

**DE LA SALLE EDUCATION CENTER AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS**  
**with**  
**INDEPENDENT AUDITOR'S REPORT**

**June 30, 2019**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
DeLaSalle Education Center and Affiliate  
Kansas City, Missouri

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of DeLaSalle Education Center (a nonprofit organization) and Affiliate (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Board of Directors  
DeLaSalle Education Center and Affiliate

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DeLaSalle Education Center and Affiliate as of June 30, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information contained in the Table of Contents under Supplementary Information on pages 16-25 is presented for purposes of additional analysis and is 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated 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 13, 2019 on our consideration of DeLaSalle Education Center'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 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 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 DeLaSalle Education Center's internal control over financial reporting and compliance.

*Marr and Company*

Marr and Company, P.C.  
Certified Public Accountants

Kansas City, Missouri  
December 13, 2019

**DE LA SALLE EDUCATION CENTER AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
June 30, 2019

**ASSETS**

Current Assets:	
Cash	\$ 412,256
Prepaid expenses	<u>15,966</u>
Total Current Assets	428,222
Capital assets, net accumulated depreciation	<u>148,911</u>
Total Assets	\$ <u>577,133</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities:	
Accounts payable	\$ 145,260
Payroll withholdings	2,267
Accrued expenses	<u>9,738</u>
Total Current Liabilities	157,265
Net Assets:	
Without donor restrictions	<u>419,868</u>
Total Net Assets	<u>419,868</u>
Total Liabilities and Net Assets	\$ <u>577,133</u>

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

**DE LA SALLE EDUCATION CENTER AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<b>SUPPORT, REVENUE &amp; OTHER INCOME:</b>			
Contributions and donations	\$ 1,248,266	\$ 0	\$ 1,248,266
State aid receipts	724,949	0	724,949
Federal grants and contracts	280,519	0	280,519
Sales tax (Proposition C)	138,508	0	138,508
Interest income	0	0	0
Other income	<u>45,785</u>	<u>0</u>	<u>45,785</u>
Total Support, Revenue, and Other Income	2,438,027	0	2,438,027
 <u>Expenses:</u>			
Program services	1,326,890	0	1,326,890
Supporting activities:			
General and administrative	703,192	0	703,192
Fundraising	<u>11,067</u>	<u>0</u>	<u>11,067</u>
Total Expenses	<u>2,041,149</u>	<u>0</u>	<u>2,041,149</u>
Net Assets Released from Restrictions	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Assets	396,878	0	396,878
Dissolution of Entity Transfer (Note 8)	(8,746,807)	(3,000)	(8,746,807)
NET ASSETS, BEGINNING OF YEAR	<u>8,769,797</u>	<u>3,000</u>	<u>8,769,797</u>
NET ASSETS, END OF YEAR	<u>\$ 419,868</u>	<u>\$ 0</u>	<u>\$ 419,868</u>

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

**DE LA SALLE EDUCATION CENTER AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended June 30, 2019

	Supporting Activities			Total Supporting Activities	Total
	Program Services	General & Administrative	Fundraising		
Salaries and wages	\$ 490,412	\$ 206,655	\$ 0	\$ 206,655	\$ 697,067
Retirement	44,079	19,084	0	19,084	63,163
Payroll taxes	36,613	15,199	0	15,199	51,812
Employee insurance	58,866	2,837	0	2,837	61,703
Other employee benefits	0	55,597	0	55,597	55,597
Tuition	12,804	0	0	0	12,804
Professional fees	0	29,268	0	29,268	29,268
Technical services	218,387	257,494	0	257,494	475,881
Property services	160,370	49,918	11,067	60,985	221,355
Contracted transportation	13,347	0	0	0	13,347
Travel and professional development	359	0	0	0	359
Insurance	16,722	49,326	0	49,326	66,048
Communication and memberships	8,160	1,927	0	1,927	10,087
Other purchased services	107,401	258	0	258	107,659
Other expenses	0	1,714	0	1,714	1,714
General supplies	39,581	13,165	0	13,165	52,746
Books and periodicals	1,558	0	0	0	1,558
Utilities, energy service	98,117	0	0	0	98,117
Other supplies	45	0	0	0	45
Depreciation expense	<u>20,069</u>	<u>750</u>	<u>0</u>	<u>750</u>	<u>20,819</u>
Total Expenses	<u>\$ 1,326,890</u>	<u>\$ 703,192</u>	<u>\$ 11,067</u>	<u>\$ 714,259</u>	<u>\$ 2,041,149</u>

