

Kansas City Girls Preparatory Academy and Affiliate

Consolidated Financial Statements
Together with Auditors' Report
for the Year Ended June 30, 2020

KPM
CPAS & ADVISORS

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Independent Auditors' Report

To the Board of Directors
Kansas City Girls Preparatory Academy
Kansas City, Missouri

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Kansas City Girls Preparatory Academy and Affiliate (a non-profit organization – Kansas City Girls Preparatory Academy), which comprise the consolidated statements of financial position as of June 30, 2020, and the related consolidated statements of activities and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 of America. 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 auditors' 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 School'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 the effectiveness of the School'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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kansas City Girls Preparatory Academy, as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 20 to the financial statements, Kansas City Girls Preparatory Academy changed its basis of accounting from cash basis to the accrual basis to conform with accounting principles generally accepted in the United States of America. Our opinion was not modified with respect to that matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, on our consideration of Kansas City Girls Preparatory Academy' 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 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 Kansas City Girls Preparatory Academy' internal control over financial reporting and compliance.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The data contained under Supplementary Information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 15, 2020

Kansas City Girls Preparatory Academy

Consolidated Statement of Financial Position

June 30, 2020

Assets

Current Assets

Cash and cash equivalents	\$ 3,277,081
Accounts receivable	22,935
Grants receivable	46,960
Contributions receivable, net	118,750
Total Current Assets	<u>3,465,726</u>

Noncurrent Assets

Property and equipment, net of accumulated depreciation	<u>3,294,341</u>
Total Noncurrent Assets	<u>3,294,341</u>
Total Assets	<u><u>\$ 6,760,067</u></u>

Liabilities and Nets Assets

Current Liabilities

Accounts payable	58,883
Loans payable, current portion	96,027
Total Current Liabilities	<u>154,910</u>

Noncurrent Liabilities

Loans payable	<u>2,121,873</u>
Total Noncurrent Liabilities	<u>2,121,873</u>

Net Assets

With donor restrictions	321,533
Without donor restrictions	4,161,751
Total Net Assets	<u>4,483,284</u>
Total Liabilities and Net Assets	<u><u>\$ 6,760,067</u></u>

See accompanying notes to the financial statements.

Kansas City Girls Preparatory Academy

Consolidated Statement of Activities

Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenues, and Reclassifications			
Government grants and contracts	\$ 1,149,023	\$ -	\$ 1,149,023
Contributions and non-governmental grants	1,930,055	440,000	2,370,055
Fees and services	1,478	-	1,478
Investment income	30,457	-	30,457
Miscellaneous	53,108	-	53,108
Net assets released from restrictions	982,180	(982,180)	-
Total Support, Revenues, and Reclassifications	4,146,301	(542,180)	3,604,121
Expenses			
Program			
Instruction	910,247	-	910,247
Student services	13,317	-	13,317
Instructional staff support	56,815	-	56,815
Building level administration	113,254	-	113,254
General administration	305,168	-	305,168
Operation of plant	195,277	-	195,277
Transportation	121,978	-	121,978
Food service	101,000	-	101,000
Facilities acquisition and construction	117,099	-	117,099
Community Service	227,320	-	227,320
Depreciation	65,609	-	65,609
Debt service	104,422	-	104,422
Management and general			
General administration	249,502	-	249,502
Total Expenses	2,581,008	-	2,581,008
<i>Change in Net Assets</i>	1,565,293	(542,180)	1,023,113
Net Assets, beginning of year, as restated	2,596,458	863,713	3,460,171
Net Assets, end of year	\$ 4,161,751	\$ 321,533	\$ 4,483,284

See accompanying notes to the financial statements.

