

# EWING MARION KAUFFMAN SCHOOL, INC. BOARD OF DIRECTORS MEETING PACKET March 8th, 2023

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# EWING MARION KAUFFMAN SCHOOL, INC. BOARD OF DIRECTORS - MEETING AGENDA

#### **MEETING INFORMATION**

Ewing Marion Kauffman School Monday, March 6th, 2023 Board of Directors Meeting (8:30am CT) Meeting will be held at the Kauffman School 6401 Paseo Blvd Kansas City, MO 64131

# AGENDA

- CALL TO ORDER
  - Welcome guests
    - Review and discuss meeting agenda
    - Action: Meeting minutes (2.8.23)
    - Board Chair Comments

#### CLOSED SESSION / EXECUTIVE SESSION

Close meeting pursuant to R.S.Mo 610.021(6) - discussion of a student matter, R.S.Mo 610.021(1) - discussion of legal matters and R.S.Mo 610.021(3) - discussion of a personnel matter

#### • GOVERNANCE

- Board Chair Comments
- Board Development Discussion
- FINANCE
  - Action: Approve Treasurer's Report, including Check Register
- LEADERSHIP REPORT
- COMMUNITY FORUM
  - The Board will hear comments from community members regarding items on the agenda or other issues that should be brought to the Board's attention. Individual comments are limited to three minutes. It is anticipated the time allotted for the community forum will be no longer than fifteen minutes, unless time is extended by the Board Chair. Individuals who do not have an opportunity to speak during the allotted time will be given first opportunity at the next regularly scheduled Board of Directors meeting.
- ADJOURN

### FUTURE MEETINGS

- Committee Meetings: Monday, April 10, 2023 (5:00 pm CST)
- Board Meeting: Wednesday, April 23, 2023 (8:30 am CST)

# MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF EWING MARION KAUFFMAN SCHOOL, INC

# February 8th, 2023

A regular meeting of the Board of Directors of Ewing Marion Kauffman School, Inc., a Missouri nonprofit corporation exempt from federal taxation under Internal Revenue Code § 501(c)(3), was held at its headquarters in Kansas City, Missouri on February 8, 2023, pursuant to public notice provided at least 24 hours in advance. The meeting was held both in person and via Zoom such that all could hear and be heard and see and seen.

Participating in person were board members Kelly Barnes, Brett Hembree, and Juan Rangel.

Participating via Zoom conferencing technology so that all could hear and be heard were Directors Tracy McFerrin, Kristin Bechard, Jerry Williams, and Corey Scholes.

Also participating from the School were Tim Racer, legal counsel and Deputy General Counsel for the Ewing Marion Kauffman Foundation and Katie Pasniewski, interim Chief Executive Officer and Cat Cain, Director of Special Projects. Kim Jones, legal counsel with the firm Seyferth, Blumenthal was an invited guest.

No one from the community was present at the outset of the meeting.

Ms. McFerrin chaired the meeting. Mr. Racer served as recording secretary. Ms. McFerrin called the meeting to order at 8:30 am, welcomed those in attendance, and previewed the agenda.

# Approval of Minutes

After discussion and motion duly made (Williams) and seconded (Rangel), the board unanimously approved minutes from board meetings that were held on January 11, 2023, and January 27, 2023. The minutes were included in the agenda distributed prior to the meeting beginning on page 3.

# **Closed Session**

It was then moved (Hembree) and seconded (Rangel) that the board enter into closed session to discuss personnel and legal matters. Ms. Jones was invited to participate.

A roll call vote was held and directors Hembree, Kelly, Scholes, Williams, Rangel, Bechard, Rangel, McFerrin all voted in favor of entering closed session. The board then entered closed session at 8:35 am. Ms. Pasniewski left the meeting at 8:48 am.

Ms. Pasniewski provided an update on unfair labor practices claims that union organizers have filed with the National Labor Relations Board. Ms. Pasniewski then asked Kim Jones to provide an overview of allegations made and the responses that legal counsel is preparing.

Ms. Pasniewski left the closed session discussion at 8:48 am. Ms. Pasniewski re-joined the meeting at 9:20 am.

No action items were required as a result of this discussion.

Mr. Rangel left the meeting at 9:18 am.

After the update, it was moved (Barnes) and seconded (Williams) that the board exit closed session.

A roll call vote was held and directors Hembree, Kelly, Scholes, Williams, Rangel, Bechard, and McFerrin all voted in favor of exiting closed session (Mr. Rangel was no present during the vote. The board then exited closed session at 9:23 am.

Mr. Rangel re-joined the meeting at 9:21 am.

Ms. McFerrin then asked Ms. Pasniewski to lead a discussion on some action items.

# **MSPSC Compliance Requirement- Revocation Policy & Procedures**

Ms. Pasniewski noted that the Missouri Charter Public School Commission ("MCPSC"), which is the School's charter sponsor, requires that board members for the charter schools MCPSC sponsors acknowledge that policies and procedures that any charter school that has it charter revoked should follow in order to shut down the school in an orderly manner. The focus of these policies and procedures is on safeguarding records and information relevant to students as they continue their education at other organizations. The specific policies and the procedures that MCSPC expects boards to approve were set forth on page 7 of the agenda distributed prior to the meeting.

The governance committee recommended to the full Board that the policy be approved. It was moved (Rangel) that the board adopt the committee's recommendation and approve the proposed MCPSC Revocation Policy & Procedures as set forth in the board agenda. After an opportunity for discussion, the motion was approved unanimously.

### **Treasurer's Report**

Ms. Pasniewski presented the treasurer's report, reviewing the materials distributed with the meeting agenda prior to the meeting beginning on page 41. Ms. Pasniewski continued with an overview of the financial statements and check register (which began on page 49 of the agenda), including highlights from the check register. Ms. Pasniewski noted a favorability to forecasts due largely to an increase in revenue the school expects to receive as a result of recent legislation passed by the Missouri legislature.

