

Draft  
11/8/23

**KC INTERNATIONAL ACADEMY**

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

**June 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
KC International Academy  
Kansas City, Missouri

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the KC International Academy (a nonprofit organization) (the "Academy"), which comprise the statement of assets, liabilities, and net assets-modified cash basis as of June 30, 2023, and the related statements of support, revenue, and expenses-modified cash basis, functional expenses-modified cash basis, and cash flows-modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the assets, liabilities, and net assets of KC International Academy as of June 30, 2023, and its support, revenue, and expenses and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents from pages 15-21, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2023, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

Kansas City, Missouri  
November 2, 2023

Marr and Company, P.C.  
Certified Public Accountants

## KC INTERNATIONAL ACADEMY

## STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS

June 30, 2023

ASSETS

Cash and cash equivalents	\$ 6,933,749
Certificates of deposit	20,000
Capital assets, net of accumulated depreciation	<u>4,691,430</u>
Total assets	\$ <u>11,645,179</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Payroll withholdings	\$ 24,404
Note payable	<u>1,283,818</u>
Total liabilities	1,308,222
Net assets:	
Without donor restrictions	<u>10,336,957</u>
Total net assets	<u>10,336,957</u>
Total liabilities and net assets	\$ <u>11,645,179</u>

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

## KC INTERNATIONAL ACADEMY

STATEMENT OF SUPPORT, REVENUE AND EXPENSES – MODIFIED CASH BASIS  
For the Year Ended June 30, 2023

	Without Donor <u>Restrictions</u>
<u>SUPPORT, REVENUE &amp; OTHER INCOME:</u>	
Contributions and donations	\$ 347,681
State aid receipts	10,278,105
Federal grants and contracts	3,567,909
Sales tax (Proposition C)	1,247,018
Other income	<u>29,074</u>
Total support, revenue & other income	15,469,787
<u>EXPENSES:</u>	
Program services	11,443,111
Supporting activities:	
General and administrative	1,976,443
Fundraising	<u>23,487</u>
Total supporting activities	<u>1,999,930</u>
Total expenses	<u>13,443,041</u>
Change in net assets	2,026,746
Net assets, beginning of year	<u>8,310,211</u>
Net assets, end of year	\$ <u>10,336,957</u>

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

KC INTERNATIONAL ACADEMY

STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS  
For the Year Ended June 30, 2023

	Program <u>Services</u>	<u>Supporting Activities</u>		Total Supporting <u>Activities</u>	<u>Total</u>
		<u>General &amp; Administrative</u>	<u>Fundraising</u>		
Salaries and wages	\$ 6,409,013	\$ 1,176,584	\$ 0	\$ 1,176,584	\$ 7,585,597
Retirement	713,743	105,450	0	105,450	819,193
Payroll taxes	474,817	88,504	0	88,504	563,321
Employee insurance	466,932	38,075	0	38,075	505,007
Other employee benefits	0	24,465	0	24,465	24,465
Professional and technical services	535,258	350,342	0	350,342	885,600
Property services	201,082	23,657	11,828	35,485	236,567
Transportation services (including contracted)	1,216,437	3,722	0	3,722	1,220,159
Insurance	54,239	12,039	0	12,039	66,278
Communication and memberships	16,563	4,084	11,659	15,743	32,306
Other purchased services	44,429	0	0	0	44,429
General supplies	376,897	26,193	0	26,193	403,090
Books and periodicals	176	0	0	0	176
Warehouse and food services	577,582	0	0	0	577,582
Utilities and energy service	142,819	0	0	0	142,819
Capital outlay	24,600	2,398	0	2,398	26,998
Depreciation	130,717	120,930	0	120,930	251,647
Debt interest and fees	57,807	0	0	0	57,807
Total Expenses	\$ <u>11,443,111</u>	\$ <u>1,976,443</u>	\$ <u>23,487</u>	\$ <u>1,999,930</u>	\$ <u>13,443,041</u>

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

## KC INTERNATIONAL ACADEMY

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

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Change in net assets	\$2,026,746
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	251,647
Increase (decrease) in:	
Payroll withholdings	<u>3,741</u>
Net cash from operating activities	2,282,134
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of property and equipment	(1,461,733)
Net cash from investing activities	(1,461,733)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Principal payments of note payable	<u>(98,728)</u>
Net cash from financing activities	<u>(98,728)</u>
Net increase in cash	721,673
Cash, beginning of year	<u>6,212,076</u>
Cash, end of year	\$ <u>6,933,749</u>
<u>SUPPLEMENTAL DISCLOSURE:</u>	
Cash paid for interest	\$57,807

