

**GENESIS SCHOOL, INC.
KANSAS CITY, MISSOURI
FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

**GENESIS SCHOOL, INC.
TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS:	
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis.....	3
Statement of Revenues, Support, Reclassifications, Expenses and Changes in Net Assets - Modified Cash Basis	4
Statement of Functional Expenses - Modified Cash Basis.....	5
Statement of Cash Flows - Modified Cash Basis	6
Notes to Financial Statements	7-11
SUPPLEMENTARY INFORMATION:	
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis - Governmental Funds.....	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Governmental Funds.....	13
Schedule of Revenues Collected by Source	14
Schedule of Expenditures Paid by Object	15
Schedule of Selected Statistics	16-19
INTERNAL CONTROL AND COMPLIANCE SECTION:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20-21
Independent Accountant's Report on Management's Assertions About Compliance With Specified Requirements of Missouri State Laws and Regulations.....	22
Schedule of State Findings.....	23
FINDINGS AND RESPONSES:	
Schedule of Findings and Responses.....	24
Summary of Prior Year Audit Findings	25

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors
Genesis School, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of modified cash basis of Genesis School, Inc. (a nonprofit organization) (School) which comprise the Statement of Assets, Liabilities and Net Assets – Modified Cash Basis as of June 30, 2021, and the related Statements of Revenues, Support, Reclassifications, Expenses and Changes in Net Assets, Functional Expenses and Cash Flows – Modified Cash Basis 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 the modified cash basis of accounting described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Genesis School, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with the basis of accounting described in Note B.

Basis of Accounting

We draw attention to Note B 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 this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information: Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis – Governmental Funds, Schedule of Revenues Collected by Source, Schedule of Expenditures Paid by Object, and the Schedule of Selected Statistics, presented on pages 12 through 19 are presented for purposes of complying with requirements of the Missouri Department of Elementary and Secondary Education 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. Such 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 on the basis of accounting described in Note B.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

December 22, 2021

GENESIS SCHOOL, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
AS OF JUNE 30, 2021

ASSETS

Cash and cash equivalents	\$ 995,737
Investments	1,461,271
Other assets	5,418
Property and equipment, net	<u>318,507</u>
 Total Assets	 <u><u>\$ 2,780,933</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Payroll liabilities	<u>\$ 4,864</u>
 Net Assets	
Without donor restrictions	2,771,069
With donor restrictions	<u>5,000</u>
 Total Net Assets	 <u>2,776,069</u>
 Total Liabilities and Net Assets	 <u><u>\$ 2,780,933</u></u>

See accompanying notes.

GENESIS SCHOOL, INC.
STATEMENT OF REVENUES, SUPPORT, RECLASSIFICATIONS, EXPENSES AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT AND RECLASSIFICATIONS:			
Government grants and contracts	\$ 3,616,335	\$ -	\$ 3,616,335
Contributions	175,025	23,000	198,025
Fees and services	214,126	-	214,126
Special event	-	-	-
Investment income	96,124	-	96,124
Payroll protection program loan forgiveness	537,200	-	537,200
Other income	-	-	-
Loss on disposal of property and equipment	(1,155)	-	(1,155)
Total revenues and support	4,637,655	23,000	4,660,655
Net assets released from restriction	30,529	(30,529)	-
Total revenues, support and reclassifications	4,668,184	(7,529)	4,660,655
 EXPENSES:			
Program services:			
Charter school	3,366,727	-	3,366,727
Mangagement and general	535,843	-	535,843
Fundraising	10,721	-	10,721
Total expenses	3,913,291	-	3,913,291
Change in Net Assets	754,893	(7,529)	747,364
Net assets, beginning	2,016,176	12,529	2,028,705
Net assets, ending	\$ 2,771,069	\$ 5,000	\$ 2,776,069

See accompanying notes.

