

**KANSAS CITY GIRLS PREPARATORY ACADEMY  
AND AFFILIATED ORGANIZATION**

**CONSOLIDATED FINANCIAL STATEMENTS  
with  
INDEPENDENT AUDITOR'S REPORT**

**June 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Kansas City Girls Preparatory Academy and Affiliated Organization (nonprofit organizations – referred to as the “Organization”), which comprise the consolidated statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated financial statements.

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Board of Directors  
Kansas City Girls Preparatory Academy and Affiliated Organization

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kansas City Girls Preparatory Academy and Affiliated Organization as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information contained in the Table of Contents under Supplementary Information on pages 18-24 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2022 on our consideration of Kansas City Girls Preparatory Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kansas City Girls Preparatory Academy's internal control over financial reporting and compliance.



Marr and Company, P.C.  
Certified Public Accountants

Kansas City, Missouri  
January 10, 2022

**KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

June 30, 2021

**ASSETS**

Cash	\$ 5,760,468
State formula receivable	987
Promises to give, net of discount and allowance	2,935,780
Capital assets, net of accumulated depreciation	3,737,063
Other assets	<u>220</u>
Total Assets	\$ <u>12,434,518</u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable	\$ 283,716
Withholding liabilities	12,296
Accrued liabilities	2,656
Long-term debt	<u>1,922,266</u>
Total Liabilities	2,220,934
Net Assets:	
Net assets without donor restrictions	5,217,378
Net assets with donor restrictions	<u>4,996,206</u>
Total Net Assets	<u>10,213,584</u>
Total Liabilities and Net Assets	\$ <u>12,434,518</u>

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

**KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b><u>SUPPORT, REVENUE &amp; OTHER INCOME:</u></b>			
Contributions and donations	\$ 1,702,293	\$ 4,900,780	\$ 6,603,073
State aid receipts	1,176,777	0	1,176,777
Federal grants and contracts	465,824	216,065	681,889
Sales tax (Proposition C)	91,115	0	91,115
Earnings on investments	5,266	0	5,266
Gain on forgiveness of debt	217,900	0	217,900
Other income	<u>127,954</u>	<u>0</u>	<u>127,954</u>
Total Support, Revenue, and Other Income	3,787,129	5,116,845	8,903,974
<b><u>EXPENSES:</u></b>			
Program services	2,142,296	0	2,142,296
Supporting activities:			
General and administrative	1,007,978	0	1,007,978
Fundraising	<u>51,610</u>	<u>0</u>	<u>51,610</u>
Total Supporting activities	<u>1,059,588</u>	<u>0</u>	<u>1,059,588</u>
Total Expenses	3,201,884	0	3,201,884
Net Assets Released from Restrictions	<u>442,172</u>	<u>(442,172)</u>	<u>0</u>
Change in Net Assets	1,027,417	4,674,673	5,702,090
Net Assets, Beginning of Year	4,161,751	321,533	4,483,284
Restatement (Note 13)	<u>28,210</u>	<u>0</u>	<u>28,210</u>
Net Assets, Beginning of Year (Restated)	<u>4,189,961</u>	<u>321,533</u>	<u>4,511,494</u>
Net Assets, End of Year	\$ <u>5,217,378</u>	\$ <u>4,996,206</u>	\$ <u>10,213,584</u>

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

**KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 2021

	Supporting Activities			Total Supporting Activities	Total
	Program Services	General & Administrative	Fundraising		
Salaries and wages	\$ 1,022,792	\$ 416,255	\$ 0	\$ 416,255	\$ 1,439,047
Retirement	117,125	23,405	0	23,405	140,530
Payroll taxes	75,337	30,995	0	30,995	106,332
Employee insurance	86,815	23,283	0	23,283	110,098
Other employee benefits	0	6,627	0	6,627	6,627
Professional and technical services	187,790	318,420	50,460	368,880	556,670
Property services	89,276	20,744	0	20,744	110,020
Transportation services (contracted)	41,553	0	0	0	41,553
Insurance	34,931	3,588	0	3,588	38,519
Communication and memberships	36,285	0	1,150	1,150	37,435
Other purchased services	123,262	0	0	0	123,262
General supplies	126,870	14,421	0	14,421	141,291
Utilities, energy service	41,124	0	0	0	41,124
Other supplies	0	10,240	0	10,240	10,240
Capital outlay	12,120	0	0	0	12,120
Depreciation expense	88,540	0	0	0	88,540
Bad debt expense	0	140,000	0	140,000	140,000
Debt principal and interest	58,476	0	0	0	58,476
Total Expenses	\$ <u>2,142,296</u>	\$ <u>1,007,978</u>	\$ <u>51,610</u>	\$ <u>1,059,588</u>	\$ <u>3,201,884</u>

