 | 204,811 |
| Office & Business Expense | 489,192 | 499,527 | 10,335 | 1,238,435 | 1,198,865 | (39,570) | 749,243 |
| Transportation | 39,080 | 52,083 | 13,004 | 133,862 | 125,000 | (8,862) | 94,782 |
| Total Ordinary Expenses | 4,999,860 | 5,218,972 | 219,112 | 12,627,707 | 12,525,532 | (102,174) | 7,627,847 |
| Interest | 154,296 | 128,580 | (25,716) | 308,592 | 308,592 | 0 | 154,296 |
| Facility Improvements | 105,200 | 45,833 | (59,367) | 110,000 | 110,000 | 0 | 4,800 |
| Total Extraordinary Expenses | 259,496 | 174,413 | (85,083) | 418,592 | 418,592 | 0 | 159,096 |
| Total Expenses | 5,259,356 | 5,393,385 | 134,029 | 13,046,298 | 12,944,124 | (102,174) ② | 7,786,942 |
| Net Income | (292,726) | (570,071) | 277,345 | (173,408) | (41,491) | (131,917) ③ | 119,317 |
| Cash Flow Adjustments | 69,873 | - | 69,873 | 598,232 | - | 598,232 ④ | 528,359 |
| Change in Cash | (222,852) | (570,071) | 347,218 | 424,823 | (41,491) | 466,314 ⑤ | 647,676 |

① REVENUE: \$30K BEHIND

Adjustment to per pupil payment for State funding (WADA)

② EXPENSES: \$102K BEHIND

Primarily due to increases in salaries/benefits

③ NET INCOME: \$132K behind**④ CASH ADJ: \$598K AHEAD****⑤ NET CHANGE IN CASH: \$466K AHEAD**

| | Actual | | | | | Forecast | | | | | | | | |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|--|
| Income Statement | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | TOTAL | |
| Revenue | | | | | | | | | | | | | | |
| Local Revenue | 149,897 | 99,671 | 109,732 | 110,047 | 126,964 | 83,543 | 83,543 | 83,543 | 83,543 | 83,543 | 83,543 | 83,543 | 1,181,116 | |
| State Revenue | 771,015 | 792,551 | 778,095 | 794,292 | 779,680 | 775,763 | 775,763 | 775,763 | 775,763 | 775,763 | 775,763 | 775,763 | 9,345,974 | |
| Federal Revenue | 0 | 29,137 | 29,203 | 48,426 | 50,033 | 215,892 | 215,892 | 215,892 | 215,892 | 215,892 | 215,892 | 215,892 | 1,668,046 | |
| Private Grants and Donations | 799 | 174,359 | 598 | 4,268 | 4,574 | 45,057 | 45,057 | 45,057 | 45,057 | 45,057 | 45,057 | 45,057 | 500,000 | |
| Earned Fees | 9,604 | 8,853 | 5,795 | 14,963 | 74,074 | 9,209 | 9,209 | 9,209 | 9,209 | 9,209 | 9,209 | 9,209 | 177,754 | |
| Total Revenue | 931,314 | 1,104,571 | 923,424 | 971,996 | 1,035,326 | 1,129,466 | 1,129,466 | 1,129,466 | 1,129,466 | 1,129,466 | 1,129,466 | 1,129,466 | 12,872,890 | |
| Expenses | | | | | | | | | | | | | | |
| Salaries | 571,319 | 580,712 | 613,327 | 633,640 | 623,454 | 607,063 | 607,063 | 607,063 | 607,063 | 607,063 | 607,063 | 782,063 | 7,446,896 | |
| Benefits and Taxes | 158,038 | 159,733 | 167,860 | 166,747 | 176,402 | 177,084 | 177,084 | 177,084 | 177,084 | 177,084 | 177,084 | 190,472 | 2,081,756 | |
| Staff-Related Costs | 8,886 | 9,237 | 7,873 | 27,671 | -2,840 | 13,811 | 13,811 | 13,811 | 13,811 | 13,811 | 13,811 | 13,811 | 147,506 | |
| Rent | 12,000 | 0 | 6,000 | 10,000 | 12,000 | 6,857 | 6,857 | 6,857 | 6,857 | 6,857 | 6,857 | 6,857 | 88,000 | |
| Occupancy Service | 83,608 | 64,434 | 42,283 | 36,072 | 40,936 | 49,724 | 49,724 | 49,724 | 49,724 | 49,724 | 49,724 | 49,724 | 615,402 | |
| Student Expense, Direct | 27,105 | 65,761 | 34,002 | 22,495 | 17,642 | 58,406 | 58,406 | 58,406 | 58,406 | 58,406 | 58,406 | 58,406 | 575,849 | |
| Student Expense, Food | 0 | 15,207 | 8,722 | 32,269 | 38,992 | 29,259 | 29,259 | 29,259 | 29,259 | 29,259 | 29,259 | 29,259 | 300,000 | |
| Office & Business Expense | 103,175 | 177,696 | 73,607 | 53,716 | 80,999 | 107,035 | 107,035 | 107,035 | 107,035 | 107,035 | 107,035 | 107,035 | 1,238,435 | |
| Transportation | 0 | 786 | 1,451 | 6,568 | 30,275 | 13,540 | 13,540 | 13,540 | 13,540 | 13,540 | 13,540 | 13,540 | 133,862 | |
| Total Ordinary Expenses | 964,132 | 1,073,566 | 955,125 | 989,177 | 1,017,860 | 1,062,780 | 1,062,780 | 1,062,780 | 1,062,780 | 1,062,780 | 1,062,780 | 1,251,167 | 12,627,707 | |
| Operating Income | -32,818 | 31,005 | -31,701 | -17,181 | 17,466 | 66,686 | 66,686 | 66,686 | 66,686 | 66,686 | 66,686 | -121,702 | 245,183 | |
| Extraordinary Expenses | | | | | | | | | | | | | | |
| Interest | 25,716 | 51,432 | 25,716 | 25,716 | 25,716 | 22,042 | 22,042 | 22,042 | 22,042 | 22,042 | 22,042 | 22,042 | 308,592 | |
| Facility Improvements | 0 | 0 | 0 | 0 | 105,200 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 110,000 | |
| Total Extraordinary Expenses | 25,716 | 51,432 | 25,716 | 25,716 | 130,916 | 22,728 | 22,728 | 22,728 | 22,728 | 22,728 | 22,728 | 22,728 | 418,592 | |
| Total Expenses | 989,848 | 1,124,998 | 980,841 | 1,014,893 | 1,148,776 | 1,085,508 | 1,085,508 | 1,085,508 | 1,085,508 | 1,085,508 | 1,085,508 | 1,273,895 | 13,046,298 | |
| Net Income | -58,534 | -20,427 | -57,417 | -42,897 | -113,450 | 43,958 | 43,958 | 43,958 | 43,958 | 43,958 | 43,958 | -144,430 | -173,408 | |
| Cash Flow Adjustments | -122,906 | -35,946 | 87,024 | 50,987 | 90,714 | 75,480 | 75,480 | 75,480 | 75,480 | 75,480 | 75,480 | 75,480 | 598,232 | |
| Change in Cash | -181,440 | -56,373 | 29,607 | 8,089 | -22,736 | 119,438 | 119,438 | 119,438 | 119,438 | 119,438 | 119,438 | -68,950 | 424,823 | |
| | | | | | | | | | | | | | | |
| Ending Cash | 6,285,484 | 6,229,111 | 6,258,718 | 6,266,807 | 6,244,071 | 6,363,509 | 6,482,946 | 6,602,384 | 6,721,821 | 6,841,259 | 6,960,697 | 6,891,747 | PAGE 8 | |

| | Previous Year End | Current | Year End |
|-------------------------------------|-------------------|------------------|------------------|
| Assets | | | |
| Current Assets | | | |
| Cash | 6,466,923 | 6,244,071 | 6,891,747 |
| Accounts Receivable | 775,075 | 492,426 | -906 |
| Other Current Assets | 41,565 | 0 | 25,716 |
| Total Current Assets | 7,283,563 | 6,736,496 | 6,916,557 |
| Total Assets | 7,283,563 | 6,736,496 | 6,916,557 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Other Current Liabilities | 63,565 | 2,822 | 63,565 |
| Accounts Payable | 193,598 | 0 | 0 |
| Total Current Liabilities | 257,163 | 2,822 | 63,565 |
| Total Long-Term Liabilities | 0 | 0 | |
| Total Liabilities | 257,163 | 2,822 | 63,565 |
| Equity | | | |
| Unrestricted Net Assets | 7,026,400 | 7,026,400 | 7,026,400 |
| Net Income | 0 | -292,726 | -173,408 |
| Total Equity | 7,026,400 | 6,733,675 | 6,852,992 |
| Total Liabilities and Equity | 7,283,563 | 6,736,496 | 6,916,557 |



QUESTIONS?

Please contact your EdOps Finance Team:

Jamie Berry

jamie@ed-ops.com

816.444.1530

© EdOps 2017-2024

12/11/2023 9:18 AM

User ID: JASMINE

| Payee Type: Vendor | | Check Type: Automatic Payment | | | Checking Account ID: 6 | | |
|------------------------|------------|-------------------------------|------|-----------|------------------------|-------------------------------|---------------------------------|
| Check Number | Check Date | Cleared | Void | Void Date | Entity ID | Entity Name | Check Amount |
| 1224 | 11/21/2023 | X | | | ATT1 | AT&T | 198.56 |
| 1225 | 11/01/2023 | X | | | BANKCARD | BANKCARD | 10.67 |
| 1226 | 11/24/2023 | X | | | DEFFENBAUG | DEFFENBAUGH INDUSTRIES | 1,254.11 |
| 1227 | 11/30/2023 | X | | | TOSHIBALEA | TOSHIBA FINANCIAL SERVICES | 3,506.50 |
| 1228 | 11/30/2023 | X | | | KANSASCIT | KANSAS CITY POWER & LIGHT | 7,576.33 |
| 1229 | 11/30/2023 | X | | | KCWATER | KC WATER SERVICES | 2,296.30 |
| 1230 | 11/30/2023 | X | | | AFLAC | AFLAC | 0.00 |
| 1231 | 11/30/2023 | X | | | C&CPRODUCE | C&C PRODUCE | 1,233.75 |
| 1232 | 11/02/2023 | X | | | KLEINSOLO | Klein Solomon PLLC | 2,000.00 |
| 1233 | 11/30/2023 | X | | | COUNTRYCBA | Country Club Bank | 83.85 |
| 1234 | 11/30/2023 | X | | | SHELLGAS | CC - Shell Gas | 2,012.06 |
| 1235 | 11/30/2023 | X | | | 7ELEVEN | 7-eleven CC WRIGHT EXPRESS FL | 0.00 |
| 1242 | 11/01/2023 | X | | | ARBITER | ArbiterPay Trust Account | 1,500.00 |
| 1243 | 11/13/2023 | X | | | COUNTRYCCC | Country Club Bank Credit Card | 18,193.25 |
| 1246 | 11/29/2023 | X | | | UNITEDHEAL | United Health Care | 64,170.94 |
| 1247 | 11/29/2023 | X | | | UNITEDHEAL | United Health Care | 1,244.26 |
| 1260 | 11/30/2023 | X | | | MODIVEMPLO | MO DIV EMPLOYMENT SECURITY | 4,932.91 |
| Checking Account ID: 6 | | | | | Void Total: | 0.00 | Total without Voids: 110,213.49 |
| Check Type Total: | | Automatic Payment | | | Void Total: | 0.00 | Total without Voids: 110,213.49 |