After discussion and upon motion duly made (Bechard) and seconded (Hembree), the Board unanimously approved the Treasurer's report as presented in the agenda, including the check register.

### 403(b) Plan Auditor

Ms. Pasniewski then presented a recommendation that the board retain CBIZ as the 403(b) auditor. CBIZ conducted the most recent audit of the 403(b) plan, though the Retirement Plan Committee has not yet had an opportunity to review and approve the audit. Nonetheless, Ms. Pasniewski noted competent conduct on the part of CBIZ in conducting the audit and relayed management's desire to retain CBIZ for the next subsequent audit.

After discussion and upon motion duly made (Rangel) and seconded (McFerrin), the Board unanimously approved CBIZ as the auditor of the 403(b) plan for the current fiscal year.

### Addition of Roth 403(b) option

The board then discussed a proposed amendment to the schools' 403(b) plan that would permit the addition of a Roth option to the platform. It was noted that the school would incur costs of roughly \$3,000 to do the work necessary to make the adjustments that would accommodate a Roth 403(b) option to the platform.

It was then moved (McFerrin) and seconded (Bechard) that the board authorize an amendment to the school's 403(b) plan to permit the addition of a Roth option. After an opportunity for discussion, the board voted unanimously to approve the motion.

### Reminder to complete ethics form

Ms. McFerrin reminded board members to complete and submit their required annual ethics and disclosure filings as required. There was no action item required as a result of this discussion.

# **Discussions Regarding Ewing Marion Kauffman Foundation Grant Funding**

Ms. McFerrin noted that discussion regarding a long-term grant and relationship with the Ewing Marion Kauffman Foundation is currently on hold. Therefore, the current process of requesting one-year grants will continue for the time being. It is anticipated that long-term discussions may resume next fall. Ms. Pasniewski noted discussions with the Foundation have been very collaborative. Materials relating to the dashboard development were set forth on page

There was no action item required as a result of this discussion.

# **Dashboard Development**

Ms. Pasniewski noted that a dashboard is being developed to measure school performance and sought input from the board as to what should be reflected on that dashboard and how the board will use it. Materials relating to the current vision for a dashboard were set forth in the agenda beginning on page 21. Discussion ensued.

There was no action item required as a result of this discussion.

# **Charter School Board Engagement Event Discussion**

Kelly Barnes and Jerry Williams relayed information they gathered while attending a Charter School Board Chair meeting several weeks ago. They attended on behalf of Tracy McFerrin who was not able to attend. They discussed best practices regarding board management and the possibility of creating a way for various charter school boards to engage with each other. Mr. Williams noted that representatives from various schools seemed to be in agreement that charter schools need to be more engaged in policy.

There was no action item required as a result of this discussion.

# Stakeholder Engagement Program

Ms. Pasniewski provided an overview of the launch of a new program that School Smart KC is operating called the Let's Talk Learning initiative. The goal of this program is to improve engagement between schools, parents, and other stakeholders in the community. There appear to be three charter schools actively engaged in the program at this stage: Kauffman, Hogan, and Guadalupe. Ms. Pasniewski reviewed the hopes for this program and anticipated next steps.

There was no action item required as a result of this discussion.

# **Community Forum**

No one from the community was present and so there was no community forum. There being no further business, the meeting adjourned at 10:00 am.

John Tyler, Secretary

**Treasurer's Report** 



# KAUFFMAN SCHOOL

PREPARED MAR'23 BY

# January 2023 Financials



# Contents

- Executive Summary
- Key Performance Indicators
- Forecast Overview
- Cash Forecast
- Appendix
- Check Register Nothing to Report for 01/23

# **Executive Summary**

- As of 1/31/23, EMKS forecasts a year end cash balance of \$15.66M and 265 days of cash. This is an improvement of \$1.28M and 10 days of cash vs. the December forecast.
- Income Statement Notes:

Revenue:

- The increase in revenue is due to the State of Missouri's 'hold harmless' rule. Hold harmless is a provision put into place by DESE to help schools manage COVID's financial impact.
- Under hold harmless, schools are allowed to use the higher WADA from either the current or the previous two fiscal years. In January, a previous year WADA become higher than Kauffman's current fiscal year WADA. As a result, the school's basic formula calculations were re-run using the higher WADA (from FY21). This generated additional state funding which is reflected in the year end forecast.
- The hold harmless provision will be allowed through the end of FY24, with school's returning to 'regular' funding for FY25.

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# **Executive Summary**

Income Statement Notes:

# Expenses:

- Reflected in the 01/23 financials are updates to the expense forecast. While a review of
  ongoing expenses is still underway, the forecast has been adjusted in several categories.
- Katie, Theresa and EdOps will continue to review the YTD expenses in March, with a final update to the YE budget with the 02/23 financial reports.
- Current updates show an uptick in expense categories including:
  - Staff related costs (increased expenses for staff recruitment)
  - Occupancy services (tied to increases in facility supplies and a new security contract)
  - Student direct expense (for student technology and instructional supplies)
  - Office and business expense (primarily due to an increase in legal fees associated with staff unionization efforts)

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**GIEDOPS** 

**GIEDOPS** 

**GEDOPS** 

Income Statement Notes:

# Net Income:

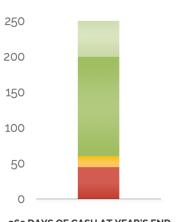
- Net income for the year forecast has increased because of the hold harmless provision, from \$418K last month to a projection of \$1.35M this month!
- Budget expense increases have been more than offset by the revenue increase from the hold harmless provision.

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# **Key Performance Indicators**

# **Days of Cash**

Cash balance at year-end divided by average daily expenses



#### 265 DAYS OF CASH AT YEAR'S END The school will end the year with 265 days of cash. This is above the recommended 60 days and a 10 day improvement vs. the 12/22 forecast.

