

GENESIS SCHOOL, INC.
Kansas City, Missouri

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Genesis School, Inc.
Kansas City, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Genesis School, Inc. (a nonprofit organization) (the "School"), 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 Genesis School, Inc. 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 School 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Board of Directors
Genesis School, Inc.
Kansas City, Missouri

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 School'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 School'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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Board of Directors
Genesis School, Inc.
Kansas City, Missouri

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 17-22, 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 December 22, 2023, on our consideration of the School'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 the effectiveness of School'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 School's internal control over financial reporting and compliance.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 22, 2023

GENESIS SCHOOL, INC.

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS
June 30, 2023

<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,414,945
Investments	1,556,865
Capital assets, net of accumulated depreciation	<u>332,832</u>
Total Assets	\$ <u>3,304,642</u>
 <u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Payroll withholdings	\$ <u>12,498</u>
Total Liabilities	12,498
Net Assets:	
Without donor restrictions	<u>3,292,144</u>
Total Net Assets	<u>3,292,144</u>
Total Liabilities and Net Assets	\$ <u>3,304,642</u>

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

GENESIS SCHOOL, INC.

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUE:</u>			
Contributions and donations	\$ 161,470	\$ 0	\$ 161,470
County grant income	303,120	0	303,120
State aid receipts	2,792,187	0	2,792,187
Federal grants and contracts	1,605,343	0	1,605,343
Sales tax (Proposition C)	397,464	0	397,464
Interest income	92,229	0	92,229
Other income	<u>149,434</u>	<u>0</u>	<u>149,434</u>
Total Support and Revenue	5,501,247	0	5,501,247
<u>EXPENSES:</u>			
Program service – charter school operations	3,745,474	0	3,745,474
Supporting activities:			
General and administrative	1,254,859	0	1,254,859
Fundraising	<u>17,156</u>	<u>0</u>	<u>17,156</u>
Total Supporting activities	<u>1,272,015</u>	<u>0</u>	<u>1,272,015</u>
Total Expenses	5,017,489	0	5,017,489
Net assets released from restrictions	<u>50,276</u>	(50,276)	<u>0</u>
Change in Net Assets	534,034	(50,276)	483,758
Net Assets, Beginning of Year	<u>2,758,110</u>	<u>50,276</u>	<u>2,808,386</u>
Net Assets, End of Year	<u>\$ 3,292,144</u>	<u>\$ 0</u>	<u>\$ 3,292,144</u>

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

GENESIS SCHOOL, INC.

STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS

For the Year Ended June 30, 2023

	Charter School Operations	Supporting Activities			Total
		General & Administrative	Fundraising	Total Supporting Activities	
Salaries and wages	\$ 1,520,660	\$ 528,791	\$ 0	\$ 528,791	\$ 2,049,451
Retirement	171,283	59,359	0	59,359	230,642
Payroll taxes	113,849	40,098	0	40,098	153,947
Employee insurance	205,105	45,643	0	45,643	250,748
Other employee benefits	0	14,105	0	14,105	14,105
Professional and technical services	769,876	260,800	0	260,800	1,030,676
Property services	291,348	34,625	17,156	51,781	343,129
Transportation services (including contracted)	277,967	2,121	0	2,121	280,088
Insurance	0	71,032	0	71,032	71,032
Communication and memberships	20,062	2,072	0	2,072	22,134
Other purchased services	149,069	160,100	0	160,100	309,169
General supplies	70,139	7,928	0	7,928	78,067
Books and periodicals	7,655	0	0	0	7,655
Warehouse and food service	64,969	0	0	0	64,969
Utilities, energy service	4,043	0	0	0	4,043
Other supplies	56,347	23,459	0	23,459	79,806
Depreciation	<u>23,102</u>	<u>4,726</u>	<u>0</u>	<u>4,726</u>	<u>27,828</u>
Total Expenses	<u>\$ 3,745,474</u>	<u>\$ 1,254,859</u>	<u>\$ 17,156</u>	<u>\$ 1,272,015</u>	<u>\$ 5,017,489</u>

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

GENESIS SCHOOL, INC.