| Payee Type: Vendor | | Check Type: Check | | | Checking Account ID: 6 | | |
|--------------------|------------|-------------------|------|------------|------------------------|---------------------------------------|--------------|
| Check Number | Check Date | Cleared | Void | Void Date | Entity ID | Entity Name | Check Amount |
| 6463 | 11/09/2023 | X | | | BASICLIFE | Basic Life Support LLC | 2,250.00 |
| 6464 | 11/09/2023 | | | | BLAKE | RYAN BLAKE | 86.57 |
| 6465 | 11/09/2023 | X | | | NAZARENE | Nazarene Theological Seminary | 12,000.00 |
| 6466 | 11/09/2023 | X | | | OFFIELD | ROGER OFFIELD | 379.25 |
| 6467 | 11/09/2023 | X | | | PETTOPH | Ophelia Williams-Pettway | 172.30 |
| 6468 | 11/09/2023 | X | | | MARTVER | Verletta Martin | 78.38 |
| 6469 | 11/16/2023 | X | X | 11/16/2023 | TUCKVAL | VALERIE TUCKER | 4,750.00 |
| 6482 | 11/16/2023 | X | | | TUCKVAL | VALERIE TUCKER | 4,750.00 |
| 81668958 | 11/08/2023 | X | | | ATT1 | AT&T | 1,052.79 |
| 81668959 | 11/08/2023 | X | | | STAPLES | STAPLES ADVANTAGE | 41.33 |
| 81668960 | 11/08/2023 | X | | | STAPLES | STAPLES ADVANTAGE | 56.97 |
| 81668961 | 11/08/2023 | X | | | STAPLES | STAPLES ADVANTAGE | 88.71 |
| 81668962 | 11/08/2023 | X | | | STAPLES | STAPLES ADVANTAGE | 3,693.89 |
| 81668963 | 11/08/2023 | X | | | STAPLES | STAPLES ADVANTAGE | 75.36 |
| 81668964 | 11/08/2023 | X | | | SCHOLASTI4 | SCHOLASTIC BOOK FAIRS-08 | 423.77 |
| 81668965 | 11/08/2023 | X | | | STAPLES | STAPLES ADVANTAGE | 105.60 |
| 81668966 | 11/08/2023 | X | | | STAPLES | STAPLES ADVANTAGE | 2,619.96 |
| 81668967 | 11/08/2023 | X | | | STAPLES | STAPLES ADVANTAGE | 899.49 |
| 81669112 | 11/08/2023 | X | | | DESIGN | DESIGN MECHANICAL, INC. | 642.00 |
| 81669113 | 11/08/2023 | X | | | TMOBILE | T-MOBILE | 2,607.45 |
| 81669114 | 11/08/2023 | X | | | NARDONE | Nardone | 398.12 |
| 81669115 | 11/08/2023 | X | | | DESIGN | DESIGN MECHANICAL, INC. | 3,560.00 |
| 81669116 | 11/08/2023 | X | | | WHITLOCK | The Whitlock Company | 10,200.00 |
| 81669117 | 11/08/2023 | X | | | KLEINSOLO | Klein Solomon PLLC | 895.00 |
| 81669118 | 11/08/2023 | X | | | KVC | KVC Niles Home for Children, Inc. | 3,572.00 |
| 81669119 | 11/08/2023 | X | | | FIRSTDAKOT | First Dakota Indemnity Company | 7,430.00 |
| 81669120 | 11/08/2023 | X | | | ESTREAM | ESTREAM Technology Solutions, LLC | 1,875.00 |
| 81669304 | 11/08/2023 | X | | | FRYWAGNER | FRY-WAGNER MOVING & STORAGE | 66.60 |
| 81669305 | 11/08/2023 | X | | | HOMEDEPOT | HOME DEPOT CARD SERVICES | 656.54 |
| 81669306 | 11/08/2023 | X | | | KCFIRST | KANSAS CITY FIRST AID | 396.00 |
| 81669307 | 11/08/2023 | X | | | SCHOOLL | SCHOOL LUNCH SOLUTIONS | 1,337.10 |
| 81669308 | 11/08/2023 | X | | | JTM | JTM PROVISIONS CO., INC | 2,080.30 |
| 81669309 | 11/08/2023 | X | | | UNIVMOKC | UNIVERSITY OF MISSOURI-KANSAS CITY AR | 400.00 |
| 81669310 | 11/08/2023 | X | | | K12ITC | k12 ITC, Inc | 2,486.34 |
| 81669311 | 11/08/2023 | X | | | KCMOHEALTH | KCMO CITY TREASURER - HEALTH | 708.00 |
| 81669312 | 11/08/2023 | X | | | GOLDSTA | Gold Star Foods | 3,922.15 |
| 81669313 | 11/08/2023 | X | | | CPI | CPI | 400.00 |

12/11/2023 9:18 AM

User ID: JASMINE

| Payee Type: Vendor | | Check Type: Check | | | Checking Account ID: 6 | | |
|--------------------------|------------|-------------------|------|-----------|------------------------|---------------------------------------|---------------------------------|
| Check Number | Check Date | Cleared | Void | Void Date | Entity ID | Entity Name | Check Amount |
| 81669314 | 11/08/2023 | X | | | JADE | JADE ALARM CO., INC. | 459.69 |
| 81669315 | 11/08/2023 | X | | | REINHARTFO | REINHART FOOD SERVICES, LLC | 11,203.73 |
| 81669316 | 11/08/2023 | X | | | SUNNYSIDE | SUNNYSIDE DAIRY, LLC | 5,903.15 |
| 81669317 | 11/08/2023 | X | | | AMAZONCOM | SYNCB/AMAZON | 780.63 |
| 81669473 | 11/08/2023 | X | | | PAYPOOL2 | Paypool LLC | 241.62 |
| 81669474 | 11/08/2023 | X | | | 21STCENTUR | 21st Century Therapy, P.C. | 4,490.00 |
| 81669475 | 11/08/2023 | X | | | EDOPS | EDOPS | 14,078.75 |
| 81669476 | 11/08/2023 | X | | | TURNERC | TURNER CONSTRUCTION COMPANY | 105,200.00 |
| 81669477 | 11/08/2023 | X | | | ASSIST | Assist Services, LLC | 15,673.18 |
| 81835987 | 11/24/2023 | X | | | NARDONE | Nardone | 357.73 |
| 81835988 | 11/24/2023 | X | | | KVC | KVC Niles Home for Children, Inc. | 4,136.00 |
| 81835989 | 11/24/2023 | X | | | INNOVARE | Innovare - Social Innovation Partners | 25,000.00 |
| 81835990 | 11/24/2023 | X | | | LOVINGGUID | Loving Guidance LLC | 278.30 |
| 81835991 | 11/24/2023 | X | | | WALDO | PHILWORLD, INC | 395.00 |
| 81835992 | 11/24/2023 | X | | | KLEINSOLO | Klein Solomon PLLC | 316.00 |
| 81835993 | 11/24/2023 | X | | | DESIGN | DESIGN MECHANICAL, INC. | 3,560.00 |
| 81835994 | 11/24/2023 | X | | | BLUEMARK | BlueMark Energy, LLC | 394.36 |
| 81836363 | 11/24/2023 | X | | | AMAZONCOM | SYNCB/AMAZON | 691.45 |
| 81836364 | 11/24/2023 | X | | | NATIONALF | NATIONAL FOOD GROUP, INC | 2,424.00 |
| 81836365 | 11/24/2023 | X | | | NUE | NUESYNERGY, INC | 207.00 |
| 81836366 | 11/24/2023 | X | | | SCHOOLL | SCHOOL LUNCH SOLUTIONS | 3,717.95 |
| 81836367 | 11/24/2023 | X | | | SHERWINWI3 | The Sherwin Williams Co. | 116.98 |
| 81836368 | 11/24/2023 | X | | | K12ITC | k12 ITC, Inc | 12,983.69 |
| 81836369 | 11/24/2023 | X | | | JTM | JTM PROVISIONS CO., INC | 1,914.91 |
| 81836370 | 11/24/2023 | X | | | KCPREMIERE | KC PREMIERE TRANSPORTATION | 2,254.56 |
| 81836371 | 11/24/2023 | X | | | REINHARTFO | REINHART FOOD SERVICES, LLC | 2,785.14 |
| 81836372 | 11/24/2023 | X | | | SUNNYSIDE | SUNNYSIDE DAIRY, LLC | 2,947.40 |
| 81836584 | 11/24/2023 | X | | | BLOSMIC | MICAH BLOSSER | 500.00 |
| 81836585 | 11/24/2023 | X | | | 21STCENTUR | 21st Century Therapy, P.C. | 4,231.75 |
| 81836586 | 11/24/2023 | X | | | ASSIST | Assist Services, LLC | 10,335.15 |
| Checking Account ID: 6 | | | | | Void Total: | 4,750.00 | Total without Voids: 309,985.09 |
| Check Type Total: Check | | | | | Void Total: | 4,750.00 | Total without Voids: 309,985.09 |
| Payee Type Total: Vendor | | | | | Void Total: | 4,750.00 | Total without Voids: 420,198.58 |
| Grand Total: | | | | | Void Total: | 4,750.00 | Total without Voids: 420,198.58 |

Draft
12/13/23

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL
Kansas City, Missouri

MANAGEMENT COMMENT LETTER

June 30, 2023

December 8, 2023

Board of Directors and Management
BSDS, Inc.
d/b/a Brookside Charter School
Kansas City, Missouri

In planning and performing our audit of the financial statements of BSDS, Inc. d/b/a Brookside Charter School (the “School”) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the School’s internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’s internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated December 8, 2023, on the financial statements of the School.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various School personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Board of Directors charged with governance, management of the BSDS, Inc. d/b/a Brookside Charter School, and others within the School, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

Marr and Company, P.C.
Certified Public Accountants
Kansas City, Missouri

Management Letter PointsNoted during the Prior Audit

None

Noted during the Current Audit*Benefit plan contributions to be documented with calculations and approval*

The School's 403b and 457b retirement deferred compensation plan documents noted the School has discretion as to the amounts to be contributed to the eligible employee accounts during and after the plan year. When the School determines the amount to be contributed to the plans, the calculated amount should be documented and presented to the School's Board of Directors for approval. We noted in our review of the employment agreements for certain individuals for the year ended June 30, 2023, that the 403b plan amount to be contributed on their behalf was not included in writing. For those eligible to participate in the 457b plan, the amount contributed to their plan accounts in FY 2023 was not based on information included in their employment agreements. Also, the amount contributed to the School Superintendent's account in FY 2023 was based on information included in a prior employment agreement.