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

**DE LA SALLE EDUCATION CENTER AND AFFILIATE**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the Year Ended June 30, 2019

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 396,878
Dissolution of Entity Transfer (Note 8)	(8,749,807)
Adjustments to reconcile change in net assets to net cash flows from operating activities –	
Depreciation	20,819
Increase/(decrease):	
Interest receivable	21,812
Contributions receivable	3,000
Prepaid expenses	250
Notes receivable	8,725,000
Increase/(decrease) in liabilities:	
Accounts payable	(36,591)
Accrued expenses	(142,487)
Payroll withholdings	(16,743)
Net Cash Flows from Operating activities	<u>222,131</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of property & equipment	<u>(17,028)</u>
Net Cash Flows from Investing activities	(17,028)
Net Increase in Cash	205,103
Cash, Beginning of Year	<u>207,153</u>
Cash, End of Year	<u>\$ 412,256</u>

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



**DE LA SALLE EDUCATION CENTER AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2019

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## DE LA SALLE EDUCATION CENTER AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2019

#### NOTE 1: ORGANIZATION

DeLaSalle Education Center (the “Center”) is a not-for-profit public benefit corporation organized on June 30, 1971 under Chapter 355, RSMo and governed by Senate Bill No. 781 of the 89th General Assembly of the Missouri legislature. The corporation operates a charter school under the name DeLaSalle Charter High School. The Center was sponsored by University of Missouri – Kansas City (UMKC) until June 30, 2018. The Center transferred sponsorship to Missouri Charter Public School Commission effective July 1, 2018 following the relinquishment of sponsorship by UMKC. The Center is exempt from most Missouri laws and statutes governing educational institutions. The aforementioned Senate Bill No. 781 governs it. The Center charter school agreement remains effective until the school year ending June 30, 2020.

The Center’s charter agreement provides for the education of urban, disadvantaged, at-risk students in ninth through twelfth grades. Approximately 40% of the Center’s funding is provided from State and Federal funds received from the Missouri Department of Elementary and Secondary Education (“DESE”). Other support is provided by contributions and grants from foundations and individuals.

During September 2012, the Center formed two new entities, DeLaSalle Real Estate Holdings, Inc., (“DREH”), a 501(c)(2) real estate holding company and DeLaSalle Financial Support Corporation (“DFSC”) a 501(c)(3) not-for-profit public benefit corporation, both of which are organizations operated exclusively for the benefit of DeLaSalle Education Center. The entities were formed in conjunction with the New Market Tax Credit transaction (see Note 7).

Effective June 2018, DREH’s sole member of the corporation was amended from the Center to SSKC Educational Support, Inc. (“SSKC”) and transferred all interest in DREH to SSKC with consent by all parties involved in the previously completed New Market Tax Credit transaction. The master lease agreement between DREH and the Center was assigned to SSKC and the Center became a sub-tenant (see Note 9). Following the completion of these transactions, DREH’s financial transactions would no longer be consolidated with the Center’s financial statements.

In June 2018, DFSC agreed to assign its interest from the Center to SSKC Educational Support, Inc. (“SSKC”) with consent by all parties involved in the previously completed New Market Tax Credit transaction (see Note 7). In August 2018, DFSC voluntarily authorized for dissolution of the entity, which became effective with the State of Missouri on November 30, 2018 (see Note 8). Following the completion of these transactions, DFSC’s financial transactions would no longer be consolidated with the Center’s financial statements.

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Principles of Consolidation

The consolidated financial statements include the accounts of the DeLaSalle Education Center and the DeLaSalle Financial Support Corporation (collectively the “Organization”). All material intercompany balances and transactions have been eliminated in consolidation.