Kansas City Girls Preparatory Academy

Consolidated Statement of Cash Flows

Year Ended June 30, 2020

Cash Flows from Operating Activities

Increase in net assets	\$ 1,023,113
Item not requiring operating activities cash flows	
Depreciation	65,609
Changes in:	
Accounts receivable	(22,935)
Grants receivable	(15,199)
Contributions receivable, net	(104,502)
Accounts payable	(39,327)
Net Cash Provided by Operating Activities	<u>906,759</u>

Cash Flows from Investing Activities

Purchase of property and equipment	(714,303)
Net cash (Used) by Investing Activities	<u>(714,303)</u>

Cash Flows from Financing Activities

Payment of debt principal	(2,025,800)
Proceeds from issuance of debt	2,217,900
Net Cash Provided by Financing Activities	<u>192,100</u>

Net Increase in Cash 384,556

Cash and Cash Equivalents, beginning of year	<u>2,892,525</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 3,277,081</u></u>

See accompanying notes to the financial statements.

Kansas City Girls Preparatory Academy

Notes to the Financial Statements

June 30, 2020

1. Business Activity

Kansas City Girls Preparatory Academy (the School) is a Missouri not-for-profit public benefit corporation. The purpose of the corporation is to operate a charter school. The School is legally separate from the Kansas City, Missouri School District and is not financially accountable to it.

During 2020, the School formed a new entity, Kansas City Girls Preparatory Academy Foundation, which is Missouri not-for-profit organization operating exclusively for the benefit of Kansas City Girls Preparatory Academy. This entity has been consolidated into the School's financial statements.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Basis of Presentation

The School is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the School. These net assets may be used at the discretion of the School's management and the board.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the School pursuant to those stipulations, that expire by the passage of time, or that include funds of perpetual donation.

Donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Financial Statement Presentation

The financial statements are presented in accordance with ASC 958-205. Under ASC 958-205, the School is required to report information regarding its assets and net assets according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

It is the School's policy to first use net assets with donor restrictions prior to use of net assets without donor restrictions when disbursements are made for purposes for which both net assets with donor restrictions and net assets without donor restrictions are available.

Principles of Consolidation

The financial statements combine the accounts of Kansas City Girls Preparatory Academy with the affiliated organization Kansas City Girls Preparatory Academy Foundation. The organizations share common management and some board

Kansas City Girls Preparatory Academy

Notes to the Financial Statements

June 30, 2020

members. Kansas City Girls Preparatory Academy Foundation was created for the purpose of providing support to Kansas City Girls Preparatory Academy.

Property and Equipment

Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful lives of the assets. These assets have been recorded at historical cost. It is the policy of the Organization to capitalize expenditures for buildings, building improvements, equipment, furniture and fixtures in excess of \$5,000 per item.

Recognition of Donor Restrictions

Contributions are recognized when they are unconditionally received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions support that increases that net asset class. If a restriction is fulfilled in the same time period in which the contribution is received, the School reports the support as without donor restrictions. Contributions restricted for the acquisition of property and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from these estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the School defines its cash and equivalents to include only cash in demand deposits.

Contributions and Accounts Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise was received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Accounts receivable consists of payments made by the Kansas City Public School for DESE shortfall payments.

Expense Allocation

The cost of providing the program and supporting services have been summarized on the statement of activities on a functional basis. Most expenses can be directly allocated to the program or supporting functions. Certain categories of expenses are attributed to both program and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied and determined by management.

Kansas City Girls Preparatory Academy

Notes to the Financial Statements

June 30, 2020

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Employee benefits	Time and effort
Purchased services	Direct costs
Supplies	Direct costs
Capital outlay	Direct costs
Depreciation	Direct costs
Debt service	Direct costs

Income Taxes

The School is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and was formed to benefit the School directly.

Accounting for Uncertainty in Income Taxes

The School complies with the provisions of FASB ASC 740-10-25. Under this standard, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of FASB ASC 740-10-25 had no impact on the School's financial statements. The School does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. No interest or penalties were accrued as of June 30, 2020, as a result of the adoption of this standard.

Subsequent Events

Management has evaluated subsequent events through December 15, 2020, the date the financial statements were available to be issued.

3. Cash & Cash Equivalents – Concentration of Credit Risk

At June 30, 2020, the cash and cash equivalents held with UMB was not fully insured by FDIC. The scenario creates a concentration of credit risk as deposits of the School exceed FDIC coverage by \$358,460.

