



**Academies: St. Louis**

FEDERAL AND STATE REPORTING PACKAGE

June 30, 2023

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**Independent Auditors' Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

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To the Board of Directors of  
Kairos Academies

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 Kairos Academies (the "School"), which comprise the statement of assets and net assets – modified cash basis as of June 30, 2023, and the related statements of revenues, expenses, and changes in net assets – modified cash basis, functional expenses – modified cash basis, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2023. Our report on the financial statements disclosed that, as described in Note B to the financial statements, Kairos Academies prepare financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control over financial reporting that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be a significant deficiencies.

**Compliance and Other Matters**

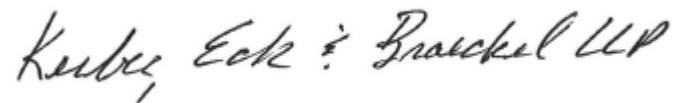
As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are reported in the schedule of findings and questioned costs items 2023-003.

**School's Response to Findings**

The School's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 organization'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 Kairos Academies' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



St. Louis, Missouri  
December 22, 2023

**Independent Auditors' Report on Compliance for Each Major  
Federal Program and on Internal Control Over Compliance  
Required by the Uniform Guidance and on Schedule of  
Expenditures of Federal Awards**

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To the Board of Directors of  
Karios Academies

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Karios Academies (the "School") (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 School's major federal programs for the year ended June 30, 2023. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

#### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be material weaknesses.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a material weakness.

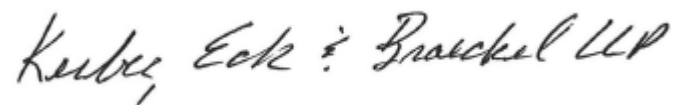
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the School as of and for the year ended June 30, 2023, and have issued our report thereon dated December 22, 2023 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



St. Louis, Missouri  
December 22, 2023

**Kairos Academies**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended June 30, 2023**

<b>Federal Grantor/ Pass-Through Grantor/ Cluster Title</b>	<b>Federal Assistance Listing</b>	<b>Agency or Pass - Through Entity Identification Number</b>	<b>Expenditures</b>
<b>U.S. Department of Education:</b>			
Direct Awards:			
Charter School Program	84.282	N/A	\$ 262,162
Innovative Approaches to Literacy Program	84.215G	N/A	68,496
Passed through Missouri Department of Elementary and Secondary Education:			
Title I Grants to Local Educational Agencies Special Education Cluster	84.010	115-931	6,611
Special Education Grants to States	84.027	115-931	115,495
Special Education Grants to States - ARP	84.027X	115-931	20,747
Total Special Education Cluster			<u>136,242</u>
COVID-19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	115-931	40
COVID-19 - Education Stabilization Fund -American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	115-931	1,329,413
Subtotal Assistance Listing No. 84.425			<u>1,329,453</u>
Total U.S. Department of Education			1,802,964
<b>U.S. Department of Agriculture:</b>			
Passed through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster			
National School Lunch Program	10.555	115-931	33,099
National School Breakfast	10.553	115-931	1,699
Total U.S Department of Agriculture and Child Nutrition Cluster			<u>34,798</u>
			<u>\$ 1,837,762</u>

The accompanying notes are an integral part of this schedule.



## **Kairos Academies**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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#### **NOTE A | BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal award activity of Kairos Academies (the "School") under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School and is reported on the modified cash basis of accounting, it is not intended to and does not present the net assets, changes in net assets or cash flows of the School.

#### **NOTE B | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified cash 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.

#### **NOTE C | INDIRECT COST RATE**

The School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **NOTE D | SUBRECIPIENTS**

There have been no awards passed through to subrecipients.

**Kairos Academies**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2023**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

*Financial Statements*

Type of report issued on financial statements: Unmodified opinion

Internal control over financial reporting:

Material weaknesses identified? Yes

Significant deficiencies identified that are not considered to be material weaknesses? Yes

Noncompliance material to the financial statements noted? Yes

*Federal Awards*

Internal control over major programs:

Material weakness identified? No

Significant deficiencies identified that are not considered to be material weaknesses? None noted

Type of auditors’ report issued on compliance for major programs: Unmodified opinion

Any audit findings disclosed that are required to be reported under 2 CFR Section 200.516(a) of the Uniform Guidance? Yes

The programs tested as a major program are as follows:

<u>AL Number</u>	<u>Name of Program or Cluster</u>
84.425	COVID-19 - Education Stabilization Fund

The dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? No

**Kairos Academies**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2023**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2023-001**

**Criteria:** The School is required to maintain an internal control system over financial activity and reporting to ensure accurate and timely reporting to funding and oversight organizations.

