

DE LA SALLE EDUCATION CENTER
Kansas City, Missouri

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT

June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of DeLaSalle Education Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Board of Directors
DeLaSalle Education Center

Opinion

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

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in the Table of Contents under Supplementary Information on pages 16-19 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 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 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 November 5, 2021 on our consideration of DeLaSalle Education Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DeLaSalle Education Center's internal control over financial reporting and compliance.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
November 5, 2021

DE LA SALLE EDUCATION CENTER

STATEMENT OF FINANCIAL POSITION

June 30, 2021

ASSETS

Current Assets:	
Cash	\$ 723,694
State Formula receivable	116,847
Contributed facility usage – School building	205,812
Prepaid expenses	<u>10,730</u>
Total Current Assets	1,057,083
Noncurrent contributed facility usage – School building	3,588,447
Property and equipment, net of accumulated depreciation	<u>147,264</u>
Total Assets	\$ <u>4,792,794</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 23,291
Note payable	<u>191,384</u>
Total Current Liabilities	214,675
Net Assets:	
Without donor restrictions	783,860
With donor restrictions	<u>3,794,259</u>
Total Net Assets	<u>4,578,119</u>
Total Liabilities and Net Assets	\$ <u>4,792,794</u>

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

DE LA SALLE EDUCATION CENTER

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
SUPPORT, REVENUE & OTHER INCOME:			
Contributions and donations	\$ 646,051	\$ 0	\$ 646,051
State aid receipts	1,336,422	0	1,336,422
Federal grants and contracts	485,031	0	485,031
Sales tax (Proposition C)	116,958	0	116,958
Other income	<u>125,416</u>	<u>0</u>	<u>125,416</u>
Total Support, Revenue, and Other Income	2,709,878	0	2,709,878
 <u>Expenses:</u>			
Program services	1,663,916	0	1,663,916
 Supporting activities:			
General and administrative	896,505	0	896,505
Fundraising	<u>21,614</u>	<u>0</u>	<u>21,614</u>
Total Supporting activities	<u>918,119</u>	<u>0</u>	<u>918,119</u>
Total Expenses	<u>2,582,035</u>	<u>0</u>	<u>2,582,035</u>
 Net Assets Released from Restrictions	 <u>203,009</u>	 <u>(203,009)</u>	 <u>0</u>
Change in Net Assets	330,852	(203,009)	127,843
 NET ASSETS, BEGINNING OF YEAR	 <u>453,008</u>	 <u>3,997,268</u>	 <u>4,450,276</u>
 NET ASSETS, END OF YEAR	 <u>\$ 783,860</u>	 <u>\$ 3,794,259</u>	 <u>\$ 4,578,119</u>

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

DE LA SALLE EDUCATION CENTER

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Program <u>Services</u>	Supporting Activities			<u>Total</u>
		<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total Supporting Activities</u>	
Salaries and wages	\$ 703,089	\$ 444,170	\$ 0	\$ 444,170	\$ 1,147,259
Retirement	81,369	52,964	0	52,964	134,333
Payroll taxes	51,939	33,235	0	33,235	85,174
Employee insurance	38,391	15,467	0	15,467	53,858
Other employee benefits	0	7,128	0	7,128	7,128
Professional and technical services	214,253	268,151	0	268,151	482,404
Property services	258,903	30,459	15,230	45,689	304,592
Transportation services (contracted)	13,293	0	0	0	13,293
Insurance	32,080	26,190	0	26,190	58,270
Communication and memberships	10,510	765	6,384	7,149	17,659
General supplies	135,054	17,976	0	17,976	153,030
Books and periodicals	17,605	0	0	0	17,605
Food related service	624	0	0	0	624
Utilities, energy service	92,629	0	0	0	92,629
Depreciation expense	<u>14,177</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,177</u>
Total Expenses	<u>\$ 1,663,916</u>	<u>\$ 896,505</u>	<u>\$ 21,614</u>	<u>\$ 918,119</u>	<u>\$ 2,582,035</u>

