

DE LA SALLE EDUCATION CENTER
Kansas City, Missouri

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of DeLaSalle Education Center (a nonprofit organization) (the "Center"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DeLaSalle Education Center as of June 30, 2022, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Board of Directors
DeLaSalle Education Center

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Board of Directors
DeLaSalle Education Center

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents from pages 16-22 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022 on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations contracts and grant agreements and other matters. The purpose of that report is 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 Center'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 Center's internal control over financial reporting and compliance.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
November 18, 2022

DE LA SALLE EDUCATION CENTER

STATEMENT OF FINANCIAL POSITION

June 30, 2022

ASSETS

Current Assets:

Cash	\$ 882,332
Contributed facility usage – School building	208,526
Prepaid expenses	<u>11,570</u>
Total Current Assets	1,102,428

Noncurrent contributed facility usage – School building	3,379,921
Property and equipment, net of accumulated depreciation	<u>199,949</u>

Total Assets \$ 4,682,298

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ <u>54,212</u>
Total Current Liabilities	54,212

Net Assets:

Without donor restrictions	1,039,639
With donor restrictions	<u>3,588,447</u>
Total Net Assets	<u>4,628,086</u>

Total Liabilities and Net Assets \$ 4,682,298

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

DE LA SALLE EDUCATION CENTER

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
SUPPORT, REVENUE & OTHER INCOME:			
Contributions and donations	\$ 1,000,347	\$ 0	\$ 1,000,347
In-kind noncash contributions	3,478	0	3,478
State aid receipts	1,287,449	0	1,287,449
Federal grants and contracts	864,442	0	864,442
Sales tax (Proposition C)	196,017	0	196,017
Gain on forgiveness of PPP loan	191,384	0	191,384
Other income	<u>126,254</u>	<u>0</u>	<u>126,254</u>
Total Support, Revenue, and Other Income	3,669,371	0	3,669,371
 <u>Expenses:</u>			
Program services	2,396,830	0	2,396,830
Supporting activities:			
General and administrative	1,183,541	0	1,183,541
Fundraising	<u>39,033</u>	<u>0</u>	<u>39,033</u>
Total Supporting activities	<u>1,222,574</u>	<u>0</u>	<u>1,222,574</u>
Total Expenses	<u>3,619,404</u>	<u>0</u>	<u>3,619,404</u>
Net Assets Released from Restrictions	<u>205,812</u>	<u>(205,812)</u>	<u>0</u>
Change in Net Assets	255,779	(205,812)	49,967
NET ASSETS, BEGINNING OF YEAR	<u>783,860</u>	<u>3,794,259</u>	<u>4,578,119</u>
NET ASSETS, END OF YEAR	\$ <u>1,039,639</u>	\$ <u>3,588,447</u>	\$ <u>4,628,086</u>

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

DE LA SALLE EDUCATION CENTER

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	Supporting Activities			Total Supporting Activities	Total
	Program Services	General & Administrative	Fundraising		
Salaries and wages	\$ 932,875	\$ 568,110	\$ 0	\$ 568,110	\$ 1,500,985
Retirement	97,485	62,172	0	62,172	159,657
Payroll taxes	69,059	42,108	0	42,108	111,167
Employee insurance	105,971	48,108	0	48,108	154,079
Other employee benefits	0	4,607	0	4,607	4,607
Professional and technical services	325,589	338,919	0	338,919	664,508
Property services	296,093	36,329	18,165	54,494	350,587
Transportation services (contracted)	97,688	0	0	0	97,688
Insurance	29,859	37,783	0	37,783	67,642
Communication and memberships	7,200	1,898	20,868	22,766	29,966
Other purchased services	32,802	0	0	0	32,802
General supplies	273,083	43,507	0	43,507	316,590
Books and periodicals	7,474	0	0	0	7,474
Utilities, energy service	98,082	0	0	0	98,082
Other supplies	493	0	0	0	493
Depreciation expense	23,077	0	0	0	23,077
Total Expenses	<u>\$ 2,396,830</u>	<u>\$ 1,183,541</u>	<u>\$ 39,033</u>	<u>\$ 1,222,574</u>	<u>\$ 3,619,404</u>

