

LEE A. TOLBERT COMMUNITY ACADEMY

A Not-For-Profit Organization

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Ralph C. Johnson & Company, p.c.

Certified Public Accountants
Kansas City

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INDEPENDENT AUDITOR'S REPORT

The Governing Board
Lee A. Tolbert Community Academy
Kansas City, Missouri

Opinion

We have audited the accompanying financial statements of Lee A. Tolbert Community Academy, Inc (a nonprofit organization), which comprise the statement of assets, liabilities and net assets, as of June 30, 2021, and the related statements of support, revenue and expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lee A. Tolbert Community Academy as of June 30, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Lee A. Tolbert Community Academy, and meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

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 Lee A. Tolbert Academy Community Academy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement which results from fraud is higher than for one which results from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism through 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 about 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 Lee A. Tolbert Community Academy'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 Lee A. Tolbert Community Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance about, 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 Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards*, (Uniform Guidance) 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 financial statements. The information was subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements 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 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 23, 2021, on our consideration of Lee A. Tolbert Community Academy'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 on 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 audit performed in accordance with *Government Auditing Standards* in Considering Lee A. Tolbert Community Academy's internal control over financial reporting and compliance.

Kansas City
23 December 2021
OUR 51st Year

Ralph C. Johnson & Company, P.C.

Ralph C. Johnson & Company, p.c

LEE A. TOLBERT COMMUNITY ACADEMY
STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS

Current Assets

Cash	\$ 2,735,571
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Capital Assets

Property and Equipment	1,807,032
Less: Accumulated Depreciation	1,358,893
	<u>448,139</u>

Total Assets	\$ 3,183,710
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LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts Payable	\$ 164,441
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Total Liabilities	<u>164,441</u>
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NET ASSETS

Net Assets With Donor Restrictions	868,220
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Net Assets Without Donor Restrictions	2,151,049
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	<u>3,019,269</u>
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Total Liabilities and Net Assets	\$ 3,183,710
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LEE A. TOLBERT COMMUNITY ACADEMY
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total Activities
Revenue			
State - Grants and General Revenue	\$ 1,488,346	\$ 3,273,068	\$ 4,761,414
Federal - Grants and General Revenue	1,795,718	-	1,795,718
Other Income	834,774	227,719	1,062,493
Total Revenue	<u>4,118,838</u>	<u>3,500,787</u>	<u>7,619,625</u>
Expenses			
Instruction	1,075,921	2,612,633	3,688,554
Administrative and Support Services	321,041	774,987	1,096,028
Operation and Facilities	1,039,420	-	1,039,420
Food Service	-	105,508	105,508
Pupil Transportation	-	92,817	92,817
Total Unrestricted Expenses	<u>2,436,382</u>	<u>3,585,945</u>	<u>6,022,327</u>
Increase in Unrestricted Net Assets Before Depreciation	1,682,456	(85,158)	1,597,298
Depreciation and Amortization	<u>-</u>	<u>(173,298)</u>	<u>(173,298)</u>
Decrease in Unrestricted Net Assets	1,682,456	(258,456)	1,424,000
Net Assets beginning of year	468,593	1,126,676	1,595,269
Net Assets end of year	<u>\$ 2,151,049</u>	<u>\$ 868,220</u>	<u>\$ 3,019,269</u>

**LEE A. TOLBERT COMMUNITY ACADEMY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

Cash Flows from Operating Activities

(Decrease) Increase in net assets	\$ 1,424,000
Adjustments to reconcile increase (decrease) in net assets to	
Depreciation and Amortization	173,298
Increase in Accounts Payable	133,935
Net Cash Used by Operating Activities	<u>1,731,233</u>

Cash Flows from Investing Activities

Purchase of Property and Equipment	-
Net Cash Used by Investing Activities	<u>1,731,233</u>

Cash Flows from Financing Activities

Payroll Protection Loan	(780,600)
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Net Decrease in Cash and Cash Equivalents 950,633

Beginning Cash and Cash Equivalents 1,784,938

Ending Cash and Cash Equivalents \$ 2,735,571

Interest paid \$ None

Income taxes paid \$ None

LEE A. TOLBERT COMMUNITY ACADEMY

Notes to Financial Statements

June 30, 2021

NOTE 1- ORGANIZATION AND NATURE OF ACTIVITIES

Lee A. Tolbert Community Academy is operated as a division of Tolbert Educational Services (TES), a not-for-profit Corporation, which operates to provide services to at-risk inner city youth of Kansas City, Missouri. The School is governed by Missouri Revised Statutes Chapter 160, and is sponsored by the University of Missouri. The School is exempt from most Missouri laws and statutes which govern educational institutions.