4. Contributions Receivable

Contributions receivable at June 30, 2020 consisted of the following unconditional promises to give:

Gross unconditional contributions receivable	\$ 125,000
Less: Allowance for doubtful accounts	<u>(6,250)</u>
Net unconditional contributions receivable	<u>\$ 118,750</u>
Amounts due in	
Less than one year	<u>\$ 125,000</u>

Kansas City Girls Preparatory Academy

Notes to the Financial Statements

June 30, 2020

5. Restrictions on Net Assets

Net assets are restricted for the following purposes at June 30, 2020:

Specific Purpose	
Non-Capital Expenses	\$ 238,930
Professional Development	82,603
Total Restricted	<u>\$ 321,533</u>

6. 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.

7. Risks & Uncertainties

During 2020, a strain of Coronavirus (COVID-19) was identified as a global pandemic and began affecting health of large portions of the global population. The detrimental impact of this virus is not yet fully determinable but will likely continue to be significant for both the Charter School and the overall economy. COVID-19 has been identified as a significant risk and uncertainty that could impact future operations and result in changes in estimates and assumptions made in the financial statements.

8. Paycheck Protection Program

During April 2020, the School obtained \$217,900 in additional financing under The Paycheck Protection Program provided by the Small Business Administration to businesses affected by COVID-19. The loan amount and accrued interest will be forgiven as long as (1) the loan proceeds are used to cover payroll costs and certain other eligible costs over the 24-week period after the loan is made; and (2) employees and compensation levels are maintained. The School estimates all of the funds will be forgiven under the program. However, if any funds are not forgiven, the School has two years to repay the remaining amount at a fixed rate of 1%. See Note 9 for further discussion of the transaction entered into by the School as a result of COVID-19.

9. Loans Payable

Real Property Loan

In December 2019, Kansas City Girls Preparatory Academy Foundation entered into a loan agreement to pay off the School's building loan and take possession of the building and improvements. The Foundation entered into a loan with Jedel Family Foundation in the amount of \$2,000,000. Interest will accrue annually at the rate of 3.0% through October 31, 2022 with payments of accrued interest being made quarterly. Loan is payable from lease proceeds from Kansas City Girls Preparatory Academy. In the event of default, the lender may declare the debt immediately due and may pursue any and all remedies provided for in the loan documents.

Kansas City Girls Preparatory Academy

Notes to the Financial Statements

June 30, 2020

Under the current assessment, the future loan requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ -	\$ 20,000	\$ 20,000
2022	-	20,000	20,000
2023	2,000,000	20,000	2,020,000
	\$ 2,000,000	\$ 60,000	\$ 2,060,000

PPP Loan

On April 13, 2020, the School applied and qualified for the Paycheck Protection Program (PPP) Loan. The loan was administered through UMB Bank and totaled \$217,900.

1%; UMB Bank pursuant to the Paycheck Protection Program (PPP); unsecured; matures April 2022 unless forgiveness under requirements of PPP, see Note 8 for additional discussion of the PPP loan.	Principal \$ 217,900
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Under the current assessment, the future loan requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 96,027	\$ 1,173	\$ 97,200
2022	121,873	563	122,436
	\$ 217,900	\$ 1,736	\$ 219,636

The following is a summary of the changes in loans payable for the year ended June 30, 2020:

	School	Foundation
Loan Payable, July 1, 2019	\$ 2,025,800	\$ -
Loan additions	217,900	2,000,000
Principal payments	(2,025,800)	-
Loan Payable, June 30, 2020	\$ 217,900	\$ 2,000,000

Kansas City Girls Preparatory Academy

Notes to the Financial Statements

June 30, 2020

10. Property & Equipment

Property and equipment at June 30, 2020, consisted of the following:

Buildings and improvements - Foundation	\$ 3,312,567
Construction in Progress - Foundation	47,383
	<u>3,359,950</u>
Accumulated depreciation	(65,609)
	<u>\$ 3,294,341</u>

11. 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 twelve-member Board of Trustees. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of the School District of Kansas City, Missouri, 324 E. 11th St., Kansas City, Missouri, 64106, or by calling 1-816-472-5800.