We recommend if the School determines a discretionary contribution will be made by the School to eligible employees in the plan(s), the calculated contribution amount and the record of formal approval by the Board of Director's should be documented in writing. In addition, the employment agreements should specify the contribution calculation for the eligible class of officers that can participate in the 457b plan.

Draft
12/13/23

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL
Kansas City, Missouri

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT

June 30, 2023

12/13/23

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
BSDS, Inc.
d/b/a Brookside Charter School
Kansas City, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the BSDS, Inc. d/b/a Brookside Charter School (a nonprofit organization) (the "School"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of BSDS, Inc. as of June 30, 2023, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School 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 opinions.

Change in Accounting Principle

As discussed in Note 2:H and Note 7 to the financial statements, the School changed its method of accounting for the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases effective July 1, 2022 as required by the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842). Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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.

Board of Directors
BSDS, Inc. d/b/a Brookside Charter School
Kansas City, Missouri

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 the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 the School's 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 the School's 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.

Board of Directors
BSDS, Inc. d/b/a Brookside Charter School
Kansas City, Missouri

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents from pages 19-24 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the 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 December 8 2023, on our consideration of the School's 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 the School's 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 the School's internal control over financial reporting and compliance.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 8, 2023

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

STATEMENT OF FINANCIAL POSITION
June 30, 2023

Draft
12/13/23

ASSETS

| | |
|---|--------------------------|
| Cash and cash equivalents | \$ 6,466,923 |
| Federal grant receivable | 820,142 |
| Other receivable | 16,342 |
| Prepaid expenses | 41,565 |
| Operating lease right-of-use asset | 101,135 |
| Capital assets, net of accumulated depreciation | <u>9,588,241</u> |
| Total Assets | \$ <u>17,034,348</u> |

LIABILITIES AND NET ASSETS

| | |
|--------------------------------------|--------------------------|
| Liabilities: | |
| Accounts payable | \$ 193,598 |
| Payroll withholdings | 63,565 |
| Refundable grant advance | 20,628 |
| Operating lease liability | 101,135 |
| Financed equipment purchase | 28,849 |
| Long-term note payable | <u>5,089,237</u> |
| Total Liabilities | 5,497,012 |
| Net Assets: | |
| Without donor restrictions | 11,436,436 |
| With donor restrictions | <u>100,900</u> |
| Total Net Assets | <u>11,537,336</u> |
| Total Liabilities and Net Assets | \$ <u>17,034,348</u> |

See Accompanying Independent Auditor's Report and Notes to these Financial Statements.

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

Draft
12/13/23

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

| | Without Donor <u>Restrictions</u> | With Donor <u>Restrictions</u> | <u>Total</u> |
|--|---|--------------------------------------|----------------------|
| <u>SUPPORT, REVENUE & OTHER INCOME:</u> | | | |
| Contributions and donations | \$ 298,567 | \$ 100,900 | \$ 399,467 |
| State aid receipts | 8,694,012 | 0 | 8,694,012 |
| Federal grants and contracts | 3,534,014 | 0 | 3,534,014 |
| Sales tax (Proposition C) | 1,055,090 | 0 | 1,055,090 |
| Interest income | 27,483 | 0 | 27,483 |
| Student activities | 13,380 | 0 | 13,380 |
| Other income | <u>157,179</u> | <u>0</u> | <u>157,179</u> |
| Total Support, Revenue & Other Income | 13,779,725 | 100,900 | 13,880,625 |
| <u>EXPENSES:</u> | | | |
| Program services | 9,365,998 | 0 | 9,365,998 |
| Supporting activities: | | | |
| General and administrative | 2,855,272 | 0 | 2,855,272 |
| Fundraising | <u>131,889</u> | <u>0</u> | <u>131,889</u> |
| Total Supporting activities | <u>2,987,161</u> | <u>0</u> | <u>2,987,161</u> |
| Total Expenses | <u>12,353,159</u> | <u>0</u> | <u>12,353,159</u> |
| Change in Net Assets | 1,426,566 | 100,900 | 1,527,466 |
| Net Assets, Beginning of Year | <u>10,009,870</u> | <u>0</u> | <u>10,009,870</u> |
| Net Assets, End of Year | \$ <u>11,436,436</u> | \$ <u>100,900</u> | \$ <u>11,537,336</u> |

See Accompanying Independent Auditor's Report and Notes to these Financial Statements.

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

| | | <u>Supporting Activities</u> | | | |
|--------------------------------------|---------------------|------------------------------|--------------------|---------------------|----------------------|
| | <u>Program</u> | <u>General &</u> | | <u>Total</u> | |
| | <u>Services</u> | <u>Administrative</u> | <u>Fundraising</u> | <u>Supporting</u> | <u>Total</u> |
| | | | | <u>Activities</u> | |
| Salaries and wages | \$ 5,516,501 | \$ 1,249,730 | \$ 73,802 | \$ 1,323,532 | \$ 6,840,033 |
| Retirement | 575,597 | 122,452 | 8,856 | 131,308 | 706,905 |
| Payroll taxes | 404,293 | 89,849 | 5,800 | 95,649 | 499,942 |
| Employee insurance | 454,518 | 119,383 | 21,147 | 140,530 | 595,048 |
| Workers compensation insurance | 0 | 35,450 | 0 | 35,450 | 35,450 |
| Other employee benefits | 24,238 | 41,800 | 0 | 41,800 | 66,038 |
| Professional and technical services | 279,232 | 567,986 | 0 | 567,986 | 847,218 |
| Property services | 356,544 | 66,852 | 22,284 | 89,136 | 445,680 |
| Transportation services (contracted) | 314,186 | 3,394 | 0 | 3,394 | 317,580 |
| Insurance | 33,935 | 52,212 | 0 | 52,212 | 86,147 |
| Communication | 91,668 | 270 | 0 | 270 | 91,938 |
| Dues and memberships | 67,487 | 9,975 | 0 | 9,975 | 77,462 |
| Other purchased services | 133,523 | 0 | 0 | 0 | 133,523 |
| General supplies | 386,959 | 206,934 | 0 | 206,934 | 593,893 |
| Books and periodicals | 4,210 | 0 | 0 | 0 | 4,210 |
| Food | 300,485 | 0 | 0 | 0 | 300,485 |
| Utilities, energy service | 107,619 | 0 | 0 | 0 | 107,619 |
| Capital outlay | 1,181 | 0 | 0 | 0 | 1,181 |
| Depreciation | 110,493 | 288,985 | 0 | 288,985 | 399,478 |
| Debt interest and fees | <u>203,329</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>203,329</u> |
| Total Expenses | \$ <u>9,365,998</u> | \$ <u>2,855,272</u> | \$ <u>131,889</u> | \$ <u>2,987,161</u> | \$ <u>12,353,159</u> |

See Accompanying Independent Auditor's Report and Notes to these Financial Statements.

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

Draft
12/13/23

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|---------------|
| Change in net assets | \$ 1,527,466 |
| Adjustments to reconcile change in net assets to net cash flows from operating activities – | |
| Depreciation | 399,478 |
| Amortization of loan fees | 9,064 |
| Changes in operating assets and liabilities: | |
| State Formula receivable | 283,526 |
| Federal grants receivable | (595,847) |
| Other receivables | 43,684 |
| Prepaid expenses | (9,399) |
| Accounts payable | 122,418 |
| Payroll withholdings | 36,330 |
| Accrued expenses | (207,190) |
| Refundable grant advance | <u>20,628</u> |
| Net cash flows from operating activities | 1,630,158 |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|--|-----------------|
| Purchase of capital assets | <u>(59,886)</u> |
| Net cash flows from investing activities | (59,886) |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|---|------------------|
| Principal payments on financed equipment payable | (13,738) |
| Principal payments on long-term debt note payable | <u>(114,326)</u> |
| Net cash flows from financing activities | <u>(128,064)</u> |

| | |
|--|----------------------------|
| Net increase in cash and cash equivalents | 1,442,208 |
| Cash and cash equivalents, beginning of year | <u>5,024,715</u> |
| Cash and cash equivalents, end of year | \$ <u><u>6,466,923</u></u> |

NON-CASH INVESTING AND FINANCING ACTIVITIES:

| | |
|---|--------------------------|
| Right-of-use asset obtained in exchange for operating lease liability | \$ <u><u>135,572</u></u> |
|---|--------------------------|

SUPPLEMENTAL DISCLOSURE:

| | |
|------------------------|--------------------------|
| Cash paid for interest | \$ <u><u>195,445</u></u> |
|------------------------|--------------------------|

See Accompanying Independent Auditor's Report and Notes to these Financial Statements.

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Draft
12/13/23

INDEX

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BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Draft
12/13/23

NOTE 1: ORGANIZATION

BSDS, Inc. d/b/a Brookside Charter School (“School”) is a not-for-profit public benefit corporation incorporated as BSDS, Inc. in June 1999 and organized under Chapter 355, RSMo and governed by Senate Bill No. 781 of the 89th General Assembly of the Missouri legislature. BSDS, Inc. is a not-for-profit corporation whose purpose is to operate elementary and preschool public charter schools in the State of Missouri. The first school year operating as a charter school was 2002-2003. The School is exempt from most Missouri laws and statutes governing educational institutions. The aforementioned Senate Bill No. 781 governs it. The School is sponsored by Missouri Charter Public School Commission with a charter school contract and performance agreement effective November 1, 2018 for five school years beginning July 1, 2018 and ending June 30, 2023. The charter contract was renewed in April 2023 effective July 1, 2023 for five school years ending June 30, 2028. The mission of the School is to believe in their students and be committed to providing them with unlimited opportunities.

The School is a “Leader in Me School” that teaches and implements the 7 Habits to ensure students feel empowered in their daily lives. Students are critical thinkers that are not afraid of failure, because they learn from their strengths and weaknesses. The caring staff creates a safe environment where learning is student centered. Educators collaborate to deliver quality instruction that drives academic excellence. Families work side by side with staff to prepare leaders for today’s society.

Leader in Me School’s 7 Habits:

- 1) Instruction is student centered: Students are actively involved in constructing their own knowledge.
- 2) Instruction is data driven.
- 3) Instruction is literacy based.
- 4) Curriculum is based on standards.
- 5) Leadership is shared within a collaborative culture.
- 6) Families are valued as integral partners.
- 7) Self-discipline is fostered through non-punitive, student-centered strategies.

Approximately 80-90% of the School’s funding is provided from State and Federal funds received from the Missouri Department of Elementary and Secondary Education. Other support is provided through contributions and grant awards.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS
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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Use of Estimates

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

C. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the School defines its cash and equivalents to include cash in demand deposits and considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

D. Concentration of Credit and Market Risk

Financial instruments that potentially expose the School to concentrations of credit and market risk consist primarily of cash and cash equivalents. As of June 30, 2023, the School held \$5,947,225 in Country Club Bank Federated Treasury Obligation money market funds secured by repurchase agreements, and \$132,431 in excess of federally insured limits. The money market funds are deemed to be held to maturity and are reported at amortized cost. The School has not experienced any losses on such deposit accounts at the financial institution and believes it is not exposed to any significant credit risk on cash.