DE LA SALLE EDUCATION CENTER AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Statement Presentation

For the fiscal year ended June 30, 2019, the Organization has implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (“ASU”) 2016-14 as it relates to FASB’s Accounting Standards Codification (“ASC”) Topic 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. FASB ASC 958-205 requires disclosing the amounts of expenses by both their natural classification and their functional classification. The Organization is required to report information regarding its financial position and activities according to two classes of net assets, which is as follows.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. Contributions restricted by donors whose restrictions are met in the same reporting periods are recorded as unrestricted. Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Organization's actions are restricted. Restrictions stipulate that resources must be maintained permanently but permit the Organization to expend the income generated in accordance with the provisions of the agreements.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed (or certain grantor) restrictions or law

C. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

D. Concentration of Credit Risk

Cash is maintained at a high-quality financial institution and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had \$162,598 in excess of federally insured limits as of June 30, 2019. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash.

E. 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 Organization 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>
Furniture and equipment	5-7
Vehicles	5
Leasehold building improvements	7-20

**DE LA SALLE EDUCATION CENTER AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. State Formula Receivable and Liability Advance

Basic formula funding from 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 Center 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.

G. Contributions

The Organization has elected to report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire 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 restriction and reported on the statement of activities as net assets released from restriction. Promises to give are recognized as income when the promise is received.

Unconditional donations expected to be collected within one year are reported at their net realizable value. Unconditional donations expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is estimated using the level-yield method and is reported as contribution revenue.

H. Noncash Contributions and Contributed Services

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized as contributions at their estimated values at date of receipt.

I. Functional Expense Allocation

The costs of providing programs and other activities have been summarized on a functional basis in the Statement of Support, Revenue, and Expenses. The Statement of Functional Expenses present 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 program or supporting functions. The Center has only one program service which is the operation of a charter school. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. 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.

**DE LA SALLE EDUCATION CENTER AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2019

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Income Taxes**

The Center is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. DFSC is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Center and DFSC have been classified as publicly-supported entities, which is not a private foundation under Section 509(a) of the Code. The Organization has adopted the provisions of the FASB ASC 740-10 as it might apply to their financial transactions. The Organization's policy is to record a liability for any tax provision that is beneficial to the Organization, 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, 2019, and accordingly, no liability has been accrued. The Center files tax returns in the U.S. federal jurisdiction.

**K. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from these estimates.

**L. Subsequent Events**

The Organization has evaluated subsequent events through December 13, 2019, the date which the financial statements were available to be issued.

**NOTE 3: CAPITAL ASSETS**

Capital assets at June 30, 2019 consisted of the following:

Land	\$ 37,187
Leasehold building improvements	140,882
Furniture and equipment	345,515
Vehicles	<u>36,685</u>
Gross capital assets	560,269
Less: Accumulated depreciation	<u>411,358</u>
Total Capital Assets, net	\$ <u>148,911</u>

DE LA SALLE EDUCATION CENTER AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2019

NOTE 3: CAPITAL ASSETS (continued)

Depreciation expense for the year ended June 30, 2019 was \$20,819, which was allocated to the related functions:

Instruction	\$ 6,830
General administration	750
Operation of plant	10,390
Food services	<u>2,849</u>
	\$ <u>20,819</u>

NOTE 4: NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from restrictions for the following purposes during the year ended June 30, 2019:

Capital campaign	\$ 3,000
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NOTE 5: RETIREMENT PLAN

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](http://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](http://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, 2016, members of Plan B and C contributed at 9.0% of annual compensation. Effective January 1, 2019, members of Plan B and C contributed at 10.5% of annual compensation. The Center’s contributions to KCPSRS were \$63,165 for the year ended June 30, 2019.

## DE LA SALLE EDUCATION CENTER AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2019

#### NOTE 6: NOTES RECEIVABLE

In conjunction with the New Market Tax Credit transaction (see Note 7), the DFSC issued an unsecured leverage loan to an unrelated party, KCMO Investment Fund IX, LLC. Following the approved assignment of interests and rights as the lender in June 2018 and formal dissolution of DFSC in August 2018 (see Note 8), SSKC accepted the obligations of the note receivable and the carrying balance of \$8,725,000. As of June 30, 2019, the Organization did not have a receivable balance.