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

DE LA SALLE EDUCATION CENTER

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 49,967
Adjustments to reconcile change in net assets to net cash flows from operating activities –	
Depreciation	23,077
Amortization of discount – facility usage	(3,478)
Noncash expense – facility usage	209,290
Gain on forgiveness of PPP loan	(191,384)
(Increase)/decrease in assets:	
State formula receivable	116,847
Prepaid expenses	(840)
Increase/(decrease) in liabilities:	
Accounts payable	<u>30,921</u>
Net Cash Flows from Operating activities	234,400

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	<u>(75,762)</u>
Net Cash Flows from Investing activities	<u>(75,762)</u>
Net Increase in Cash	158,638
Cash, Beginning of Year	<u>723,694</u>
Cash, End of Year	<u>\$ 882,332</u>

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

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: ORGANIZATION

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

B. Use of 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 the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

C. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Center defines its cash and equivalents to include cash in demand deposits and considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

D. Concentration of Credit Risk

Cash is maintained at a high-quality financial institution and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Center had \$656,620 in excess of federally insured limits as of June 30, 2022. The Center has not experienced any losses on such deposit accounts at the financial institution and believes it is not exposed to any significant credit risk on cash.

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Capital Assets

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

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

F. State Formula Receivable and Liability Advance

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

G. Net Assets

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

Net Assets With Donor Restrictions Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other program or events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. The Center reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

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

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Revenue and Revenue Recognition

The Center recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Center's revenue is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

I. Noncash Contributions and Contributed Services

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

J. Functional Expense Allocation

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

K. Income Taxes

The Center is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Center has been classified as a publicly-supported entity, which is not a private foundation under Section 509(a) of the Code. The Center has adopted the provisions of the FASB ASC 740-10 as it might apply to their financial transactions. The Center's policy is to record a liability for any tax provision that is beneficial to the Center, including any related interest and penalties, when it is more likely than not the position taken by management with respect to the transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2022, and accordingly, no liability has been accrued.

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Subsequent Events

The Center has evaluated subsequent events through November 18, 2022, the date which the financial statements were available to be issued.

NOTE 3: LIQUIDITY RESOURCE MANAGEMENT

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

As of June 30, 2022, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

Cash and cash equivalents	\$ 882,332
Less: Net assets with donor restrictions	(3,588,447)
Add: Contributed facility usage noncash	<u>3,588,447</u>
Net financial assets	\$ <u>882,332</u>

NOTE 4: CAPITAL ASSETS

Capital assets as of June 30, 2022 consisted of the following:

Land	\$ 37,187
Leasehold building improvements	163,157
Furniture and equipment	357,504
Vehicles	<u>111,683</u>
Gross capital assets	669,531
Less: Accumulated depreciation	<u>469,582</u>
Total Capital Assets, net	\$ <u>199,949</u>

Depreciation expense for the year ended June 30, 2022 was \$23,077, which was allocated to the related functions:

Business support services	\$ 12,233
Operation of plant	7,899
Food services	<u>2,945</u>
	\$ <u>23,077</u>

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from restrictions satisfied through the passage of time during the year ended June 30, 2022:

Contributed school building facility rent recognized	\$ 209,290
Amortization of discount	<u>(3,478)</u>
Total released	\$ <u>205,812</u>

NOTE 6: RETIREMENT PLAN

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

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

Benefits Provided

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

Contributions

Employers are required to match the contributions made by members. The contribution rate is set each year by the KCPSRS Board of Trustees within the contribution restrictions set in Section 169.350.4 and 169.291.16 RSMo. The rate may be changed in increments not to exceed 0.5% of pay each year. Effective January 1, 2020, members of Plan B and C contributed at 12.0% of annual compensation. The Center’s contributions to KCPSRS were \$159,657 for the year ended June 30, 2022.

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 7: OPERATING LEASE OBLIGATIONS

School Building Facility

During June 2018, the lease agreement for the school building used for operations and related terms were assigned to School Smart KC Educational Support, Inc. (“SSKC”) and a new sub-tenant agreement became effective for the Center with quarterly rental payments due to SSKC. Effective October 1, 2019, a new triple net lease agreement was signed in December 2019 between SSKC and the Center. The new lease agreement included the termination of the existing sub-tenant lease agreement and established a new base rent of \$0 owed to SSKC through the end of the lease term of June 30, 2042. The Center is responsible for maintenance, improvements, insurance, utilities and other operating expenses of the premises. Beginning October 1, 2020, the Center was required annually to deposit an amount equal to \$1 per square foot of the building facility into a replacement reserve fund that is controlled by SSKC with the sole right to withdrawal and have final decisions on the use of the funds. The Center must maintain the following to ensure it does not default on the lease: 1) minimum ADA each semester of 70%, 2) track post-departure for at least 90% of the students, and 3) maintain 3% financial reserve monthly. Additional covenants are listed in the agreement. As noted in Note 8, the Center recognized the fair value of the donated facility usage with a long-term contributed facility usage receivable discounted for the lease term and the annual in-kind rent expense to be recognized based on the original lease schedule with SSKC. The amount of in-kind facility rent expense for the year ended June 30, 2022 was \$209,290.