E. State Formula Receivable and Liability Advance

Basic formula funding from Missouri Department of Elementary and Secondary Education ("DESE") received during the fiscal year is based on the reported average daily attendance ("ADA") and weighted ADA. Following the completion of the school year, the School submits the final weighted ADA amounts to DESE, and the calculated total funding is compared to the aggregate amount received. A receivable or liability is reported on the statement of financial position depending on the calculation as of June 30th. As of June 30, 2023, the liability balance was \$0.

F. Accounts Receivable

Accounts receivable considered uncollectible are charged against the allowance account in the year they are deemed uncollectible. The amount considered uncollectible as of June 30, 2023 was \$0.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets

All property and equipment are recorded at cost if purchased and fair value if donated. Repairs and related maintenance are charged to operations as incurred. The School has capitalized assets with a dollar amount above \$1,000 and a useful life greater than three years. Depreciation is calculated over the estimated useful lives of the respective assets on a straight-line basis.

| | <u>Years</u> |
|---------------------------|--------------|
| Building and improvements | 10-40 |
| Furniture and equipment | 5-10 |
| Computers and technology | 5 |

H. Leases

The School has adopted FASB ASC 842, *Leases*, with a date of initial application of July 1, 2022. For significant leases with a lease term greater than one year, the School recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The School determines whether an arrangement is or contains a lease at contract inception. The School includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The weighted-average discount rate is based on the discount rate implicit in the lease. The School has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The School has applied the risk-free rate option to all classes of assets, including buildings.

The School has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. Operating leases with a duration greater than one year are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the School's statement of financial position as of June 30, 2023. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the School used the elected risk-free rate. The School considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the School is reasonably certain to exercise the option, (2) terminate the lease if the School is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor.

The operating lease right-of-use assets also include any lease payments made and exclude lease incentives received or receivable. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred.

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences

Employees accrue seven (7) days (56 hours) of paid time off (“PTO”) each year. PTO is earned as of the first day of each school year. In the event accrued PTO is not used by the end of the school year, employees may carry over unused PTO to the next school year, up to maximum of 40 days (320 hours).

J. Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other purpose specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. The School reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions or law. These net assets may be used at the discretion of the School’s management and the School’s Board of Directors.

K. Revenue and Revenue Recognition

The School recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the School’s revenue is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable grant advances in the statement of financial position.

BSDS, INC.
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NOTES TO FINANCIAL STATEMENTS
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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. The School has only one program service, which is the operation of a charter school. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited and, in some cases, to one or more functions. The expenses that are allocated include technical services, property services, and depreciation. Property services and depreciation are allocated based on estimated square footage, and technical services are allocated based on estimated project and purpose usage.

M. Income Taxes

BSDS, Inc. is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The School has been classified as a publicly-supported entity, which is not a private foundation under Section 509(a) of the Code. The School has adopted the provisions of the FASB ASC 740-10 as it might apply to their financial transactions. The School's policy is to record a liability for any tax provision that is beneficial to the School, including any related interest and penalties, when it is more likely than not the position taken by management with respect to the transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2023, and accordingly, no liability has been accrued.

N. Subsequent Events

The School has evaluated subsequent events through December 8, 2023, the date which the financial statements were available to be issued.

NOTE 3: LIQUIDITY RESOURCE MANAGEMENT

The School regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the School considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of June 30, 2023, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

| | |
|-------------------------------|---------------------|
| Cash and cash equivalents | \$ 6,466,923 |
| Receivables | 836,484 |
| Less: With donor restrictions | <u>(100,900)</u> |
| Net financial assets | \$ <u>7,202,507</u> |

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NOTE 4: CAPITAL ASSETS

Capital assets as of June 30, 2023 consisted of the following:

| | |
|---------------------------|---------------------|
| Land | \$ 442,145 |
| Building and improvements | 13,171,410 |
| Furniture and equipment | <u>905,683</u> |
| Gross capital assets | 14,519,238 |
| Accumulated depreciation | <u>(4,930,997)</u> |
| Total Capital Assets, net | \$ <u>9,588,241</u> |

Depreciation expense for the year ended June 30, 2023 was \$399,478, which was allocated to the related functions:

| | |
|----------------------------|-------------------|
| Program services | \$ 110,493 |
| General and administrative | <u>288,985</u> |
| | \$ <u>399,478</u> |

NOTE 5: FINANCED EQUIPMENT PURCHASE

The School financed the purchase of camera and intercom equipment from K12itc, which required a one-time payment of \$17,693 in July 2020 and then monthly payments of \$1,243 during a 59-month term beginning in August 2020 until June 2025. The calculated imputed interest rate charged on the purchase is 3.25%. The unpaid principal balance as of June 30, 2023 was \$28,849. For the year ended June 30, 2023, the interest expense was \$1,181. The equipment is amortized over the estimated productive lives. Amortization of the equipment under the finance purchase obligation is included in depreciation expense for the year ended June 30, 2023.

The financed equipment consisted of the following as of June 30, 2023:

| | |
|-------------------------------|------------------|
| Camera and intercom equipment | \$ 85,396 |
| Less accumulated depreciation | <u>(25,619)</u> |
| | \$ <u>59,777</u> |

Future financing payments under the agreement as of June 30, 2023, was as follows:

| | |
|---|------------------|
| Year 2024 | \$ 14,191 |
| Year 2025 | 14,658 |
| Less amount representing interest | <u>(987)</u> |
| Present value of net financing payments | \$ <u>28,849</u> |

BSDS, INC.
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NOTES TO FINANCIAL STATEMENTS
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NOTE 6: NOTES PAYABLE

On June 30, 2020, the School signed a loan agreement with Equitable Facilities Fund (“EFF”) for \$5,655,705 with a fixed interest rate of 3.60%. The note is secured by a deed of trust and mortgage on the building. Beginning in August 1, 2020, the note requires 360 monthly principal and interest payments of \$25,716 until maturity in July 2050. The note can be prepaid in whole or in part on any date on or after June 30, 2030 without penalty. As required by the loan agreement, the School’s payments received from DESE, the State of Missouri, Kansas City Public School District or any other school district, or the School’s charter sponsor must be sent through the assigned Master Trustee, UMB Bank. UMB Bank withholds the monthly debt service payment and remits to the lender in advance of the required payment due date. The remaining payments received by UMB Bank are remitted to the School immediately. As of June 30, 2023, the outstanding balance was \$5,333,977. Interest paid for the year ended June 30, 2023 was \$194,265.

The School has two significant loan covenants that must be calculated to determine compliance: debt service coverage ratio (must exceed 1.10) and the liquidity of days cash on hand (must exceed 55 days).

The debt service coverage ratio as of June 30, 2023 is calculated as follows:

| | |
|--|----------------|
| Change in net assets (i.e. net income) | \$ 1,548,094 |
| Add back principal paid in FY 2023 | <u>114,327</u> |
| | \$ 1,662,421 |
| Principal and interest payments in FY 2023 | / \$ 308,592 |
| Debt service coverage ratio | = <u>5.39</u> |

The School’s liquidity of days cash on hand as of June 30, 2023 is calculated as follows:

| | |
|---|-----------------------|
| Total cash on hand | \$ 6,466,923 |
| Divided by total expenses (less depreciation and interest expense) | / <u>\$11,759,414</u> |
| | 0.5499 |
| Multiplied by one year | <u>x 365</u> |
| Days cash on hand | = <u>200.73</u> |

The total cost incurred by the School for the debt refinancing was \$271,933 and the amortization of the costs over the 30 year note repayment period is reported as interest expense in the statement of activities, which totaled \$9,064 for the year ended June 30, 2023. The outstanding debt obligation is reduced by the unamortized debt issuance costs, which totaled \$244,740 as of June 30, 2023. The carrying amount of the liability reported in the statement of financial position as of June 30, 2023 was \$5,089,237. The future scheduled principal payments on the note are as follows:

| <u>Year ending June 30,</u> | |
|-----------------------------|---------------------|
| 2024 | \$ 109,447 |
| 2025 | 113,785 |
| 2026 | 118,281 |
| 2027 | 122,942 |
| 2028 | 127,773 |
| Thereafter | <u>4,497,009</u> |
| Total | \$ <u>5,089,237</u> |

BSDS, INC.
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NOTES TO FINANCIAL STATEMENTS
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NOTE 7: LEASE COMMITMENTS

Copier Equipment

Effective May 2021, the School signed a non-cancelable 48-month lease agreement for copier equipment and maintenance. The lease requires monthly payments of \$1,636 through April 2025. Effective September 2022, the School signed a non-cancelable 48-month lease agreement for copier equipment and maintenance. The lease required monthly payments of \$1,845 through August 2026.

These two leases are the only leases required to be included on the statement of financial position under FASB ASC 842. As a result, adopting FASB ASC 842 as of July 1, 2022 had no impact on the prior year financial position information. The lease asset and lease liability were calculated utilizing the risk-free discount rate (2.85% for 3-year terms and 3.96% for 5-year terms), according to the School's elected policy.

Quantitative Disclosures

The lease cost and other required information for the year ended June 30, 2023, are as follows:

| | |
|---|------------|
| Lease cost included in property services | \$ 48,845 |
| Other information: | |
| Cash paid for amounts included in the measurement of operating lease liability: Operating cash flows from the operating lease | \$ 38,087 |
| Weighted-average remaining lease term – operating lease | 2.59 years |
| Weighted-average discount rate – operating lease | 3.57% |

The maturities of the lease liability and reconciliation to the statement of financial position as of June 30, 2023, are as follows for the fiscal years ending June 30:

| | |
|--|-------------------|
| 2024 | \$ 41,778 |
| 2025 | 38,506 |
| 2026 | 22,145 |
| 2027 | <u>3,691</u> |
| Total future undiscounted lease payments | 106,120 |
| Less interest | <u>(4,985)</u> |
| Present value of lease liability | \$ <u>101,135</u> |

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2023:

| | |
|--------------|-------------------|
| STEAM lab | \$ 100,000 |
| CPR training | <u>900</u> |
| Total | \$ <u>100,900</u> |

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NOTE 9: RETIREMENT PLANS

KCPSRS Pension Plan

Plan Description

Public School Retirement System of the School District of Kansas City, Missouri ("KCPSRS") is a mandatory cost-sharing multiple employer defined benefit pension plan (the "Plan"), which was established by the General Assembly of the State of Missouri and is exempt from the provisions of the Employee Retirement Income Security Act of 1974. The 12-member Board of Trustees of KCPSRS administers and operates the Plan in accordance with the statutes of the State of Missouri. Participation is mandatory for employees of the Kansas City, Missouri Public School District, the Kansas City Public Library and the Public School Retirement System. All regular, full-time employees of the participating employers become members of the Plan as a condition of employment, if they are in a position requiring at least 25 hours of work per week and nine calendar months per year. Employees hired before or during 1961 are members of Plan A. As of December 31, 2014, there are no longer any members of Plan A receiving benefits. Employees hired after January 1, 2014, are members of Plan C. The most recent audited financial statements and actuarial valuation report are located on KCPSRS' website at www.kcpsrs.org.