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# Forecasted Ending Fund Balance / Total Expenses 50% 40% 30% 20%

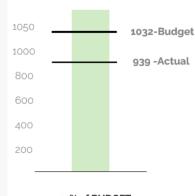
**Fund Balance%** 



50.1% at Year's End The school is projected to end the year with a fund balance of more than 50%!



Current vs. Budgeted Enrollment

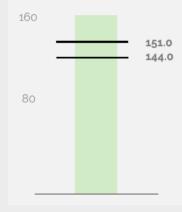


**91% of BUDGET** The school is currently 9% below the projected enrollment of 1032.

# **GEDOPS**

# Staffing

Current vs. Budgeted Staffing



#### 106% of BUDGET

The school's budget was set with 151 FTE. Current staffing is at 148. Salaries/benefits are higher than originally budgeted.

# **Forecast Overview**

# 

	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$23.2m	\$19.5m	\$3.7m	+3.7m	Tied directly to use of hold harmless WADA and funding equity.
Expenses	\$21.9m	\$19.9m	-\$2m	-2m	Mid-year forecast adjustments added to existing overages in salaries/benefits, occupancy expense,
Net Income	\$1.4m	-\$379k	\$1.7m	1.7m	A significant improvement to Net Income vs. December, due to hold harmless.
Cash Flow Adjustments	\$505k	\$664k	-\$159k	×1691	Facilities improvements were made at the start of the school year in preparation for students.
Change in Cash	\$1.9m	\$285k	\$1.6m	1.6m	
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# **Cash Forecast**

# 265 Days of Cash at year's end

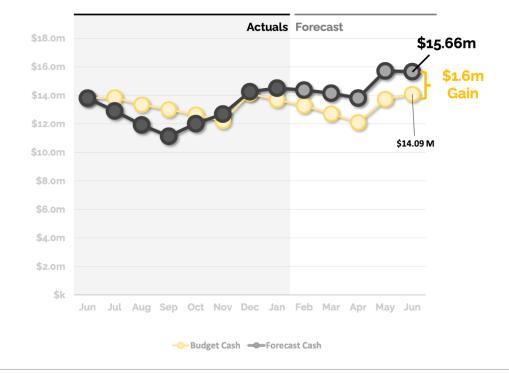
We forecast the school's year ending cash balance as **\$16m**, **\$1.6m** above budget.

Note: \$5M of the cash reserves are restricted:

• \$3M – Board discretion

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• \$2M – Strategic planning





# **QUESTIONS?**

Please contact your EdOps Finance Team: Jamie Berry jamie@ed-ops.com 816-444-1530

#### © EdOps 2017-2023

	Ye	ar-To-Date		An	nual Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
Revenue							
Local Revenue	1,029,950	716,474	313,476	1,629,950	1,228,240	401,709	600,000
State Revenue	7,657,790	5,482,250	2,175,540	13,121,153	9,398,143	3,723,010	5,463,363
Federal Revenue	1,953,488	2,040,231	(86,743)	3,458,763	3.458,563	200	1,505,276
Private Grants and Donations	2,397,198	2,323,349	73.849	4,867,245	4.793.396	73,849	2,470,047
Earned Fees	134,460	346,547	(212,087)	134,460	594,081	(459,621)	-
Total Revenue	13,172,886	10,908,851	2,264,035	23,211,572	19,472,424	3,739,148	10,038,686
Expenses							
Salaries	5,114,125	4,925,387	(188,738)	8,983,155	8,443,520	(539,635)	3,869,030
Benefits and Taxes	1,789,379	1,773,331	(16,048)	3,341,023	3,039,996	(301,028)	1,551,645
Staff-Related Costs	206,556	113,750	(92,806)	235,818	195,000	(40,818)	29,262
Rent	146,698	146,698	-	293,396	293,396	_	146,698
Occupancy Service	1,357,631	1,331,633	(25,998)	2,406,716	2,282,800	(123,916)	1,049,085
Student Expense, Direct	821,346	597,252	(224,095)	1,965,659	1,695,960	(269,699)	1,144,312
Student Expense, Food	353,629	503,586	149.957	839,310	839,310	0	485,681
Office & Business Expense	1,147,522	888,657	(258,865)	1,893,418	1,297,309	(596,109)	745,896
Transportation	734.400	891,081	156,681	1,485,135	1,485,135	0	750,735
Total Ordinary Expenses	11,671,285	11,171,375	(499,911)	21,443,631	19,572,425	(1,871,205)	9,772,345
Net Operating Income	1,501,601	(262,524)	1,764,124	1,767,941	(100,001)	1,867,942	266,340
Extraordinary Expenses							
Equipment	29,806	-	(29,806)	29,806	-	(29,806)	-
Facility Improvements	104,624	-	(104,624)	104,624	-	(104,624)	-
Depreciation and Amortization	160,022	162,750	2,728	278,999	278,999	0	118,977
Total Extraordinary Expenses	294,452	162,750	(131,702)	413,429	278,999	(134,430)	118,977
Total Expenses	11,965,737	11,334,124	(631,613)	21,857,060	19,851,425	(2,005,635)	9,891,323
Net Income	1,207,148	(425,273)	1,632,422	1,354,512	(379,001)	1,733,512	3 147,363
Cash Flow Adjustments	(500,979)	547.651	(1,048,630)	505,102	663,901	(158,799)	4 1,006,080
Change in Cash	706,170	122,378	583,792	1,859,613	284,900	1,574,713	1,153,443

# REVENUE: \$3.7M AHEAD

Due to hold harmless WADA and funding equity

#### EXPENSES: \$2M BEHIND

Mid-year forecast adjustments have increased the full year expense outlook. Fortunately, the expense increases are more than offset by the increases in revenue.