Copier Equipment

The Center signed a lease agreement for copier equipment rented at \$1,499 per month over a 63-month period beginning February 2020 to April 2025. Maintenance and overage limits would be billed in addition to the base rental fee. Total lease expense for the year ended June 30, 2022 was \$21,095.

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

<u>Year Ending June 30,</u>	
2023	\$ 17,987
2024	17,987
2025	<u>14,990</u>
Total	\$ <u>50,964</u>

NOTE 8: CONTRIBUTED FACILITY USAGE – SCHOOL BUILDING

As noted above in Note 7, SSKC began contributing the current school building to the Center on a lease agreement with a monthly base rent of \$0 effective October 1, 2019. The estimated fair value of the contributed facilities was recorded as a gift in the period the lease was executed and is discounted to its present value at that time. The estimated value of this contribution was \$4,847,790 and the total discount amount was \$732,393 based on the previous lease payment schedule through June 30, 2042 for 22.5 years discounted at a rate of 1.69%, which represented the 52-weeks bank discount rate for U.S. Treasury Bills (T-bills) on October 1, 2019. The contribution receivable related to the right to use these facilities was \$3,588,447 as of June 30, 2022 with \$208,526 as the current portion and \$3,379,921 as the noncurrent portion.

Facility usage recognized as an expense for the year ended June 30, 2022, was \$209,290.

DE LA SALLE EDUCATION CENTER

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: CONTRIBUTED FACILITY USAGE – SCHOOL BUILDING (continued)

The contribution receivable for facility usage as of June 30, 2022 is a net asset with donor restrictions. Management believes that no allowance for doubtful accounts is necessary for this receivable.

The following reflects the contribution receivable and the related discount amortization as of June 30, 2022:

	Gross <u>Receivable</u>	Less Unamortized <u>Discount</u>	Net Outstanding <u>Receivable</u>
Due in less than 1 year (FY 2023)	\$ 215,634	\$ 7,108	\$ 208,526
Due in 1 to 5 years (FY 2024 – 2028)	1,168,384	94,413	1,073,971
Due in 6 to 10 years (FY 2029 – 2033)	1,048,175	160,922	887,253
Due in 11 to 15 years (FY 2034 – 2038)	1,041,223	231,296	809,927
Due in 16 to 20 years (FY 2039 – 2042)	<u>843,945</u>	<u>235,175</u>	<u>608,770</u>
Total	<u>\$ 4,317,361</u>	<u>\$ 728,914</u>	<u>\$ 3,588,447</u>

NOTE 9: PAYCHECK PROTECTION PROGRAM LOAN

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

SUPPLEMENTARY INFORMATION

DE LA SALLE EDUCATION CENTER

BALANCE SHEET – BY FUND
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
<u>ASSETS</u>				
Cash	\$ 882,332	\$ 0	\$ 0	\$ 882,332
Prepaid expenses	<u>11,570</u>	<u>0</u>	<u>0</u>	<u>11,570</u>
Total Assets	<u>\$ 893,902</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 893,902</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ <u>54,212</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>54,212</u>
Total Liabilities	54,212	0	0	54,212
Fund Balance:				
Unassigned	<u>839,690</u>	<u>0</u>	<u>0</u>	<u>839,690</u>
Total fund balance	<u>839,690</u>	<u>0</u>	<u>0</u>	<u>839,690</u>
Total Liabilities and Fund Balances	<u>\$ 893,902</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 893,902</u>
Total fund balance				\$ 839,690
Contributed facility usage on the Statement of Financial Position				3,588,447
Total property and equipment, net on the Statement of Financial Position				<u>199,949</u>
Total net assets on the Statement of Financial Position				<u>\$ 4,628,086</u>