The School's charter provides for the education of low income, disadvantage, at-risk students in Kindergarten through 8th grade.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements were prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No 958. Under ASC 958, the School is required to report information regarding its financial position and activities according to two classes on net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the School is required to present a statement of cash flows.

Capital Assets: All property and equipment are valued at historical cost. A capitalization threshold of \$5,000 is used to report capital assets. Depreciation is provided over the assets estimated useful lives by use of the straight-line method of depreciation. The range of useful lives by type of assets is as follows:

Building Improvements	20 years
Equipment	5-7 years

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes: Tolbert Educational Services, the operator, is exempt from Federal Income Tax under 501(c)(3) of the Internal Revenue Code (IRC) and is classified as an organization that is not a private foundation under IRC Section 509(a) (2).

Cash and Cash Equivalents: For the purpose of cash flows, the School considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents unless there is a restriction on the School's use of the cash.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2021, the bank balances and cash equivalents of the School totaled \$2,735,571. The bank deposit funds are above the FDIC insurance limit of \$250,000.

NOTE 4 - SUBSEQUENT EVENTS

Subsequent events were evaluated through December 23, 2021 which is the date the financial statements were available to be issued. On March 11, 2020, the World Health Organization declared the COVID-19 virus outbreak a world-wide pandemic. Because of the COVID-19 pandemic, businesses within the entire State of Missouri were subject to a stay at home order. Management is closely monitoring the situation and the impact on its operations. The ultimate effect on the school's financial statements is not currently determinable.

LEE A. TOLBERT COMMUNITY ACADEMY

Notes to Financial Statements

June 30, 2021

NOTE 5 - RETIREMENT PLAN

The School contributes to the Public School Retirement System of the School District of Kansas City, Missouri a cost-sharing multiple - employer defined pension plan. Participation is mandatory for employees of the Kansas City, Missouri Public School District, the Kansas City Public Library, and the Public School Retirement System. The Retirement System is administered by a twelve-member Board of Trustees. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of the School District of Kansas City, Missouri, 3100 Broadway St. Suite 1211, Kansas City, Missouri, 6411 or by calling 1-816-472-5800.

The Retirement System members are required to contribute 8.5% of their annual-covered salary, and the School is required to contribute a matching amount. The contribution requirements of members and the School are established, and may be amended, by the Board of Trustees. During the fiscal year ended June 30, 2021, the School remitted all payments in a timely manner.

NOTE 6 - OCCUPANCY LEASE

The School entered into a lease for office space during 2004, with an original term of five years, and two five-year extensions. The lease is cancellable by giving the lessor 180 day written notice to cancel. The lease is for approximately 95,400 square feet of classroom and office space. Future minimum rental commitments under this operating lease for the years ended June 30 are as follows:

2020	\$667,035
2021	\$667,035
2022	\$667,035
2023	\$667,035
2024	\$667,035

Lease expenses for the year ended June 30, 2021 approximated \$ 630,344.

NOTE 7 - UNCERTAIN TAX POSITIONS

Financial accounting standards govern how uncertain tax positions should be recognized, measured, presented, and disclosed in financial statements. These standards require the evaluation of tax positions taken or expected to be taken in the course of preparing an entity's tax returns to determine whether the tax positions are 'more-likely-than-not' to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would not be recognized in the financial statements of the current year.

The Federal Income Tax Form 990 for the years ended June 30, 2021, 2020, 2019 and 2018 are subject to examination by the Internal Revenue Service (IRS) and Missouri Department of Revenue, generally, for three years after they were filed. As of December 23, 2021, no returns were selected for examination by the IRS.

NOTE 8 - RELATED PARTIES

The School leases its classroom and office space from Christ Temple Pentecostal Church One, Inc. d/b/a Victorious Life Church (VLC). Victorious Life Church and Tolbert Educational Services each have separate governing boards. During the year ended June 30, 2021 the School paid \$630,343 in lease and general expenses to VLC.

LEE A. TOLBERT COMMUNITY ACADEMY

Notes to Financial Statements

June 30, 2021

NOTE 9 - INSURANCE

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

NOTE 10- PAYROLL PROTECTION LOAN

Lee A. Tolbert Community Academy received the Paycheck Protection Program loan (PPP) that was designed to provide a direct incentive for small businesses to keep their workers on the payroll because of the COVID-19 worldwide pandemic and the stay at home order issued by the government. The Small Business Administration (SBA) will forgive the loans if all employee retention criteria are met and the funds are used for eligible expenses. The Academy received a loan amount of \$780,600. The loan was forgiven on February 23, 2021.