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	\$ 483,758
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	27,828
Increase (decrease) in:	
Payroll withholdings	<u>6,777</u>
Net cash flows from operating activities	518,363
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of investments	(126,970)
Sale of investments	74,143
Purchase of property and equipment	<u>(28,837)</u>
Net cash flows from investing activities	(81,664)
Net increase in cash	436,699
Cash and cash equivalents, beginning of year	<u>978,246</u>
Cash and cash equivalents, end of year	\$ <u>1,414,945</u>

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

GENESIS SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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GENESIS SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: ORGANIZATION

Genesis School, Inc. (the "School") is a not-for-profit public benefit corporation incorporated in March 1980 and organized under Chapter 355, RSMo and governed by Senate Bill No. 781 of the 89th General Assembly of the Missouri legislature. The School is a not-for-profit corporation whose purpose is to operate a public charter school and whose mission is to endow students with the knowledge, skills, and mindsets necessary to be successful in college preparatory high schools.

First established in 1975 as a VISTA program to assist students trying to attain GEDs, the School was first chartered in 1998 while operating as an alternative middle school serving students in grades 5 through 9. Renewed for 10 years in 2005, the School remained chartered as an alternative school, serving "high-risk" students, with a majority of students having been referred by the local school district or a community-based support program. Since the school was serving alternative students referred from a district and had a high transient rate, academic achievement and attendance were predictably low, with successful students transitioning back to their traditional school. In consultation with their sponsor at the time and given the demands of school accountability placed on the School as an independent LEA, in 2010 the School's Board of Directors altered the grade configuration to be K-8, which it has remained since 2010.

The School is exempt from most Missouri laws and statutes governing educational institutions. The aforementioned Senate Bill No. 781 governs it. The School was sponsored by the University of Missouri - Columbia with a charter school agreement effective July 1, 2020 for five school years ending June 30, 2025. Effective June 30, 2022, the School terminated the agreement with University of Missouri - Columbia and entered into an agreement with the Missouri Charter Public School Commission to transfer the sponsorship for the school years beginning July 1, 2022 and ending June 30, 2025.

Approximately 75-80% of the School's funding is provided from State and Federal funds received from the Missouri Department of Elementary and Secondary Education. Other support is provided through contributions and grant award receipts.

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 and related depreciation, certain other assets, and payroll withholdings, 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. 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.

GENESIS SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash and Cash Equivalents

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

D. Investments

Investments held by the School are valued and reported at cost at the time of purchase under the modified cash basis of accounting.

E. Concentrations of Credit and Market Risk

Financial instruments that potentially expose the School to concentrations of credit and market risk consist of cash and cash equivalents and investments. 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. As of June 30, 2023, the School held \$0 in uninsured balances at the institution. The School has not experienced any losses on its cash or cash equivalents held with the banking institutions.

Investments are made by diversified investment managers whose performance is monitored by the School and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the School believes that the investment policies and guidelines are prudent for the long-term welfare of the School.

F. Capital Assets

Capital assets are stated at historical cost if purchased or at the fair value at the date of donation in the case of donated assets. A capitalization threshold of \$1,000 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:

Buildings	40 years
Building improvements	5-20 years
Furniture and equipment	5-10 years
Vehicles	7-10 years

GENESIS SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Compensated Absences

The School has established a paid time off (PTO) plan for its eligible employees. Eligible instructional and support staff can earn a total of 96 hours of personal time off per school year cumulative to 12 days. Time is earned in intervals of 8 hours per month. Staff may carry over a maximum of 48 hours or 6 days into the next fiscal year. Amounts over 48 hours are paid out at hourly rates, up to 40 hours. Eligible administrative staff earn 8 hours per month for 0-3 years of service and 10 hours per month for over 3 years of service. Administrative staff may carry over a maximum of 48 hours with 0-3 years of service or 60 hours with over 3 years of service. PTO 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.

H. 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 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 School’s management and the School’s Board of Directors.

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 School 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 statement of activities as net assets released from restrictions. See Note 6 for detail of activity and balance at June 30, 2023.

I. Revenue Recognition

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

GENESIS SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Income Taxes

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(2) of the Code, is subject to federal income tax. The School currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The School has adopted provisions of FASB standard on Accounting for Uncertainty in Income Taxes (ASC 740-10-25). The School 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.

K. 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 presents 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.

L. Subsequent Events

The School has evaluated subsequent events through December 22, 2023, the date which the financial statements were available to be issued.