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

**KC INTERNATIONAL ACADEMY**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**KC INTERNATIONAL ACADEMY**

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: ORGANIZATION

KC International Academy (the “Academy”) is a not-for-profit public benefit corporation organized under Chapter 355, RSMo and governed by Senate Bill No. 781 of the 89<sup>th</sup> General Assembly of the Missouri legislature. The corporation operates a charter school, which is sponsored by University of Central Missouri. The Academy is exempt from most Missouri laws and statutes governing educational institutions. The aforementioned Senate Bill No. 781 governs it. Effective July 15, 2015, the Academy received exemption from federal income taxes under Internal Revenue Code Section 501(c)(3).

The Academy has only one program service which is the operation of a charter school. The Academy’s charter provides for the education of low income, disadvantaged, at-risk students in kindergarten through eighth grades. Approximately 80% to 90% of the Academy’s funding is provided from state and federal funds received from the Missouri Department of Elementary and Secondary Education.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## A. Basis of Accounting

The financial statements are presented on the modified cash basis of accounting. This basis recognizes assets, liabilities, net assets, revenues and expenses when they result from cash transactions with a provision for recording property and equipment, depreciation, payroll withholdings, and long-term liabilities, such as promissory notes, which are recognized when incurred. Accordingly, the accompanying financial statements are not intended to present financial position or results of operations in accordance with accounting principles generally accepted in the United States of America.

## B. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Academy considers all highly-liquid investments without donor restrictions with an initial maturity of three months or less to be cash equivalents.

## C. Certificates of Deposit

Certificates of deposit held by the Academy are valued and reported at historical cost at the time of purchase. The historical cost approximates market value.

## D. Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Academy to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at a high-quality financial institution and accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. To protect cash accounts with balances exceeding the FDIC coverage limit, the Academy was pledged securities as collateral at June 30, 2023, resulting in \$0 in uninsured balances at the institution. The Academy has not experienced any losses on its cash held at the financial banking institutions.

## KC INTERNATIONAL ACADEMY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## E. 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 using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Building and improvements	15-40 years
Land improvements	15 years
Equipment	5-7 years

## F. Compensated Absences

Paid days off (PDO) leave is considered an expenditure in the year paid in accordance with the modified cash basis of accounting and therefore no liability has been accrued at year-end. Non-teaching support staff earn a maximum of ten days annually. Based on the number of years employed by the Academy, certified staff members earn the following PDO's per contract year:

1 <sup>st</sup> contract year	11 days	3 <sup>rd</sup> contract year	14 days
2 <sup>nd</sup> contract year	12 days	4 <sup>th</sup> contract year	15 days

Employees may only carry over a maximum of five PDO's to the next school year. Any days accrued beyond five may be sold back to the Academy at the end of the school year at rate of \$50 per day.

## G. Net Assets

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

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other program or events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. The Academy reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. As of June 30, 2023, the Academy had \$0 in net assets with donor restrictions.

## KC INTERNATIONAL ACADEMY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## G. Net Assets (continued)

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

## H. Revenue Recognition

All contributions are considered available for use within the Academy’s general programs unless specifically restricted by the donor. In accordance with the modified cash basis of accounting, the Academy immediately recognizes all revenue at the time of receipt.

## I. Income Taxes

The Academy is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and comparable state law as charitable organizations whereby only unrelated business income, as defined by Section 509(a)(2) of the Code, is subject to federal income tax. The Academy currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Academy has adopted provisions of FASB standard on Accounting for Uncertainty in Income Taxes (ASC 740-10-25). The Academy does not believe there are any material uncertain tax provisions and, accordingly, they will not recognize any liability for unrecorded tax benefits. For the year ended June 30, 2023, there was no interest or penalties recorded in the financial statements

## J. Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of support, revenue, and expenses-modified cash basis. The statement of functional expenses-modified cash basis present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited and, in some cases, to one or more program or supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include technical services, property services, and depreciation. Property services and depreciation are allocated based on estimated square footage, and technical services are allocated based on estimated project and purpose usage.