#### **8** NET INCOME: \$1.7M ahead

CASH ADJ:\$159K BEHIND

Facilities improvements for FY23 school preparation

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    NET CHANGE IN CASH:
    $1.6M AHEAD
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	Actual							Forecast					
Income Statement	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Мау	Jun	TOTAL
Revenue													
Local Revenue	168,751	156,087	135,601	142,732	134,237	140,010	152,532	120,000	120,000	120,000	120,000	120,000	1,629,950
State Revenue	769,831	748,862	751,341	2,130,030	1,105,087	1,055,754	1,096,886	1,092,673	1,092,673	1,092,673	1,092,673	1,092,673	13,121,153
Federal Revenue	229,706	307,120	326,440	282,171	311,575	248,049	248,427	301,055	301,055	301,055	301,055	301,055	3,458,763
Private Grants and Donations	0	73,349	0	500	73,349	2,250,000	0	0	0	0	2,250,000	220,047	4,867,245
Earned Fees	928	103,229	7,023	4,248	5,856	8,951	4,226	0	0	0	0	0	134,460
Total Revenue	1,169,216	1,388,647	1,220,405	2,559,680	1,630,105	3,702,763	1,502,070	1,513,728	1,513,728	1,513,728	3,763,728	1,733,775	23,211,572
Expenses													
Salaries	647,746	716,896	944,284	684.375	699,201	695,243	726,379	738,827	738,827	738,827	738,827	913,724	8,983,155
Benefits and Taxes	197,698	258,101	281,298	257,058	253,689	257,972	283,563	303,456	303,456	303,456	303,456	337,823	3,341,023
Staff-Related Costs	133,396	4,806	21,036	11,681	9,678	17,109	8,850	5,852	5,852	5,852	5,852	5,852	235,818
Rent	0	73,349	0	0	73,349	0	0	73.349	0	0	73,349	0	293,396
Occupancy Service	205,568	182,935	181,880	192,098	181,414	202,134	211,602	209,817	209,817	209,817	209,817	209,817	2,406,716
Student Expense, Direct	42,583	248,162	159,492	89,077	70,988	105,520	105,526	98,585	256,248	380,408	310,485	98,585	1,965,659
Student Expense, Food	0	17,705	139,057	20,793	54,726	58,915	62,432	97,136	97,136	97,136	97,136	97,136	839,310
Office & Business Expense	100,913	254,737	155,265	50,769	150,585	138,436	296,817	149,179	149,179	149,179	149,179	149,179	1,893,418
Transportation	0	42,379	188,230	145,085	106,168	105,532	147,005	150,147	150,147	150,147	150,147	150,147	1,485,135
Total Ordinary Expenses	1,327,903	1,799,071	2,070,543	1,450,935	1,599,797	1,580,862	1,842,174	1,826,349	1,910,662	2,034,822	2,038,249	1,962,264	21,443,631
Operating Income	-158,688	-410,424	-850,138	1,108,745	30,307	2,121,901	-340,104	-312,621	-396,934	-521,094	1,725,479	-228,489	1,767,941
Extraordinary Expenses													
Depreciation and Amortization	21,869	23,043	21,816	23,027	23,124	23,205	23,938	23.795	23,795	23,795	23,795	23,795	278,999
Facility Improvements	22,011	23,747	2,935	11,218	7,245	6,639	30,829	0	0	0	0	0	104,624
Equipment	29,806	0	0	0	0	0	0	0	0	0	0	0	29,806
Total Extraordinary Expenses	73,687	46,789	24,751	34,245	30,369	29,844	54,767	23,795	23,795	23,795	23,795	23,795	413,429
Total Expenses	1,401,590	1,845,860	2,095,294	1,485,180	1,630,167	1,610,707	1,896,940	1,850,144	1,934,458	2,058,618	2,062,044	1,986,059	21,857,060
Net Income	-232,374	-457,213	-874,889	1,074,500	-62	2,092,057	-394,870	-336,416	-420,730	-544,890	1,701,684	-252,285	1,354,512
Cash Flow Adjustments	-663,356	-524,075	81,102	-189,435	672,028	-527,750	650,506	201,216	201,216	201,216	201,216	201,216	505,102
Change in Cash	-895,730	-981,288	-793,786	885,066	671,966	1,564,307	255,636	-135,200	-219,514	-343,674	1,902,900	-51,068	1,859,613

	Previous Year End	Current	Year End
	6/30/2022	1/31/2023	6/30/2023
Assets			
Current Assets			
Cash*	13,801,775	14,507,945	15,661,388
Accounts Receivable	761,541	979,614	376,640
Other Current Assets	133,376	282,682	133.376
Total Current Assets	14,696,693	15,770,241	16,171,405
Noncurrent Assets			
Facilities, Net	936,665	1,063,470	1,063,470
Operating Fixed Assets, Net	165,422	83,776	-81,58
Total Noncurrent Assets	1,102,087	1,147,246	981,887
Total Assets	15,798,780	16,917,487	17,153,292
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	4,365	2,343	4,365
Accounts Payable	851,091	996,411	851,093
Accrued Salaries and Benefits	231,739	0	004 704
	LJ-1/39	0	231,/39
Total Current Liabilities	1,087,195	998,754	
		-	
Total Current Liabilities	1,087,195	998,754	
Total Current Liabilities Total Long-Term Liabilities Total Liabilities	1,087,195 0	998,754 0	
Total Current Liabilities Total Long-Term Liabilities	1,087,195 0	998,754 0	231,739 1,087,195 14,711,585
Total Current Liabilities Total Long-Term Liabilities Total Liabilities Equity	1,087,195 0 <b>1,087,195</b>	<u>998,754</u> 0 <b>998,754</b>	1,087,195

\*Note: \$5M of the school's cash are held in reserve

• \$3M – Board discretion

• \$2M – Strategic planning

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Ewing Marion Kauffman School 02/13/2023 1:36 PM