NOTE 3: LIQUIDITY RESOURCE MANAGEMENT

The School 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 School 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	\$ 1,414,945
Investments	<u>1,556,865</u>
Net available financial assets	<u>\$ 2,971,810</u>

GENESIS SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 4: INVESTMENTS

Investments are recorded at cost for financial reporting purposes. As of June 30, 2023, the School had the following investments:

Equity common stocks	\$ 107,869
Equity mutual funds	113,009
U.S. Treasury notes and bonds	539,979
Corporate bonds	396,817
Certificates of deposit	25,000
Fixed income mutual funds	<u>374,191</u>
Total investments	<u>\$ 1,556,865</u>

NOTE 5: CAPITAL ASSETS

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

Land	\$ 5,040
Buildings and improvements	432,565
Furniture and equipment	197,660
Vehicles	<u>46,374</u>
	681,639
Accumulated depreciation	<u>(348,807)</u>
Total capital assets, net	<u>\$ 332,832</u>

Depreciation expense for the year ended June 30, 2023 was \$27,828. The expense was allocated across related functions: \$23,102 to program services and \$4,726 to general and administrative activities.

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were \$0 as of June 30, 2023. By satisfying the restriction purposes by incurring expenses, net assets were released from restrictions for the following purposes during the year ended June 30, 2023.

Lead to Read KC and literacy improvements	<u>\$ 50,276</u>
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GENESIS SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: OPERATING LEASES

Facility Building

The School leases its school operating facilities from a not-for-profit agency under a thirty-year lease entered into on December 22, 1998. The lease contains an option to renew and extend the lease for two consecutive 10-year periods immediately following the initial term. As part of the lease agreement, the School pays a base rent of \$1 per month and additional rent based upon the projected operating expenses of the leased facility. These operating expenses include all costs associated with the use, maintenance, financing, or repair of the property and all taxes, utilities, insurance, periodic capital replacement reserve amounts, and management fees. The School paid \$247,623 in operating expenses for the fiscal year ended June 30, 2023.

Copier Equipment

Effective November 2018, the School signed a non-cancelable 60-month lease agreement for copier equipment that requires monthly payments of \$2,975 ending in November 2023. These monthly payments are subject to an annual maximum increase of 10%. Lease expense for the year ended June 30, 2023 was \$30,795. Effective November 2023, the School renewed with the vendor for a non-cancelable 60-month lease agreement for copier equipment that requires monthly payments of \$2,249 ending in November 2028. These monthly payments are subject to an annual maximum increase of 10%.

Future minimum operating lease payments are as follows:

<u>Year ending June 30,</u>	
2024	\$ 29,892
2025	26,988
2026	26,988
2027	26,988
2028	26,988
2029	<u>8,996</u>
Total	<u>\$ 146,840</u>

NOTE 8: CLAIMS AND ADJUSTMENTS

The School participates in several 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 School believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

NOTE 9: RISK MANAGEMENT

The School 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 School maintains commercial insurance to protect itself from such risks.

GENESIS SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 10: 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 who retire after June 30, 1999 and were hired prior to January 1, 2014 are members of Plan B. 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.

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 School’s contributions to KCPSRS were \$230,642 for the year ended June 30, 2023.

SUPPLEMENTARY INFORMATION

GENESIS SCHOOL, INC.

SCHEDULE 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	\$ 1,408,492	\$ 6,453	\$ 0	\$ 1,414,945
Investments	<u>1,556,865</u>	<u>0</u>	<u>0</u>	<u>1,556,865</u>
Total Assets	<u>\$ 2,965,357</u>	<u>\$ 6,453</u>	<u>\$ 0</u>	<u>\$ 2,971,810</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Payroll withholdings	\$ 6,045	\$ 6,453	\$ 0	\$ 12,498
Fund Balances:				
Unassigned	<u>2,959,312</u>	<u>0</u>	<u>0</u>	<u>2,959,312</u>
Total Liabilities and Fund Balances	<u>\$ 2,965,357</u>	<u>\$ 6,453</u>	<u>\$ 0</u>	<u>\$ 2,971,810</u>
Unassigned fund balance				\$ 2,959,312
Total capital assets, net on the Statement of Assets, Liabilities and Net Assets				<u>332,832</u>
Net assets on the Statement of Assets, Liabilities and Net Assets				<u>\$ 3,292,144</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

GENESIS SCHOOL, INC.