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

DE LA SALLE EDUCATION CENTER

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 127,843
Adjustments to reconcile change in net assets to net cash flows from operating activities –	
Depreciation	14,177
Noncash expense – facility usage	203,009
(Increase)/decrease in assets:	
State Formula receivable	(110,249)
Prepaid expenses	(590)
Increase/(decrease) in liabilities:	
Accounts payable	<u>3,192</u>
Net Cash Flows from Operating activities	<u>237,382</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	<u>(33,500)</u>
Net Cash Flows from Investing activities	<u>(33,500)</u>

Net Increase in Cash 203,882

Cash, Beginning of Year 519,812

Cash, End of Year \$ 723,694

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

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1: ORGANIZATION

DeLaSalle Education Center (the “Center”) is a not-for-profit public benefit corporation organized on June 30, 1971 under Chapter 355, RSMo and governed by Senate Bill No. 781 of the 89th General Assembly of the Missouri legislature. The Center is exempt from most Missouri laws and statutes governing educational institutions. The aforementioned Senate Bill No. 781 governs it. The corporation operates a charter school under the name DeLaSalle Charter High School. The Center was sponsored by University of Missouri – Kansas City (UMKC) until June 30, 2018. The Center transferred sponsorship to Missouri Charter Public School Commission effective July 1, 2018 following the relinquishment of sponsorship by UMKC. The Center received notification in April 2020 of the sponsorship renewal approval by the Missouri State Board of Education. The Center charter school agreement is effective July 1, 2020 for five years until the school year ending June 30, 2025.

The Center’s charter agreement provides for the education of urban, disadvantaged, at-risk students in ninth through twelfth grades. Approximately 55-65% of the Center’s funding is provided from State and Federal funds received from the Missouri Department of Elementary and Secondary Education (“DESE”). Other support is provided by contributions and grants from foundations and individuals.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statement Presentation

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

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

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

B. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Center considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Concentration of Credit Risk

Cash is maintained at a high-quality financial institution and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Center had \$473,636 in excess of federally insured limits as of June 30, 2021. The Center has not experienced any losses on such deposit accounts at the financial institution and believes it is not exposed to any significant credit risk on cash.

D. Capital Assets

All property and equipment are recorded at cost if purchased and fair value if donated. Repairs and related maintenance are charged to operations as incurred. The Center has capitalized assets with a dollar amount above \$1,000 and a useful life greater than three years. Depreciation is calculated over the estimated useful lives of the respective assets on a straight-line basis.

	<u>Years</u>
Furniture and equipment	5-7
Vehicles	5-7
Leasehold building improvements	7-20

E. State Formula Receivable and Liability Advance

Basic formula funding from DESE received during the fiscal year is based on the reported average daily attendance (“ADA”) and weighted ADA. Following the completion of the school year, the Center submits the final weighted ADA amounts to DESE, and the calculated total funding is compared to the aggregate amount received. A receivable or liability is reported on the Statement of Financial Position depending on the calculation as of June 30th.

F. Contributions

The Center has elected to report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported on the statement of activities as net assets released from restriction. Promises to give are recognized as income when the promise is received.

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

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Noncash Contributions and Contributed Services

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

H. Functional Expense Allocation

The costs of providing programs and other activities have been summarized on a functional basis in the Statement of Support, Revenue, and Expenses. The Statement of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited and, in some cases, to one or more program or supporting functions. The Center has only one program service which is the operation of a charter school. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include technical services, property services, and depreciation. Property services and depreciation are allocated based on estimated square footage, and technical services are allocated based on estimated project and purpose usage.

I. Income Taxes

The Center is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Center has been classified as a publicly-supported entity, which is not a private foundation under Section 509(a) of the Code. The Center has adopted the provisions of the FASB ASC 740-10 as it might apply to their financial transactions. The Center's policy is to record a liability for any tax provision that is beneficial to the Center, including any related interest and penalties, when it is more likely than not the position taken by management with respect to the transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2021, and accordingly, no liability has been accrued.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from these estimates.