**Condition:** The School did not have adequate internal control procedures in place to ensure that the federal reporting package for the year ended June 30, 2022 was submitted timely to the Federal Audit Clearinghouse under the Uniform Guidance requirements of the earlier of 30 calendar days after receipt of the auditors' report or nine months after the end of the audit period.

**Cause:** The School did not have adequate internal control procedures in place to timely reporting under Uniform Guidance.

**Effect:** The federal reporting package was not timely submitted which automatically disqualifies the School from being considered a low risk auditee for the next two years.

**Recommendation:** The School should implement internal control procedures to ensure timely reporting to all funding and oversight organizations.

**Management Response:** Management agrees with the auditors' findings and recommendations. The management team will work with an adviser to review our current policy and provide guidance on compliance procedures to ensure the School accurately and timely reports to all funding and oversight organizations.

**Finding 2023-002**

**Criteria:** In accordance with accounting principles generally accepted in the United States of America, the School is required to maintain an internal control system to properly track and report revenue with donor imposed restrictions, the related release of restrictions and net assets with donor restrictions in the financial statements.

**Condition:** The School did not have adequate internal controls in place to ensure revenue with donor imposed restrictions, the related release of restrictions and net assets with donor restrictions were properly classified in the financial statements.

**Cause:** The School did not have adequate internal control procedures in place over revenue to ensure all revenue with donor restrictions were identified and tracked.

**Effect:** Revenue with donor restrictions, the related release of restriction and net assets with donor restrictions were not properly reported in the financial statements.

**Recommendation:** The School should implement internal control procedures to ensure complete and accurate reporting of revenue with donor restrictions, the release of restrictions and net assets with donor restrictions in the accounting records and financial statements.

**Management Response:** Management agrees with the auditor and have started to work with Donor management platform. Our Strategy team will review platforms and solicit quotes from each company and select from the lowest and best vendor.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2023-003**

Federal Program: Charter School Program

AL No.: 84.282

Federal Agency: U.S. Department of Education

Pass-Through Entity: N/A

Award No.: As listed on the Schedule of Expenditures of Federal Awards

Award Period: Various

Compliance Requirement: Activities allowed, allowable cost principles, procurement and suspension and debarment

**Criteria:** Uniform Guidance requires expenditures to be supported by appropriately approved purchase orders and price and rate quotes from two qualified sources for small purchases between \$10,000 and \$249,999. In addition, written policies require approval for purchase of supplies or services by the School's CFO and additional approval by the Finance Committee in items in excess of \$25,000.

**Condition:** Purchase orders are not being prepared and price and rate quotes are not consistently being obtained, evaluated or approved.

**Cause:** The School has written policies and procedures regarding procurement; however, these policies and procedures were not consistently followed.

**Effect:** Lack of effect controls over procurement could lead to unauthorized purchase and the purchase could be disallowed by the federal awarding agency

**Recommendation:** We recommend procedures be established to monitor compliance with the School's procurement policies to ensure purchases are properly supported with purchase orders and formal approval of purchase in accordance with the School's policy. In addition, we recommend procedures be established to monitor compliance with Uniform Guidance related to all levels of purchases including but not limited to obtaining and analyzing price and rate quotes for all small purchases.

**Management Response:** Management agrees with the Auditor. Management will develop an internal control manual for Federal grants to monitor compliance with the School's procurement policies to ensure purchases are properly supported with purchase orders, appropriate number of proposals in an approved format, and formally approval of purchase is being documented in accordance with the School's policy. In addition, management of the School will establish procedures to monitor compliance with Uniform Guidance related to all levels of purchases including but not limited to obtaining and analyzing price and rate quotes for all small purchases.