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

**KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the Year Ended June 30, 2021

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Change in net assets	\$ 5,702,090
Adjustments to reconcile change in net assets to net cash flows from operating activities -	
Depreciation	88,540
Gain on forgiveness of debt	(217,900)
Decrease/(increase) in assets:	
Accounts receivable	22,935
Grants and State funds receivable	45,973
Promises to give	(2,817,030)
Other assets	(136)
Increase/(decrease) in liabilities:	
Accounts payable	224,833
Withholding liabilities	3,482
Accrued liabilities	<u>2,656</u>
Net Cash Flows from Operating Activities	3,055,443
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of capital assets	<u>(531,262)</u>
Net Cash Flows from Investing activities	(531,262)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Net payments on long-term debt	<u>(49,524)</u>
Net Cash Flows from Financing activities	<u>(49,524)</u>
Net change in cash	2,474,657
Cash, Beginning of Year	<u>3,285,811</u>
Cash, End of Year	\$ <u>5,760,468</u>
 <u>SUPPLEMENTAL DISCLOSURE:</u>	
Cash paid for Interest	\$ <u>58,476</u>

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



**KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2021

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# KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

### NOTE 1: ORGANIZATION AND AFFILIATE

Kansas City Girls Preparatory Academy (the “Academy”) is a not-for-profit public benefit corporation organized on November 22, 2016 with the initial registered name of Young Women’s Leadership Academy KC that was changed to its current name of Kansas City Girls Preparatory Academy on June 7, 2017. The corporation operates a charter school that organized under Chapter 355, RSMo and governed by Senate Bill No. 781 of the 89th General Assembly of the Missouri legislature. The Academy is sponsored by Missouri Charter Public School Commission effective September 18, 2018 for a term of five years beginning July 1, 2019 until June 30, 2024. The Academy opened its doors in August 2019 with 5<sup>th</sup> grade students only. The Academy is exempt from most Missouri laws and statutes governing educational institutions. The Academy is legally separate from the Kansas City, Missouri School District and is not financially accountable to it.

The Academy operates the first single-gender, open-enrollment charter public school in Kansas City and will be affiliated with the Young Women’s Leadership Network (YWLN), a network of all-girls schools founded over two decades ago that has assured college access for thousands of young women from low-income neighborhoods. The charter agreement provides for the education of urban, disadvantaged, at-risk students in fifth through twelfth grades. The Academy plans to grow one grade per year to form a 5<sup>th</sup>-8<sup>th</sup> grade middle school and a 9<sup>th</sup>-12<sup>th</sup> grade high school. Approximately 65% of the Academy’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 from foundations and individuals.

Effective September 26, 2018, the Academy formed a new entity, Kansas City Girls Preparatory Academy Foundation (the “Foundation”) a 501(c)(3) not-for-profit public benefit corporation formed in Missouri to operate exclusively for the benefit of Kansas City Girls Preparatory Academy. The Foundation has been consolidated into the Academy’s financial statements.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Principles of Consolidation

The consolidated financial statements include the accounts of Kansas City Girls Preparatory Academy and Kansas City Girls Preparatory Academy Foundation (collectively the “Organization”). The organizations share common management and some board members. All material intercompany balances and transactions have been eliminated in consolidation.

#### B. Basis of Accounting

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

#### C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization 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.

**KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Promises to Give 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 initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization’s management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2021, the allowance was \$160,625.

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

E. Property and Equipment

All property and equipment are recorded at historical cost if purchased and fair value if donated. It is the policy of the Organization to capitalize expenditures for buildings, building improvements, equipment, and furniture and fixtures in excess of \$5,000 per item. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. 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
Buildings and improvements	40

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 Academy 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 30<sup>th</sup>.

# KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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 Without Donor Restrictions:* Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. These net assets may be used at the discretion of the Organization's management and the board. The governing boards of the Organization have not designated net assets without donor restrictions for a designated purpose.

*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 events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. 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.

It is the Organization'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.

#### H. Revenue and Revenue Recognition

The Organization 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 our 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 Organization 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.

# KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### I. Functional Allocation of Expenses

The costs of providing the program and supporting activities have been summarized on a functional basis in the statement of activities. The Organization 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 program and supporting services benefited.

#### J. Income Taxes

The Academy and Foundation are organized as Missouri nonprofit corporations and have been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(ii) and (viii), and have been determined not to be private foundations under IRC Sections 170(b)(1)(A)(ii) and 509(a)(3), respectively. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that each entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

#### K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization's management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

#### L. Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. Accounts at each depository institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, amounts on deposit may exceed insured limits. The Organization had a combined total of \$5,274,525 in excess of federally insured limits as of June 30, 2021, with the Academy exceeding FDIC limits by \$621,859 and the Foundation exceeding FDIC limits by \$4,652,666. To date, the Organization 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.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the Organization's mission.

# KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### M. Subsequent Events

Management has evaluated subsequent events through January 10, 2022, the date the consolidated financial statements were available to be issued.

### NOTE 3: LIQUIDITY AND AVAILABILITY

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

Financial assets at year end	
Cash and cash equivalents	\$ 5,760,468
State formula receivable	987
Promises to give	<u>2,935,780</u>
Total financial assets	8,697,235
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>4,996,206</u>
Total available for general expenditure	\$ <u>3,701,029</u>

The Foundation does not have a policy to maintain a particular number of days of operating expenses as liquid assets. To maintain eligibility for charter sponsor contract renewal, the Academy must maintain a minimum cash fund balance of at least 4% at the end of each fiscal year and maintain at least 30 days of cash on hand at all times.

### NOTE 4: PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at June 30, 2021:

Within one year	\$ 1,778,712
In one to five years	1,425,000
Over five years	<u>0</u>
	3,203,712
Less discount to net present value at 4.00% rate	(107,307)
Less allowance for uncollectable promises to give	<u>(160,625)</u>
Promises to give, net	\$ <u>2,935,780</u>

At June 30, 2021, three donors accounted for 86 percent of total promises to give and accounted for 61 percent of total contribution revenue for the year ended June 30, 2021.

Promises to give totaling \$388,275 received during the year ended June 30, 2021 were restricted by donors for current-year operations and were reported as contributions without donor restrictions.

# KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

### NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2021:

Land	\$ 32,753
Buildings and improvements	3,617,946
Construction in progress	<u>240,513</u>
	3,891,212
Less accumulated depreciation	<u>(154,149)</u>
	\$ <u>3,737,063</u>

### NOTE 6: NOTES PAYABLE

In December 2019, the Foundation entered into a loan agreement to pay off the Academy's existing building loan and transfer title of the building and improvements to the Foundation. The Foundation entered into a promissory note with the Jedel Family Foundation in the amount of \$2,000,000 on December 13, 2019. Interest will accrue annually at the rate of 3.0% with payments of accrued interest being made quarterly through December 13, 2022, when all remaining unpaid interest and principal shall be due. Accelerated principal payments were made during the current year. The promissory note is payable from building lease payments received from the Academy. In the event of default, the lender may declare the debt immediately due and may pursue all remedies provided for in the loan documents. Notes payable balance as of June 30, 2021 was \$1,922,266.

Future maturities of notes payable are as follows:

<u>Year Ending June 30,</u>	
2022	\$ 0
2023	<u>1,922,266</u>
	\$ <u>1,922,266</u>

### NOTE 7: 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 Academy obtained \$217,900 in financing from the U.S. Small Business Administration ("SBA") on April 13, 2020 with a maturity date of April 13, 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 Academy 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 Academy uses the proceeds on eligible costs. The Academy filed for loan forgiveness and received the official legal release and forgiveness from the SBA in February 2021. The Academy recorded the loan extinguishment as revenue when the forgiveness occurred.

# KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

### NOTE 8: LEASES

The school building operated by the Academy is owned by the Foundation. Effective December 13, 2019, a lease agreement between the entities requires monthly payments of \$9,000 payable through December 31, 2022. The annual rental income and rent expense is eliminated with the presentation of these consolidated financial statements.

The Academy leases office equipment under various operating leases expiring at various dates through June 2024. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2022	\$ 18,500
2023	11,687
2024	<u>11,687</u>
	<u>\$ 41,874</u>

Rent expense for the year ended June 30, 2021 totaled \$9,658.

### NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2021:

Subject to expenditure for specified purpose:	
Construction and capital projects	\$ 1,566,000
Technology and STEAM activities	90,609
New school startup and launch	190,851
Professional development and staffing	212,966
Promises to give, the proceeds from which have been restricted by donors for:	
Building construction and improvements	<u>2,547,505</u>
	<u>4,607,931</u>
Subject to the passage of time:	
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	<u>388,275</u>
Total	\$ <u>4,996,206</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time specified by the donors as follows for the year ended June 30, 2021:

Satisfaction of purpose restriction:	
Technology and STEAM activities	\$ 9,391
New school startup and launch	264,144
Professional development and staffing	<u>168,638</u>
Total	\$ <u>442,172</u>



# KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

### NOTE 10: FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, which is allocated on a square footage basis, as well as salaries and wages, employee benefits, payroll taxes, professional and technical services, supplies, and insurance, which are allocated on the basis of estimates of time and effort.

### NOTE 11: 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](http://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](http://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 Academy’s contributions to KCPSRS were \$140,530 for the year ended June 30, 2021.

### NOTE 12: CLAIMS AND ADJUSTMENTS

The Academy 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, 2021, significant amounts of grant disbursements have not been audited by grantor governments, but the Academy believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on the overall financial position of the Academy.

**KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2021

**NOTE 13: RESTATEMENT FOR CORRECTION OF ERROR**

During the current year, the Foundation discovered the loan payments included a principal portion and should have reduced the outstanding note payable balance as of June 30, 2020. As a result, the Foundation overstated its liabilities and the interest expense related to the payments.

The correction of the error affected the Foundation's financial statement lines as follows:

Net Assets, as previously stated, June 30, 2020	\$ 3,937,194
Notes payable decrease due to principal reduction	<u>28,210</u>
Net Assets, as restated, June 30, 2020	\$ <u>3,965,404</u>

The correction of the error affected the Organization's consolidated financial statement lines as follows:

Net Assets, as previously stated, June 30, 2020	\$ 4,483,284
Notes payable decrease due to principal reduction	<u>28,210</u>
Net Assets, as restated, June 30, 2020	\$ <u>4,511,494</u>

## **SUPPLEMENTARY INFORMATION**

**KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

June 30, 2021

	<u>Academy</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Cash	\$ 848,946	\$ 4,911,522	\$ 0	\$ 5,760,468
State formula receivable	987	0	0	987
Promises to give, net of discount and allowance	387,063	2,548,717	0	2,935,780
Due from affiliated organization	0	125,000	(125,000)	0
Capital assets, net of accumulated depreciation	0	3,737,063	0	3,737,063
Other assets	<u>220</u>	<u>0</u>	<u>0</u>	<u>220</u>
Total Assets	\$ <u>1,237,216</u>	\$ <u>11,322,302</u>	\$ <u>(125,000)</u>	\$ <u>12,434,518</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 43,203	\$ 240,513	\$ 0	\$ 283,716
Withholding liabilities	6,388	5,908	0	12,296
Due to affiliated organization	125,000	0	(125,000)	0
Accrued liabilities	2,656	0	0	2,656
Long-term debt	<u>0</u>	<u>1,922,266</u>	<u>0</u>	<u>1,922,266</u>
Total Liabilities	177,247	2,168,687	(125,000)	2,220,934
Net Assets:				
Net assets without donor restrictions	178,480	5,038,898	0	5,217,378
Net assets with donor restrictions	<u>881,489</u>	<u>4,114,717</u>	<u>0</u>	<u>4,996,206</u>
Total Net Assets	<u>1,059,969</u>	<u>9,153,615</u>	<u>0</u>	<u>10,213,584</u>
Total Liabilities and Net Assets	\$ <u>1,237,216</u>	\$ <u>11,322,302</u>	\$ <u>(125,000)</u>	\$ <u>12,434,518</u>