K. Subsequent Events

The Center has evaluated subsequent events through November 5, 2021, the date which the financial statements were available to be issued.

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 3: CAPITAL ASSETS

Capital assets as of June 30, 2021 consisted of the following:

Land	\$ 37,187
Leasehold building improvements	140,882
Furniture and equipment	345,515
Vehicles	<u>70,185</u>
Gross capital assets	593,769
Less: Accumulated depreciation	<u>446,505</u>
Total Capital Assets, net	\$ <u>147,264</u>

Depreciation expense for the year ended June 30, 2021 was \$14,177, which was allocated to the related functions:

Instruction	\$ 725
Operation of plant	10,603
Food services	<u>2,849</u>
	\$ <u>14,177</u>

NOTE 4: NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from restrictions satisfied through the passage of time during the year ended June 30, 2021:

Contributed school building facility rent recognized	\$ <u>203,009</u>
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NOTE 5: RETIREMENT PLAN

Public School Retirement System of the School District of Kansas City, Missouri (“KCPSRS”) is a mandatory cost-sharing multiple employer defined benefit pension plan (the “Plan”), which was established by the General Assembly of the State of Missouri and is exempt from the provisions of the Employee Retirement Income Security Act of 1974. The 12-member Board of Trustees of KCPSRS administers and operates the Plan in accordance with the statutes of the State of Missouri. Participation is mandatory for employees of the Kansas City, Missouri Public School District, the Kansas City Public Library and the Public School Retirement System.

All regular, full-time employees of the participating employers become members of the Plan as a condition of employment, if they are in a position requiring at least 25 hours of work per week and nine calendar months per year. Employees hired before or during 1961 are members of Plan A. As of December 31, 2014, there are no longer any members of Plan A receiving benefits. Employees hired after January 1, 2014, are members of Plan C. The most recent audited financial statements and actuarial valuation report are located on KCPSRS’ website at www.kcpsrs.org.

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5: RETIREMENT PLAN (continued)

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.

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 Center's contributions to KCPSRS were \$134,333 for the year ended June 30, 2021.

NOTE 6: OPERATING LEASE OBLIGATIONS

School Building Facility

During June 2018, the lease agreement for the school building used for operations and related terms were assigned to School Smart KC Educational Support, Inc. ("SSKC") and a new sub-tenant agreement became effective for the Center with quarterly rental payments due to SSKC. Effective October 1, 2019, a new triple net lease agreement was signed in December 2019 between SSKC and the Center. The new lease agreement included the termination of the existing sub-tenant lease agreement and established a new base rent of \$0 owed to SSKC through the end of the lease term of June 30, 2042. The Center is responsible for maintenance, improvements, insurance, utilities and other operating expenses of the premises. Beginning October 1, 2020, the Center was required annually to deposit an amount equal to \$1 per square foot of the building facility into a replacement reserve fund that is controlled by SSKC with the sole right to withdrawal and have final decisions on the use of the funds. The Center must maintain the following to ensure it does not default on the lease: 1) minimum ADA each semester of 70%, 2) track post-departure for at least 90% of the students, and 3) maintain 3% financial reserve monthly. Additional covenants are listed in the agreement. As noted in Note 7, the Center recognized the fair value of the donated facility usage with a long-term contributed facility usage receivable discounted for the lease term and the annual in-kind rent expense to be recognized based on the original lease schedule with SSKC. The amount of in-kind facility rent expense for the year ended June 30, 2021 was \$203,009.

Copier Equipment

The Center signed a lease agreement for copier equipment rented at \$1,525 per month over a 63-month period beginning November 2016 to October 2021. Maintenance and overage limits would be billed in addition to the base rental fee. Total lease expense for the year ended June 30, 2021 was \$16,548.