**Kairos Academies**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2023**

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**Finding 2023-004**

Federal Program: Charter School Program

AL No.: 84.282

Federal Agency: U.S. Department of Education

Pass-Through Entity: N/A

Award No.: As listed on the Schedule of Expenditures of Federal Awards

Award Period: Various

Compliance Requirement: Equipment and real property management

**Criteria:** Uniform Guidance requires a physical inventory to be taken every 2 years and records of property purchased under federal programs to including certain items including the following:

- Description
- Serial number or identification number
- Source of funding including federal award
- Acquisition date
- Cost including federal cost or percentage
- Location
- Use
- Condition
- Disposition data
- Control system to ensure adequate safeguards to prevent loss
- Adequate maintenance procedure to keep property in good condition

**Condition:** A physical inventory of property purchased under federal programs is not being performed and the records of capitalized property, plant and equipment do not contain several of the items required under Uniform guidance.

**Cause:** The School's policies and procedures do not address physical inventory of property, plant and equipment nor the information that should be tracked as part of property purchased under federal programs.

**Effect:** Lack of controls could result in inaccurate equipment and real property management for purchase under federal programs resulting in limited future federal funding for such costs.

**Recommendation:** We recommend School review current policies and procedures surrounding equipment and real property management and establish procedures related to physical inventory and retention of data required under Uniform Guidance.

**Management Response:** Management agrees with the Auditor. Management will work with consultant and implement procedures and train staff on industry best practices on property management. The management team is also reviewing best practices on physical inventory and retention of data required under Uniform Guidance.

**Kairos Academies**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2023**

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**Finding 2023-005**

Federal Program: Charter School Program

AL No.: 84.282

Federal Agency: U.S. Department of Education

Pass-Through Entity: N/A

Award No.: As listed on the Schedule of Expenditures of Federal Awards

Award Period: Various

Compliance Requirement: Procurement and suspension and debarment

**Criteria:** Uniform Guidance requires procurement procedures to be in place to ensure entities that are entered into on covered transactions are not debarred, suspended or otherwise excluded from participating in covered transactions. Covered transactions include contracts for goods or services awarded under a non-procurement transaction (grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified by Uniform Guidance.

**Condition:** Debarment and suspension review procedures or related controls are not in place.

**Cause:** The School's procurement policies and procedures do not address review for debarment or suspension.

**Effect:** Contracts for goods or services could be awarded to entities that are debarred, suspended or otherwise excluded from participating in covered transactions.

**Recommendation:** We recommend the School's procurement procedures and procedures be reviewed and updated to include review of entities for debarment and suspension prior to entering into covered transactions.

**Management Response:** Management agrees with the auditor. Management is currently reviewing the monitor compliance/procurement policies and has purchased software that will allow the School to properly create requisitions/purchase orders. The School has also adopted formal approval procedures in accordance with the School's policy and the Uniform Guidance.

**Kairos Academies**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**June 30, 2023**

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**Finding 2022-001**

**Condition:** The School did not have effective internal controls in place, through oversight or effective reviews, to monitor employee and subcontractor employee withholding for the Public School Retirement System (PSRS) and payment of the related withholding and employer contributions accurately and timely to the PSRS.

**Recommendation:** The School should implement internal control procedures to ensure accurate withholding and timely remittances procedures for withholding and employer contributions to the PSRS for all School employees. The School should also ensure any subcontractors also have related procedures in place.

**Status:** This finding was resolved in the current year

**Finding 2022-002**

**Condition:** The School does not have an official donor software or database to track historical donor information, amounts donated, and any donor restrictions.

**Recommendation:** We recommend that School consider using a fundraising software or database to track donations and grants independently from the School's general ledger. The information recorded in the software or database should be reconciled to the general ledger periodically to ensure all contributions are accurately accounted for. Any differences should be investigated and timely corrected.

**Status:** This finding has been resolved in the current year.

**Finding 2022-003**

**Condition:** The School did not have adequate internal control procedures in place to ensure that the federal reporting package was submitted timely to the Federal Audit Clearinghouse under the Uniform Guidance requirements of the earlier of 30 calendar days after receipt of the auditors' report or nine months after the end of the audit period.

**Recommendation:** The School should implement internal control procedures to ensure timely reporting to all funding and oversight organizations.

**Status:** This finding has been repeated at 2023-001.

**Finding 2022-004:** Charter School Program, AL No. 84.282

**Condition:** Purchase orders are not being prepared and price and rate quotes are not consistently being obtained, evaluated or approved.