The Retirement System members are required to contribute 10.5% of their annual covered salary and the School is required to contribute a matching amount. The contribution requirements of members and the school are established, and may be amended, by the Board of Trustees. The School's contributions to the system for the year ended June 30, 2020, was \$85,119.

12. Claims & Adjustments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. As of June 30, 2020, significant amounts of grant disbursements have 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.

Kansas City Girls Preparatory Academy

Notes to the Financial Statements

June 30, 2020

13. Liquidity & Availability

Financial assets available for general expenditures, that is, without donor restrictions or other restrictions limiting their use, within one year of the statement of financial date, comprise of the following:

Financial assets at year end	
Cash and cash equivalents	\$ 3,277,081
Accounts receivable	22,935
Grants receivable	46,960
Contributions receivable, net	118,750
Total financial assets	3,465,726
Less amounts not available to be used within one year	
Net assets with donor restrictions	321,533
Financial assets available to meet general expenditures over the next twelve months	\$ 3,144,193

The School does not have a policy to maintain a particular amount of days of operating expenses as liquid assets. The School is substantially supported by grant revenues that are based on formulas enacted by legislation in the State of Missouri. The School also participates in various state and federally funded programs. As such, the future cash needs of the School are substantially met by these revenues, which are primarily received during the period in which expenses are incurred.

14. Functional Expenses

The School reflects expenses on a functional basis in the Statement of Activities for the year ended June 30, 2020. For additional disclosure, the following schedule of expenses by natural classification is presented:

	Program Services	Support Services	
	Charter School	Management and General	Total
Salaries	\$ 799,967	\$ 121,117	\$ 921,084
Employee benefits	175,688	26,208	201,896
Purchased services	899,927	100,241	1,000,168
Supplies	168,794	1,936	170,730
Capital outlay	117,099	-	117,099
Depreciation	65,609	-	65,609
Debt service	104,422	-	104,422
Total Functional Expenses	\$ 2,331,506	\$ 249,502	\$ 2,581,008

Kansas City Girls Preparatory Academy

Notes to the Financial Statements

June 30, 2020

15. Open Tax Years

The School's informational and tax returns are subject to examination by taxing authorities for a period of 3 years from the date they are filed. As of June 30, 2020, the following tax years are subject to examination:

<u>Jurisdiction</u>	<u>Open Years for Filed Returns</u>	<u>Return to be filed in 2020</u>
Federal	2017 and 2018	2019
Missouri	2017 and 2018	2019

16. Contingencies

The School is not involved in pending litigation at June 30, 2020.

17. Commitments

As June 30, 2020, the School was committed to a contract with Turner Construction in the total amount of \$280,152 for building improvements.

18. Net Assets Released from Restrictions

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or time restrictions specified by the donors. There were \$982,180 in net assets released from donor restrictions during the year ended June 30, 2020 due to meeting purpose of restriction.

19. Transfer of Operations

During the year, the School created the Kansas City Girls Preparatory Academy Foundation. The Foundation is holding the assets and debt related to the building and improvements. Operations of cash for construction, property and equipment, and debt totaling \$3,434,657 was transferred from the School to the Foundation during the year.

20. Restatement

Net assets were restated as follows to convert from the cash basis of accounting to the accrual basis to conform with accounting principles generally accepted in the United States of America:

Net Assets, as previously stated, June 30, 2019	\$	2,892,525
Grants receivable		31,761
Contributions receivable, net		14,250
Property and equipment, net		2,645,647
Accounts payable		(98,212)
Loan payable		(2,025,800)
Net Assets, as restated, July 1, 2019	\$	<u>3,460,171</u>