#### NOTE 7: NEW MARKET TAX CREDITS

On September 10, 2012, the Organization entered into a series of transactions which generated “New Market Tax Credits” (NMTCs) under Section 45D of Internal Revenue Code of 1986, as amended (Section 45D).

Following the receipt of the Center’s capital campaign pledges and cash totaling \$2,969,478 and additional lending proceeds totaling \$5,755,522, DFSC made a “leverage loan” of \$8,725,000 to KCMO Investment Fund IX, LLC (Investment Fund), an entity wholly owned by UMB by virtue of a capital contribution of \$3,276,000. Investment Fund was awarded NMTCs of \$4,680,000 in consideration of its \$7,000,000 investment in its 99.99 percent owned subsidiary, KCMO CDE IX, LLC and its \$5,000,000 investment in its 99.99 percent owned subsidiary, New Markets Investment 70, LLC, (collectively the “Sub CDE’s”).

The Center transferred all its real estate to DREH for \$4,053,297. DREH contributed this cash to DFSC which used the proceeds to repay the one-day loan from UMB. DREH leases its real estate to the Center under terms of a triple net lease requiring annual lease payments of \$160,000 commencing upon completion of real estate improvements. As described in Note 9, the master lease agreement between DREH and the Center was assigned to SSKC and the Center became a sub-tenant effective June 2018.

The Sub CDE’s made two QLICI A loans to DREH totaling \$8,725,000 requiring interest only payments quarterly at 1.07 percent and two QLICI B loans totaling \$2,960,000 requiring interest only payments for seven years at the same rate. DREH used the proceeds of the QLICI A and B loans to construct a new building on its campus and to renovate its existing building.

The Sub CDE’s distribute interest collected on the QLICI A loans to Investment Fund which uses these funds to pay interest in the same amount to DFSC on the “leverage loan.” Following the assignment in June 2018, these “leverage loan” interest payments would be going to SSKC. The Sub CDE’s distribute interest collected on the QLICI B loans to Investment Fund which distributes these funds to UMB. The Sub CDE’s have agreed to forgive QLICI B loans at the end of seven years in consideration of the payment of a \$55,000 exit fee.

During the seven-year term of the QLICI loans, DFSC is obligated to pay fees to the Sub CDE’s which total annually \$51,556. SSKC has guaranteed the payment of these fees as well as the repayment of the QLICI loans.

**DE LA SALLE EDUCATION CENTER AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2019

NOTE 8: DISSOLUTION OF ENTITY TRANSFER

On August 17, 2018, the Center's Board approved to formally dissolve the DFSC and transferred the interest and assets to SSKC as DFSC had previously assigned its interest to SSKC. The dissolution became effective on November 30, 2018, as the date filed by the Secretary of State of Missouri. The activity in DFSC during the year ended June 30, 2019 was captured in the financial statements with the corresponding transfer. The \$8,749,807 transfer included the following financial statement line items:

Statement of Financial Position

Contribution receivable	\$ 3,000
Interest receivable	21,812
Notes receivable	8,725,000
Accounts payable	(5)
Net assets with donor restrictions	(3,000)
Net assets without donor restrictions	(8,746,807)

NOTE 9: OPERATING LEASE OBLIGATIONS

*School Building Facility*

During June 2018, the lease agreement for the school building used for operations and related terms were assigned to SSKC and a new sub-tenant agreement became effective for the Center with quarterly rental payments due to SSKC. Total lease expense for the year ended June 30, 2019 was \$94,563. On December 3, 2019, a new triple net lease agreement between SSKC and the Center became effective. The new lease agreement includes the termination of the existing sub-tenant lease agreement and a new base rent of \$0 owed to SSKC monthly through the end of the lease term of June 30, 2042. The Center is responsible for maintenance, improvements, insurance, utilities and other operating expenses of the premises. Beginning October 1, 2020, the Center is required annually to deposit an amount equal to \$1 per square foot of the building facility into a replacement reserve fund that is controlled by SSKC with the sole right to withdrawal and have final decisions on the use of the funds. The Center must maintain the following to ensure it does not default on the lease: 1) minimum ADA each semester of 70%, 2) track post-departure for at least 90% of the students, and 3) maintain 3% financial reserve monthly. Additional covenants are listed in the agreement.