#### Check Register by Type

02/13/2023 1:36	PM				-
Payee Type:	Vendor		Check Type: Che		Checking Account ID: 1
Check Number	Check Date	Cleared	Void Void Date	Entity ID	Entity Name
5420	01/10/2023	X		ACTINC	ACT, Inc
5421	01/10/2023	x		ARROWSTAGE	Busco, Inc. California State Disbursement Unit
5422 5423	01/10/2023 01/10/2023	x x		CASTATED CONWAYMAC	Mackenzie Conway
5424	01/10/2023	x		CRITESKRI	Kristin Crites
5425	01/10/2023	x		MYERGAMA	Gamache & Myers PC
5426	01/10/2023	x		GRAPEVINE	Grapevine Designs, LLC
5427	01/10/2023	х		BERSERKAT	James Hutson
5428	01/10/2023	х		JOHNSONSCO	Scott Johnson
5429	01/10/2023	х		KCPREMTRAN	KC Premier Services LLC
5430	01/10/2023	х		INNOPTIONS	Linda Kirkpatrick
5431	01/10/2023	x		LAXTONJOH	Johanna Laxton
5432	01/10/2023	X		MCFERRINTR	Tracy McFerrin
5433	01/10/2023	x		MORGHUNT	Morgan Hunter Education, LLC
5434	01/10/2023	x		FINKTRUSTE	Richard V. Fink
5435 5436	01/10/2023 01/10/2023	x x		SCHMIDTJOS SUMMITCHRI	Joseph Schmidt Summit Christian Academy
5436	01/10/2023	^		TALKSPACE	Talkspace Network LLC
5438	01/10/2023	х		TAYPSYCH	Cynthia Taylor
5439	01/10/2023	x		WILLIAMSJE	Jerry Williams
16349	01/10/2023	x		ADVTECH	Advantage Tech. Inc.
16350	01/10/2023	x		COMMERCE	COMMERCE BANK
16351	01/10/2023	х		TRAVTRANS	Corporate Travel Management North America, Inc
16352	01/10/2023	х		EDOPS	Education Business Solutions Inc
16353	01/10/2023	х		PLATINUM	Jaymie Huffman
16354	01/10/2023	х		JONESJERR	Jerrad Jones
16355	01/10/2023	x		SIPVINE	sipVine, Inc.
16356	01/10/2023	x		YEAGERDAN	Danielle Yeager
16357	01/10/2023	X		YELLOWDOG	Yellow Dog Networks, Inc.
11320231 5440	01/13/2023	x		COMMERCE	COMMERCE BANK
5440 5441	01/18/2023 01/18/2023	x		CERTIFIED COASTALCL	Certified Languages International LLC Coastal Cloud Holdings LLC
5442	01/18/2023	â		GUARDIAN	The Guardian Life Insurance Co
5443	01/18/2023	â		JACKSONLEW	Jackson Lewis P.C.
5444	01/18/2023	x		KCCALLCO	Kansas City Call Company Inc.
5445	01/18/2023	x		LABORPROS	The Labor Pros, LLC
5446	01/18/2023	х		OVERGRAD	Overgrad Inc
5447	01/18/2023	х		PERFFOODGR	Performance Food Group Inc
5448	01/18/2023	х		TEAMCONNEC	Team Connection, Inc.
5449	01/18/2023	x		TSCHANGCHI	CHI-YOUNG TSCHANG
5450	01/18/2023	X		COLLINSSPO	W. L. COLLINS CORP, INC
16510	01/18/2023	x		COMMERCE	COMMERCE BANK
16511 16512	01/18/2023 01/18/2023	x x		UNITEDHEA CUSHMAN	United Healthcare Insurance Company Cushman & Wakefield U.S., Inc
12020231	01/20/2023	â		COMMERCE	COMMERCE BANK
5451	01/24/2023	x		CONWAYMAC	Mackenzie Conway
5452	01/24/2023	x		CRITESKRI	Kristin Crites
5453	01/24/2023			CTCORP	CT Corporation System
5454	01/24/2023	х		HARVESTERS	Harvesters - The Community Food Network
5455	01/24/2023			BERSERKAT	James Hutson
5456	01/24/2023	х		JACKSONLEW	Jackson Lewis P.C.
5457	01/24/2023	x		JOHNSONSCO	Scott Johnson
5458	01/24/2023	x		LAXTONJOH	Johanna Laxton
5459	01/24/2023	х		MORGHUNT	Morgan Hunter Education, LLC
5460 5461	01/24/2023			SCHMIDTJOS	Joseph Schmidt
5462	01/24/2023 01/24/2023	х		KCPUBSCH SORINEX	School District of Kansas City Missouri Sorinex Exercise Equipment, Inc.
5463	01/24/2023	~		TALKSPACE	Talkspace Network LLC
16513	01/24/2023	х		COMMERCE	COMMERCE BANK
16514	01/24/2023	x		FIDWORKPL	Fidelity Workplace Investing LLC
16515	01/24/2023	х		FIDWORKPL	Fidelity Workplace Investing LLC
16516	01/24/2023	х		AMERFOOD	American Food and Vending Corp.
5464	01/31/2023			MCFERRINTR	Tracy McFerrin
5465	01/31/2023			MORGHUNT	Morgan Hunter Education, LLC
5466	01/31/2023			SPANLANG	Spanish Language Resources, Inc.
5467	01/31/2023			WHCKCTLLC	WHC KCT, LLC (ZTRIP)
16798	01/31/2023	x		ADVTECH	Advantage Tech, Inc.
16799 20120231	01/31/2023 02/01/2023	x x		JONESJERR CONCURTEC	Jerrad Jones Concur Technologies, Inc.
20320231	02/03/2023	â		COMMERCE	COMMERCE BANK
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Ewing Marion Kauffman School 02/13/2023 1:36 PM