## K. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## KC INTERNATIONAL ACADEMY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## L. Subsequent Events

The Academy has evaluated subsequent events through November 2, 2023, the date which the financial statements were available to be issued.

NOTE 3: LIQUIDITY RESOURCE MANAGEMENT

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

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

Cash and cash equivalents	\$ 6,933,749
Certificates of deposit	<u>20,000</u>
Total	\$ <u>6,953,749</u>

NOTE 4: CAPITAL ASSETS

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

Building and improvements	\$ 5,095,026
Equipment	1,023,141
Land	141,196
Vehicles	<u>160,799</u>
	6,420,162
Less: Accumulated depreciation	<u>(1,728,732)</u>
Total Capital Assets, net	\$ <u>4,691,430</u>

Depreciation expense for the year ended June 30, 2023 was \$251,647. The expense was allocated across related functions: \$130,717 to instruction as program services and \$120,930 to operation of plant as general and administrative activities.

## KC INTERNATIONAL ACADEMY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 5: NOTE PAYABLE

Effective August 3, 2018, the Academy signed a promissory note for \$1,726,766 with a fixed interest rate of 4.25% as debt financing for the purchase of the Academy's primary school building. The note is secured with the building as collateral. The note requires monthly principal and interest payments of \$13,045 for 60 months beginning September 2018 and balloon payment due on August 3, 2023 of unpaid principal and interest. Effective August 3, 2023, the Academy signed a 5-year loan extension with a new maturity of August 3, 2028. The unpaid principal balance was \$1,283,818 as of June 30, 2023. Interest paid for the year ended June 30, 2023 was \$57,807. The future scheduled principal payments on the note are as follows:

<u>Year ending June 30,</u>	
2024	\$ 50,208
2025	53,539
2026	57,314
2027	61,356
2028	65,488
Thereafter	<u>995,913</u>
Total	\$ <u>1,238,818</u>

NOTE 6: OPERATING LEASE*Copier Equipment*

Effective July 2021, the Academy signed a non-cancelable 60-month lease agreement for copier equipment and maintenance. The lease requires monthly payments of \$1,571 through June 2026. Lease expense for the year ended June 30, 2023 was \$21,650. Future minimum operating lease payments (assuming non-cancellation) are as follows:

<u>Year ending June 30,</u>	
2024	\$ 18,856
2025	18,856
2026	<u>18,856</u>
Total	\$ <u>56,568</u>

NOTE 7: INSURANCE

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

## KC INTERNATIONAL ACADEMY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: RETIREMENT PLAN

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

*Benefits Provided*

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

*Contributions*

Employers are required to match the contributions made by members. The contribution rate is set each year by the KCPSRS Board of Trustees within the contribution restrictions set in Section 169.350.4 and 169.291.16 RSMo. The rate may be changed in increments not to exceed 0.5% of pay each year. Effective January 1, 2020, members of Plan B and C contributed at 12.0% of annual compensation. The Academy’s contributions to KCPSRS were \$819,193 for the year ended June 30, 2023.

NOTE 9: CLAIMS AND ADJUSTMENTS

The Academy participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. As of June 30, 2023, a significant amount of disbursements had not been audited by grantor governments but the Academy believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on the overall financial position of the Academy.

Draft  
11/8/23

**SUPPLEMENTARY INFORMATION**

## KC INTERNATIONAL ACADEMY

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES –  
MODIFIED CASH BASIS – BY FUND

June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,933,749	\$ 0	\$ 0	\$ 6,933,749
Certificates of deposit	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
Total Assets	<u>\$ 6,953,749</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,953,749</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Payroll liabilities	\$ 24,404	\$ 0	\$ 0	\$ 24,404
Unassigned fund balance	<u>6,929,345</u>	<u>0</u>	<u>0</u>	<u>6,929,345</u>
Total Liabilities and Fund Balances	<u>\$ 6,953,749</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,953,749</u>
Unassigned fund balance				\$ 6,929,345
Total capital assets, net on the Statement of Assets, Liabilities and Net Assets				4,691,430
Total note payable liability on the Statement of Assets, Liabilities and Net Assets				(1,283,818)
Net assets without donor restrictions on the Statement of Assets, Liabilities and Net Assets				<u>\$10,336,957</u>