**Recommendation:** We recommend procedures be established to monitor compliance with the School's procurement policies to ensure purchase are properly supported with purchase orders and formally approval of purchase is being document in accordance with the School's policy. In addition, we recommend procedures be established to monitor compliance with Uniform Guidance related to

**Kairos Academies**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**June 30, 2023**

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all levels of purchases including but not limited to obtaining and analyzing price and rate quotes for all small purchases.

**Status:** This finding has been repeated at 2023-003.

**Finding 2022-005:** Charter School Program, AL No. 84.282

**Condition:** A physical inventory of property purchased under federal programs is not being performed and the records of capitalized property, plant and equipment do not contain several of the items required under Uniform guidance.

**Recommendation:** We recommend School review current policies and procedures surrounding equipment and real property management and establish procedures related to physical inventory and retention of data required under Uniform Guidance.

**Status:** The finding has been repeated at 2023-004.

**Finding 2022-006:** Charter School Program, AL No. 84.282

**Condition:** Debarment and suspension review procedures or related controls are not in place.

**Recommendation:** We recommend the School's procurement procedures and procedures be reviewed and updated to include review of entities for debarment and suspension prior to entering into covered transactions.

**Status:** The finding has been repeated at 2023-005.



## STATE COMPLIANCE

## **Independent Accountants' Report on Compliance with Specified Requirements of Missouri Laws and Regulations**

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Board of Directors  
Kairos Academies

We have examined Kairos Academies' (School) compliance with the requirements of Missouri laws and regulations regarding accurate disclosure by Kairos Academies' records of average daily attendance and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2023. Management is responsible for the School's compliance with the specified requirements. Our responsibility is to express an opinion on Kairos Academies' compliance with the specified requirements 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 the School complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, 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 related to the engagement.

Our examination does not provide a legal determination on Kairos Academies' compliance with specified requirements.

In our opinion, Kairos Academies complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2023.

This report is intended solely for the information and use of management, Board of Directors, 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.

*Kerber, Eck & Braeckel LLP*

St. Louis, Missouri  
December 22, 2023

**Kairos Academies**  
**SCHEDULE OF SELECTED STATISTICS - UNAUDITED**

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Entity Number: 115-931

1. *Calendar (Sections 160.041, 171.029, 171.031, and 171.033 RSMO)*

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
3945	5	8	-	6.9600	150	1,044.0000
1050	9	9	-	6.9600	150	1,044.0000

2. *Attendance Hours*

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

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
3945	5-8	245,017.7342	-	-	-	81,175.7599	326,193.4941
1050	9	114,230.9714	-	-	-	-	114,230.97

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.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
3945	5	21.00	-	-	21.00
3945	6	81.00	-	-	81.00
3945	7	85.00	-	-	85.00
3945	8	101.00	-	-	101.00
1050	9	134.00	-	-	134.00
Total		422.00	-	-	422.00

**Kairos Academies**  
**SCHEDULE OF SELECTED STATISTICS - UNAUDITED**

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4. *Free and Reduced Priced Lunch FTE Count*

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.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
3945	142.00	22.00	-	-	164.00
1050	66.00	13.00	-	-	79.00
<b>Total</b>	<b>208.00</b>	<b>35.00</b>	<b>-</b>	<b>-</b>	<b>243.00</b>

5. *Finance*

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

**Kairos Academies****SCHEDULE OF SELECTED STATISTICS - UNAUDITED**

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5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	<u>TRUE</u>
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	<u>TRUE</u>
5.5	As required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	<u>\$100,000</u>
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual.	<u>TRUE</u>
5.7	The district maintained a separate bank account for the Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo.	<u>N/A</u>
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.	<u>TRUE</u>
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken.	<u>N/A</u>
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	<u>TRUE</u>
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.	<u>N/A</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>N/A</u>

**Kairos Academies**

**SCHEDULE OF SELECTED STATISTICS - UNAUDITED**

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

TRUE

All above “false answers must be supported by a finding or management letter comment.

Findings #: n/a

Management Letter Comment #: n/a

*6. Transportation (Section 163.161, RSMO)*

Kairos Academies did not participate in the transportation program during the year ended June 30, 2023.