GENESIS SCHOOL, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Charter School</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,616,356	\$ 224,789	\$ -	\$ 1,841,145
Payroll taxes and benefits	494,829	72,848	-	567,677
Building and equipment maintenance	51,751	1,640	-	53,391
Conferences, meetings and travel	10,673	251	-	10,924
Contract and professional fees	206,908	162,767	10,721	380,396
Depreciation	21,564	9,382	-	30,946
Student transportation	228,726	-	-	228,726
Office supplies	-	9,532	-	9,532
Other supplies	95,204	2,383	-	97,587
Insurance	-	49,549	-	49,549
Utilities	4,864	-	-	4,864
Program and support services	339,783	-	-	339,783
Printing and publications	860	2,251	-	3,111
Textbooks and educational materials	477	-	-	477
Telephone and communications	24,281	-	-	24,281
Rent expense	269,766	-	-	269,766
Dues and memberships	685	451	-	1,136
	<u>685</u>	<u>451</u>	<u>-</u>	<u>1,136</u>
 Total expenses	 <u>\$ 3,366,727</u>	 <u>\$ 535,843</u>	 <u>\$ 10,721</u>	 <u>\$ 3,913,291</u>

See accompanying notes.

GENESIS SCHOOL, INC.
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 747,364
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	30,946
Amortization of bond premiums	4,038
Forgiveness of Paycheck Protection Program Loan	(537,200)
(Gain) Loss on sale of investments	(57,207)
(Gain) Loss on sale of property and equipment	1,155
(Increase) decrease in operating assets:	
Other assets	(5,418)
Increase (decrease) in operating liabilities	
Payroll liabilities	<u>2,130</u>
Net provided (used) by operating activities	<u>185,808</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(36,481)
Purchase of investments	(275,932)
Proceeds from sale of investments	<u>370,684</u>
Cash provided (used) by investing activities	<u>58,271</u>

NET DECREASE IN CASH 244,079

CASH AND CASH EQUIVALENTS, beginning 751,658

CASH AND CASH EQUIVALENTS, ending \$ 995,737

SUPPLEMENTAL DISCLOSURES:

Interest paid	<u>\$ -</u>
---------------	-------------

See accompanying notes.

GENESIS SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - BUSINESS ACTIVITY

The Genesis School, Inc. is a Missouri not-for-profit whose mission is to offer creative approaches to learning by adapting to each student's needs.

In April 2007, the School entered into a contract extension with the Curators of the University of Missouri-Kansas City (UMKC), whereby UMKC has agreed to sponsor the School as a charter school for a period of ten years from the date of the contract execution. With the mutual consent of both the School and UMKC, the charter school contract may be renewed at the end of the term. As a charter school, the School is eligible to receive state school aid, however, the School may not charge tuition nor may it impose fees that a school district is prohibited from imposing.

During the year ended June 30, 2021, the School provided educational instruction for students in kindergarten through the eighth grade.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 depreciation. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Cash and cash equivalents: For the purposes 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.

Property and Equipment: All property and equipment are valued at historical cost. 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
Improvements	20 years
Vehicles	10 years
Computers and equipment	5 years
Furniture and fixtures	10 years

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.

Personal Time Off: 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 in 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.

Subsequent Events: Management has evaluated subsequent events through December 16, 2021, the date the financial statements were available to be issued.

GENESIS SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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 adopted the provisions of FASB ASC 740-10-25. The School does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended June 30, 2021, there were no interest or penalties recorded in its financial statements.

The School's Forms 990, Return for Organization Exempt from Income Taxes, for the years ended June 30, 2021, 2020, and 2019 are subject to examination by the IRS, generally three years after they were filed.

Functional Allocation of Expenses: Expenses consist of costs related to Organization activities and administrative functions. These costs have been summarized on a functional basis in the statements of activities without donor restrictions. Costs are directly charged to the functions they benefit.