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

*See Independent Auditor's Report*

## KC INTERNATIONAL ACADEMY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES  
MODIFIED CASH BASIS – BY FUND

For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
<b>RECEIPTS:</b>				
Local	\$ 1,156,141	\$ 467,632	\$ 0	\$ 1,623,773
State	3,379,891	6,898,214	0	10,278,105
Federal	<u>3,567,909</u>	<u>0</u>	<u>0</u>	<u>3,567,909</u>
Total Receipts	8,103,941	7,365,846	0	15,469,787
<b>DISBURSEMENTS:</b>				
Instruction	1,305,966	5,896,838	73,365	7,276,169
Support services – Student Services	611,550	81,035	0	692,585
Support services – Instructional Staff Support	168,681	573,286	0	741,967
Support services – General Administration	697,975	450,533	2,398	1,150,906
Support services – Building Level Admin	4,522	364,154	0	368,676
Business Support Services	254,358	0	0	254,358
Operation and Maintenance Plant Services	835,831	0	18,354	854,185
Student Transportation	1,094,990	0	111,400	1,206,390
Food Services	578,934	0	0	578,934
Support Services – Central Office	42,283	0	0	42,283
Community Services	27,292	0	0	27,292
Building Improvements	0	0	1,398,709	1,398,709
Debt Service – Principal & Interest	<u>0</u>	<u>0</u>	<u>156,536</u>	<u>156,536</u>
Total Disbursements	<u>5,625,247</u>	<u>7,365,846</u>	<u>1,760,762</u>	<u>14,751,855</u>
Receipts Over (Under) Disbursements	2,478,694	0	(1,760,762)	717,932
Other Financing Sources (Uses):				
Transfers In	0	0	1,760,762	1,760,762
Transfers Out	(1,760,762)	<u>0</u>	<u>0</u>	<u>(1,760,762)</u>
Total Other Financing Sources (Uses)	<u>(1,760,762)</u>	<u>0</u>	<u>1,760,762</u>	<u>0</u>
Net Changes in Fund Balance	717,932	0	0	717,932
Fund Balance – June 30, 2022	<u>6,211,413</u>	<u>0</u>	<u>0</u>	<u>6,211,413</u>
Fund Balance – June 30, 2023	<u>\$ 6,929,345</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,929,345</u>
Net changes in fund balance				\$ 717,932
Changes in:				
Capital assets – purchases and depreciation				1,210,086
Note payable liability – principal payments				<u>98,728</u>
Change in net assets on the Statement of Support, Revenue and Expenses				\$ <u>2,026,746</u>

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

See Independent Auditor's Report

## KC INTERNATIONAL ACADEMY

SCHEDULE OF RECEIPTS COLLECTED BY SOURCE –  
MODIFIED CASH BASIS – BY FUND

For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
<b>LOCAL:</b>				
Sales tax (Prop C)	\$ 779,386	\$ 467,632	\$ 0	\$ 1,247,018
Interest income	720	0	0	720
Student activities	516	0	0	516
Gifts and contributions	347,681	0	0	347,681
Other	<u>27,838</u>	<u>0</u>	<u>0</u>	<u>27,838</u>
Total Local	1,156,141	467,632	0	1,623,773
<b>STATE:</b>				
Basic formula	2,767,542	6,898,214	0	9,665,756
Transportation	331,440	0	0	331,440
Classroom trust fund	278,939	0	0	278,939
Food services	<u>1,970</u>	<u>0</u>	<u>0</u>	<u>1,970</u>
Total State	3,379,891	6,898,214	0	10,278,105
<b>FEDERAL:</b>				
Medicaid	200,166	0	0	200,166
Assistive Technology	1,317	0	0	1,317
ARP IDEA	27,725	0	0	27,725
IDEA Special education	130,120	0	0	130,120
Food services	731,132	0	0	731,132
ESEA Title I.A	385,690	0	0	385,690
ESEA Title II.A	43,182	0	0	43,182
ESEA Title III	49,609	0	0	49,609
ESEA Title IV.A	31,990	0	0	31,990
CARES ESSER II	518,084	0	0	518,084
ARP ESSER III	1,448,644	0	0	1,488,644
Refugee Children	<u>700</u>	<u>0</u>	<u>0</u>	<u>700</u>
Total Federal	<u>3,567,909</u>	<u>0</u>	<u>0</u>	<u>3,567,909</u>
Total Receipts	\$ <u>8,103,941</u>	\$ <u>7,365,846</u>	\$ <u>0</u>	\$ <u>15,469,787</u>