NOTE 11-LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions which limit their use, within one year of the statement of financial position date, are comprised of the following:

	Amount
Cash and cash equivalents	<u>\$2,735,571</u>
Financial assets available for general expenditures in the next 12 months	<u>\$2,735,571</u>

OTHER REQUIRED INFORMATION

LEE A. TOLBERT COMMUNITY ACADEMY
STATEMENT OF FINANCIAL POSITION
GOVERNMENT FUNDS
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
ASSETS				
Current Assets				
Cash	\$ 2,735,572	\$ -	\$ -	\$ 2,735,572
Capital Assets				
Property and Equipment	-	-	1,807,032	1,807,032
Less: Accumulated Depreciation	-	-	1,358,893	1,358,893
	-	-	448,139	448,139
Total Assets	\$ 2,735,572	\$ -	\$ 448,139	\$ 3,183,711
LIABILITIES AND NET ASSETS				
Total Current Liabilities	\$ 164,441	\$ -	\$ -	\$ 164,441
Net Assets without Donor Restrictio	1,495,983	1,458,033	65,254	3,019,270
Net Assets with Donor Restrictions	-	-	-	-
Total Net Assets	1,495,983	1,458,033	65,254	3,019,270
Total Liabilities and Net Assets	\$ 1,660,424	\$ 1,458,033	\$ 65,254	\$ 3,183,711

**LEE A. TOLBERT COMMUNITY ACADEMY
STATEMENT OF ACTIVITIES AND CHANGES IN
FUND BALANCES - GOVERNMENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Revenues				
Basic Formula	\$ 1,217,033	\$ 3,273,068	\$ -	\$ 4,490,101
Food Service - State	-	-	-	-
Transportation	60,995	-	-	60,995
Classroom Trust Fund	210,318	-	-	210,318
Federal Allocations	1,795,718	-	-	1,795,718
Prop C	379,532	227,719	-	607,251
Other Revenue	455,242	-	-	455,242
Total Revenues	4,118,838	3,500,787	-	7,619,625
Expenses				
Instruction	1,075,921	2,612,633	-	3,688,554
Administrative and Support	321,041	773,986	-	1,095,027
Operation and Facilities	1,039,420	-	-	1,039,420
Food Service	-	106,509	-	106,509
Pupil Transportation	-	92,817	-	92,817
Depreciation	-	-	173,298	173,298
Total Expenses	2,436,382	3,585,945	173,298	6,195,625
Revenue Over (Under) Expense	1,682,456	(85,158)	(173,298)	1,424,000
Fund Balances, Beg of Year	468,593	772,421	354,255	1,595,269
Fund Balances, End of Year	\$ 2,151,049	\$ 687,263	\$ 180,957	\$ 3,019,269

**LEE A. TOLBERT COMMUNITY ACADEMY
SCHEDULE OF REVENUE COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Revenues				
<i>Local:</i>				
Prop C	\$ 379,532	\$ 227,719	\$ -	\$ 607,251
General Income	455,242	-	-	455,242
<i>Subtotal</i>	834,774	227,719	-	1,062,493
<i>State:</i>				
Basic Formula	1,217,033	3,273,068	-	4,490,101
Transportation	60,995	-	-	60,995
Basic Formula - Classroom Trust	210,318	-	-	210,318
School Food Services	-	-	-	-
Other State	-	-	-	-
<i>Subtotal</i>	1,488,346	3,273,068	-	4,761,414
<i>Federal Allocations:</i>				
USDAC Payments Medicare	109,454	-	-	109,454
CARES ESSER I	259,521	-	-	259,521
CARES Student Connectivity	30,780	-	-	30,780
CARES Student Access	38,429	-	-	38,429
Special Ed Part B Entitlement	41,866	-	-	41,866
Title I Elementary and Secondary Ed.	305,017	-	-	305,017
Title IV.A Student Academic Enrichm	22,721	-	-	22,721
Title II (Eisenhower)	30,975	-	-	30,975
CARES Education Technology State	173,774	-	-	173,774
Other Federal Revenue	783,181	-	-	783,181
<i>Subtotal</i>	1,795,718	-	-	1,795,718
Total Revenues	\$ 4,118,838	\$ 3,500,787	\$ -	\$ 7,619,625