Benefits Provided

KCPSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Positions covered by the Plan are also covered by social security. A Retirement Facts Book detailing the provisions of the plan can be found on KCPSRS' website at www.kcpsrs.org.

Contributions

Employers are required to match the contributions made by members. The contribution rate is set each year by the KCPSRS Board of Trustees within the contribution restrictions set in Section 169.350.4 and 169.291.16 RSMo. The rate may be changed in increments not to exceed 0.5% of pay each year. Effective January 1, 2020, members of Plan B and C contributed at 12.0% of annual compensation. The School's contributions to KCPSRS were \$706,905 for the year ended June 30, 2023.

Brookside Charter 403(b) Plan

Plan Description and Contributions

All employees of the School are eligible to participate in an Internal Revenue Code section 403(b) retirement savings plan ("403b Plan"), established January 1, 2018 and sponsored by the School. Under the 403b Plan, employees may contribute a specified percentage of their salary or a fixed dollar amount to the 403b Plan, pursuant to a salary reduction agreement and subject to limits established by federal law. The School may agree to make discretionary "matching" and "nonelective" contributions to their employees' 403b Plan accounts after the end of the plan year, which is December 31st. Total discretionary matching contributions to the 403b Plan by the School for the year ended June 30, 2023 was \$7,298. There were no "nonelective" contributions made by the School for the year ended June 30, 2023.

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NOTE 9: RETIREMENT PLANS (continued)

Brookside Charter 457(b) Plan

Plan Description and Contributions

The School established the Brookside Charter 457(b) Plan (“457b Plan”) effective January 1, 2018. Following approval by the School’s superintendent, a class of officers of the School are eligible to participate in the Internal Revenue Code section 457(b) retirement savings plan. Eligible employees may contribute to the 457b Plan, pursuant to a salary reduction agreement up to 100% of their compensation. The School may agree to make discretionary “matching” and “nonelective” contributions to the eligible employees’ 457b Plan accounts after the end of the plan year, which is December 31st, and allocated in a manner determined by the School. Total contributions to the 457b Plan by the School for the year ended June 30, 2023 was \$58,740.

NOTE 10: RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School maintains commercial insurance to protect itself from such risks.

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SUPPLEMENTARY INFORMATION

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

BALANCE SHEET – BY FUND

June 30, 2023

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| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Totals</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------|
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ 6,466,923 | \$ 0 | \$ 0 | \$ 6,466,923 |
| Federal grant receivable | 820,142 | 0 | 0 | 820,142 |
| Other receivable | 16,342 | 0 | 0 | 16,342 |
| Prepaid expenses | <u>15,849</u> | <u>0</u> | <u>25,716</u> | <u>41,565</u> |
| Total Assets | \$ <u>7,319,256</u> | \$ <u>0</u> | \$ <u>25,716</u> | \$ <u>7,344,972</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 193,598 | \$ 0 | \$ 0 | \$ 193,598 |
| Payroll withholdings | 63,565 | 0 | 0 | 63,565 |
| Refundable grant advance | <u>20,628</u> | <u>0</u> | <u>0</u> | <u>20,628</u> |
| Total Liabilities | 277,791 | 0 | 0 | 277,791 |
| Fund Balances: | | | | |
| Unassigned | <u>7,041,465</u> | <u>0</u> | <u>25,716</u> | <u>7,067,181</u> |
| Total fund balances | <u>7,041,465</u> | <u>0</u> | <u>25,716</u> | <u>7,067,181</u> |
| Total Liabilities and fund balances | \$ <u>7,319,256</u> | \$ <u>0</u> | \$ <u>25,716</u> | \$ <u>7,344,972</u> |
| | | | | |
| Total fund balances | | | | \$ 7,067,181 |
| Total operating lease right-of-use asset on the Statement of Financial Position | | | | 101,135 |
| Total property and equipment, net on the Statement of Financial Position | | | | 9,588,241 |
| Total operating lease liability on the Statement of Financial Position | | | | (101,135) |
| Total financed equipment purchase on the Statement of Financial Position | | | | (28,849) |
| Total note payable liability on the Statement of Financial Position | | | | <u>(5,089,237)</u> |
| Total net assets on the Statement of Financial Position | | | | \$ <u>11,537,336</u> |

Note: The supplementary financial statement above has been provided for purposes of reporting to the State of Missouri Department of Elementary and Secondary Education. This statement conforms to the presentation of the Annual Secretary of the Board Report (ASBR).

See Independent Auditor's Report

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES – BY FUND**

For the Year Ended June 30, 2023

| | General Fund | Special Revenue Fund | Capital Projects Fund | Totals |
|---|---------------------|----------------------------|-----------------------------|---------------------|
| REVENUE: | | | | |
| Local | \$ 1,050,782 | \$ 395,659 | \$ 206,158 | \$ 1,652,599 |
| State | 3,554,255 | 4,982,943 | 156,814 | 8,694,012 |
| Federal | <u>3,226,656</u> | <u>286,935</u> | <u>20,423</u> | <u>3,534,014</u> |
| Total Revenue | 7,831,693 | 5,665,537 | 383,395 | 13,880,625 |
| EXPENDITURES: | | | | |
| Instruction | 1,483,323 | 5,004,506 | 37,307 | 6,525,136 |
| Support services - Students | 423,239 | 0 | 0 | 423,239 |
| Support services – Instructional Staff | 147,006 | 107,722 | 0 | 254,728 |
| Support services – General Administration | 1,596,812 | 114,640 | 35,115 | 1,746,567 |
| Support services – Building Level Admin | 0 | 438,669 | 0 | 438,669 |
| Business Support Services | 130,504 | 0 | 0 | 130,504 |
| Business Support – Fiscal Services | 93,309 | 0 | 0 | 93,309 |
| Operation and Maintenance Plant Services | 1,065,879 | 0 | 0 | 1,065,879 |
| Student Transportation | 309,130 | 0 | 0 | 309,130 |
| Food Services | 548,499 | 0 | 0 | 548,499 |
| Support Services – Central Office | 62,503 | 0 | 0 | 62,503 |
| Community Services | 223,431 | 0 | 0 | 223,431 |
| Capital Outlay | 0 | 0 | 2,381 | 2,381 |
| Debt - Principal & Interest | <u>0</u> | <u>0</u> | <u>308,592</u> | <u>308,592</u> |
| Total Expenditures | <u>6,083,635</u> | <u>5,665,537</u> | <u>383,395</u> | <u>12,132,567</u> |
| Net Changes in Fund Balance | 1,748,058 | 0 | 0 | 1,748,058 |
| Fund Balance - June 30, 2022 | <u>5,293,407</u> | <u>0</u> | <u>25,716</u> | <u>5,319,123</u> |
| Fund Balance - June 30, 2023 | \$ <u>7,041,465</u> | \$ <u>0</u> | \$ <u>25,716</u> | \$ <u>7,067,181</u> |
| Net changes in fund balance | | | | \$ 1,748,048 |
| Changes in: | | | | |
| Capital assets – purchases | | | | 59,886 |
| Capital assets – depreciation | | | | (399,478) |
| Principal payments on financed equipment payable | | | | 13,738 |
| Principal payments on long-term debt note payable | | | | 114,326 |
| Amortization of debt issuance fees | | | | <u>(9,064)</u> |
| Change in net assets on the Statement of Activities | | | | \$ <u>1,527,466</u> |

Note: The supplementary financial statement above has been provided for purposes of reporting to the State of Missouri Department of Elementary and Secondary Education. This statement conforms to the presentation of the Annual Secretary of the Board Report (ASBR).

See Independent Auditor's Report

BSDS, INC.
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SCHEDULE OF REVENUE COLLECTED BY SOURCE – BY FUND
For the Year Ended June 30, 2023

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Totals</u> |
|-----------------------------|-------------------------|-------------------------------------|--------------------------------------|----------------------|
| <u>LOCAL:</u> | | | | |
| Sales tax (Proposition C) | \$ 659,431 | \$ 395,659 | \$ 0 | \$ 1,055,090 |
| Interest income | 27,483 | 0 | 0 | 27,483 |
| Student activity income | 13,380 | 0 | 0 | 13,380 |
| Contributions and donations | 247,081 | 0 | 152,385 | 399,466 |
| Other | <u>103,407</u> | <u>0</u> | <u>53,773</u> | <u>157,180</u> |
| Total Local | 1,050,782 | 395,659 | 206,158 | 1,652,599 |
| <u>STATE</u> | | | | |
| Basic formula | 3,343,443 | 4,982,943 | 0 | 8,326,386 |
| Transportation | 65,749 | 0 | 0 | 65,749 |
| Classroom trust fund | 142,630 | 0 | 156,814 | 299,444 |
| Food services | 1,700 | 0 | 0 | 1,700 |
| Other | <u>733</u> | <u>0</u> | <u>0</u> | <u>733</u> |
| Total State | 3,554,255 | 4,982,943 | 156,814 | 8,694,012 |
| <u>FEDERAL</u> | | | | |
| Medicaid | 114,593 | 0 | 0 | 114,593 |
| ESF ESSER grants | 1,444,592 | 286,935 | 20,423 | 1,751,950 |
| IDEA special education | 343,664 | 0 | 0 | 343,664 |
| Food services | 501,858 | 0 | 0 | 501,858 |
| ESEA Title I.A | 350,819 | 0 | 0 | 350,819 |
| ESEA Title II.A | 44,565 | 0 | 0 | 44,565 |
| ESEA Title IV.A | 28,579 | 0 | 0 | 28,579 |
| FEMA grants | 273,349 | 0 | 0 | 273,349 |
| Other | <u>124,637</u> | <u>0</u> | <u>0</u> | <u>124,637</u> |
| Total Federal | <u>3,226,656</u> | <u>286,935</u> | <u>20,423</u> | <u>3,534,014</u> |
| Total All Sources | <u>\$ 7,831,693</u> | <u>\$ 5,665,537</u> | <u>\$ 383,395</u> | <u>\$ 13,880,625</u> |

Note: The supplementary financial statement above has been provided for purposes of reporting to the State of Missouri Department of Elementary and Secondary Education. This statement conforms to the presentation of the Annual Secretary of the Board Report (ASBR).