*Copier Equipment*

The Center signed a lease agreement for copier equipment rented at \$1,525 per month over a 63-month period beginning November 2016 to October 2021. Maintenance and overage limits would be billed in addition to the base rental fee. Total lease expense for the year ended June 30, 2019 was \$31,289.

Scheduled lease payments are as follows:

<u>Year Ending June 30,</u>	
2020	\$ 287,170
2021	18,295
2022	<u>6,098</u>
Total	\$ <u>311,562</u>



**DE LA SALLE EDUCATION CENTER AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2019

**NOTE 10: LIQUIDITY RESOURCE MANAGEMENT**

The Organization 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 Organization 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, 2019, 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	\$ 412,256
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**SUPPLEMENTARY INFORMATION**

Draft

**DE LA SALLE EDUCATION CENTER AND AFFILIATE**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
June 30, 2019

	DeLaSalle Education Center	DeLaSalle Financial Support Corp	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>ASSETS</u></b>				
Current Assets:				
Cash	\$ 412,256	\$ 0	\$ 0	\$ 412,256
Prepaid expenses	<u>15,966</u>	<u>0</u>	<u>0</u>	<u>15,966</u>
Total Current Assets	428,222	0	0	428,222
Property and equipment, net of accumulated depreciation	<u>148,911</u>	<u>0</u>	<u>0</u>	<u>148,911</u>
Total Assets	<u>\$ 577,133</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 577,133</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Current Liabilities:				
Accounts payable	\$ 145,260	\$ 0	\$ 0	\$ 145,260
Withholding payables	2,267	0	0	2,267
Accrued liabilities	<u>9,738</u>	<u>0</u>	<u>0</u>	<u>9,738</u>
Total Liabilities	157,265	0	0	157,265
Net Assets:				
Without donor restrictions	<u>419,868</u>	<u>0</u>	<u>0</u>	<u>419,868</u>
Total Net Assets	<u>419,868</u>	<u>0</u>	<u>0</u>	<u>419,868</u>
Total Liabilities and Net Assets	<u>\$ 577,133</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 577,133</u>

See Accompanying Independent Auditor's Report

## DE LA SALLE EDUCATION CENTER AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2019

	DeLaSalle Charter School	DeLaSalle Financial Support Corp	Eliminations	Total
<u>Change in Net Assets Without Donor Restrictions</u>				
SUPPORT, REVENUE & OTHER INCOME:				
Contributions and donations	\$ 1,248,266	\$ 0	\$ 0	\$ 1,248,266
State aid receipts	724,949	0	0	724,949
Federal grants and contracts	280,519	0	0	280,519
Sales tax (Proposition C)	138,508	0	0	138,508
Other income	<u>45,785</u>	<u>0</u>	<u>0</u>	<u>45,785</u>
Total Support, Revenue, and Other Income	2,438,027	0	0	2,438,027
EXPENSES:				
Program services	1,326,890	0	0	1,326,890
Supporting activities:				
General and administrative	703,192	0	0	703,192
Fundraising	<u>11,067</u>	<u>0</u>	<u>0</u>	<u>11,067</u>
Total Expenses	2,041,149	0	0	2,041,149
Net Assets Released from Restrictions	<u>(3,000)</u>	<u>3,000</u>	<u>0</u>	<u>0</u>
Change in Net Assets Without Donor Restrictions	<u>393,878</u>	<u>3,000</u>	<u>0</u>	<u>393,878</u>
<u>Change in Net Assets With Donor Restrictions</u>				
Net Assets Released from Restrictions	<u>3,000</u>	<u>(3,000)</u>	<u>0</u>	<u>0</u>
Change in Net Assets With Donor Restrictions	<u>3,000</u>	<u>(3,000)</u>	<u>0</u>	<u>0</u>
Change in Total Net Assets	396,878	0	0	396,878
Dissolution of Entity Transfer (Note 8)	0	(8,749,807)	0	(8,749,807)
NET ASSETS, BEGINNING OF YEAR	<u>22,990</u>	<u>8,749,807</u>	<u>0</u>	<u>8,772,797</u>
NET ASSETS, END OF YEAR	\$ <u>419,868</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>419,868</u>