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

See Independent Auditor's Report

DE LA SALLE EDUCATION CENTER

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES – BY FUND
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
REVENUE:				
Local	\$ 1,436,898	\$ 73,507	\$ 3,597	\$ 1,514,002
State	515,158	712,831	59,460	1,287,449
Federal	<u>864,442</u>	<u>0</u>	<u>0</u>	<u>864,442</u>
Total Revenue	2,816,498	786,338	63,057	3,665,893
EXPENDITURES:				
Instruction	545,016	666,452	0	1,211,468
Support services - Students	356,649	0	0	356,649
Support services - Instructional Staff	26,526	0	0	26,526
Support services - General Administration	878,417	2,360	0	880,777
Support services - Building Level Admin	1,361	117,526	0	118,887
Business Support Services	69,521	0	0	69,521
Fiscal Services	98,395	0	0	98,395
Operation and Maintenance Plant Services	468,625	0	0	468,625
Student Transportation	134,263	0	41,498	175,761
Food Services	33,295	0	0	33,295
Support services - Central Office	836	0	0	836
Community Services	500	0	0	500
Building and Facility Improvements	<u>0</u>	<u>0</u>	<u>21,559</u>	<u>21,559</u>
Total Expenditures	<u>2,613,404</u>	<u>786,338</u>	<u>63,057</u>	<u>3,462,799</u>
Net Changes in Fund Balance	203,094	0	0	203,094
Fund Balance – June 30, 2021	<u>636,596</u>	<u>0</u>	<u>0</u>	<u>636,596</u>
Fund Balance – June 30, 2022	\$ <u>839,690</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>839,690</u>
Net changes in fund balance				\$ 203,094
Changes in:				
Contributed facility rent, net of discount amortization				(205,812)
Capital assets – purchases				75,762
Capital assets – depreciation				<u>(23,077)</u>
Change in net assets on the Statement of Activities				\$ <u>49,967</u>

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

See Independent Auditor's Report

DE LA SALLE EDUCATION CENTER

SCHEDULE OF REVENUE COLLECTED BY SOURCE – BY FUND
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
<u>LOCAL:</u>				
Sales tax (Proposition C)	\$ 122,511	\$ 73,507	\$ 0	\$ 196,018
Contributions and grants	996,750	0	3,597	1,000,347
Other income	<u>317,637</u>	<u>0</u>	<u>0</u>	<u>317,637</u>
Total Local	1,436,898	73,507	3,597	1,514,002
<u>STATE:</u>				
Basic formula	512,323	712,831	0	1,225,154
Classroom trust fund	0	0	59,460	59,460
Other	<u>2,835</u>	<u>0</u>	<u>0</u>	<u>2,835</u>
Total State	515,158	712,831	59,460	1,287,449
<u>FEDERAL:</u>				
Medicaid	49,868	0	0	49,868
CARES grants	394,961	0	0	394,961
IDEA Special education	54,789	0	0	54,789
Food Services	23,276	0	0	23,276
ESEA Title I.A	319,718	0	0	319,718
ESEA Title II.A	11,830	0	0	11,830
ESEA Title IV.A	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
Total Federal	<u>864,442</u>	<u>0</u>	<u>0</u>	<u>864,442</u>
 Total All Sources	 <u>\$ 2,816,498</u>	 <u>\$ 786,338</u>	 <u>\$ 63,057</u>	 3,665,893
 Changes in:				
Contributed facility usage discount amortization				<u>3,478</u>
Total revenues on the Statement of Activities				<u>\$ 3,669,371</u>

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

See Independent Auditor's Report

DE LA SALLE EDUCATION CENTER

SCHEDULE OF EXPENDITURES BY OBJECT – BY FUND
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Salaries and wages	\$ 892,168	\$ 608,817	\$ 0	\$ 1,500,985
Retirement	97,170	62,487	0	159,657
Payroll taxes	66,933	44,234	0	111,167
Employee insurance	85,639	68,440	0	154,079
Other employee benefits	2,247	2,360	0	4,607
Professional and technical services	664,508	0	0	664,508
Property services	154,002	0	0	154,002
Transportation services (contracted)	97,688	0	0	97,688
Insurance	67,642	0	0	67,642
Communication and memberships	29,966	0	0	29,966
Other purchased services	32,802	0	0	32,802
General supplies	316,590	0	0	316,590
Books and periodicals	7,474	0	0	7,474
Utilities, energy service	98,082	0	0	98,082
Other supplies	493	0	0	493
Capital outlay	<u>0</u>	<u>0</u>	<u>63,057</u>	<u>63,057</u>
Total Expenditures	\$ <u>2,613,404</u>	\$ <u>786,338</u>	\$ <u>63,057</u>	3,462,799
Changes in:				
Contributed facility rent, net of discount amortization				209,290
Capital assets – purchases				(75,762)
Capital assets – depreciation				<u>23,077</u>
Total expenses on the Statement of Activities				\$ <u>3,619,404</u>