See Independent Auditor's Report

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

SCHEDULE OF EXPENDITURES PAID BY OBJECT – BY FUND
For the Year Ended June 30, 2023

| | General Fund | Special Revenue Fund | Capital Projects Fund | Totals |
|--------------------------------------|---------------------|----------------------------|-----------------------------|----------------|
| Salaries and wages | \$ 2,398,453 | \$ 4,441,580 | \$ 0 | \$ 6,840,033 |
| Retirement | 226,609 | 480,296 | 0 | 706,905 |
| Payroll taxes | 174,951 | 324,992 | 0 | 499,943 |
| Employee insurance | 199,103 | 395,945 | 0 | 595,048 |
| Workers compensation insurance | 35,450 | 0 | 0 | 35,450 |
| Other employee benefits | 43,314 | 22,724 | 0 | 66,038 |
| Professional and technical services | 847,218 | 0 | 0 | 847,218 |
| Property services | 445,680 | 0 | 0 | 445,680 |
| Transportation services (contracted) | 317,580 | 0 | 0 | 317,580 |
| Insurance | 86,147 | 0 | 0 | 86,147 |
| Communication | 91,938 | 0 | 0 | 91,938 |
| Dues and memberships | 77,462 | 0 | 0 | 77,462 |
| Other purchased services | 133,523 | 0 | 0 | 133,523 |
| General supplies | 593,893 | 0 | 0 | 593,893 |
| Books and periodicals | 4,210 | 0 | 0 | 4,210 |
| Food | 300,485 | 0 | 0 | 300,485 |
| Utilities, energy service | 107,619 | 0 | 0 | 107,619 |
| Capital outlay | 0 | 0 | 74,803 | 74,803 |
| Debt principal and interest | <u>0</u> | <u>0</u> | <u>308,592</u> | <u>308,592</u> |
| Total Expenditures | \$ <u>6,083,635</u> | \$ <u>5,665,537</u> | \$ <u>383,595</u> | 12,132,567 |

Changes in:

| | |
|---|----------------------|
| Capital assets – purchases | (59,886) |
| Capital assets – depreciation | 399,478 |
| Principal payments on financed equipment purchase | (13,738) |
| Amortization of debt issuance fees | 9,064 |
| Principal payments on long-term note payable | <u>(114,326)</u> |
| Total expenses on the Statement of Activities | \$ <u>12,353,159</u> |

Note: The supplementary financial statement above has been provided for purposes of reporting to the State of Missouri Department of Elementary and Secondary Education. This statement conforms to the presentation of the Annual Secretary of the Board Report (ASBR).

See Independent Auditor's Report

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Draft
12/13/23

| Federal Grantor/Pass-through Grantor/Program or Cluster Title | Federal Assistance Number | FAIN Number | Pass- Through Number | Federal Expenditures |
|--|---------------------------------|----------------|----------------------------|----------------------------|
| <u>U.S. Department of Agriculture</u> | | | | |
| <i>Pass-through Missouri Dept of Elementary & Secondary Education:</i> | | | | |
| Child Nutrition Cluster: | | | | |
| School Breakfast Program | 10.553 | 20221N119943 | 048-916 | \$ 25,392 |
| School Breakfast Program | 10.553 | 20232N119943 | 048-916 | 108,397 |
| National School Lunch Program (NSLP) | 10.555 | 20221N119943 | 048-916 | 61,508 |
| National School Lunch Program (NSLP) | 10.555 | 20232N119943 | 048-916 | 278,991 |
| NSLP Food Commodities | 10.555 | n/a | 048-916 | <u>57,990</u> |
| Total Child Nutrition Cluster | | | | 532,278 |
| National Fresh Fruits and Veggie Program | 10.582 | 2022IL160343 | 048-916 | 3,842 |
| National Fresh Fruits and Veggie Program | 10.582 | 2023L160343 | 048-916 | <u>23,728</u> |
| Total U.S. Department of Agriculture | | | | <u>559,848</u> |
| <u>Federal Communications Commission</u> | | | | |
| COVID-19 – Emergency Connectivity Fund Program | 32.009 | | Direct | <u>124,637</u> |
| Total Federal Communications Commission | | | | <u>124,637</u> |
| <u>U.S. Department of Education</u> | | | | |
| <i>Pass-through Missouri Dept of Elementary & Secondary Education:</i> | | | | |
| Title I, Part A – Grants to LEAs | 84.010A | S010A210025 | 048-916 | 251,458 |
| Title I, Part A – Grants to LEAs | 84.010A | S010A220025 | 048-916 | 99,361 |
| Title II, Part A – Supporting Effective Instruction | 84.367A | S367A210024 | 048-916 | 44,565 |
| Title IV, Part A – Student Support and Academic Enrichment | 84.424A | S424A210026 | 048-916 | 28,579 |
| Education Stabilization Fund (ESF) grants: | | | | |
| COVID-19 – ESF CARES Act - ESSER I: Teacher Retention | 84.425D | S425D200021 | 048-916 | 10,898 |
| COVID-19 – ESF CRRSA Act - ESSER II Teacher Retention | 84.425D | S425D200021 | 048-916 | 34,051 |
| COVID-19 – ESF ARP Act - ESSER III | 84.425U | S425U210021 | 048-916 | 1,682,112 |
| COVID-19 – ESF ARP Act - ESSER III Teacher Retention | 84.425U | S425U210021 | 048-916 | 11,170 |
| COVID-19 – ESF ARP Act Immediate Response Services Grant | 84.425U | S425U210021 | 048-916 | 13,719 |
| COVID-19 – ESF ARP Act Homeless Children Youth (HCY I) | 84.425W | S425W210026 | 048-916 | <u>66,307</u> |
| Total Education Stabilization Fund (ESF) grants | | | | 1,818,257 |
| Special Education Cluster (IDEA): | | | | |
| IDEA, Part B - Special Education | 84.027A | H027A210040 | 048-916 | 78,413 |
| IDEA, Part B - Special Education | 84.027A | H027A220040 | 048-916 | 154,567 |
| COVID-19 – ARP IDEA | 84.027X | H027X210040 | 048-916 | 39,111 |
| Early Childhood Special Education (ECSE) | 84.173A | H173A210103 | 048-916 | 2,524 |
| COVID-19 – ARP ECSE | 84.173X | H173A220103 | 048-916 | <u>2,742</u> |
| Total Special Education Cluster | | | | <u>277,357</u> |
| Total U.S. Department of Education | | | | <u>2,519,577</u> |
| <u>U.S. Department of Homeland Security</u> | | | | |
| <i>Pass-through Missouri State Emergency Management Agency (SEMA):</i> | | | | |
| Hazard Mitigation Grant (HMGP) | 97.039 | | 4490DR-MO | <u>200,463</u> |
| Total U.S. Department of Homeland Security | | | | <u>200,463</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | \$ <u>3,404,525</u> |

See Accompanying Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards.

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

NOTE 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of BSDS, Inc. d/b/a Brookside Charter School (“School”) under programs of the federal government for the year ended June 30, 2023. The information 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 School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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.

The Schedule presents both Type A and Type B federal assistance programs administered by the School. The Uniform Guidance establishes the formula for determining the level of expenditures of disbursements to be used in defining Type A and Type B federal financial assistance programs. For the School, Type A programs are those which exceed \$750,000 in disbursements, expenditures, or distributions. The determination of major and nonmajor programs is based on the risk-based approach outlined in Uniform Guidance.

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

NOTE 3: SUBRECIPIENTS

The School did not provide funds to subrecipients in the current fiscal year.

NOTE 4: NONCASH ASSISTANCE

Of the federal expenditures presented in the Schedule, the School expended \$57,990 of federal awards in the form of noncash assistance from food distribution commodities.

Draft
12/13/23

INTERNAL CONTROL AND COMPLIANCE

**INDEPENDENT AUDITOR'S 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
BSDS, Inc.
d/b/a Brookside Charter School
Kansas City, Missouri

We have audited, in accordance with the 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 BSDS, Inc. d/b/a Brookside Charter School ("School") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 8, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
BSDS, Inc.
d/b/a Brookside Charter School
Kansas City, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the BSDS, Inc. d/b/a Brookside Charter School's ("School") (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2023. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School 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 the School's 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 the School's federal programs.

Auditor's 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 the School's 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 generally accepted auditing standards, *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 the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's 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 the School's 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.

Board of Directors
BSDS, Inc.
Kansas City, Missouri

Draft
12/13/23

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 8, 2023

BSDS, INC
d/b/a BROOKSIDE CHARTER SCHOOL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statement:

- 1) The type of report issued on the basic financial statements. Unmodified opinion
- 2) Internal Control over Financial Reporting:
 - a) Significant deficiencies were disclosed. None
 - b) Material weaknesses were disclosed. None
- 3) Noncompliance, which is material to the basic financial statements, was disclosed. None

Federal Awards:

- 1) Internal Control over Major Programs:
 - a) Significant deficiencies were disclosed. None
 - b) Material weaknesses were disclosed. None
- 2) The type of report issued on compliance for major programs. Unmodified opinion
- 3) Any audit findings which are required to be reported under Section 200.516(a) of the Uniform Guidance? None
- 4) The School's major federal program(s):

| | |
|-------------------------------------|------------------------------------|
| <u>Assistance Listing Number(s)</u> | <u>Federal Program or Cluster</u> |
| 84.425D, 84.425U, 84.425W | Education Stabilization Fund (ESF) |
- 5) Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
- 6) Auditee qualified as a low-risk auditee specified in Section 200.520 of the Uniform Guidance?
X Yes No

SECTION II: FINANCIAL STATEMENT FINDINGS

No financial statement findings were reported.

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings and questioned costs were reported.

SECTION IV: RESOLUTIONS OF PRIOR YEAR AUDIT FINDINGS

No audit findings were noted from the prior year.

**INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S
ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS
OF MISSOURI LAWS AND REGULATIONS**

Board of Directors
BSDS, Inc.
d/b/a Brookside Charter School
Kansas City, Missouri

We have examined management of BSDS, Inc.'s d/b/a Brookside Charter School (the "School") assertion that the School complied with the requirements of Missouri laws and regulations regarding accurate disclosure of the School's records of average daily attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2023. BSDS, Inc.'s management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the School's compliance with specified requirements. We noted two instances of noncompliance in the schedule of state findings (MO23-01 and MO23-02).