#### Check Register by Type

02/13/2023 1:36	PM				-
Payee Type:	Vendor		Check Type: Che		Checking Account ID: 1
Check Number	Check Date	Cleared	Void Void Date	Entity ID	Entity Name
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16798	01/31/2023	Х		ADVTECH	Advantage Tech, Inc.
16516	01/24/2023	Х		AMERFOOD	American Food and Vending Corp.
5421	01/10/2023	X		ARROWSTAGE	Busco, Inc.
5422	01/10/2023	X		CASTATED	California State Disbursement Unit
5440	01/18/2023	X		CERTIFIED	Certified Languages International LLC
5449	01/18/2023	X		TSCHANGCHI COASTALCL	CHI-YOUNG TSCHANG
5441 16350	01/18/2023 01/10/2023	X X		COMMERCE	Coastal Cloud Holdings LLC COMMERCE BANK
11320231	01/13/2023	x		COMMERCE	COMMERCE BANK
16510	01/18/2023	x		COMMERCE	COMMERCE BANK
12020231	01/20/2023	x		COMMERCE	COMMERCE BANK
16513	01/24/2023	x		COMMERCE	COMMERCE BANK
20320231	02/03/2023	x		COMMERCE	COMMERCE BANK
20120231	02/01/2023	x		CONCURTEC	Concur Technologies, Inc.
16351	01/10/2023	x		TRAVTRANS	Corporate Travel Management North America, Inc
5453	01/24/2023			CTCORP	CT Corporation System
16512	01/18/2023	х		CUSHMAN	Cushman & Wakefield U.S., Inc
5438	01/10/2023	х		TAYPSYCH	Cynthia Taylor
16356	01/10/2023	х		YEAGERDAN	Danielle Yeager
16352	01/10/2023	х		EDOPS	Education Business Solutions Inc
16514	01/24/2023	х		FIDWORKPL	Fidelity Workplace Investing LLC
16515	01/24/2023	х		FIDWORKPL	Fidelity Workplace Investing LLC
5425	01/10/2023	х		MYERGAMA	Gamache & Myers PC
5426	01/10/2023	х		GRAPEVINE	Grapevine Designs, LLC
5454	01/24/2023	х		HARVESTERS	Harvesters - The Community Food Network
5443	01/18/2023	X		JACKSONLEW	Jackson Lewis P.C.
5456	01/24/2023	х		JACKSONLEW	Jackson Lewis P.C.
5427	01/10/2023	х		BERSERKAT	James Hutson
5455	01/24/2023	v		BERSERKAT	James Hutson
16353	01/10/2023	X			Jaymie Huffman
16354 16799	01/10/2023	x x		JONESJERR JONESJERR	Jerrad Jones Jerrad Jones
5439	01/31/2023 01/10/2023	x		WILLIAMSJE	Jerry Williams
5431	01/10/2023	x		LAXTONJOH	Johanna Laxton
5458	01/24/2023	x		LAXTONJOH	Johanna Laxton
5435	01/10/2023	x		SCHMIDTJOS	Joseph Schmidt
5460	01/24/2023			SCHMIDTJOS	Joseph Schmidt
5444	01/18/2023	х		KCCALLCO	Kansas City Call Company Inc.
5429	01/10/2023	x		KCPREMTRAN	KC Premier Services LLC
5424	01/10/2023	х		CRITESKRI	Kristin Crites
5452	01/24/2023	х		CRITESKRI	Kristin Crites
5430	01/10/2023	х		INNOPTIONS	Linda Kirkpatrick
5423	01/10/2023	х		CONWAYMAC	Mackenzie Conway
5451	01/24/2023	х		CONWAYMAC	Mackenzie Conway
5433	01/10/2023	х		MORGHUNT	Morgan Hunter Education, LLC
5459	01/24/2023	х		MORGHUNT	Morgan Hunter Education, LLC
5465	01/31/2023			MORGHUNT	Morgan Hunter Education, LLC
5446	01/18/2023	х		OVERGRAD	Overgrad Inc
5447	01/18/2023	х		PERFFOODGR	Performance Food Group Inc
5434	01/10/2023	х		FINKTRUSTE	Richard V. Fink
5461	01/24/2023	~		KCPUBSCH	School District of Kansas City Missouri
5428 5457	01/10/2023 01/24/2023	X X		JOHNSONSCO JOHNSONSCO	Scott Johnson Scott Johnson
16355	01/10/2023	x		SIPVINE	sipVine, Inc.
5462	01/24/2023	x		SORINEX	Sorinex Exercise Equipment, Inc.
5466	01/31/2023	~		SPANLANG	Spanish Language Resources, Inc.
5436	01/10/2023	х		SUMMITCHRI	Summit Christian Academy
5437	01/10/2023	~		TALKSPACE	Talkspace Network LLC
5463	01/24/2023			TALKSPACE	Talkspace Network LLC
5448	01/18/2023	х		TEAMCONNEC	Team Connection, Inc.
5442	01/18/2023	X		GUARDIAN	The Guardian Life Insurance Co
5445	01/18/2023	Х		LABORPROS	The Labor Pros, LLC
5432	01/10/2023	Х		MCFERRINTR	Tracy McFerrin
5464	01/31/2023			MCFERRINTR	Tracy McFerrin
16511	01/18/2023	Х		UNITEDHEA	United Healthcare Insurance Company
5450	01/18/2023	Х		COLLINSSPO	W. L. COLLINS CORP, INC
5467	01/31/2023			WHCKCTLLC	WHC KCT, LLC (ZTRIP)
16357	01/10/2023	Х		YELLOWDOG	Yellow Dog Networks, Inc.