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

See Independent Auditor's Report

DE LA SALLE EDUCATION CENTER

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Number	FAIN Number	Pass- Through Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Pass-through Missouri Dept of Elementary & Secondary Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	20210N109943	048-923	\$ 355
	10.553	20221N119943	048-923	2,959
National School Lunch Program (NSLP)	10.555	20210N109943	048-923	577
	10.555	20221N119943	048-923	4,711
COVID-19 – NSLP Supply Chain Assistance	10.555	20221N890343	048-923	8,362
COVID-19 – Child Nutrition Emergency Operational Cost	10.555	2021H170343	048-923	<u>6,312</u>
Total Child Nutrition Cluster				<u>23,276</u>
Total U.S. Department of Agriculture				23,276
<u>U.S. Department of Education</u>				
<i>Pass-through Missouri Dept of Elementary & Secondary Education:</i>				
COVID-19 CRRSA Act Education Stabilization Fund (ESSER II)	84.425D	S425D210021	048-923	394,961
Title I School Improvement	84.010A	S010A190025	048-923	65,192
	84.010A	S010A200025	048-923	83,360
Title I, Grants to LEAs	84.010A	S010A200025	048-923	104,704
	84.010A	S010A210025	048-923	66,462
Title II.A, Supporting Effective Instruction	84.367A	S367A200024	048-923	7,884
	84.367A	S367A210024	048-923	3,946
Title IV, Student Support and Academic Enrichment	84.424A	S424A210026	048-923	1,983
	84.424A	S424A20026	048-923	8,017
Special Education Cluster (IDEA):				
IDEA, Part B - Special Education	84.027A	H027A200040	048-923	47,213
	84.027A	H027A210040	048-923	<u>7,576</u>
Total Special Education Cluster				<u>54,789</u>
Total U.S. Department of Education				<u>791,298</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ <u>814,574</u>

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

DE LA SALLE EDUCATION CENTER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2022

NOTE 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of DeLaSalle Education Center (the “Center”) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

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

NOTE 3: SUBRECIPIENTS

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

INTERNAL CONTROL AND COMPLIANCE



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

Board of Directors
DeLaSalle Education Center
Kansas City, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of DeLaSalle Education Center (the “Center”), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center’s internal control.

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

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

Board of Directors
DeLaSalle Education Center
Kansas City, Missouri

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
November 18, 2022



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

Board of Directors
DeLaSalle Education Center
Kansas City, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited DeLaSalle Education Center (the “Center”) (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Center’s major federal programs for the year ended June 30, 2022. The Center’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Board of Directors
DeLaSalle Education Center
Kansas City, Missouri

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

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

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

A handwritten signature in black ink that reads "Marr and Company". The signature is written in a cursive, flowing style.

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
November 18, 2022

DE LA SALLE EDUCATION CENTER

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022**

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statement:

- 1) The type of report issued on the basic financial statements. Unmodified opinion

- 2) Internal Control over Financial Reporting:
 - a) Significant deficiencies were disclosed. None
 - b) Material weaknesses were disclosed. None

- 3) Noncompliance, which is material to the basic financial statements, was disclosed. None

Federal Awards:

- 1) Internal Control over Major Programs:
 - a) Significant deficiencies were disclosed. None
 - b) Material weaknesses were disclosed. None

- 2) The type of report issued on compliance for major programs. Unmodified opinion

- 3) Any audit findings which are required to be reported under Section 200.516(a) of the Uniform Guidance? None

- 4) The School's major federal program(s):

Federal Assistance Number(s)	Federal Program or Cluster
84.425D	Education Stabilization Fund

- 5) Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

- 6) Auditee qualified as a low-risk auditee specified in Section 200.520 of the Uniform Guidance?
 Yes X No

SECTION II: FINANCIAL STATEMENT FINDINGS

No financial statement findings were reported.

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings and questioned costs were reported.

SECTION IV: RESOLUTIONS OF PRIOR YEAR AUDIT FINDINGS

No audit findings were noted from the prior year.