See Accompanying Independent Auditor's Report

## DE LA SALLE EDUCATION CENTER

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
<b><u>ASSETS</u></b>				
Cash	\$ 412,256	\$ 0	\$ 0	\$ 412,256
Prepaid expenses	<u>15,966</u>	<u>0</u>	<u>0</u>	<u>15,966</u>
Total Assets	<u>\$ 428,222</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 428,222</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 145,260	\$ 0	\$ 0	\$ 145,260
Withholding payables	2,267	0	0	2,267
Accrued liabilities	<u>9,738</u>	<u>0</u>	<u>0</u>	<u>9,738</u>
Total Liabilities	157,265	0	0	157,265
Fund Balances:				
Unassigned	<u>270,957</u>	<u>0</u>	<u>0</u>	<u>270,957</u>
Total Liabilities and Fund Balances	<u>\$ 428,222</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 428,222</u>

See Accompanying Independent Auditor's Report

## DE LA SALLE EDUCATION CENTER

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
**GOVERNMENTAL FUNDS**  
 For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals (Memo Only)</u>
<b>REVENUE:</b>				
Local	\$ 1,380,618	\$ 51,940	\$ 0	\$ 1,432,558
State	446,300	278,650	0	724,950
Federal	<u>280,519</u>	<u>0</u>	<u>0</u>	<u>280,519</u>
Total Revenue	2,107,437	330,590	0	2,438,027
<b>EXPENDITURES:</b>				
Instruction	327,713	273,511	0	601,224
Student services	149,466	57,079	0	206,545
Instructional Staff Support	18,669	0	0	18,669
General Administration	492,193	0	0	492,193
Business Support Services	185,299	0	0	185,299
Operation of Plant	438,807	0	0	438,807
Transportation	25,168	0	0	25,168
Food Services	49,610	0	0	49,610
Community Services	2,815	0	0	2,815
Building Improvements	<u>0</u>	<u>0</u>	<u>17,028</u>	<u>17,028</u>
Total Disbursements	<u>1,689,740</u>	<u>330,590</u>	<u>17,028</u>	<u>2,037,358</u>
Receipts Over (Under) Disbursements	417,697	0	(17,028)	400,669
Other Financing Sources (Uses):				
Transfers In	0	0	17,028	17,028
Transfers Out	<u>(17,028)</u>	<u>0</u>	<u>0</u>	<u>(17,028)</u>
Total Other Financing Sources (Uses)	<u>(17,028)</u>	<u>0</u>	<u>17,028</u>	<u>0</u>
Net Change in Fund Balance	400,669	0	0	400,669
Fund Balance – June 30, 2018	<u>(129,712)</u>	<u>0</u>	<u>0</u>	<u>(129,712)</u>
Fund Balance – June 30, 2019	<u>\$ 270,957</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 270,957</u>

See Accompanying Independent Auditor's Report.

**DE LA SALLE EDUCATION CENTER**

**SCHEDULE OF RECEIPTS COLLECTED BY SOURCE**  
For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
<u>LOCAL:</u>				
Sales tax (Prop C)	\$ 86,567	\$ 51,940	\$ 0	\$ 138,507
Contributions and grants	1,248,266	0	0	1,248,266
Other	<u>45,785</u>	<u>0</u>	<u>0</u>	<u>45,785</u>
Total Local	1,380,618	51,940	0	1,432,558
<u>STATE:</u>				
Basic formula	398,108	278,650	0	676,758
Classroom trust fund	47,634	0	0	47,634
Food services	<u>558</u>	<u>0</u>	<u>0</u>	<u>558</u>
Total State	446,300	278,650	0	724,950
<u>FEDERAL:</u>				
Medicaid	27,635	0	0	27,635
IDEA Special education	42,690	0	0	42,690
Food services	39,151	0	0	39,151
ESEA Title I.A	151,547	0	0	151,547
ESEA Title II.A	9,489	0	0	9,489
ESEA Title IV.A	<u>10,007</u>	<u>0</u>	<u>0</u>	<u>10,007</u>
Total Federal	<u>280,519</u>	<u>0</u>	<u>0</u>	<u>280,519</u>
<b>TOTAL ALL SOURCES</b>	<b>\$ <u>2,107,437</u></b>	<b>\$ <u>330,590</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>2,438,027</u></b>