The future scheduled lease payments for the copier equipment are as follows:

<u>Year Ending June 30,</u>	
2022	\$ <u>6,098</u>

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: CONTRIBUTED FACILITY USAGE – SCHOOL BUILDING

As noted above in Note 6, SSKC began contributing the current school building to the Center on a lease agreement with a monthly base rent of \$0 effective October 1, 2019. The estimated fair value of the contributed facilities was recorded as a gift in the period the lease was executed and is discounted to its present value at that time. The estimated value of this contribution was \$4,847,790 and the total discount amount was \$732,393 based on the previous lease payment schedule through June 30, 2042 for 22.5 years discounted at a rate of 1.69%, which represented the 52-weeks bank discount rate for U.S. Treasury Bills (T-bills) on October 1, 2019. The contribution receivable related to the right to use these facilities was \$3,794,259 as of June 30, 2021 with \$205,812 as current portion and \$3,588,447 as noncurrent portion.

Facility usage recognized as an expense for the year ended June 30, 2021, was \$203,009.

The contribution receivable for facility usage as of June 30, 2021 is a net asset with donor restrictions. Management believes that no allowance for doubtful accounts is necessary for this receivable.

The following reflects the contribution receivable and the related discount amortization as of June 30, 2021:

	<u>Gross</u> <u>Receivable</u>	<u>Less</u> <u>Discount</u>	<u>Net</u> <u>Receivable</u>
Due in less than 1 year (FY 2022)	\$ 209,290	\$ 3,478	\$ 205,812
Due in 1 to 5 years (FY 2023 – 2027)	1,142,313	74,767	1,067,546
Due in 6 to 10 years (FY 2028 – 2032)	1,083,562	150,091	933,471
Due in 11 to 15 years (FY 2033 – 2037)	1,037,960	216,924	821,036
Due in 16 to 20 years (FY 2038 – 2042)	<u>1,053,526</u>	<u>287,132</u>	<u>766,394</u>
Total	<u>\$ 4,526,651</u>	<u>\$ 732,392</u>	<u>\$ 3,794,259</u>

NOTE 8: LIQUIDITY RESOURCE MANAGEMENT

The Center 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 Center 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, 2021, 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	\$ 723,694
State Formula receivable	<u>116,847</u>
Total financial assets	840,541
Less: Donor restricted net assets	(3,794,259)
Add: Contributed facility usage noncash	<u>3,794,259</u>
Net financial assets	<u>\$ 840,541</u>

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 9: PAYROLL PROTECTION PROGRAM LOAN

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Center signed a note payable with the U.S. Small Business Administration (“SBA”) in April 2020 for \$ 191,384 with a maturity date of April 11, 2022, the first payment deferred for six months, and annual interest rate of 1.0%. This note was available through the Paycheck Protection Program (the “PPP”) as a part of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) that offers cash-flow assistance to nonprofit and small business employers through guaranteed loans for certain expenses incurred between February 15, 2020, and June 30, 2020. The Center opted to select the 24-week period beginning on the date the loan proceeds were disbursed for eligible expenses through October 1, 2020. The PPP loan did not require collateral or personal guarantees and offers the ability to have a substantial portion of the principal amount forgiven when the Center uses the proceeds on eligible costs. The Center filed for loan forgiveness and received the official legal release and forgiveness from the SBA in July 2021. The Center reported the loan as a Note Payable in the financial statements and will recognize income in July 2021 when the loan was officially forgiven.