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# Summary of Retirement Items

Headline	Summary
403B Audit	The 2021 audit of EMKS's 403B Plan was recently completed.
	Committee Action: Approve the 2021 403B Plan audit
Loan Policy Consideration	<ul> <li>EMKS is considering the implementation of a loan policy that would allow employs to take loans from their retirement investments.</li> <li>We are currently weighing the pros and cons of such a move, including the costs of implementation / ongoing execution and the necessity of employee education.</li> <li>If we were to implement a loan policy, we would use EMKF's policy as a model for our own.</li> </ul>

# EWING MARION KAUFFMAN SCHOOL, INC. 403(b) RETIREMENT PLAN

# FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020





# INDEPENDENT AUDITORS' REPORT

To the Retirement Plan Committee Ewing Marion Kauffman School, Inc. 403(b) Retirement Plan

# Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed the audit of the financial statements of the Ewing Marion Kauffman School, Inc. 403(b) Retirement Plan ("the Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

# **Opinion on the 2021 Financial Statements**

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

# Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan 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 ERISA Section 103(a)(C) audit opinion.

# **Responsibilities of Management for the 2021 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Plan's ability to continue as a going concern within one year after the date that the 2021 financial statements are issued or available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

# Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan'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 Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

# Other Matter - Supplemental Schedule Required by ERISA

The supplemental schedule of assets (held at end of year) as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. 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 included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to 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 GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

# Other Matter - Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by the qualified institution. In our report dated August 31, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Mayer Hoffman McCann P.C.

Kansas City, Missouri September 15, 2022

# EWING MARION KAUFFMAN SCHOOL, INC. 403(b) RETIREMENT PLAN STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2021 and 2020

	2021	 2020
ASSETS Investments at fair value (See Note 4)	\$ 3,189,325	\$ 2,395,914
Employer matching contributions receivable	 3,393	 3,453
NET ASSETS AVAILABLE FOR BENEFITS	\$ 3,192,718	\$ 2,399,367

See Notes to Financial Statements

# EWING MARION KAUFFMAN SCHOOL, INC. 403(b) RETIREMENT PLAN STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years Ended December 31, 2021 and 2020

		2021	 2020
Investment income: Net appreciation in fair value			
of investments	\$	91,678	\$ 268,322
Dividends		328,763	111,586
Other income		181	 1,189
		420,622	 381,097
Contributions:			
Employer		189,197	184,831
Participants		228,127	238,016
Rollover	1	15,104	-
		432,428	 422,847
TOTAL ADDITIONS		853,050	 803,944
Benefits paid to participants	. <u> </u>	59,699	 137,418
NET INCREASE		793,351	666,526
NET ASSETS AVAILABLE FOR BENEFITS Beginning of year		2,399,367	 1,732,841
End of year	\$	3,192,718	\$ 2,399,367

See Notes to Financial Statements

# NOTES TO FINANCIAL STATEMENTS

# (1) <u>Description of plan</u>

The following description of the Ewing Marion Kauffman School, Inc. 403(b) Retirement Plan (the "Plan") provides only general information. Participants should refer to the Plan document or Summary Plan Description for a more complete description of the Plan's provisions, which are available from the plan administrator.

**General** - The Plan is a defined contribution plan sponsored by Ewing Marion Kauffman School, Inc. (the "Organization") for the benefit of its employees. All eligible employees are immediately eligible to participate upon hire. Employees who normally work less than 20 hours per week or who are non-resident aliens are excluded from the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan is administered by Organization's Retirement Plan Committee ("Committee"), which is a committee of designated Organization board members and Organization management. The Committee also works with a third party fiduciary consultant. The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the entire Organization board.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The CARES Act, among other things, included several relief provisions available to tax qualified retirement plans and their participants. The Organization evaluated the relief provisions available to plan participants under the CARES Act and implemented a provision to allow special coronavirus distributions up to \$100,000 through December 31, 2020. The Plan will be amended for the provisions implemented under the CARES Act by the time prescribed.

**Contributions** - Each year, participants may contribute up to 100% of annual compensation as pre-tax contributions, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Additionally, participants age 50 or older, who are making contributions to the Plan, are allowed to make catch-up contributions as defined in the Plan. Participants direct the investment of all contributions into various investment options offered by the Plan. The Organization will make a safe harbor matching contributes to the Plan. Additional discretionary non-elective contributions may be contributed at the option of the Organization. No such additional discretionary non-elective contributions were made for the years ended December 31, 2021 and 2020, respectively. Contributions are subject to certain Internal Revenue Code ("IRC") limitations.

**Participant investment account options** - The Plan currently offers various mutual funds as investment options for participants. Each investment option has its own investment strategy, which can be obtained through the prospectus of the respective fund. Participants may change their investment options at any time.

# NOTES TO FINANCIAL STATEMENTS

# (1) <u>Description of plan</u> (continued)

**Participant accounts** - Each participant's account is credited with the participant's contribution and allocations of the Organization's matching contribution and plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Vesting** - Participants are immediately vested in both their voluntary contributions and Organization's safe harbor matching contributions plus actual earnings thereon. Vesting in the Organization's discretionary non-elective contribution portion of their accounts is based on years of continuous service. The Organization's discretionary non-elective contributions are subject to the following vesting schedule:

Years of Service	Vested %			
Less than 1	0%			
1	50%			
2	100%			

**Payment of benefits** - On termination of service due to death, disability or retirement, or other reasons, a participant may elect to receive a vested benefit either in a single, lumpsum amount, or installments over a specified period of time, not to exceed the life expectancy of the participant or the participant's beneficiary, whichever is longer. Participants will be forced out of the Plan if their account balance is \$5,000 or less (including rollover contributions), following severance from employment. Balances greater than \$1,000 following severance from employment will be automatically rolled over into an IRA. This distribution will be available in a lump sum, installments, or as an Ad Hoc distribution.