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

For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
<u>RECEIPTS:</u>				
Local	\$ 651,548	\$ 149,049	\$ 0	\$ 800,597
County	303,120	0	0	303,120
State	1,248,528	1,543,659	0	2,792,187
Federal	<u>1,605,343</u>	<u>0</u>	<u>0</u>	<u>1,605,343</u>
Total Receipts	3,808,539	1,692,708	0	5,501,247
<u>DISBURSEMENTS:</u>				
Instruction	902,296	1,446,982	16,337	2,365,615
Support services - Students	433,105	0	0	433,105
Support services - Instructional Staff	118,103	48,150	0	166,253
Support services - General Administration	592,130	0	0	592,130
Support services - Building Level Admin	74,894	197,576	0	272,470
Business Support - Fiscal Services	162,383	0	0	162,383
Operation and Maintenance Plant Services	384,074	0	12,500	396,574
Student Transportation	277,962	0	0	277,962
Food Services	144,375	0	0	144,375
Support services - Central Office	92,517	0	0	92,517
Community Services	<u>115,114</u>	<u>0</u>	<u>0</u>	<u>115,114</u>
Total Disbursements	<u>3,296,953</u>	<u>1,692,708</u>	<u>28,837</u>	<u>5,018,498</u>
Receipts Over (Under) Disbursements	511,586	0	(28,837)	482,749
Other Financing Sources (Uses):				
Transfers In	0	0	28,837	28,837
Transfers Out	<u>(28,837)</u>	<u>0</u>	<u>0</u>	<u>(28,837)</u>
Total Other Financing Sources (Uses)	<u>(28,837)</u>	<u>0</u>	<u>28,837</u>	<u>0</u>
Net Changes in Fund Balance	482,749	0	0	482,749
Fund Balance - June 30, 2022	2,476,563	<u>0</u>	<u>0</u>	2,476,563
Fund Balance - June 30, 2023	\$ <u>2,959,312</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>2,959,312</u>
Net change in fund balance				\$ 482,749
Changes in:				
Capital assets – purchases				28,837
Capital assets –depreciation				<u>(27,828)</u>
Change in net assets on the Statement of Support, Revenue and Expenses				\$ <u>483,758</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

GENESIS SCHOOL, INC.

SCHEDULE OF RECEIPTS COLLECTED BY SOURCE – BY FUND
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
<u>LOCAL:</u>				
Sales tax (Prop C)	\$ 248,415	\$ 149,049	\$ 0	\$ 397,464
Interest income	92,229	0	0	92,229
Contributions and donations	161,470	0	0	161,470
Other	<u>149,434</u>	<u>0</u>	<u>0</u>	<u>149,434</u>
Total Local	651,548	149,049	0	800,597
<u>COUNTY</u>				
Other	<u>303,120</u>	<u>0</u>	<u>0</u>	<u>303,120</u>
Total County	303,120	0	0	303,120
<u>STATE</u>				
Basic formula	1,033,080	1,543,659	0	2,576,739
Transportation	102,770	0	0	102,770
Classroom trust fund	112,028	0	0	112,028
Food services	<u>650</u>	<u>0</u>	<u>0</u>	<u>650</u>
Total State	1,248,528	1,543,659	0	2,792,187
<u>FEDERAL</u>				
Medicaid	42,359	0	0	42,359
ARP Act ESSER III	545,879	0	0	545,879
CRRSA Act ESSER II	337,579	0	0	337,579
Special education services	93,578	0	0	93,578
Food services	207,712	0	0	207,712
ESEA Title I.A	300,586	0	0	300,586
ESEA Title II.A	28,447	0	0	28,447
ESEA Title IV.A	23,683	0	0	23,683
Other Federal	<u>25,520</u>	<u>0</u>	<u>0</u>	<u>25,520</u>
Total Federal	<u>1,605,343</u>	<u>0</u>	<u>0</u>	<u>1,605,343</u>
Total All Sources	<u>\$ 3,808,539</u>	<u>\$ 1,692,708</u>	<u>\$ 0</u>	<u>\$ 5,501,247</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

GENESIS SCHOOL, INC.