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

*See Independent Auditor's Report*

## KC INTERNATIONAL ACADEMY

SCHEDULE OF DISBURSEMENTS BY OBJECT –  
MODIFIED CASH BASIS – BY FUND

For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Salaries and wages	\$ 1,700,810	\$ 5,884,786	\$ 0	\$ 7,585,596
Retirement	167,594	651,599	0	819,193
Payroll taxes	126,429	436,892	0	563,321
Employee insurance	112,438	392,569	0	505,007
Other employee benefits	24,465	0	0	24,465
Professional and technical services	885,600	0	0	885,600
Property services	236,567	0	0	236,567
Transportation services (including contracted)	1,108,759	0	111,400	1,220,159
Insurance	66,278	0	0	66,278
Communication and memberships	32,306	0	0	32,306
Other purchased services	44,429	0	0	44,429
General supplies	398,995	0	4,095	403,090
Books and periodicals	176	0	0	176
Warehouse and food service	577,582	0	0	577,582
Utilities and energy service	142,819	0	0	142,819
Capital outlay	0	0	1,488,731	1,488,731
Debt interest and fees	0	0	156,536	156,536
Total Disbursements	<u>\$ 5,625,247</u>	<u>\$ 7,365,846</u>	<u>\$ 1,760,762</u>	<u>\$ 14,751,855</u>

## Changes in:

Capital assets – purchases and depreciation	(1,210,086)
Note payable liability – principal payments	<u>(98,728)</u>
Total Expenses on the Statement of Support, Revenue, and Expenses	<u>\$ 13,443,041</u>

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

*See Independent Auditor's Report*

## KC INTERNATIONAL ACADEMY

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

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Number	FAIN Number	Pass- Through Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Pass-through Missouri Dept of Elementary &amp; Secondary Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	20232N119943	048-912	\$ 156,718
School Breakfast Program	10.553	20221N119943	048-912	64,030
National School Lunch Program	10.555	20210N109943	048-912	335,462
National School Lunch Program	10.555	20221N119943	048-912	<u>137,412</u>
Total Child Nutrition Cluster				693,622
Fresh Fruit and Vegetable Program	10.582	2023L160343	048-912	<u>37,510</u>
Total U.S. Department of Agriculture				731,132
<u>U.S. Department of Education</u>				
<i>Pass-through Missouri Dept of Elementary &amp; Secondary Education:</i>				
COVID-19 CRRSA Act Education Stabilization Fund (ESSER II)	84.425D	S425D210021	048-912	459,037
COVID-19 ARP Act Education Stabilization Fund (ESSER III)	84.425U	S425U210021	048-912	1,584,234
COVID-19 ARP Act Homeless Children and Youth (HCY II)	84.425W	S425W210026	048-912	<u>7,018</u>
Total Education Stabilization Fund				2,050,289
Title I, Grants to LEAs	84.010A	S010A220025	048-912	227,783
Title I, Grants to LEAs	84.010A	S010A210025	048-912	157,907
Title II.A, Supporting Effective Instruction	84.367A	S367A220024	048-912	16,685
Title II.A, Supporting Effective Instruction	84.367A	S367A210024	048-912	26,497
Title III, English Language (LEP)	84.365A	S365A210025	048-912	37,395
Title III, English Language (LEP)	84.365A	S365A200025	048-912	12,215
Title IV, Student Support and Academic Enrichment	84.424A	S424A220026	048-912	11,822
Title IV, Student Support and Academic Enrichment	84.424A	S424A210026	048-912	20,168
Special Education Cluster (IDEA):				
IDEA, Part B - Special Education	84.027A	H027A220040	048-912	63,656
IDEA, Part B - Special Education	84.027A	H027A210040	048-912	78,298
COVID-19 ARP IDEA - Special Education	84.027X	H027X210040	048-912	<u>33,925</u>
Total Special Education Cluster				<u>175,879</u>
Total U.S. Department of Education				2,736,640
<u>U.S. Department of Health and Human Services</u>				
<i>Pass-through Missouri Dept of Elementary &amp; Secondary Education:</i>				
Every Student Succeeds Act/Preschool Development Grants	93.434	90TP0066	048-912	<u>700</u>
Total U.S. Department of Health and Human Services				<u>700</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ <u>3,468,472</u>

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

**KC INTERNATIONAL ACADEMY****NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2023**NOTE 1: GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of KC International Academy (the “Academy”) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Academy.