Under the CARES Act, eligible Plan participants could request special penalty-free distributions of up to \$100,000 for qualifying coronavirus-related reasons. These reasons included the participant, spouse or dependent diagnosed with COVID-19, adverse financial consequences due to being quarantined, furloughed, laid off, having work hours reduced or being unable to work due to a lack of childcare due to COVID-19. The special coronavirus-related distributions waived the 10% early withdrawal penalty and were allowed to be made between January 1, 2020 and December 31, 2020.

# (2) <u>Summary of significant accounting policies</u>

**Basis of accounting** - The financial statements of the Plan are prepared on the accrual basis of accounting.

**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 reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

# EWING MARION KAUFFMAN SCHOOL, INC. 403(b) RETIREMENT PLAN

# NOTES TO FINANCIAL STATEMENTS

### (2) <u>Summary of significant accounting policies (continued)</u>

**Investment valuation and income recognition** - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Committee determines the Plan's valuation policies utilizing information provided by the investment custodian. See Note 4 for discussions of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of benefits - Benefits are recorded when paid.

Administrative expenses - Certain expenses of the Plan are paid by the Organization and are not included in the statements of changes in net assets available for benefits. Investment related expenses are included in net appreciation of fair value of investments.

### (3) Information prepared and certified by the custodian

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company ("Fidelity"), the custodian of the Plan, has certified that the following data included in the accompanying financial statements and supplemental schedule are complete and accurate with respect to investments:

- Investments at fair value
- Net appreciation in fair value of investments
- Dividends
- Schedule of assets (held at end of year)

The Plan's independent public accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

# (4) Fair value measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board Accounting Standard Codification 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

### EWING MARION KAUFFMAN SCHOOL, INC. 403(b) RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

# (4) Fair value measurements (continued)

- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2021 and 2020:

	Investments at Fair Value as of December 31, 2021							
	Level 1		Level 2		Level 3		Total	
Mutual funds	\$	3,189,325	\$	-	\$	-	\$	3,189,325
		Investm	ents at	Fair Valu	e as of	Decembe	r 31,	2020
		Level 1	Level 2 Level 3		Total			
Mutual funds	\$	2,395,914	\$	-	\$	-	\$	2,395,914

# NOTES TO FINANCIAL STATEMENTS

# (5) <u>Related party transactions and party-in-interest transactions</u>

Certain Plan investments are shares of mutual funds managed by Fidelity. Fidelity is the custodian as defined by the Plan and therefore, these transactions qualify as party-ininterest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment. The Plan did not make any direct payments to the third party administrator for the years ended December 31, 2021 and 2020. The Organization pays directly any other fees related to the Plan's operations.

# (6) <u>Plan termination</u>

Although it has not expressed any intent to do so, the Organization has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants would become 100% vested in all Organization contributions.

# (7) <u>Tax status</u>

The Internal Revenue Service ("IRS") has determined that the volume submitter plan has been designed to qualify under Section 403(b) of the IRC and informed custodian of such in a letter dated August 7, 2017. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### (8) <u>Risks, uncertainties and concentrations</u>

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

At December 31, 2021 and 2020, approximately 73% and 77% of the Plan's investments were invested in the Fidelity Freedom 2045 Fund and the Fidelity Freedom 2050 Fund, respectively.

# NOTES TO FINANCIAL STATEMENTS

# (9) <u>Subsequent events</u>

The Plan has evaluated subsequent events through September 15, 2022, which is the date the financial statements were available to be issued. No significant matters were identified for disclosure during this evaluation.

SUPPLEMENTAL SCHEDULE

# EWING MARION KAUFFMAN SCHOOL, INC. 403(b) RETIREMENT PLAN

# SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2021

EIN: 27-1982958 Plan Number: 001

	Identity of Issue borrower	date, rate of interest, collateral, par, or		Current
	Identity of issue, borrower, lessor, or similar party	maturity value	Cost	value
			(1)	 value
*	Fidelity OTC Portfolio Fund	Mutual Fund	(1)	\$ 4,339
*	Fidelity Blue Chip Growth Fund Class K	Mutual Fund		7,738
*	Fidelity Mid Cap Stock Fund	Mutual Fund		1,457
*	Fidelity Government Money Market Fund			
	Class K6	Mutual Fund		721
*	Fidelity Freedom 2025 Fund Class K6	Mutual Fund		15,996
*	Fidelity Freedom 2040 Fund Class K6	Mutual Fund		20,281
*	Fidelity Total Bond Fund Class K6	Mutual Fund		2,332
*	Fidelity Real Estate Index Fund	Mutual Fund		3,620
*	Fidelity Freedom 2035 Fund Class K6	Mutual Fund		75,766
*	Fidelity Small Cap Growth Fund Class K6	Mutual Fund		1,592
*	Fidelity Small Cap Value Fund	Mutual Fund		1,461
*	Fidelity Small Cap Index Fund	Mutual Fund		3,444
*	Fidelity International Index Fund	Mutual Fund		11,465
*	Fidelity Mid Cap Enhanced Index Fund	Mutual Fund		1,432
*	Fidelity Freedom 2045 Fund Class K6	Mutual Fund		650,009
*	Fidelity Freedom 2050 Fund Class K6	Mutual Fund		1,673,373
*	Fidelity International Capital Appreciation			
	Fund Class K6	Mutual Fund		2,851
*	Fidelity 500 Index Fund	Mutual Fund		43,282
*	Fidelity Freedom 2055 Fund Class K6	Mutual Fund		369,168
*	Fidelity Mid Cap Index Fund	Mutual Fund		6,743
*	Fidelity Total Emerging Markets Fund	Mutual Fund		6,063
*	Fidelity Freedom 2060 Fund Class K6	Mutual Fund		217,159
*	Fidelity Balanced Fund	Mutual Fund		49,982
*	Fidelity Freedom 2065 Fund Class K6	Mutual Fund		 19,051
				\$ 3,189,325

\* Party-in-interest as defined by ERISA

(1) Cost information may be omitted for plan assets which are participant-directed.