



INFORMATION REQUIRED FOR  
STATE AND FEDERAL REPORTING

June 30, 2021

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## **Independent Accountants' Report on Compliance with Specified Requirements of Missouri Laws and Regulations**

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Board of Directors  
Kairos Academies

We have examined Kairos Academies' (School) compliance with the requirements of Missouri laws and regulations regarding accurate disclosure by Kairos Academies' records of average daily attendance and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2021. Management is responsible for the School's compliance with the specified requirements. Our responsibility is to express an opinion on Kairos Academies' compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, 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.

Our examination does not provide a legal determination on Kairos Academies' compliance with specified requirements.

In our opinion, Kairos Academies complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2021.

This report is intended solely for the information and use of management, Board of Directors, Missouri Department of Elementary and Secondary Education, and other audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Kerber, Eck & Braeckel LLP*

St. Louis, Missouri  
November 16, 2021

**Kairos Academies**  
**SCHEDULE OF SELECTED STATISTICS - UNAUDITED**

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Entity Number: 115-931

1. *Calendar (Sections 160.041, 171.029, 171.031, and 171.033 RSMO)*

Report each unique calendar the district/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
3945	6	7	-	7.2500	144	1,044.0000

2. *Average Daily Attendance (ADA)*

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

School Code	Grade Level	Full-Time	Part- Time	Remedial Hours	Other	Summer School	Total
3945	6-7	219,777.5040	-	-	-	42,656.8519	262,434.3559

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.

School Code	Grade Level	Full-Time	Part- Time	Other	Total
3945	6	91.00	-	3.00	94.00
3945	7	133.00	-	1.00	134.00
	Total	224.00	-	4.00	228.00

4. *Free and Reduced Priced Lunch FTE Count*

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.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
3945	115.00	25.00	-	-	140.00

**Kairos Academies**  
**SCHEDULE OF SELECTED STATISTICS - UNAUDITED**

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5. Finance

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

**Kairos Academies**

**SCHEDULE OF SELECTED STATISTICS - UNAUDITED**

5.7	The district/charter school maintained a separate bank account for the Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo.	<u>N/A</u>
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.	<u>TRUE</u>
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve 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.	<u>N/A</u>
5.10	The district/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.	<u>TRUE</u>
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.	<u>N/A</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>N/A</u>
5.13	The district/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.	<u>TRUE</u>

All above “false answers must be supported by a finding or management letter comment.

Findings #: 2021-001

Management Letter Comment #: N/A

**6. Transportation (Section 163.161, RSMO)**

Kairos Academies did not participate in the transportation program during the year ended June 30, 2021.

**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

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Board of Directors  
Kairos Academies and Affiliate

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 combined financial statements of Kairos Academies and Affiliate (a nonprofit organization), which comprise the combined statements of assets, liabilities and net assets – modified cash basis as of June 30, 2021 and the related statements of revenues, expenses and changes in net assets – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis for the year then ended, and the related notes to the combined financial statements, which collectively comprise Kairos Academies and affiliate's basic financial statements, and have issued our report thereon dated November 16, 2021. Our report on the basic financial statements disclosed that, as described in Note B to the combined financial statements, Kairos Academies and affiliate prepare combined financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered Kairos Academies and affiliate's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kairos Academies and affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of Kairos Academies and affiliate'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Kairos Academies and affiliate's combined financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

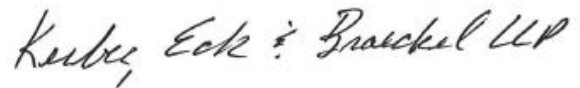
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Kairos Academies and affiliate's combined financial statements are free of 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 determination of financial statement amounts. 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 Kairos Academies and affiliate'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 Kairos Academies and affiliate's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



St. Louis, Missouri  
November 16, 2021



**Kairos Academies**  
**SCHEDULE OF STATE FINDINGS**  
**Year Ended June 30, 2021**

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**Finding 2021-001**

**Condition:** The School's deposits maintained by a legal depository were not fully secured by either collateralized securities or insured by the Federal Deposit Insurance Program (FDIC).

**Criteria:** Section 110.020, RSMo, requires the value of securities deposited and maintained by a legal depository under Section 110.010 shall at all times not be less than one hundred percent of the actual amount of funds on deposit with the depository, less the amount, if any, insured by the Federal Deposit Insurance Corporation.

**Cause:** The School does not have internal controls to ensure that deposits maintained by a legal depository are secured at all times.

**Effect:** The School is not in compliance with Sections 110.010 and 110.020, RSMo.

**Recommendation:** We recommend the School establish the necessary controls to ensure deposits maintained by a legal depository are secured by either collateralized securities or insured by the FDIC at all times.

*Management Response:*

*Management concurs with the finding.*

The security requirements for depositing funds, pursuant to RSMo 110.010, were brought to Kairos Academies' attention on October 4, 2021. The School's sponsor, The Missouri Charter Public School Commission, alerted all schools within its portfolio and set compliance expectations for January 2022. Kairos Academies intends to meet this deadline and has begun conversation with its banking institution, PNC, to do so.