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

Expenditures reported on the Schedule are reported on the modified cash basis of accounting, which is described in Note 2 to the Academy’s financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

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

**NOTE 3: SUBRECIPIENTS**

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

Draft  
11/8/23

**INTERNAL CONTROL AND COMPLIANCE**

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
KC International 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 KC International Academy (the “Academy”) (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets-modified cash basis as of June 30, 2023, and the related statements of support, revenue, and expenses-modified cash basis, functional expenses-modified cash basis, and cash flows-modified cash basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 2, 2023.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy’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 Academy’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy’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 Academy’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kansas City, Missouri  
November 2, 2023

Marr and Company, P.C.  
Certified Public Accountants

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

Board of Directors  
KC International Academy  
Kansas City, Missouri

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited KC International Academy (the “Academy”) (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Academy’s major federal programs for the year ended June 30, 2023. The Academy’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Academy’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Academy’s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Marr and Company, P.C.  
Certified Public Accountants

Kansas City, Missouri  
November 2, 2023

## KC INTERNATIONAL ACADEMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2023**SECTION I: SUMMARY OF AUDITOR'S RESULTS***Financial Statement:*

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

*Federal Awards:*

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

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

**SECTION II: FINANCIAL STATEMENT FINDINGS**

No financial statement findings were reported.

**SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No federal award findings and questioned costs were reported.

**SECTION IV: RESOLUTIONS OF PRIOR YEAR AUDIT FINDINGS**

No audit findings were noted from the prior year.

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

Board of Directors  
KC International Academy  
Kansas City, Missouri

We have examined management’s assertion, included in its representation letter dated November 2, 2023, that the KC International Academy (the “Academy”) complied with the requirements of Missouri laws and regulations regarding accurate disclosure of the Academy’s records of average daily attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2023. Management is responsible for its assertion that the Academy complied with the aforementioned requirements. Our responsibility is to express an opinion on management’s assertion based on our examination.

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

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

We noted immaterial instances of noncompliance with the aforementioned requirements that we have reported to the administration of the Academy in the accompanying Schedule of State Findings. Our examination does not provide a legal determination on the Academy’s compliance with specified requirements.

In our opinion, management’s assertion that KC International Academy complied with the aforementioned requirements included in the Schedule of Selected Statistics for the year ended June 30, 2023, are fairly stated, in all material respects.

Marr and Company, P.C.  
Certified Public Accountants

Kansas City, Missouri  
November 2, 2023

KC INTERNATIONAL ACADEMY

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

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
6930	PK	PK	n/a	7.0000	177	1,327.5000
6930	K	08	n/a	6.7500	165	1,056.0000

**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
6930	PK	14,280.4667	0.0000	0.0000	0.0000	0.0000	14,280.4667
6930	K	70,674.1998	0.0000	0.0000	0.0000	2,052.9500	72,727.1498
6930	1	64,475.0836	0.0000	0.0000	0.0000	1,830.0000	66,305.0836
6930	2	64,916.8003	0.0000	0.0000	0.0000	2,985.3000	67,902.1003
6930	3	68,669.6501	0.0000	0.0000	0.0000	3,334.4833	72,004.1334
6930	4	69,081.6501	0.0000	0.0000	0.0000	2,610.0000	71,691.6501
6930	5	67,482.6232	0.0000	0.0000	0.0000	2,653.4833	70,136.1065
6930	6	59,186.6353	0.0000	0.0000	0.0000	2,123.0000	61,309.6353
6930	7	68,097.0150	0.0000	0.0000	0.0000	2,177.7500	70,274.7650
6930	8	73,394.2834	0.0000	0.0000	0.0000	2,530.0000	75,924.2834
<b>Grand Total</b>		<u>620,258.4075</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>17,072.0000</u>	<u>642,555.3741</u>