*See Independent Auditor's Report*

**KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2021

	<u>Academy</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>Change in Net Assets Without Donor Restrictions</u>				
<b>SUPPORT, REVENUE, &amp; OTHER INCOME</b>				
Contributions and donations	\$ 187,516	\$ 1,514,777	\$ 0	\$ 1,702,293
State aid receipts	1,176,777	0	0	1,176,777
Federal grants and contracts	465,824	0	0	465,824
Sales tax (Proposition C)	91,115	0	0	91,115
Facility rental income	0	108,000	(108,000)	0
Earnings on investments	391	4,875	0	5,266
Gain on forgiveness of debt	217,900	0	0	217,900
Other income	<u>96,219</u>	<u>31,735</u>	<u>0</u>	<u>127,954</u>
Total Support, Revenue & Other Income	2,235,742	1,659,387	(108,000)	3,787,129
<b>EXPENSES</b>				
Program Services	2,090,547	159,749	(108,000)	2,142,296
Supporting Activities:				
General and administrative	633,040	374,938	0	1,007,978
Fundraising	<u>404</u>	<u>51,206</u>	<u>0</u>	<u>51,610</u>
Total Supporting Activities	<u>633,444</u>	<u>426,144</u>	<u>0</u>	<u>1,059,588</u>
Total Expenses	2,723,991	585,893	(108,000)	3,201,884
Net Assets Released from Restrictions	<u>442,172</u>	<u>0</u>	<u>0</u>	<u>442,172</u>
Change in Net Assets Without Donor Restrictions	(46,077)	1,073,494	0	1,027,417
Net Assets Without Donor Restrictions, Beginning	224,557	3,937,194	0	4,161,751
Restatement (Note 13)	<u>0</u>	<u>28,210</u>	<u>0</u>	<u>28,210</u>
Net Assets Without Donor Restrictions, Beginning (restated)	<u>224,557</u>	<u>3,965,404</u>	<u>0</u>	<u>4,189,961</u>
Net Assets Without Donor Restrictions, Ending	<u>178,480</u>	<u>5,038,898</u>	<u>0</u>	<u>5,217,378</u>
<u>Change in Net Assets With Donor Restrictions</u>				
<b>SUPPORT, REVENUE, &amp; OTHER INCOME</b>				
Contributions and donations	786,063	4,114,717	0	4,900,780
Federal grants and contracts	<u>216,065</u>	<u>0</u>	<u>0</u>	<u>216,065</u>
Total Support, Revenue & Other Income	1,002,128	4,114,717	0	5,116,845
Net Assets Released from Restrictions	<u>(442,172)</u>	<u>0</u>	<u>0</u>	<u>(442,172)</u>
Change in Net Assets With Donor Restrictions	559,956	4,114,717	0	4,674,673
Net Assets with Donor Restrictions, Beginning (restated)	<u>321,533</u>	<u>0</u>	<u>0</u>	<u>321,533</u>
Net Assets with Donor Restrictions, Ending	<u>881,489</u>	<u>4,114,717</u>	<u>0</u>	<u>4,996,206</u>
Changes in Net Assets	513,879	5,188,211	0	5,702,090
NET ASSETS, Beginning of year (Restated)	<u>546,090</u>	<u>3,965,404</u>	<u>0</u>	<u>4,511,494</u>
NET ASSETS, End of year	\$ <u>1,059,969</u>	\$ <u>9,153,615</u>	\$ <u>0</u>	\$ <u>10,213,584</u>