See Accompanying Independent Auditor's Report.

**DE LA SALLE EDUCATION CENTER**

**SCHEDULE OF EXPENDITURES PAID BY OBJECT**  
For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Salaries and wages	\$ 443,752	\$ 253,315	\$ 0	\$ 697,067
Retirement	39,418	23,744	0	63,162
Payroll taxes	32,943	18,869	0	51,812
Employee insurance	27,041	34,662	0	61,703
Other employee benefits	55,597	0	0	55,597
Tuition	12,804	0	0	12,804
Professional fees	29,268	0	0	29,268
Technical services	475,882	0	0	475,882
Property services	221,355	0	0	221,355
Contracted transportation	13,347	0	0	13,347
Travel and professional development	359	0	0	359
Insurance	66,048	0	0	66,048
Communication and memberships	10,087	0	0	10,087
Other purchased services	107,659	0	0	107,659
Other expenses	1,715	0	0	1,715
General supplies	52,746	0	0	52,746
Books and periodicals	1,558	0	0	1,558
Utilities, energy service	98,117	0	0	98,117
Other supplies	44	0	0	44
Capital outlay	<u>0</u>	<u>0</u>	<u>17,028</u>	<u>17,028</u>
Total Expenditures	<u>\$ 1,689,740</u>	<u>\$ 330,590</u>	<u>\$ 17,028</u>	<u>\$ 2,037,358</u>

*See Accompanying Independent Auditor's Report*



SCHEDULE OF SELECTED STATISTICS  
For the Year Ended June 30, 2019

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.

<u>School Code</u>	<u>Begin Grade</u>	<u>End Grade</u>	<u>Half Day Indicator</u>	<u>Standard Day Length</u>	<u>Days</u>	<u>Hours in Session</u>
1970	09	12	n/a	6.0800	172	1,045.7600

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. Include only PK students allowed to be claimed for state aid in the calculation.

<u>School Code</u>	<u>Grade Level</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>Remedial Hours</u>	<u>Other</u>	<u>Summer School</u>	<u>Total</u>
1970	9	7.7981	0.0000	0.0000	0.0000	0.0000	7.7981
1970	10	23.0628	1.4580	0.0000	0.0000	0.0000	24.5208
1970	11	19.9091	0.9318	0.0000	0.0000	0.0000	20.8409
1970	12	<u>12.8227</u>	<u>5.8717</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>18.6944</u>
Grand Total		<u>63.5927</u>	<u>8.2615</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>71.8542</u>

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.

<u>School Code</u>	<u>Grade Level</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>Other</u>	<u>Total</u>
1970	9	13.00	0.00	0.00	13.00
1970	10	42.00	0.00	0.00	42.00
1970	11	36.00	0.00	0.00	36.00
1970	12	<u>12.00</u>	<u>7.28</u>	<u>0.00</u>	<u>19.28</u>
Grand Total		<u>103.00</u>	<u>0.00</u>	<u>0.00</u>	<u>110.28</u>

SCHEDULE OF SELECTED STATISTICS  
For the Year Ended June 30, 2019

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

<u>School Code</u>	<u>Free Lunch</u>	<u>Reduced Lunch</u>	<u>Deseg In Free</u>	<u>Deseg In Reduced</u>	<u>Total</u>
1970	<u>93.16</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>93.16</u>