SCHEDULE OF DISBURSEMENTS PAID BY OBJECT – 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>
Salaries and wages	\$ 768,053	\$ 1,281,398	\$ 0	\$ 2,049,451
Retirement	83,863	146,779	0	230,642
Payroll taxes	57,352	96,595	0	153,947
Employee insurance	85,652	165,096	0	250,748
Other employee benefits	14,105	0	0	14,105
Professional and technical services	1,027,836	2,840	0	1,030,676
Property services	343,129	0	0	343,129
Transportation services (including contracted)	280,088	0	0	280,088
Insurance	71,032	0	0	71,032
Communication and memberships	22,134	0	0	22,134
Other purchased services	309,169	0	0	309,169
General supplies	78,067	0	0	78,067
Books and periodicals	7,655	0	0	7,655
Warehouse and food service	64,969	0	0	64,969
Utilities, energy service	4,043	0	0	4,043
Other supplies	79,806	0	0	79,806
Capital outlay	<u>0</u>	<u>0</u>	<u>28,837</u>	<u>28,837</u>
Total Disbursements	<u>\$ 3,296,953</u>	<u>\$ 1,692,708</u>	<u>\$ 28,837</u>	<u>5,018,498</u>

Changes in:

Capital assets – purchases	(28,837)
Capital assets – depreciation	<u>27,828</u>
Total Expenses on the Statement of Support, Revenue, and Expenses	<u>\$ 5,017,489</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

GENESIS SCHOOL, INC.

**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 & Secondary Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	20221N119943	048-905	\$ 8,376
School Breakfast Program	10.553	20232N119943	048-905	55,085
National School Lunch Program	10.555	20221N119943	048-905	14,468
National School Lunch Program	10.555	20232N119943	048-905	<u>98,350</u>
Total Child Nutrition Cluster				<u>176,279</u>
Total U.S. Department of Agriculture				<u>176,279</u>
<u>U.S. Department of Education</u>				
<i>Pass-through Missouri Dept of Elementary & Secondary Education:</i>				
Special Education Cluster (IDEA):				
IDEA, Part B - Special Education	84.027A	H027A210040	048-905	60,674
COVID-19 – ARP Act IDEA Special Education	84.027X	H027X210040	048-905	<u>11,352</u>
Total Special Education Cluster				72,026
Title I, Grants to LEAs	84.010A	S010A210025	048-905	91,015
Title I, Grants to LEAs	84.010A	S010A220025	048-905	147,690
Title II.A, Supporting Effective Instruction	84.367A	S367A210024	048-905	8,128
Title II.A, Supporting Effective Instruction	84.367A	S367A220024	048-905	14,512
Title IV, Student Support and Academic Enrichment	84.424A	S424A210026	048-905	12,612
Title IV, Student Support and Academic Enrichment	84.424A	S424A220026	048-905	7,336
Education Stabilization Fund (ESF) grants:				
COVID-19 – CRRSA Act ESF (ESSER II)	84.425D	S425D210021	048-905	144,721
COVID-19 – CRRSA Act ESF Teacher Retention	84.425D	S425D210021	048-905	22,800
COVID-19 – ARP Act ESF (ESSER III)	84.425U	S425U210021	048-905	545,879
<i>Pass-through Gordon Parks Elementary School (Consortium):</i>				
COVID-19 – ARP Act Homeless Children and Youth (HCY II)	84.425W		048-913	<u>6,778</u>
Total Education Stabilization Fund (ESF) grants				<u>720,178</u>
Total U.S. Department of Education				<u>1,073,497</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Pass-through Missouri Department of Social Services:</i>				
Temporary Assistance for Needy Families (JAG Grant)	93.558		M00681-064	<u>18,742</u>
Total U.S. Department of Health and Human Services				<u>18,742</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ <u>1,268,518</u>

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

GENESIS SCHOOL, INC.

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 Genesis School, Inc. (the "School") 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 School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

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 School'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 School. 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 School, 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 School elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3: SUBRECIPIENTS

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

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
Genesis School, Inc.
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 Genesis School, Inc. (the "School") (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, revenues 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 December 22, 2023.

Report on Internal Control over Financial Reporting

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

Board of Directors
Genesis School, Inc.
Kansas City, Missouri

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School’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 School’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 School’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
December 22, 2023



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

Board of Directors
Genesis School, Inc.
Kansas City, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Genesis School, Inc.'s (the "School") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2023. The School'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 School 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 School 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 School'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 School'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 School'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 School'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 School'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 School'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 School'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.

Board of Directors
Genesis School, Inc.
Kansas City, Missouri

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

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 22, 2023

GENESIS SCHOOL, INC.

**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 School's major federal program(s):

<u>Assistance Listing Number(s)</u>	<u>Federal Program or Cluster</u>
84.425D, 84.425U, 84.425W	Education Stabilization Fund (ESF)
- 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
Genesis School, Inc.
Kansas City, Missouri

We have examined the management of Genesis School, Inc.'s (the "School") assertion that the School complied with the requirements of Missouri laws and regulations regarding accurate disclosure of the School's records of average daily attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2023. Genesis School, Inc.'s management is responsible for its assertion. 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 AICPA. 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.

