

# DRAFT

**SCUOLA VITA NUOVA  
KANSAS CITY, MISSOURI  
FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT  
AUDITOR'S REPORT  
FOR THE YEAR ENDED JUNE 30, 2022**

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of the Board of Directors  
Scuola Vita Nuova

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying modified cash-basis financial statements of Scuola Vita Nuova (a nonprofit organization) (School), which comprise the Statement of Assets, Liabilities and Net Assets – Modified Cash Basis as of June 30, 2022, and the related statements of support, revenue, reclassifications, expenses and changes in net assets, functional expenses and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Scuola Vita Nuova as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting described in Note B.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Basis of Accounting**

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

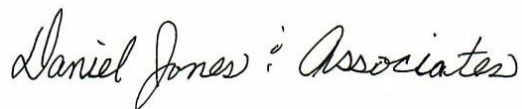
## Supplementary Information

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information: Statement of Assets, Liabilities and Fund Balances – Modified Cash Basis – Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis – Governmental Funds, Schedule of Revenues Collected by Source – Modified Cash Basis – Governmental Funds, Comparison of Revenues by Source – Modified Cash Basis, Schedule of Expenditures Paid by Object – Modified Cash Basis, Selected Trends, and the Schedule of Expenditures of Federal Awards on pages 12 through 21 are presented for purposes of complying with requirements of the Missouri Department of Elementary and Secondary Education and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated **December 28, 2022**, on our consideration of the School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School’s internal control over financial reporting and compliance.



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

**December 28, 2022**

# DRAFT

**FINANCIAL STATEMENTS**

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SCUOLA VITA NUOVA  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

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ASSETS

Cash and cash equivalents	\$ 4,569,209
Property and equipment, net	<u>14,971,378</u>
Total Assets	<u>\$ 19,540,587</u>

LIABILITIES AND NET ASSETS

Liabilities:

Payroll withholding payable	\$ 19,513
Notes payable	<u>8,515,572</u>
Total liabilities	<u>8,535,085</u>

Net Assets:

Without donor restrictions	<u>11,005,502</u>
Total Liabilities and Net Assets	<u>\$ 19,540,587</u>

See accompanying notes.



# DRAFT

**SCUOLA VITA NUOVA  
STATEMENT OF SUPPORT, REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**WITHOUT DONOR RESTRICTIONS:**

**SUPPORT AND REVENUES:**

Government grants and contracts	\$ 6,265,860
Contributions	360,070
Investment income	628
Other income	<u>453,672</u>
 Total support and revenue	 7,080,230

**EXPENSES:**

Program services:	
Charter school	5,291,662
Management and general	<u>448,208</u>
 Total expenses	 <u>5,739,870</u>

Change in Net Assets	1,340,360
Net assets, beginning	<u>9,665,142</u>
Net assets, ending	<u>\$ 11,005,502</u>

See accompanying notes.

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SCUOLA VITA NUOVA  
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

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	Charter School	Management and General	Total
Salaries	\$ 2,578,353	\$ 249,735	\$ 2,828,088
Payroll taxes and benefits	688,467	51,462	739,929
Building and equipment maintenance	133,496	-	133,496
Conferences, meetings and travel	79,117	-	79,117
Contract and professional fees	133,064	74,629	207,693
Depreciation	439,402	-	439,402
Student transportation	1,320	-	1,320
Food supplies	195,209	-	195,209
Office supplies	0	1,959	1,959
Other supplies	427,664	-	427,664
Insurance	78,369	13,594	91,963
Interest	279,254	-	279,254
Utilities	132,701	-	132,701
Program and support services	29,501	-	29,501
Textbooks and educational materials	28,494	-	28,494
Telephone and communications	26,696	-	26,696
Advertising			-
Rent expense	39,937	-	39,937
Small equipment			-
Other	618	56,829	57,447
Total expenses	<u>\$ 5,291,662</u>	<u>\$ 448,208</u>	<u>\$ 5,739,870</u>

See accompanying notes.

**SCUOLA VITA NUOVA**  
**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 1,340,360
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Amortization	6,942
Depreciation	439,402
Increase (decrease) in:	
Payroll liabilities	<u>2,420</u>
Net cash provided by operating activities	<u>1,789,124</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of property and equipment	<u>(640,462)</u>
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**CASH FLOWS FROM FINANCING ACTIVITIES:**

Payment on notes payable	<u>(177,126)</u>
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<b>NET INCREASE IN CASH</b>	<b>971,536</b>
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<b>CASH AND CASH EQUIVALENTS, beginning</b>	<u>3,597,673</u>
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<b>CASH AND CASH EQUIVALENTS, ending</b>	<u>\$ 4,569,209</u>
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**SUPPLEMENTAL DISCLOSURE:**

Interest paid	<u>\$ 272,312</u>
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See accompanying notes.