Recognition of Donor Restrictions: Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NOTE C - CASH AND CASH EQUIVALENTS

At June 30, 2021, the bank balances of the School deposits totaled \$1,000,405. Of this amount, \$350,307 was covered by FDIC insurance, \$350,575 was secured by collateral, held by banks in the School's name that do not hold the collateralized deposits and \$299,523 was held in the money market fund consisting of repurchase agreements, U.S. treasury debt, U.S. government agency debt.

NOTE D - INVESTMENTS

Investments are recorded at cost for financial reporting purposes. At June 30, 2021, the School had the following short-term and intermediate investments:

Investment	Cost	Fair Market Value
Stocks	\$ 191,064.00	\$ 332,526.00
Equity Funds	219,551.00	268,460.00
Government and Agency Bonds	493,217.00	505,891.00
Corporate Bonds	433,429.00	452,679.00
Fixed Income Funds	124,010.00	124,530.00
Total Investments	<u>\$ 1,461,271.00</u>	<u>\$ 1,684,086.00</u>

The fees related to the above investments for the year totaled \$2,939.

GENESIS SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE E - RETIREMENT PLAN

The School contributes to The Public School Retirement System of the School District of Kansas City, Missouri a cost-sharing multiple-employer defined benefit pension plan. Participation is mandatory for employees of the Kansas City, Missouri Public School District, the Kansas City Public Library, and the Public School Retirement System. The Retirement System provides service and disability retirement benefits to full-time employees and optional benefits to members' beneficiaries. Positions covered by The Retirement System are also covered by Social Security. The Retirement System is administered by a 12- member Board of Trustees.

The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of the School District of Kansas City, Missouri, 4600 Paseo Blvd., Kansas City, Missouri, 64110, or by calling 1-816-472-5800. Retirement System members were required to contribute 9% of their annual covered salary for the year. The School is required to contribute 12% of the annual covered salary for a year. The contribution requirements of members and the School are established, and may be amended, by the Board of Trustees. The School's contributions to the system for the year ended June 30, 2021, were \$200,464.

NOTE F - LEASE

The School leases its facilities from a not-for-profit agency under a thirty-year lease entered into on December 21, 1998. The lease contains an option to renew and extend the lease for two consecutive 10-year periods. 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, including 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 amount the School paid in operating expenses for the fiscal year ended June 30, 2021, was \$205,980.

NOTE G - PROPERTY AND EQUIPMENT

Land	\$	5,040
Vehicles		46,374
Building improvements		405,065
Computers and equipment		141,418
Furniture and fixtures		<u>16,864</u>
	\$	614,761
Accumulated depreciation		<u>(296,254)</u>
	\$	<u><u>318,507</u></u>

Depreciation expense for the period ended June 30, 2021, was \$30,946. The depreciation expense was allocated to the related functions, instruction \$281, instructional staff support \$2,551, general administration and central services \$13,435 and operation of plant \$14,679.

GENESIS SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE H – NOTES PAYABLE

On April 22, 2020, the School was approved for a loan in the amount of \$537,200 under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after funding of the loan. The School is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and fully guaranteed by the Federal government. The loan was forgiven on December 29, 2020.

NOTE I - LEASE COMMITMENTS

On November 13, 2018, the School entered into a non-cancelable 60 month lease for copiers. The lease requires monthly payments of \$2,975. These monthly payments are subject to an annual maximum increase of 10%. Lease expense for the year ended June 30, 2021, was \$35,700.

Future minimum lease payments for the lease for years ending June 30 are as follows:

2022	\$	35,700
2023		35,700
2024		<u>14,875</u>
	\$	<u>86,275</u>

NOTE J - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The School strives to maintain liquid financial assets sufficient to cover general expenditures and maintain financial stability.

The following table reflects the School's financial assets as of June 30, 2021, reduced by amounts not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions.