Our examination does not provide a legal determination on the School's compliance with specified requirements. We noted no instance of noncompliance in the schedule of state findings.

In our opinion, management's assertion that Genesis School, Inc. complied with the aforementioned requirements included in the Schedule of Selected Statistics for the year ended June 30, 2023, is fairly stated, in all material respects.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 22, 2023

County District Number: **048-905**

GENESIS SCHOOL, INC.

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
1945	PK	08	n/a	6.8333	159	1,086.5666

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
1945	PK	5,131.9000	0.0000	0.0000	0.0000	0.0000	5,131.9000
1945	K	18,521.9835	0.0000	0.0000	0.0000	5,304.0000	23,825.9835
1945	1	17,764.2001	0.0000	0.0000	0.0000	4,525.6070	22,289.8071
1945	2	14,724.9667	0.0000	0.0000	0.0000	4,429.0960	19,154.0627
1945	3	23,995.7534	0.0000	0.0000	0.0000	5,747.8050	29,743.5584
1945	4	30,528.1733	0.0000	0.0000	0.0000	4,746.0930	35,274.2663
1945	5	22,248.5500	0.0000	0.0000	0.0000	4,401.4910	26,650.0410
1945	6	18,651.7666	0.0000	0.0000	0.0000	2,867.8750	21,519.6416
1945	7	30,110.5034	0.0000	0.0000	0.0000	1,994.2160	32,104.7194
1945	8	28,366.6333	0.0000	0.0000	0.0000	1,167.0200	29,533.6533
Grand Total		<u>210,044.4303</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>35,183.2030</u>	<u>245,227.6333</u>

GENESIS SCHOOL, INC.

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
1945	PK	6.00	0.00	0.00	6.00
1945	K	21.00	0.00	0.00	21.00
1945	1	19.00	0.00	0.00	19.00
1945	2	16.00	0.00	0.00	16.00
1945	3	26.00	0.00	0.00	26.00
1945	4	32.00	0.00	0.00	32.00
1945	5	23.00	0.00	0.00	23.00
1945	6	20.00	0.00	0.00	20.00
1945	7	33.00	0.00	0.00	33.00
1945	8	32.00	0.00	0.00	32.00
Grand Total		<u>228.00</u>	<u>0.00</u>	<u>0.00</u>	<u>228.00</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
1945	211.00	0.00	0.00	0.00	211.00
Grand Total	<u>211.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>211.00</u>

GENESIS SCHOOL, INC.

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	True
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	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 district’s/charter school’s treasurer in the total amount of:	\$0
5.6	The district’s/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

GENESIS SCHOOL, INC.

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. (Not applicable to charter schools.)	N/A
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools.)	N/A
5.10	The charter school published a summary of the prior year’s audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	N/A
5.12	The amount spent for approved professional development committee plan activities was:	\$N/A
5.13	The 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 School has insurance coverage for employee theft up to \$500,000 per occurrence 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

GENESIS SCHOOL, INC.

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.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	True
	Eligible ADT	<u># 118.00</u>
	Ineligible ADT	<u># 48.50</u>
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total charter-operated and contracted mileage for the year was:	<u># 23,855</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># 23,342</u>
	Ineligible Miles (Non-Route/Disapproved)	<u># 513</u>
6.7	Number of days the charter school operated the school transportation system during the regular school year:	<u># 159</u>

Notes:	None noted
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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

GENESIS SCHOOL, INC.

SCHEDULE OF STATE FINDINGS

For the Year Ended June 30, 2023

Prior year

FINDING MO22-01 – Transportation

During our audit, we noted that the contracted transportation company estimates the number of student riders by taking the total students transported for the months of October and February and dividing them by the respective number of operating days the students are transported during that month. State transportation regulations require that schools develop ridership listings at a minimum of twice a school year, by the second Wednesday of October and the second Wednesday of February. These listings should include a breakdown of the students transported more than a mile from school and those living less than a mile from school. We recommended Genesis School review the data from the contracted transportation company to ensure accurate reporting and follow state transportation regulations. As a result of our audit, the school's pupil transportation ridership record data has been corrected and resubmitted to Missouri DESE.

Resolved in the Current Year

Yes, this finding was resolved.

Current year

There are no audit findings related to state compliance for the year ended June 30, 2023 to be resolved.