*See Independent Auditor's Report*

**KANSAS CITY GIRLS PREPARATORY ACADEMY AND AFFILIATE**

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

	<u>Academy</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>				
Change in net assets	\$ 513,879	\$ 5,188,211	\$ 0	\$ 5,702,090
Adjustments to reconcile change in net assets to net cash flows from operating activities -				
Depreciation	0	88,540	0	88,540
Gain on forgiveness of debt	(217,900)	0	0	(217,900)
Decrease/(increase) in assets:				
Accounts receivable	22,935	0	0	22,935
Grants and State funds receivable	45,973	0	0	45,973
Promises to give, net of discount and allowance	(268,313)	(2,548,717)	0	(2,817,030)
Due from affiliate	0	(125,000)	125,000	0
Other assets	(136)	0	0	(136)
Increase/(decrease) in liabilities:				
Accounts payable	43,203	181,630	0	224,833
Withholding liabilities	(2,426)	5,908	0	3,482
Due to affiliate	125,000	0	(125,000)	0
Accrued liabilities	<u>2,656</u>	<u>0</u>	<u>0</u>	<u>2,656</u>
Net Cash Flows from Operating Activities	264,871	2,790,572	0	3,055,443
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>				
Purchase of capital assets	<u>0</u>	<u>(531,262)</u>	<u>0</u>	<u>(531,262)</u>
Net Cash Flows from Investing activities	0	(531,262)	0	(531,262)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>				
Net payments on long-term debt	<u>0</u>	<u>(49,524)</u>	<u>0</u>	<u>(49,524)</u>
Net Cash Flows from Financing activities	0	(49,524)	0	(49,524)
Net change in cash	264,871	2,209,786	0	2,474,657
Cash, Beginning of Year	<u>584,075</u>	<u>2,701,736</u>	<u>0</u>	<u>3,285,811</u>
Cash, End of Year	\$ <u>848,946</u>	\$ <u>4,911,522</u>	\$ <u>0</u>	\$ <u>5,760,468</u>
<b>SUPPLEMENTAL DISCLOSURE:</b>				
Cash paid for Interest	\$ <u>0</u>	\$ <u>58,476</u>	\$ <u>0</u>	\$ <u>58,476</u>

*See Independent Auditor's Report*

**KANSAS CITY GIRLS PREPARATORY ACADEMY**

STATEMENT OF ASSETS AND FUND BALANCES – CASH BASIS – BY FUND  
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
Cash	\$ 723,946	\$ 0	\$ 125,000	\$ 848,946
Other assets – security deposit	<u>220</u>	<u>0</u>	<u>0</u>	<u>220</u>
Total Assets	\$ <u>724,166</u>	\$ <u>0</u>	\$ <u>125,000</u>	\$ <u>849,166</u>
<b><u>LIABILITIES &amp; FUND BALANCES</u></b>				
Liabilities:				
Payroll withholdings	\$ 6,388	\$ 0	\$ 0	\$ 6,388
Due to affiliated organization	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
Total Liabilities	6,388	\$ <u>0</u>	125,000	131,388
Fund Balances:				
Restricted	494,426	0	0	494,426
Unassigned	<u>223,352</u>	<u>0</u>	<u>0</u>	<u>223,352</u>
Total Fund Balances	<u>717,778</u>	<u>0</u>	<u>0</u>	<u>717,778</u>
Total Liabilities and Fund Balances	\$ <u>724,166</u>	\$ <u>0</u>	\$ <u>125,000</u>	\$ <u>849,166</u>
Fund Balance				\$ 717,778
Total assets on the Consolidating Statement of Financial Position, less cash and cash equivalents and other assets				388,050
Total liabilities on the Consolidating Statement of Financial Position less payroll liabilities and due to affiliated organization				<u>(45,859)</u>
Net Assets on the Consolidating Statement of Financial Position				\$ <u>1,059,969</u>