SUPPLEMENTARY INFORMATION

DE LA SALLE EDUCATION CENTER

BALANCE SHEET – BY FUND

June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash	\$ 723,694	\$ 0	\$ 0	\$ 723,694
State Formula receivable	116,847	0	0	116,847
Prepaid expenses	<u>10,730</u>	<u>0</u>	<u>0</u>	<u>10,730</u>
Total Assets	\$ <u>851,271</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>851,271</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 23,291	\$ 0	\$ 0	\$ 23,291
Note payable	<u>191,384</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>191,384</u>
Total Liabilities	214,675	0	0	214,675
Fund Balances:				
Unassigned	<u>636,596</u>	<u>0</u>	<u>0</u>	<u>636,596</u>
Total fund balance	<u>636,596</u>	<u>0</u>	<u>0</u>	<u>636,596</u>
Total Liabilities and Fund Balances	\$ <u>851,271</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>851,271</u>

See Accompanying Independent Auditor's Report

DE LA SALLE EDUCATION CENTER

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES – BY FUND
For the Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
<u>REVENUE:</u>				
Local	\$ 844,566	\$ 43,859	\$ 0	\$ 888,425
State	618,712	684,210	33,500	1,336,422
Federal	<u>485,031</u>	<u>0</u>	<u>0</u>	<u>485,031</u>
Total Revenue	1,948,309	728,069	33,500	2,709,878
<u>EXPENDITURES:</u>				
Instruction	378,716	567,201	0	945,917
Support services - Students	183,697	0	0	183,697
Support services - Instructional Staff	28,847	0	0	28,847
Support services - General Administration	572,598	50,514	0	623,112
Support services - Building Level Admin	1,848	110,354	0	112,202
Business Support Services	45,084	0	0	45,084
Fiscal Services	91,534	0	0	91,534
Operation and Maintenance Plant Services	312,283	0	0	312,283
Student Transportation	20,212	0	33,500	53,712
Food Services	624	0	0	624
Support services - Central Office	837	0	0	837
Community Services	500	0	0	500
Total Disbursements	<u>1,636,780</u>	<u>728,069</u>	<u>33,500</u>	<u>2,398,349</u>
Net Change in Fund Balance	311,529	0	0	311,529
Fund Balance – June 30, 2020	<u>325,067</u>	<u>0</u>	<u>0</u>	<u>325,067</u>
Fund Balance – June 30, 2021	\$ <u>636,596</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>636,596</u>

See Accompanying Independent Auditor's Report

DE LA SALLE EDUCATION CENTER

SCHEDULE OF RECEIPTS COLLECTED BY SOURCE – BY FUND
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
<u>LOCAL:</u>				
Sales tax (Proposition C)	\$ 73,099	\$ 43,859	\$ 0	\$ 116,958
Contributions and grants	646,051	0	0	646,051
Other income	<u>125,416</u>	<u>0</u>	<u>0</u>	<u>125,416</u>
Total Local	844,566	43,859	0	888,425
<u>STATE:</u>				
Basic formula	587,192	684,210	0	1,271,402
Classroom trust fund	6,162	0	33,500	39,662
Food services	108	0	0	108
Other	<u>25,250</u>	<u>0</u>	<u>0</u>	<u>25,250</u>
Total State	618,712	684,210	33,500	1,336,422
<u>FEDERAL:</u>				
Medicaid	38,393	0	0	38,393
CARES grants	124,554	0	0	124,554
IDEA Special education	39,294	0	0	39,294
ESEA Title I.A	266,004	0	0	266,004
ESEA Title II.A	6,786	0	0	6,786
ESEA Title IV.A	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
Total Federal	<u>485,031</u>	<u>0</u>	<u>0</u>	<u>485,031</u>
TOTAL ALL SOURCES	\$ <u>1,948,309</u>	\$ <u>728,069</u>	\$ <u>33,500</u>	\$ <u>2,709,878</u>