Supplementary Information

Kansas City Girls Preparatory Academy

Consolidating Statement of Financial Position

June 30, 2020

	<u>Kansas City Girls Preparatory Academy</u>	<u>Kansas City Girls Preparatory Academy Foundation</u>	<u>Eliminations</u>	<u>Combined</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 575,345	\$ 2,701,736	\$ -	\$ 3,277,081
Accounts receivable	22,935	-	-	22,935
Grants receivable	46,960	-	-	46,960
Contributions receivable, net	118,750	-	-	118,750
Total Current Assets	<u>763,990</u>	<u>2,701,736</u>	<u>-</u>	<u>3,465,726</u>
Noncurrent Assets				
Property and equipment, net of accumulated depreciation	-	3,294,341	-	3,294,341
Total Noncurrent Assets	<u>-</u>	<u>3,294,341</u>	<u>-</u>	<u>3,294,341</u>
Total Assets	<u><u>\$ 763,990</u></u>	<u><u>\$ 5,996,077</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,760,067</u></u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ -	\$ 58,883	\$ -	\$ 58,883
Loans payable, current portion	96,027	-	-	96,027
Total Current Liabilities	<u>96,027</u>	<u>58,883</u>	<u>-</u>	<u>154,910</u>
Noncurrent Liabilities				
Loans payable	121,873	2,000,000	-	2,121,873
Total Noncurrent Liabilities	<u>121,873</u>	<u>2,000,000</u>	<u>-</u>	<u>2,121,873</u>
Total Liabilities	<u>217,900</u>	<u>2,058,883</u>	<u>-</u>	<u>2,276,783</u>
Net Assets				
With donor restrictions	-	321,533	-	321,533
Without donor restrictions	546,090	3,615,661	-	4,161,751
Total Net Assets	<u>546,090</u>	<u>3,937,194</u>	<u>-</u>	<u>4,483,284</u>
Total Liabilities and Net Assets	<u><u>\$ 763,990</u></u>	<u><u>\$ 5,996,077</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,760,067</u></u>

Kansas City Girls Preparatory Academy

Consolidating Statement of Activities

Year Ended June 30, 2020

	Kansas City Girls Preparatory Academy	Kansas City Girls Preparatory Academy Foundation	Eliminations	Combined
Revenues and Other Support				
Government grants and contracts	\$ 1,149,023	\$ -	\$ -	\$ 1,149,023
Contributions and non-governmental grants	1,713,939	1,000,238	(344,122)	2,370,055
Fees and services	1,213	265	-	1,478
Rental income	-	54,000	(54,000)	-
Investment income	-	30,457	-	30,457
Miscellaneous	48,156	4,952	-	53,108
Total Revenues and Other Support	2,912,331	1,089,912	(398,122)	3,604,121
Expenses				
Program				
Instruction	910,247	-	-	910,247
Student services	13,317	-	-	13,317
Instructional staff support	56,815	-	-	56,815
Building level administration	113,254	-	-	113,254
General administration	305,168	-	-	305,168
Operation of plant	249,277	-	(54,000)	195,277
Transportation	121,978	-	-	121,978
Food service	101,000	-	-	101,000
Facilities acquisition and construction	43,877	73,222	-	117,099
Community Service	227,320	-	-	227,320
Depreciation	-	65,609	-	65,609
Debt service				
Interest and fees	-	104,422	-	104,422
Operational support	-	344,122	(344,122)	-
Management and general				
General administration	249,502	-	-	249,502
Total Expenses	2,391,755	587,375	(398,122)	2,581,008
<i>Changes in Net Assets</i>	520,576	502,537	-	1,023,113
Net Assets, Beginning of Year, as Restated	3,460,171	-	-	3,460,171
Transfer of Operations	(3,434,657)	3,434,657	-	-
Net Assets, End of Year	\$ 546,090	\$ 3,937,194	\$ -	\$ 4,483,284