5. Finance

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

<u>Section</u>	<u>Question</u>	<u>Answer</u>
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.	<b>True</b>
5.2	The 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:	<b>True</b>
	Academic Programs Off-Campus	<b>N/A</b>
	Career Exploration Program – Off Campus	<b>N/A</b>
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	<b>N/A</b>
	Dual enrollment	<b>N/A</b>
	Homebound instruction	<b>N/A</b>
	Missouri Options	<b>N/A</b>
	Prekindergarten eligible to be claimed for state aid	<b>N/A</b>
	Remediation	<b>N/A</b>
	Sheltered Workshop participation	<b>N/A</b>
	Students participating in the school flex program	<b>N/A</b>
	Traditional instruction (full and part-time students)	<b>True</b>
	Virtual instruction (MOCAP or other option)	<b>N/A</b>
	Work Experience for Students with Disabilities	<b>N/A</b>

SCHEDULE OF SELECTED STATISTICS  
For the Year Ended June 30, 2019

5. Finance (continued)

<u>Section</u>	<u>Question</u>	<u>Answer</u>
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.	<b>True</b>
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.	<b>True</b>
5.5	As required by Section 162.401, RSMo, a bond was purchased for the charter school's treasurer in the total amount of:	<b><u>\$ n/a</u></b>
5.6	The charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	<b>N/A</b>
5.7	(Not applicable to charter schools)	<b>N/A</b>
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.	<b>True</b>
5.9	(Not applicable to charter schools)	<b>N/A</b>
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.	<b>True</b>
5.11	(Not applicable to charter schools.)	<b>N/A</b>
5.12	The amount spent for approved professional development committee plan activities was:	<b><u>\$ n/a</u></b>
Notes:	The School has insurance coverage up to \$500,000 for employee theft instead of a purchased surety bond (Section 5.5).	
	All above "False" answers <b><u>must</u></b> be supported by a finding or management letter comment.	<b>N/A</b>

6. Transportation (Section 163.161, RSMo)

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

<u>Section</u>	<u>Question</u>	<u>Answer</u>
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	<b>True</b>
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.	<b>True</b>

SCHEDULE OF SELECTED STATISTICS  
For the Year Ended June 30, 2019

6. Transportation (continued)

<u>Section</u>	<u>Question</u>	<u>Answer</u>
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:	<b>True</b>
	Eligible ADT	<u><b>0.50</b></u>
	Ineligible ADT	<u><b>0.00</b></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.	<b>True</b>
6.5	Actual odometer records show the total charter-operated and contracted mileage for the year was:	<u><b>2,721</b></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:	<b>True</b>
	Eligible Miles	<u><b>2,372</b></u>
	Ineligible Miles (Non-Route/Disapproved)	<u><b>349</b></u>
6.7	Number of days the charter school operated the school transportation system during the regular school year:	<u><b>92</b></u>
Notes:	None	
	All above “False” answers <b>must</b> be supported by a finding or management letter comment.	N/A

**INTERNAL CONTROL AND COMPLIANCE**

Draft

**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  
DeLaSalle Education Center and Affiliate  
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 DeLaSalle Education Center and Affiliate (the “Organization”), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statement of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 13, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 may exist that have not been identified.

Board of Directors  
DeLaSalle Education Center and Affiliate  
Kansas City, Missouri

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization’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 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 Organization’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 Organization’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 13, 2019

Draft

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

Board of Directors  
DeLaSalle Education Center  
Kansas City, Missouri

We have examined management's assertion, included in its representation letter dated December 13, 2019, that the DeLaSalle Education Center (the "Center") 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, 2019. Management is responsible for its assertion that the School complied with the aforementioned requirements. 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 American Institute of Certified Public Accountants. 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. Our examination does not provide a legal determination on the School's compliance with specified requirements.

In our opinion, management's assertion that the DeLaSalle Education Center complied with the aforementioned requirements included in the Schedule of Selected Statistics for the year ended June 30, 2019, are fairly stated, in all material respects.

This report is intended for the information and use of the Board of Directors, Center's management, the 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.

*Marr and Company*

Marr and Company, P.C.  
Certified Public Accountants

Kansas City, Missouri  
December 13, 2019