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

Board of Directors
DeLaSalle Education Center
Kansas City, Missouri

We have examined management's assertion, included in its representation letter dated November 18, 2022, that the of DeLaSalle Education Center (the "Center") complied with the requirements of Missouri laws and regulations regarding accurate disclosure of the Center's records of average daily attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2022. Management is responsible for its assertion that the Center complied with the aforementioned requirements. Our responsibility is to express an opinion on management's assertion based on our examination.

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

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

Our examination does not provide a legal determination on the Center's compliance with specified requirements. We noted one instance of noncompliance in the schedule of state findings (MO22-01).

In our opinion, management's assertion that the DeLaSalle Education Center complied with the aforementioned requirements included in the Schedule of Selected Statistics for the year ended June 30, 2022, are fairly stated, in all material respects.

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
November 18, 2022

County District Number: 048-923

DE LA SALLE EDUCATION CENTER

**SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2022**

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
1970	09	12	n/a	6.4200	168	1,049.2500

2. ATTENDANCE HOURS

Report the total attendance hours of PK-12 students allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
1970	09	30,907.9600	0.0000	0.0000	0.0000	0.0000	30,907.9600
1970	10	32,959.2000	0.0000	0.0000	0.0000	225.6000	33,184.8000
1970	11	21,790.0300	0.0000	0.0000	0.0000	253.8000	22,043.8300
1970	12	36,227.1600	0.0000	0.0000	0.0000	535.8000	36,762.9600
Grand Total		<u>121,884.3500</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>1,015.2000</u>	<u>122,899.5500</u>

3. SEPTEMBER MEMBERSHIP

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
1970	09	49.00	0.00	0.00	49.00
1970	10	55.00	0.00	0.00	55.00
1970	11	28.00	0.00	0.00	28.00
1970	12	54.00	0.00	0.00	54.00
Grand Total		<u>186.00</u>	<u>0.00</u>	<u>0.00</u>	<u>186.00</u>

DE LA SALLE EDUCATION CENTER

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2022

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

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
1970	<u>187.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>187.00</u>

5. FINANCE

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

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

DE LA SALLE EDUCATION CENTER

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2022

5. FINANCE (CONTINUED)

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

Section	Question	Answer
5.3	The charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the charter school's treasurer in the total amount of:	\$0
5.6	The charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual	False
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (<u>Not applicable to charter schools.</u>)	N/A
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (<u>Not applicable to charter schools.</u>)	N/A
5.10	The charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (<u>Not applicable to charter schools.</u>)	N/A
5.12	The amount spent for approved professional development committee plan activities was:	\$N/A

DE LA SALLE EDUCATION CENTER

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2022

5. FINANCE (CONTINUED)

Section	Question	Answer
5.13	The charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

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

Finding:	MO22-01	
Management Letter Comment:	None noted	

6. TRANSPORTATION (SECTION 163.161, RSMO)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The charter school’s pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	True
	Eligible ADT	<u>51.00</u>
	Ineligible ADT	<u>0.00</u>
6.4	The charter school’s transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total charter-operated and contracted mileage for the year was:	<u>42,727</u>
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	True
	Eligible Miles	<u>38,054</u>
	Ineligible Miles (Non-Route/Disapproved)	<u>4,673</u>

DE LA SALLE EDUCATION CENTER

SCHEDULE OF SELECTED STATISTICS
For the Year Ended June 30, 2022

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

Section	Question	Answer
6.7	Number of days the charter school operated the school transportation system during the regular school year:	<u>168</u>

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

Finding:	None noted	
Management Letter Comment:	During our audit, we noted clerical errors in the ridership log calculations for October and February used to prepare the Application for State Transportation Aid. As a result of our audit, the Application for State Transportation Aid has been corrected.	

DE LA SALLE EDUCATION CENTER

SCHEDULE OF STATE FINDINGS

For the Year Ended June 30, 2022

Prior year

There were no audit findings related to state compliance for the year ended June 30, 2021 to be resolved in the current year.

Current year

Finding MO22-01 – Finance: Secure Deposits

During our audit, we noted the Center's deposits that exceeded the FDIC limit of \$250,000 were not secured in accordance with the Missouri Financial Accounting Manual as required by the Revised Statutes of Missouri Sections 110.010 and 110.020.

Auditee's Response:

We acknowledge the audit finding as stated above. The Center began the process to properly secure its deposits in fiscal year 2023 and is finalizing the account management to ensure the funds are secured in fiscal year 2023.