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 CHANGE IN FUND BALANCES CASH BASIS – BY FUND For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
<b><u>RECEIPTS:</u></b>				
Local	\$ 928,718	\$ 34,168	\$ 0	\$ 962,886
State	1,141,622	34,168	0	1,175,790
Federal	<u>681,889</u>	<u>0</u>	<u>0</u>	<u>681,889</u>
Total Receipts	2,752,229	68,336	0	2,820,565
<b><u>DISBURSEMENTS:</u></b>				
Instruction	340,219	1,113,290	0	1,453,509
Support services - Students	105,901	214	0	106,115
Support services - Instructional Staff	44,994	0	0	44,994
Support services - General Administration	303,880	0	0	303,880
Support services - Building Level Admin	8,852	113,050	0	121,902
Business Support Services	33,149	0	0	33,149
Business Support - Fiscal Services	60,000	0	0	60,000
Operation and Maintenance Plant Services	328,929	0	0	328,929
Student Transportation	41,232	0	0	41,232
Food Services	123,262	0	0	123,262
Support services - Central Office	60,757	0	0	60,757
Community services	<u>403</u>	<u>0</u>	<u>0</u>	<u>403</u>
Total Disbursements	<u>1,451,578</u>	<u>1,226,554</u>	<u>0</u>	<u>2,678,132</u>
Receipts Over (Under) Disbursements	1,300,651	(1,158,218)	0	142,433
Other Financing Sources (Uses)				
Transfers In / (Out)	(1,158,218)	<u>1,158,218</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,158,218)</u>	<u>1,158,218</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	142,433	0	0	142,433
FUND BALANCE – JUNE 30, 2020	<u>575,345</u>	<u>0</u>	<u>0</u>	<u>575,345</u>
FUND BALANCE – JUNE 30, 2021	\$ <u>717,778</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>717,778</u>
Net Changes in Fund Balance				\$ 142,433
Changes in:				
Receivables				199,405
Accounts payable and accruals				(45,859)
Long-term debt				<u>217,900</u>
Change in Net Assets per Consolidating Statement of Activities				\$ <u>513,879</u>

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



**KANSAS CITY GIRLS PREPARATORY ACADEMY**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
<b>LOCAL:</b>				
Sales tax (Prop C)	\$ 56,947	\$ 34,168	\$ 0	\$ 91,115
Gifts and contributions	775,161	0	0	775,161
Earnings on investments	391	0	0	391
Other	<u>96,219</u>	<u>0</u>	<u>0</u>	<u>96,219</u>
Total Local	928,718	34,168	0	962,886
<b>STATE</b>				
Basic formula	1,069,428	34,168	0	1,103,596
Transportation	17,959	0	0	17,959
Classroom trust fund	28,985	0	0	28,985
Other	<u>25,250</u>	<u>0</u>	<u>0</u>	<u>25,250</u>
Total State	1,141,622	34,168	0	1,175,790
<b>FEDERAL</b>				
Medicaid	49,978	0	0	49,978
IDEA Special education	34,450	0	0	34,450
Food services grants	121,973	0	0	121,973
CARES and ESSER funds	117,105	0	0	117,105
ESEA Title I.A	103,152	0	0	103,152
ESEA Title II.A	7,503	0	0	7,503
ESEA Title IV.A	9,998	0	0	9,998
Other - CSP grant	<u>237,730</u>	<u>0</u>	<u>0</u>	<u>237,730</u>
Total Federal	<u>681,889</u>	<u>0</u>	<u>0</u>	<u>681,889</u>
Total All Sources	\$ <u>2,752,229</u>	\$ <u>68,336</u>	\$ <u>0</u>	2,820,565
<b>Changes in:</b>				
Receivables				199,405
Long-term debt				<u>217,900</u>
Support, Revenues & Other Income per Consolidating Statement of Activities				\$ <u>3,237,870</u>

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

**KANSAS CITY GIRLS PREPARATORY ACADEMY**

SCHEDULE OF DISBURSEMENTS BY OBJECT –CASH BASIS – BY FUND  
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Salaries and wages	\$ 284,451	\$ 966,279	\$ 0	\$ 1,250,730
Retirement	29,394	111,136	0	140,530
Payroll taxes	21,271	71,226	0	92,497
Employee insurance	21,513	77,913	0	99,426
Other employee benefits	5,163	0	0	5,163
Professional and technical services	445,099	0	0	445,099
Property services	216,901	0	0	216,901
Transportation services (contracted)	41,553	0	0	41,553
Insurance	38,519	0	0	38,519
Communication and memberships	33,885	0	0	33,885
Other purchased services	123,261	0	0	123,261
General supplies	140,904	0	0	140,904
Utilities, energy service	41,124	0	0	41,124
Other supplies	<u>8,540</u>	<u>0</u>	<u>0</u>	<u>8,540</u>
Total Expenditures	\$ <u>1,451,578</u>	\$ <u>1,226,554</u>	\$ <u>0</u>	2,678,132
Changes in:				
Accounts payable and accruals				<u>45,859</u>
Expenses per Consolidating Statement of Activities				\$ <u>2,723,991</u>

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

## **INTERNAL CONTROL AND COMPLIANCE**



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

Board of Directors  
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 financial statements of Kansas City Girls Preparatory Academy (the “Academy”), which comprise the statement of financial position as of June 30, 2021, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 10, 2022.