LEE A. TOLBERT COMMUNITY ACADEMY
SCHEDULE OF EXPENSES BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Expenses				
<i>Instruction</i>				
Salaries	\$ 326,602	\$ 1,263,523	\$ -	\$ 1,590,125
Employee Benefits	39,407	1,145,280	-	1,184,687
Purchased Services	348,930	203,830	-	552,760
Supplies	360,982			360,982
Subtotal	1,075,921	2,612,633	-	3,688,554
<i>Administration and Support Services</i>				
Executive Administration	-	309,353	-	309,353
Business Services	60,521	-	-	60,521
Guidance Services	-	116,117	-	116,117
Professional Development	-	142,015	-	142,015
Health Services		100,872		100,872
Other	260,520	106,630	-	367,150
Subtotal	321,041	774,987	-	1,096,028
<i>Operation of Plant</i>				
Repairs and Maintenance	199,910	-	-	199,910
Rent	630,344	-	-	630,344
Utilities	36,485	-	-	36,485
Insurance	5,885	-	-	5,885
Other	166,796	-		166,796
Subtotal	1,039,420	-	-	1,039,420
<i>Transportation</i>				
Contracted Transportation	-	92,817	-	92,817
Other Transportation Costs	-	-	-	-
Subtotal	-	92,817	-	92,817
<i>Food Services</i>				
Contracted Food Services	-	105,508	-	105,508
Subtotal	-	105,508	-	105,508
Subtotal	2,436,382	3,585,945	-	6,022,327
Depreciation	-	-	173,298	173,298
Total Expenses	\$ 2,436,382	\$ 3,585,945	\$ 173,298	\$ 6,195,625

LEE A. TOLBERT COMMUNITY ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Agency	Pass-Through Entity	Program title	Federal Award Number	Other Identifying Number	CFDA Number	Amount Expended
U. S. Department of Education	Missouri Department of Elementary and Secondary Education	Special Ed Part B Entitlement	H270A190040		84.027A	\$ 41,866
		Title I Elementary and Secondary Ed.	S010A190025		84.010A	305,017
		Title II (Eisenhower)			84.367A	30,975
		Title IV A Student Academic Enrichment	S424A190026		84.424A	22,721
		CARES Student Connectivity	S425C200016		84.425C	30,780
		CARES ESSER I	S425D200021		84.425D	259,521
		CARES Student Access			84.425E	38,429
		CARES Education Technology State Grants			84.386A	173,774
U. S. Department of Health and Social Services	Missouri Department of Social Services	Medical Assistance Program SDAC			93.778	109,454
TOTAL						\$ 1,012,537

Notes to Schedule:

1. This schedule includes the federal awards activity of the Lee A. Tolbert Community Academy and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.
2. The Organization did not provide federal awards to sub recipients during the year ended June 30, 2021.
3. The Organization did not use the de minimis cost rate during the year ended June 30, 2021.

Ralph C. Johnson & Company, p.c.

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**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**

The Governing Board
Lee A. Tolbert Community Academy
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 Lee A. Tolbert Community Academy (the Academy) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statement of activities cash flows and notes to the financial statements for the year then ended, and have issued our report thereon dated December 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy'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 Academy'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 were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy'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 tests of internal control and compliance, and the results of those tests, 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.

Kansas City
23 December 2021
OUR 51st Year

Ralph C. Johnson & Company, P.C.

Ralph C. Johnson & Company, p.c.

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

The Governing Board
Lee A. Tolbert Community Academy
Kansas City, Missouri

Report on Compliance for Each Major Program

We audited Lee A. Tolbert Community Academy's (the Academy) compliance with the types of compliance requirements described in the *OMB Uniform Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2021. The Academy's major federal programs are identified in the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirement of laws, regulations, contracts, and grant applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Academy's major federal programs based on our audit of the type of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to federal audits which are contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements, and performing such other procedures which we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Academy's internal control over compliance with the types of requirements

that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances to express an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose to express an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there are reasonable possibilities that material non-compliance with a type of compliance requirements of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the type of compliance requirements of federal programs that are less severe than a material weakness in internal control over compliance, yet are important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our tests of internal control over compliance and the results of those tests based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KANSAS CITY
23 December 2021
OUR 51st Year

Ralph C. Johnson & Company, P.C.

Ralph C. Johnson & Company, p.c.