**KC INTERNATIONAL ACADEMY**  
**SCHEDULE OF SELECTED STATISTICS**  
 For the Year Ended June 30, 2023

**3. SEPTEMBER MEMBERSHIP**

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
6930	PK	16.00	0.00	0.00	16.00
6930	K	75.00	0.00	0.00	75.00
6930	1	72.00	0.00	0.00	72.00
6930	2	67.00	0.00	0.00	67.00
6930	3	76.00	0.00	0.00	76.00
6930	4	71.00	0.00	0.00	71.00
6930	5	71.00	0.00	0.00	71.00
6930	6	63.00	0.00	0.00	63.00
6930	7	75.00	0.00	0.00	75.00
6930	8	79.00	0.00	0.00	79.00
<b>Grand Total</b>		<u>665.00</u>	<u>0.00</u>	<u>0.00</u>	<u>665.00</u>

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

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
6930	644.00	0.00	0.00	0.00	644.00
<b>Grand Total</b>	<u>644.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>644.00</u>

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

**5. FINANCE**

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

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

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

**5. FINANCE (CONTINUED)**

Section	Question	Answer
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. ( <u>Not applicable to charter schools.</u> )	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. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	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. ( <u>Not applicable to charter schools.</u> )	N/A
5.10	The charter school published a summary of the prior year’s audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	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. ( <u>Not applicable to charter schools.</u> )	N/A
5.12	The amount spent for approved professional development committee plan activities was:	N/A
5.13	The charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

Notes:	The Academy has insurance coverage for employee theft instead of a purchased surety bond (Section 5.5)
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All above “False” answers **must** be supported by a finding or management letter comment.

Finding:	None noted	
Management Letter Comment:	None noted	

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

**6. TRANSPORTATION (SECTION 163.161, RSMO)**

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	<b>True</b>
6.2	The charter school’s pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	<b>False</b>
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	<b>True</b>
	Eligible ADT	<u>583.50</u>
	Ineligible ADT	<u>0.00</u>
6.4	The charter school’s transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	<b>True</b>
6.5	Actual odometer records show the total charter-operated and contracted mileage for the year was:	<u>103,103</u>
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	<b>True</b>
	Eligible Miles	<u>98,863</u>
	Ineligible Miles (Non-Route/Disapproved)	<u>4,240</u>
6.7	Number of days the charter school operated the school transportation system during the regular school year:	<u>165</u>

Notes:	none
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All above “False” answers **must** be supported by a finding or management letter comment.

Finding:	MO23-01
Management Letter Comment:	None noted

**KC INTERNATIONAL ACADEMY****SCHEDULE OF STATE FINDINGS**

For the Year Ended June 30, 2023

Prior year

During our audit, we noted that the contracted transportation company estimates the number of eligible route miles by taking the actual readings for one day during the month and multiplying them by the number of operating days the students are transported during that month. We noted that the contracted transportation company did use odometer readings, however the odometer readings reflected a much larger mileage number than what was estimated using the method previously stated. Although this method provides materially correct information, state transportation regulations require that schools report actual route miles for the year by taking odometer readings. We recommend the Academy review the data from the contracted transportation company to ensure accurate reporting and follows state transportation regulations.

Resolved: Yes in the current year.

Current yearFinding MO23-01 - Transportation

During our audit, we noted the student ridership listings used to report the October and February count days did not clearly identify the students that were considered regular riders and those that were excluded. Although this method provides materially correct information, state transportation regulations require that schools report actual ridership counts during October and February. We recommend the School review the data from the contracted transportation company to ensure accurate reporting and follow state transportation regulations.

Auditee's Response:

The Academy contracts its transportation services through a third-party vendor. The vendor is selected using a request for proposal process. Pursuant to its agreement with the Academy, the transportation vendor is required to comply with the Pupil Transportation Laws of the State of Missouri and Regulations and Standards of the Missouri Department of Elementary and Secondary Education (DESE). The selected vendor is required to make and furnish the Academy such reports as required or reasonably requested by the Missouri DESE.

The Academy advised the vendor of its continuing obligation to report accurate ridership and that failure to do so could result in termination of the agreement. The Academy reviewed the Missouri State Transportation Aid Document Preparation Manual and correspondence with DESE, so as to create a process that the vendor needs to follow. To date, the Academy continues to seek to identify evidence that supports that the vendor is able to comply with the process developed to ensure the Academy receives accurate ridership information. In the absence of this evidence, the Academy will continue to guide the vendor in providing the needed ridership information through frequent, proactive communication outlining the specific request, followed by clarifying correspondence when the information provided is in question.