Kansas City Girls Preparatory Academy

Consolidating Statement of Cash Flows

Year Ended June 30, 2020

	Kansas City Girls Preparatory Academy	Kansas City Girls Preparatory Academy Foundation	Eliminations	Combined
Cash Flows from Operating Activities				
Increase in net assets	\$ 520,576	\$ 502,537	\$ -	\$ 1,023,113
Item not requiring operating activities cash flows				
Depreciation	-	65,609	-	65,609
Changes in				
Accounts receivable	(22,935)	-	-	(22,935)
Grants receivable	(15,199)	-	-	(15,199)
Contributions receivable, net	(104,502)	-	-	(104,502)
Accounts payable	(98,210)	58,883	-	(39,327)
Net Cash Provided by Operating Activities	279,730	627,029	-	906,759
Cash Flows from Investing Activities				
Purchase of property and equipment	-	(714,303)	-	(714,303)
Transfer of cash	(789,010)	789,010	-	-
Net Cash Provided (Used) by Investing Activities	(789,010)	74,707	-	(714,303)
Cash Flows from Financing Activities				
Payment of debt principal	(2,025,800)	-	-	(2,025,800)
Proceeds from issuance of debt	217,900	2,000,000	-	2,217,900
Net Cash Provided (Used) by Financing Activities	(1,807,900)	2,000,000	-	192,100
<i>Net Increase (Decrease) in Cash</i>	(2,317,180)	2,701,736	-	384,556
Cash and Cash Equivalents, Beginning	2,892,525	-	-	2,892,525
Cash and Cash Equivalents, Ending	<u>\$ 575,345</u>	<u>\$ 2,701,736</u>	<u>\$ -</u>	<u>\$ 3,277,081</u>

Kansas City Girls Preparatory Academy

Statement of Assets and Fund Balances – Governmental Funds – Cash Basis

June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Assets				
Cash and cash equivalents	\$ 575,345	\$ -	\$ -	\$ 575,345
Total Assets	\$ 575,345	\$ -	\$ -	\$ 575,345
 Fund Balances				
Unassigned	\$ 575,345	\$ -	\$ -	\$ 575,345
Total Fund Balances	\$ 575,345	\$ -	\$ -	575,345
 Total assets on the Consolidating Statement of Financial Position, less cash and cash equivalents				188,645
Total liabilities on the Consolidating Statement of Financial Position				(217,900)
Net Assets on the Consolidating Statement of Financial Position				\$ 546,090

The supplementary 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.

Kansas City Girls Preparatory Academy

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Cash Basis

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Receipts				
Local	\$ 1,808,857	\$ 44,914	\$ -	\$ 1,853,771
State	-	677,148	-	677,148
Federal	456,676	-	-	456,676
Total Receipts	2,265,533	722,062	-	2,987,595
Disbursements				
Instruction	298,112	612,134	-	910,246
Student services	10,364	2,953	-	13,317
Instructional staff support	56,815	-	-	56,815
Building level administration	6,279	106,975	-	113,254
General administration and central services	575,166	-	-	575,166
Operation of plant	249,277	-	-	249,277
Pupil transportation	121,978	-	-	121,978
Food services	101,000	-	-	101,000
Community services	227,320	-	-	227,320
Building acquisition and construction	-	-	43,877	43,877
Total Disbursements	1,646,311	722,062	43,877	2,412,250
<i>Excess (Deficit) of Receipts Over Disbursements</i>	619,222	-	(43,877)	575,345
Other Financing Sources (Uses)				
Transfers in (out)	(43,877)	-	43,877	-
Total Other Financing Sources (Uses)	(43,877)	-	43,877	-
<i>Excess of Receipts and Other Sources Over Disbursements and Other Uses</i>	575,345	-	-	575,345
Fund Balance, beginning	-	-	-	-
Fund Balance, ending	\$ 575,345	\$ -	\$ -	575,345
Changes in				
Accounts receivable				22,935
Grants receivable				15,199
Contributions receivable, net				104,502
Capital assets				(77,715)
Accounts payable				98,210
Loan proceeds				(217,900)
Change in net assets per Statement of Activities				\$ 520,576

The supplementary 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.