Certified Public Accountants
4609 The Paseo, Suite 104
Kansas City, Missouri 64110-1025

**REPORT ON THE ADMINISTRATION'S ASSERTIONS
ABOUT COMPLIANCE WITH SPECIFIED
REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

**To the Governing Board
Lee A. Tolbert Community Academy
Kansas City, Missouri**

We have audited the administration's assertions included in its representation letter dated December 23, 2021 that Lee A. Tolbert Community Academy complied with the requirements of Missouri Laws and Regulations about operation of a charter school; accurate disclosure by the School's attendance records of average daily attendance, resident membership on the last Wednesday of September 2020 and the number of students eligible to receive free or reduced lunches on the last Wednesday of January 2021; and accurate disclosure by the School's pupil transportation records of the average students scheduled to be transported, eligible and ineligible for State aid, number of miles eligible and ineligible for State aid and the allowable costs for pupil transportation during the year ended June 30, 2021. As discussed in the representation letter, the administration is responsible for the School's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the School's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the School's compliance with specified requirements.

In our opinion, the administration's assertions that the School complied with the aforementioned requirements for the year ended June 30, 2021 are fairly stated in all material respects.

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

Kansas City
23 December 2021
OUR 51st Year

Ralph C. Johnson & Company, P.C.

**LEE A. TOLBERT COMMUNITY ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Lee A. Tolbert Community Academy.
2. No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of significant noncompliance which are material to the financial statements of Lee A. Tolbert Community Academy were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs of Lee A. Tolbert Community Academy expresses an unqualified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for Lee A. Tolbert Community Academy are reported in this schedule.
7. The programs tested as major programs include:
 - Education Stabilization Fund Under CFDA 84.425
 - The Coronavirus Aid, Relief, and Economic Security Act
 - Title I Cluster CFDA 84.010A
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Lee A. Tolbert Community Academy qualified to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

**LEE A. TOLBERT COMMUNITY ACADEMY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

SCHEDULE OF SELECTED STATISTICS

2021

COUNTY DISTRICT CODE: 048910

NAME: LEE A. TOLBERT COMMUNITY ACADEMY

Schedule of Selected Statistics Year Ended June 2021

PREPARED FOR SCHOOL DISTRICT'S/CHARTER SCHOOL'S INDEPENDENT AUDITOR
MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

SCHEDULE OF SELECTED STATISTICS YEAR ENDED JUNE 2021

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SCHEDULE OF SELECTED STATISTICS YEAR ENDED JUNE 2021

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

[illegible]

Notes:	

SCHEDULE OF SELECTED STATISTICS YEAR ENDED JUNE 2021

2. ATTENDANCE HOURS

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

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
048910	PK	13,896.8334					13,896.8334
048910	K	32,356.3813				1,005.8000	33,362.1813
048910	1	41,833.0596				1,104.5000	42,937.5596
048910	2	48,495.3908				1,316.9400	49,812.3308
048910	3	46,813.3150				1,128.0000	47,941.3150
048910	4	47,326.9950				1,100.7400	48,427.7350
048910	5	38,220.1937				1,386.5000	39,606.6937
048910	6	38,275.1166				721.9200	38,997.0366
048910	7	35,442.3800				935.3000	36,377.6809
048910	8	37,952.5071				1,222.0000	39,174.5071
Grand Total		380,612.1734				9,921.7000	390,533.8734

Notes:	

SCHEDULE OF SELECTED STATISTICS YEAR ENDED JUNE 2021

3. SEPTEMBER MEMBERSHIP

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
048910	PK	15.00			15.00
048910	K	36.00			36.00
048910	1	54.00			54.00
048910	2	53.00			53.00
048910	3	57.00			57.00
048910	4	58.00			58.00
048910	5	48.00			48.00
048910	6	41.00			41.00
048910	7	42.00			42.00
048910	8	47.00			47.00
Grand Total		451.00			451.00

Notes:	

SCHEDULE OF SELECTED STATISTICS YEAR ENDED JUNE 2021

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

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
048910	441				441
Grand Total	441				441

Notes:	

SCHEDULE OF SELECTED STATISTICS YEAR ENDED JUNE 2021

5. FINANCE

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	True
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	N/A
	Homebound instruction	True
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$500,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True

SCHEDULE OF SELECTED STATISTICS YEAR ENDED JUNE 2021

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

Notes:	

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

Finding:	
Management Letter Comment:	

SCHEDULE OF SELECTED STATISTICS YEAR ENDED JUNE 2021

6. TRANSPORTATION (SECTION 163.161, RSMO)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	Choose an item.
	Eligible ADT	#15
	Ineligible ADT	#0
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	#12,962
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:	Choose an item.
	Eligible Miles	#12,962
	Ineligible Miles (Non-Route/Disapproved)	#0
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	#39

Notes:	

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

Finding:	
Management Letter Comment:	

SCHEDULE OF SELECTED STATISTICS YEAR ENDED JUNE 2021