**Internal Control over Financial Reporting**

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

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Academy'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 Academy'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 Academy'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  
January 10, 2022



## INDEPENDENT ACCOUNTANT'S 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 assertion, included in its representation letter dated January 10, 2022, that the of Kansas City Girls Preparatory Academy (the "Academy") complied with the requirements of Missouri laws and regulations regarding accurate disclosure of the Academy's records of average daily attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2021. Management is responsible for its assertion that the Academy complied with the aforementioned requirements. Our responsibility is to express an opinion on management's assertion based on our examination.

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

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

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

Marr and Company, P.C.  
Certified Public Accountants

Kansas City, Missouri  
January 10, 2022

**KANSAS CITY GIRLS PREPARATORY ACADEMY**

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

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
3945	5	6	n/a	7.3500	160	1,083.7500

**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	05	44,326.6700	0.0000	0.0000	0.0000	1,933.6057	46,260.2757
3945	06	66,329.8800	0.0000	0.0000	0.0000	3,746.1841	70,076.0641
<b>Grand Total</b>		<u>110,656.5500</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>5,679.7898</u>	<u>116,336.3398</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
3945	05	52.00	0.00	0.00	52.00
3945	06	85.00	0.00	0.00	85.00
<b>Grand Total</b>		<u>137.00</u>	<u>0.00</u>	<u>0.00</u>	<u>137.00</u>

**KANSAS CITY GIRLS PREPARATORY ACADEMY**

SCHEDULE OF SELECTED STATISTICS  
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**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	<u>129.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>129.00</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.	<b>True</b>
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:	<b>True</b>
	Academic Programs Off-Campus	<b>N/A</b>
	Career Exploration Program – Off Campus	<b>N/A</b>
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	<b>N/A</b>
	Dual enrollment	<b>N/A</b>
	Homebound instruction	<b>N/A</b>
	Missouri Options	<b>N/A</b>
	Prekindergarten eligible to be claimed for state aid	<b>N/A</b>
	Remediation	<b>N/A</b>
	Sheltered Workshop participation	<b>N/A</b>
	Students participating in the school flex program	<b>N/A</b>
	Traditional instruction (full and part-time students)	<b>True</b>
	Virtual instruction (MOCAP or other option)	<b>N/A</b>
	Work Experience for Students with Disabilities	<b>N/A</b>



**KANSAS CITY GIRLS PREPARATORY ACADEMY**

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

**5. FINANCE (CONTINUED)**

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

Section	Question	Answer
5.3	The charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	<b>True</b>
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.	<b>True</b>
5.5	As required by Section 162.401, RSMo, a bond was purchased for the charter school's treasurer in the total amount of:	<b>\$0</b>
5.6	The charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	<b>N/A</b>
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> )	<b>N/A</b>
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.	<b>True</b>
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> )	<b>N/A</b>
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.	<b>True</b>
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> )	<b>N/A</b>
5.12	The amount spent for approved professional development committee plan activities was:	<b>\$N/A</b>

**KANSAS CITY GIRLS PREPARATORY ACADEMY**

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

**5. FINANCE (CONTINUED)**

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

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

Finding:	None noted
Management Letter Comment:	None noted

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

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	<b>True</b>
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.	<b>True</b>
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:	<b>True</b>
	Eligible ADT	<u>20.50</u>
	Ineligible ADT	<u>2.00</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.	<b>True</b>
6.5	Actual odometer records show the total charter-operated and contracted mileage for the year was:	<u>4,919</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:	<b>True</b>
	Eligible Miles	<u>4,919</u>
	Ineligible Miles (Non-Route/Disapproved)	<u>0</u>

**KANSAS CITY GIRLS PREPARATORY ACADEMY**

SCHEDULE OF SELECTED STATISTICS  
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**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>20</u>

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

Finding:	None noted
Management Letter Comment:	None noted