Kansas City Girls Preparatory Academy

Schedule of Receipts by Source

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Local				
Bookstore sales	\$ 1,213	\$ -	\$ -	\$ 1,213
Gifts	1,564,525	44,914	-	1,609,439
Miscellaneous local revenue	243,119	-	-	243,119
Total Local	1,808,857	44,914	-	1,853,771
State				
Basic formula - state monies	-	677,148	-	677,148
Total State	-	677,148	-	677,148
Federal				
Medicaid	9,168	-	-	9,168
IDEA entitlement funds, part B IDEA	16,018	-	-	16,018
School lunch program	21,145	-	-	21,145
School breakfast program	10,637	-	-	10,637
Title I - ESEA	50,372	-	-	50,372
Title II, part A&B, ESEA - teacher and principal training	3,929	-	-	3,929
CARES - school lunch program	30,189	-	-	30,189
CARES - school breakfast program	15,962	-	-	15,962
Other - federal	299,256	-	-	299,256
Total Federal	456,676	-	-	456,676
Total Receipts	\$ 2,265,533	\$ 722,062	\$ -	2,987,595
Changes in				
Accounts receivable				22,935
Grants receivable				15,199
Contributions receivable, net				104,502
Loan proceeds				(217,900)
Revenues and Other Support per Statement of Activities				\$ 2,912,331

The above presentation agrees to the Annual Secretary of the Board Report.

Kansas City Girls Preparatory Academy

Schedule of Disbursements by Object

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Salaries	\$ 328,434	\$ 592,650	\$ -	\$ 921,084
Employee benefits	72,484	129,412	-	201,896
Purchased services	1,074,663	-	-	1,074,663
Supplies	170,730	-	-	170,730
Capital outlay	-	-	43,877	43,877
	\$ 1,646,311	\$ 722,062	\$ 43,877	2,412,250
Changes in				
Capital assets				77,715
Accounts payable				(98,210)
Expenses per Statement of Activities				\$ 2,391,755

The above presentation agrees to the Annual Secretary of the Board Report.

Internal Control and Compliance

Kansas City Girls Preparatory Academy

Schedule of Selected Statistics

Year Ended June 30, 2020

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
3945	5	5	-	8.0	124	896.1333

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
3945	5	62,551.03	-	-	-	-	62,551.03
Grand Total	5	62,551.03	-	-	-	-	62,551.03

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
3905	5	76.00	-	-	76.00
Grand Total	5	76.00	-	-	76.00

Notes:	

Kansas City Girls Preparatory Academy

Schedule of Selected Statistics

Year Ended June 30, 2020

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
3945	58.00	6.00	-	-	64.00
Grand Total	58.00	6.00	-	-	64.00

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 district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	N/A
	Homebound instruction	N/A
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	N/A
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free	True

Kansas City Girls Preparatory Academy

Schedule of Selected Statistics

Year Ended June 30, 2020

	and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	
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:	\$100,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
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 approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	N/A
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	N/A
5.12	The amount spent for approved professional development committee plan activities was:	N/A
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

Notes:	

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

Kansas City Girls Preparatory Academy

Schedule of Selected Statistics

Year Ended June 30, 2020

Finding:	None
Management Letter Comment:	N/A

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:	
	Eligible ADT	70
	Ineligible ADT	3
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	23,110
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 (including food/instructional delivery miles 2019-20)	21,165
	Ineligible Miles (Non-Route/Disapproved)	1,945
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	124

Kansas City Girls Preparatory Academy

Schedule of Selected Statistics

Year Ended June 30, 2020

Notes:	

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

Finding:	None
Management Letter Comment:	N/A



Independent Accountants' Report on Management's Assertions about Compliance with Specified Requirements of Missouri Laws and Regulations

Board of Directors
Kansas City Girls Preparatory Academy
Kansas City, Missouri

We have examined management's assertions that Kansas City Girls Preparatory Academy complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the School's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the schedule of selected statistics during the year ended June 30, 2020. Kansas City Girls Preparatory Academy's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. 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 assertions, 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.

In our opinion, management's assertions referred to above are fairly stated, in all material respects.