See Accompanying Independent Auditor's Report

DE LA SALLE EDUCATION CENTER

SCHEDULE OF EXPENDITURES PAID BY OBJECT – BY FUND
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Salaries and wages	\$ 560,942	\$ 586,317	\$ 0	\$ 1,147,259
Retirement	66,237	68,096	0	134,333
Payroll taxes	41,839	43,335	0	85,174
Employee insurance	27,092	26,766	0	53,858
Other employee benefits	3,573	3,555	0	7,128
Professional and technical services	482,404	0	0	482,404
Property services	101,583	0	0	101,583
Transportation services (contracted)	13,293	0	0	13,293
Insurance	58,270	0	0	58,270
Communication and memberships	17,659	0	0	17,659
General supplies	153,030	0	0	153,030
Books and periodicals	17,605	0	0	17,605
Food related service	624	0	0	624
Utilities, energy service	92,629	0	0	92,629
Capital outlay	<u>0</u>	<u>0</u>	<u>33,500</u>	<u>33,500</u>
Total Expenditures	\$ <u>1,636,780</u>	\$ <u>728,069</u>	\$ <u>33,500</u>	\$ <u>2,398,349</u>

See Accompanying Independent Auditor's Report

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
DeLaSalle Education Center
Kansas City, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of DeLaSalle Education Center (the “Center”), which comprise the statement of financial position as of June 30, 2021, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 5, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center’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 Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center’s internal control.

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

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

Board of Directors
DeLaSalle Education Center
Kansas City, Missouri

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center'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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
November 5, 2021



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

Board of Directors
DeLaSalle Education Center
Kansas City, Missouri

We have examined management's assertion, included in its representation letter dated November 5, 2021, that the of DeLaSalle Education Center (the "Center") complied with the requirements of Missouri laws and regulations regarding accurate disclosure of the Center'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, 2021. Management is responsible for its assertion that the Center complied with the aforementioned requirements. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Center's compliance with specified requirements.

In our opinion, management's assertion that the DeLaSalle Education Center complied with the aforementioned requirements included in the Schedule of Selected Statistics for the year ended June 30, 2021, are fairly stated, in all material respects.

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

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
November 5, 2021

County District Number: 048-923

DE LA SALLE EDUCATION CENTER

SCHEDULE OF SELECTED STATISTICS

For the Year Ended June 30, 2021

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
1970	09	12	n/a	6.3700	174	1,107.8000

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
1970	09	34,828.8168	0.0000	0.0000	0.0000	0.0000	34,828.8168
1970	10	24,231.6706	0.0000	0.0000	0.0000	0.0000	24,231.6706
1970	11	19,350.7084	0.0000	0.0000	0.0000	0.0000	19,350.7084
1970	12	73,139.7456	0.0000	0.0000	0.0000	1,410.0000	74,549.7456
Grand Total		<u>151,550.9414</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>1,410.0000</u>	<u>152,960.9414</u>

3. SEPTEMBER MEMBERSHIP

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
1970	09	35.00	0.00	0.00	35.00
1970	10	28.00	0.00	0.00	28.00
1970	11	19.00	0.00	0.00	19.00
1970	12	78.00	0.00	0.00	78.00
Grand Total		<u>160.00</u>	<u>0.00</u>	<u>0.00</u>	<u>160.00</u>

DE LA SALLE EDUCATION CENTER

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 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
1970	<u>168.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>168.00</u>

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

DE LA SALLE EDUCATION CENTER

SCHEDULE OF SELECTED STATISTICS

For the Year Ended June 30, 2021

5. FINANCE (CONTINUED)

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

Section	Question	Answer
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 treasurer 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.	N/A
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.	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. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (<u>Not applicable to charter schools.</u>)	N/A
5.12	The amount spent for approved professional development committee plan activities was:	\$N/A

DE LA SALLE EDUCATION CENTER

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2021

5. FINANCE (CONTINUED)

Section	Question	Answer
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 Center 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	

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 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:	True
	Eligible ADT	<u>6.50</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.	True
6.5	Actual odometer records show the total charter-operated and contracted mileage for the year was:	<u>9,951</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:	True
	Eligible Miles	<u>8,429</u>
	Ineligible Miles (Non-Route/Disapproved)	<u>1,522</u>

DE LA SALLE EDUCATION CENTER

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2021

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

Section	Question	Answer
6.7	Number of days the charter school operated the school transportation system during the regular school year:	<u>122</u>

Notes:	none
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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