In our opinion, management's assertion that BSDS, Inc. d/b/a Brookside Charter School complied with the aforementioned requirements included in the Schedule of Selected Statistics for the year ended June 30, 2023, is fairly stated, in all material respects.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 8, 2023

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2023

1. CALENDAR (SECTIONS 160.041, 171.029, 171.031, AND 171.033 RSMO)

Report each unique calendar the charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

| School Code | Begin Grade | End Grade | Half Day Indicator | Standard Day Length | Days | Hours in Session |
|-------------|-------------|-----------|--------------------|---------------------|------|------------------|
| 3950 | PK | 05 | n/a | 6.9167 | 167 | 1,152.9170 |
| 6950 | 06 | 08 | n/a | 6.9167 | 167 | 1,152.9170 |

2. ATTENDANCE HOURS

Report the total attendance hours of PK-12 students allowed to be claimed for the calculation of Average Daily Attendance.

| School Code | Grade Level | Full-Time Hours | Part-Time Hours | Remedial Hours | Other Hours | Summer School Hours | Total Hours |
|--------------------|-------------|----------------------------|----------------------|----------------------|--------------------------|---------------------------|----------------------------|
| 3950 | PK | 23,709.2165 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 23,709.2165 |
| 3950 | K | 88,428.3897 | 0.0000 | 0.0000 | 120.4000 | 3,845.8800 | 92,394.6697 |
| 3950 | 1 | 79,152.4495 | 0.0000 | 0.0000 | 120.4000 | 4,672.5300 | 83,945.3795 |
| 3950 | 2 | 66,405.0829 | 0.0000 | 0.0000 | 73.2667 | 3,984.4000 | 70,462.7496 |
| 3950 | 3 | 87,842.5285 | 0.0000 | 0.0000 | 293.1333 | 3,776.8800 | 91,912.5418 |
| 3950 | 4 | 89,529.4588 | 0.0000 | 0.0000 | 190.7833 | 3,982.1830 | 93,702.4251 |
| 3950 | 5 | 86,959.6187 | 0.0000 | 0.0000 | 113.5833 | 3,196.5400 | 90,269.7420 |
| 6950 | 6 | 77,580.4118 | 0.0000 | 0.0000 | 126.0000 | 3,162.0400 | 80,868.4518 |
| 6950 | 7 | 83,954.3276 | 0.0000 | 0.0000 | 77.3333 | 2,658.3500 | 86,690.0109 |
| 6950 | 8 | 70,254.0307 | 0.0000 | 0.0000 | 98.0000 | 2,299.3100 | 72,651.3407 |
| Grand Total | | <u>753,815.5147</u> | <u>0.0000</u> | <u>0.0000</u> | <u>1,212.8999</u> | <u>31,578.1130</u> | <u>786,606.5276</u> |

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2023

3. SEPTEMBER MEMBERSHIP

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

| School Code | Grade Level | Full-Time | Part-Time | Other | Total |
|--------------------|-------------|----------------------|--------------------|--------------------|----------------------|
| 3950 | PK | 29.00 | 0.00 | 0.00 | 29.00 |
| 3950 | K | 86.00 | 0.00 | 0.00 | 86.00 |
| 3950 | 1 | 77.00 | 0.00 | 0.00 | 77.00 |
| 3950 | 2 | 67.00 | 0.00 | 0.00 | 67.00 |
| 3950 | 3 | 85.00 | 0.00 | 0.00 | 85.00 |
| 3950 | 4 | 87.00 | 0.00 | 0.00 | 87.00 |
| 3950 | 5 | 82.00 | 0.00 | 0.00 | 82.00 |
| 6950 | 6 | 77.00 | 0.00 | 0.00 | 77.00 |
| 6950 | 7 | 82.00 | 0.00 | 0.00 | 82.00 |
| 6950 | 8 | 70.00 | 0.00 | 0.00 | 70.00 |
| Grand Total | | <u>742.00</u> | <u>0.00</u> | <u>0.00</u> | <u>742.00</u> |

4. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

| School Code | Free Lunch | Reduced Lunch | Deseg In Free | Deseg In Reduced | Total |
|--------------------|----------------------|--------------------|--------------------|--------------------|----------------------|
| 3950 | 221.00 | 0.00 | 0.00 | 0.00 | 221.00 |
| 6950 | 481.00 | 0.00 | 0.00 | 0.00 | 481.00 |
| Grand Total | <u>702.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>702.00</u> |

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2023

5. FINANCE

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

| Section | Question | Answer |
|---------|---|--------------|
| 5.1 | The charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported. | True |
| 5.2 | The charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories: | True |
| | Academic Programs Off-Campus | N/A |
| | Career Exploration Program – Off Campus | N/A |
| | Cooperative Occupational Education (COE) or Supervised Occupational Experience Program | N/A |
| | Dual enrollment | N/A |
| | Homebound instruction | N/A |
| | Missouri Options | N/A |
| | Prekindergarten eligible to be claimed for state aid | N/A |
| | Remediation | N/A |
| | Sheltered Workshop participation | N/A |
| | Students participating in the school flex program | N/A |
| | Traditional instruction (full and part-time students) | True |
| | Virtual instruction (MOCAP or other option) | N/A |
| | Work Experience for Students with Disabilities | N/A |
| 5.3 | The charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations. | True |
| 5.4 | The charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations. | True |
| 5.5 | As required by Section 162.401, RSMo, a bond was purchased for the charter school's treasurer in the total amount of: | \$0 |
| 5.6 | The charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Accounting Manual. | False |

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2023

5. FINANCE (CONTINUED)

| Section | Question | Answer |
|---------|---|--------|
| 5.7 | The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools.) | N/A |
| 5.8 | Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. | True |
| 5.9 | If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools.) | N/A |
| 5.10 | The charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. | False |
| 5.11 | The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.) | N/A |
| 5.12 | The amount spent for approved professional development committee plan activities was: | \$N/A |
| 5.13 | The charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo. | True |

| | |
|--------|---|
| Notes: | The School has insurance coverage for employee theft instead of purchased surety bond (Section 5.5) |
|--------|---|

All above "False" answers **must** be supported by a finding or management letter comment.

| | |
|----------------------------|---------------------|
| Finding: | MO23-01 and MO23-02 |
| Management Letter Comment: | None noted |

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2023

6. TRANSPORTATION (SECTION 163.161, RSMO)

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

| Section | Question | Answer |
|---------|---|---------------|
| 6.1 | The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. | True |
| 6.2 | The charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported. | True |
| 6.3 | Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was: | True |
| | Eligible ADT | <u>57.00</u> |
| | Ineligible ADT | <u>10.00</u> |
| 6.4 | The charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year. | True |
| 6.5 | Actual odometer records show the total charter-operated and contracted mileage for the year was: | <u>20,511</u> |
| 6.6 | Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was: | True |
| | Eligible Miles | <u>16,247</u> |
| | Ineligible Miles (Non-Route/Disapproved) | <u>4,264</u> |
| 6.7 | Number of days the district/charter school operated the school transportation system during the regular school year: | <u>163</u> |

| | |
|--------|------|
| Notes: | none |
|--------|------|

All above "False" answers **must** be supported by a finding or management letter comment.

| | |
|----------------------------|------------|
| Finding: | None noted |
| Management Letter Comment: | None noted |

BSDS, INC.
d/b/a BROOKSIDE CHARTER SCHOOL

SCHEDULE OF STATE FINDINGS
For the Year Ended June 30, 2023

Draft
12/13/23

Prior year

The following audit findings related to state compliance for the year ended June 30, 2022 were to be resolved in the current year:

1. Finance: Secure Deposits

The School's deposits that exceeded the FDIC limit of \$250,000 were not secured during the year in accordance with the Missouri Financial Accounting Manual as required by the Revised Statutes of Missouri Sections 110.010 and 110.020.

Resolved in the current year: Not resolved. See Finding MO23-01 below.

Current year

Finding MO23-01 – Finance: Secure Deposits

During our audit, we noted the School's deposits that exceeded the FDIC limit of \$250,000 were not secured in accordance with the Missouri Financial Accounting Manual as required by the Revised Statutes of Missouri Sections 110.010 and 110.020.

Auditee's Response:

We acknowledge the audit finding as stated above. The School began the process to properly secure its deposits in fiscal year 2023 and is finalizing the account management to ensure the funds are secured in fiscal year 2024.

Finding MO23-02 – Finance: Audit Publications

During our audit, we noted the School had not published a summary of the prior year's audit report within thirty days of the receipt of the audit in accordance with the Missouri Financial Accounting Manual as required by the Revised Statutes of Missouri Section 165.121.

Auditee's Response:

We acknowledge the audit finding as stated above. The School sent and intended for the FY 2022 audit to be published as required, the paper erroneously posted the FY 2021 audit, and the correct audit was not republished until December 2023. Additional reviews will be performed going forward to ensure the correct audit is posted within the 30-day requirement.



Brookside Charter School

School Data Board Report

December 2023



Contents

- ❑ General review of the Evaluate assessments.
- ❑ Student performance in the (Nov/Dec) Evaluate assessment cycle and how it compares to previous years.
- ❑ Questions & Discussion



Evaluate Assessments



Review: What is Evaluate?



Formative Assessment for
English Language Arts and Math



- Administered most months of the school year to students in grades 2-8.
- Standards based test.
- Two test forms (A & B) which are available in alternate months. We consider two months as an "Evaluate Cycle".

An Evaluate Testing Cycle:

- Provides a snapshot of student performance on grade level standards.
- Illustrates grade level collective performance on domains and standards.
- Provides a snapshot of MPI estimations based on testing cycle performance.



What can we learn from Evaluate scores?

Best Uses For Evaluate Results:

- Identify the highest priorities for either a grade level, a whole group, or student level academic interventions.
- Look at student performance on MO priority standards in preparation for the MAP test.
- Drill down on individual student performance to provide Tier 2 and Tier 3 interventions.



Evaluate Scores - Testing Cycle #2

SY23-24



Placing this year's scores in last year's context.

- The district wide scores during Cycle 2 showed students performing at a similar level when compared to last year's scores.
- Testing Cycle 2 (Nov/Dec) show students performing at higher levels than Cycle 1 (Aug/Sep).
- Students continue to perform better on ELA standards than math standards.

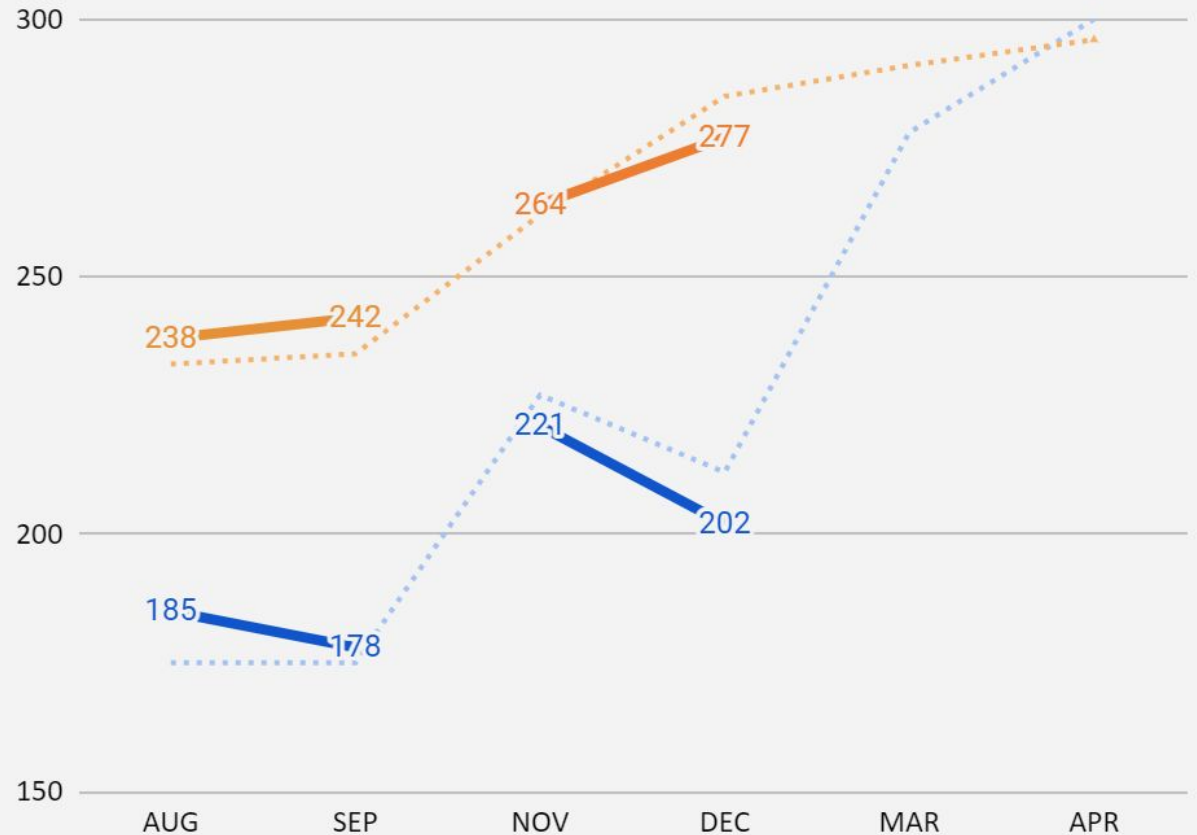
Understanding MPI (MAP Performance Index)