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 15, 2020

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Independent Auditors' 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
Kansas City Girls Preparatory Academy
Kansas City, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Kansas City Girls Preparatory Academy as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Kansas City Girls Preparatory Academy's basic financial statements and have issued our report thereon dated December 15, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kansas City Girls Preparatory Academy's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kansas City Girls Preparatory Academy' 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 15, 2020



Board of Directors
Kansas City Girls Preparatory Academy
Kansas City, Missouri

In planning and performing our audit of the basic financial statements of Kansas City Girls Preparatory Academy for the year ended June 30, 2020, we considered the School's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the 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*, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the 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*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and recommendations regarding these matters.

1. Cybersecurity

Cybersecurity threats are increasing and entities of all sizes are at risk for a breach of their information systems. With this increase in risk, entities should be continually evaluating risk and taking steps necessary to ensure the security of information systems. Steps include identifying critical information systems, training employees to properly identify threats received in emails or by other means, and adopting internal communication methods other than email.

It is important that entities develop a recovery plan outlining procedures that personnel should follow once a cybersecurity breach is discovered. Additionally, entities should be aware of any insurance in place to help protect them from liabilities that can occur as the result of a breach.

We Recommend:

The School continue to evaluate its cybersecurity risks and take the necessary steps to reduce the risk of cybersecurity threats to their information systems. This evaluation should be performed frequently as technology and information systems are continually changing.

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2. Periodic Internal Control Review

As the School evolves, policies and procedures change, this upcoming year faces the new challenge of managing during the COVID-19 pandemic. The pandemic creates the risk of business and process disruptions that could alter the application of normal procedures and controls. The School should periodically conduct a review of its internal control procedures and monitor the ongoing impact of the pandemic on internal controls to determine if any changes are necessary in order to protect the School's assets.

We Recommend:

The School conduct reviews of its internal control procedures to determine opportunities for strengthening safeguards over the School's assets throughout the year and periodically as processes are disrupted. The School may want to consider conducting reviews on cash management, computer information systems, mail distribution procedures, purchasing procedures, new vendor procedures, and other areas the School considers necessary.

3. Accounting for Foundation

During the audit, we noted that the accounting records for the Foundation and the School were commingled throughout the year. Further, many donations and expenses that ended in the Foundation's accounting records were originally issued with the School. For tracking purposes, both internally and externally, it is imperative for the School to distinguish between the two organizations and track completely separately.

We Recommend:

The School work diligently to maintain separate accounting records for the School and the Foundation. When paying expenses and soliciting donations, the proper organization should be used prior to completion of the transaction, so fewer transfers between organizations need to occur.

4. Free/Reduced Lunch Reporting

During our audit, we noted that the School free/reduced lunch software currently does not produce reports necessary to verify information in Core Data for free/reduced lunch count. The software should be capable of producing a detailed listing of free/reduced lunch participants. This report is necessary to provide management with a proper audit trail. This report should then be reconciled to the information on Core Data. A listing of free/reduced lunch students was provided from the file uploaded to DESE.

We Recommend:

The School contact its software provider and request the necessary modifications in order to produce the report discussed above.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the School's administrative personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations

We appreciate this opportunity to serve as Kansas City Girls Preparatory Academy' independent auditor and the courtesies and assistance extended to us by the School's employees.

This communication is intended solely for the information and use of management, Board of Directors, and other within the School and is not intended and should not be used by anyone other than these specified parties.

Respectfully submitted,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 15, 2020



Board of Directors
Kansas City Girls Preparatory Academy
Kansas City, Missouri

We have audited the financial statements of Kansas City Girls Preparatory Academy for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We communicated such information in our letter to you dated May 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kansas City Girls Preparatory Academy are described in Note 2 to the financial statements. The School converted to from the cash basis of accounting to accrual basis in accordance with generally accepted accounting principles in the United States of America, during the year ended June 30, 2020. We noted no transactions entered into by the School for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. The primary significant estimate made by management pertains to the allowance for uncollectable contributions receivable.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no misstatements regarding assets or net assets.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

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Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 15, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accrual of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Kansas City Girls Preparatory Academy and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Handwritten signature in black ink that reads "KPM CPAs, PC".

KPM CPAs, PC
Springfield, Missouri
December 15, 2020