Cash and cash equivalents	\$	995,737
Investments		<u>1,461,271</u>
Total financial assets		2,457,008
Donor restricted assets		<u>(5,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>2,452,008</u>

NOTE K - INSURANCE

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, 2021

NOTE L - CONTINGENCIES

The School is involved in pending litigation as of the audit report date. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of this matter. School management believes that such litigation and claims will ultimately be resolved without material financial liability, if any, to the School.

The continued operation of Genesis School, Inc. is dependent upon the guidelines set forth by RSMo, Department of Elementary and Secondary Education, and the continued support of the School's sponsor. The School may cease to exist upon infringement of the aforementioned agreements.

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 16, 2021, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

GENESIS SCHOOL, INC.
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS				
Cash and cash equivalents	\$ 993,179	\$ 2,558	\$ -	\$ 995,737
Investments	1,461,271	-	-	1,461,271
Other assets	<u>5,418</u>	<u>-</u>	<u>-</u>	<u>5,418</u>
Total assets	<u>\$ 2,459,868</u>	<u>\$ 2,558</u>	<u>\$ -</u>	<u>\$ 2,462,426</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payroll liabilities	\$ 2,306	\$ 2,558	\$ -	\$ 4,864
Fund Balances:				
Unreserved	<u>2,457,562</u>	<u>-</u>	<u>-</u>	<u>2,457,562</u>
Total liabilities and fund balances	<u>\$ 2,459,868</u>	<u>\$ 2,558</u>	<u>\$ -</u>	<u>\$ 2,462,426</u>

GENESIS SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:				
Local	\$ 710,242	\$ 121,179	\$ -	\$ 831,421
County	177,660	-	-	177,660
State	1,333,730	1,208,543	-	2,542,273
Federal	573,258	-	-	573,258
Total Revenues	2,794,890	1,329,722	-	4,124,612
EXPENDITURES:				
Instruction	553,994	1,127,623	3,235	1,684,852
Student services	508,214	-	3,052	511,266
Instructional staff support	62,221	-	-	62,221
Building level administration	6,098	193,951	-	200,049
General administration and central services	528,010	2,152	-	530,162
Operation of plant	416,797	-	-	416,797
Transportation	228,726	-	30,194	258,920
Food service	126,443	-	-	126,443
Community services	103,678	5,996	-	109,674
Facilities acquisition and construction	-	-	18,445	18,445
Total Expenditures	2,534,181	1,329,722	54,926	3,918,829
Revenues Over (Under) Expenditures	260,709	-	(54,926)	205,783
Other Financing Sources (Uses):				
Transfers	(54,926)	-	54,926	-
Net change in fund balance	205,783	-	-	205,783
Fund balance, beginning	2,251,779	-	-	2,251,779
Fund balance, ending	<u>\$ 2,457,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,457,562</u>

GENESIS SCHOOL, INC.
SCHEDULE OF REVENUES COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
LOCAL:				
Sales tax	\$ 201,965	\$ 121,179	\$ -	\$ 323,144
Earnings on investments	96,125	-	-	96,125
Contributions and gifts	409,441	-	-	409,441
Student activities	2,711	-	-	2,711
Total local	<u>710,242</u>	<u>121,179</u>	<u>-</u>	<u>831,421</u>
COUNTY:				
Grants	177,660	-	-	177,660
STATE:				
Basic formula	1,183,658	1,208,543	-	2,392,201
Transportation aid	39,749	-	-	39,749
Classroom trust fund	109,106	-	-	109,106
Food service	1,217	-	-	1,217
Total State	<u>1,333,730</u>	<u>1,208,543</u>	<u>-</u>	<u>2,542,273</u>
FEDERAL:				
CARES	156,145	-	-	156,145
Individuals with Disabilities	86,089	-	-	86,089
Food service	97,226	-	-	97,226
Title I	176,787	-	-	176,787
Title IV.A	12,943	-	-	12,943
Title II.A	18,274	-	-	18,274
Medicaid	25,794	-	-	25,794
Total Federal	<u>573,258</u>	<u>-</u>	<u>-</u>	<u>573,258</u>
 Total Revenues Collected	 <u>\$ 2,794,890</u>	 <u>\$ 1,329,722</u>	 <u>\$ -</u>	 <u>\$ 4,124,612</u>