Every student is assigned a "point" based on their achievement level:

Below Basic = 1 , Basic = 3, Proficient = 4 , Advanced = 5

*All the points are added up and divided by **total # of students**, then multiplied by 100.*

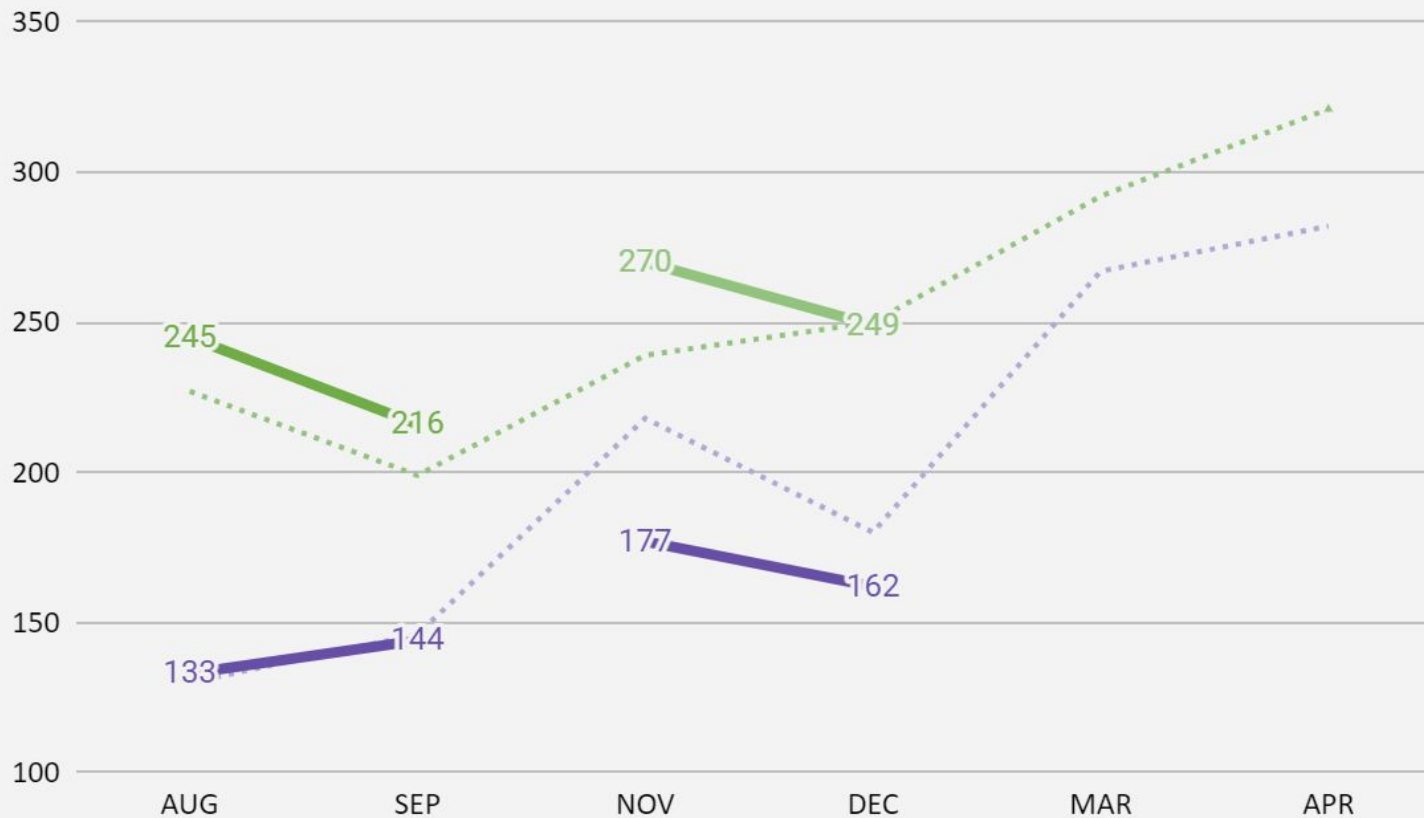
MPI Estimations Based on Evaluate Test Data



• District - Math - SY22-23
• District - Math - SY23-24
• District - ELA - SY22-23
• District - ELA - SY23-24

District-wide Math Scores by Grade Level

MPI Estimations Based on Math Evaluate Test Data



This year's Evaluate math scores in grades 6-8 continue to outperform last year.

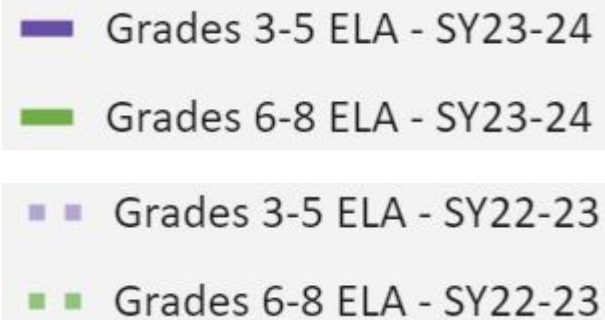
During Evaluate cycle 2 (Nov/Dec), grades 3-5 performed lower than last year. There have been changes to the Evaluate assessments this year and this could be contributing to this trend.

Grades 3-5 Math - SY23-24
Grades 6-8 Math - SY23-24

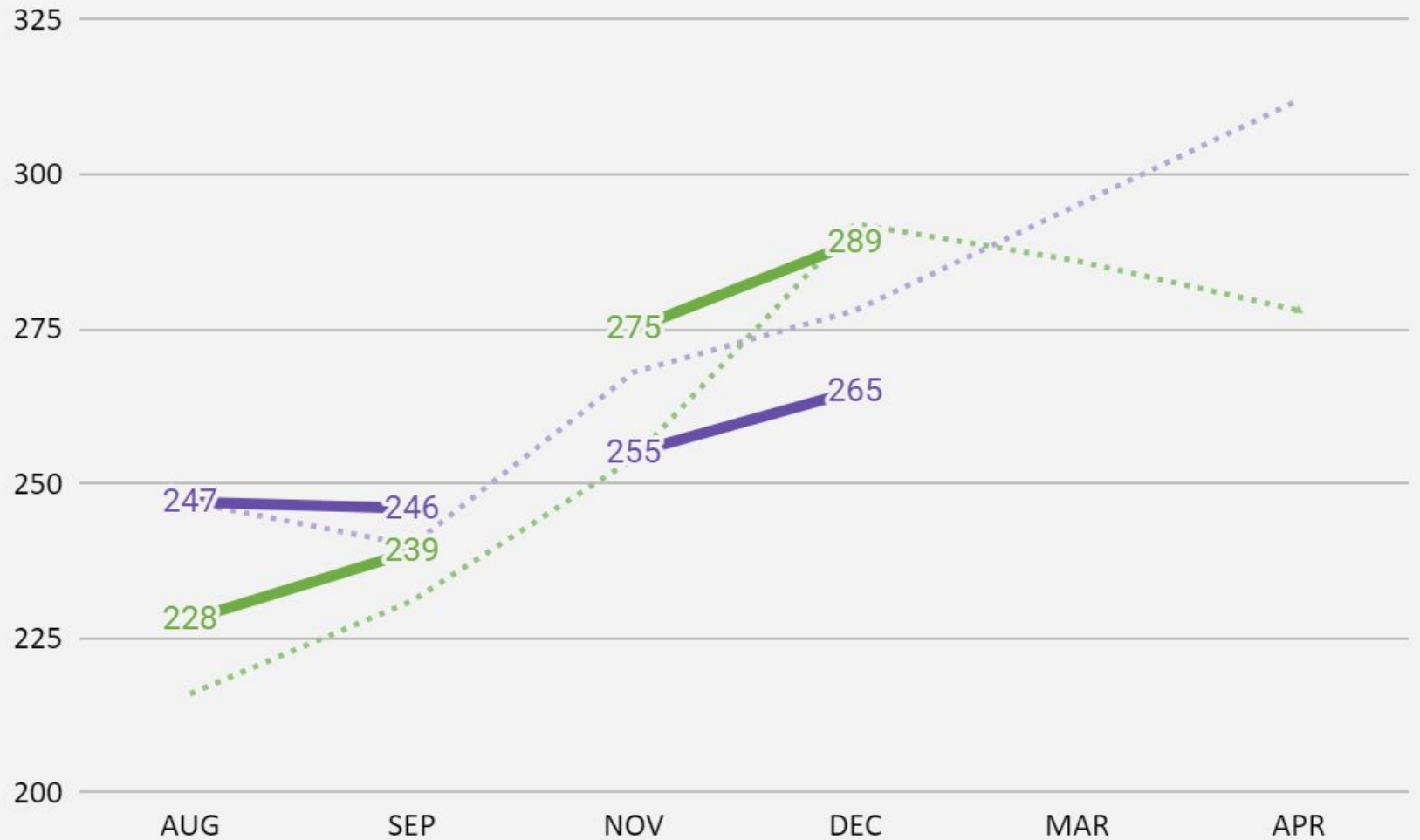
Grades 3-5 Math - SY22-23
Grades 6-8 Math - SY22-23

District-wide ELA Scores by Grade Level

Similar to math, this year's Evaluate ELA scores in grades 6-8 continue to perform near or above last year's scores. While grades 3-5 performed lower than last year in cycle 2.



MPI Estimations Based on ELA Evaluate Test Data



Questions and Discussion



About EdOps

Operational Excellence in Support of Student Achievement

EdOps is a Washington, DC-based social venture (Certified B Corp) assisting clients with a range of services including accounting and bookkeeping, student data management, human resources, procurement, grants management, strategic consulting, and facilities finance support.