GENESIS SCHOOL, INC.
SCHEDULE OF EXPENDITURES PAID BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
Salaries	\$ 904,240	\$ 936,905	\$ -	\$ 1,841,145
Employee benefits	275,071	292,606	-	567,677
Purchased services	1,233,209	100,211	-	1,333,420
Supplies	121,661	-	-	121,661
Capital outlay	-	-	54,926	54,926
	<u>\$ 2,534,181</u>	<u>\$ 1,329,722</u>	<u>\$ 54,926</u>	<u>\$ 3,918,829</u>

**GENESIS SCHOOL, INC.
CHARTER NUMBER 048-905
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

Type of audit performed: Yellow Book X Single Audit

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

Report each unique calendar the district/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	8		6.83	158	1,079.67

2. ATTENDANCE HOURS

Report the total number of PK-12 student attendance hours allowed to be claimed for the calculation of Average Daily Attendance. Include only PK students allowed to be claimed for state aid in the calculation.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
1945	PK-8	201,181.9990		1,295.00	-	26,676.00	229,152.9990
Grand Total		201,181.9900		1,295.00	-	26,676.00	229,152.9990

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-8	206			206
Grand Total		206			206

**GENESIS SCHOOL, INC.
CHARTER NUMBER 048-905
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 PK-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	212.00				212.00
N/A	5.00				5.00
Grand Total	217.00				217.00

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 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

**GENESIS SCHOOL, INC.
CHARTER NUMBER 048-905
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

	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 162.405, RSMo, an insurance policy was purchased for the district's/charter school's employee theft coverage in the total amount of:	\$500,000
5.6	The charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
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

**GENESIS SCHOOL, INC.
CHARTER NUMBER 048-905
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

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

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	137.50
	Ineligible ADT	36.00
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 district/charter-operated and contracted mileage for the year was:	26,250
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:	
	Eligible Miles	24,834
	Ineligible Miles (Non-Route/Disapproved)	1,416
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	157

INTERNAL CONTROL AND COMPLIANCE SECTION



**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***

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors
Genesis School, Inc.

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. (a nonprofit organization), which comprise the Statement of Assets, Liabilities and Net Assets – Modified Cash Basis as of June 30, 2021, and the related Statements of Revenues, Support, Reclassifications, Expenses and Changes in Net Assets, Statement of Functional Expenses 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, 2021.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

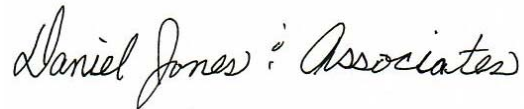
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

December 22, 2021



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

To the Members of the Board of Directors
Genesis School, Inc.

Report on Compliance with State Requirements

We have examined management's assertions that Genesis School, Inc. ("School") complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the School's records of pupil 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's Responsibility

Management is responsible for the School's compliance with the aforementioned requirements.

Auditor's Responsibility

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

Opinion on Compliance with State Requirements

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

This report is intended solely for the information and use of the Governing Board, administration, University of Missouri – Kansas City and 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.

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
Arnold, Missouri

December 22, 2021

GENESIS SCHOOL, INC.
SCHEDULE OF STATE FINDINGS
JUNE 30, 2021

I. Chapter 67 RSMO (Budget Statute)

There were no state budget findings.

II. Other Findings

There were no other state findings.

FINDINGS AND RESPONSES

GENESIS SCHOOL, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021

I. FINANCIAL STATEMENTS FINDINGS

There were no audit findings to report for the year ended June 30, 2021.

**GENESIS SCHOOL, INC.
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

I. PRIOR YEAR FINDINGS – FINANCIAL STATEMENTS AUDIT

There were no audit findings for the year ended June 30, 2020.