**NOTE A - BUSINESS ACTIVITY**

Scuola Vita Nuova is a not-for-profit public benefit corporation organized on March 8, 1999, under Chapter 355, RSMo and is governed by Senate Bill No. 781 of the 89<sup>th</sup> General Assembly of the Missouri legislature. The corporation operates a charter school, which is sponsored by the University of Central Missouri. The school is exempt from most Missouri laws and statutes governing educational institutions. The aforementioned Senate Bill No. 781 governs it. The School's charter allows for the provision of education for students in kindergarten through eighth grade.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting: The financial statements are presented on the modified cash basis of accounting. This basis recognizes assets, liabilities, revenue, and support, and expenses when they result from cash transactions with a provision for recording property and equipment, depreciation and related debt. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Cash: For the purpose of the statement of cash flows, the School considers all unrestricted highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment: All property and equipment are valued at historical cost. A capitalization threshold of \$1,000 is used to report capital assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Building and improvements	40 years
Equipment	5-7 years
Other miscellaneous items	15-20 years

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

Estimates: The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax Exempt Status: Scuola Vita Nuova is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code and comparable state law as charitable organizations where by only unrelated business income, as defined by Section 509(a)(2) of the Code is subject to federal income tax. The School currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The School has adopted provisions of FASB standard on Accounting for Uncertainty in Income Taxes (ASC 740-10-25). The School does not believe there are any material uncertain tax provisions and accordingly, they will not recognize any liability for unrecorded tax benefits. For the year ended June 30, 2022, there were no interest or penalties recorded in the financial statements.

Scuola Vita Nuova's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2021, 2020 and 2019 are subject to examination by the IRS, generally for three years after they were filed.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

Sick and Personal Leave: Personal days and sick leave are considered as expenditures in the year paid. Employees are allowed ten sick days and two personal days per year. Twelve month employees also receive ten vacation days. Unused vacation and sick days have no cash value and will be forfeited and not paid upon an employee's termination of employment.

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

Subsequent Events: Management has evaluated subsequent events through **December 28, 2022**, the date the financial statements were available to be issued.

**NOTE C - CASH AND CASH EQUIVALENTS**

**At June 30, 2022, the bank balances of the School deposits totaled \$5,353,595 of which \$4,590,010 was covered by FDIC insurance, \$763,585 was held in money market accounts backed by government securities.**

**NOTE D - INSURANCE**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School maintains commercial insurance to protect itself from such risks.

**NOTE E - RETIREMENT PLAN**

The School contributes to The Public School Retirement System of the School District of Kansas City, Missouri, a cost-sharing multiple-employer defined benefit pension plan. Participation is mandatory for employees of the Kansas City, Missouri Public School District, the Kansas City Public Library, the charter schools within the boundaries of the Kansas City, Missouri School District, and the Retirement System. The Retirement System provides service and disability retirement benefits to full-time employees and optional benefits to members' beneficiaries. Positions covered by The Retirement System are also covered by Social Security. The Retirement System is administered by a twelve-member Board of Trustees. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of the School District of Kansas City, Missouri, 3100 Broadway Street, Suite 1211, Kansas City, Missouri, 64111, or by calling 1-816-472-5800.

Effective January 1, 2016, employees were required to contribute 9.0% of their annual covered salary. Employers also make contributions to the plan. Effective January 1, 2020, the employer contribution rate increased from 10.5% to 12.0%. The contribution requirements of members and the School are established, and may be amended, by the Board of Trustees. The School's required contributions to the Retirement System for the year ended June 30, 2022, were \$311,606.

**NOTE F - PROPERTY AND EQUIPMENT**

Land	\$ 72,500
Building and improvements	15,891,503
Equipment	<u>1,246,438</u>
	17,210,441
Accumulated depreciation	<u>(2,239,063)</u>
	<u>\$ 14,971,378</u>

Depreciation expense for the year ended June 30, 2022, was \$439,402, which was allocated to the related program services; instruction \$174,051, operation of plant \$262,900 and building administration \$2,451.

**NOTE G - NOTES PAYABLE**

On May 29, 2020, the School entered into a loan agreement for the purpose of refinancing existing debt and building addition. The loan was for \$8,885,903, with interest at 3.60% payable over 30 years with first year interest only payments of \$30,360 per month, then monthly payments of \$43,692 with last payment due June 1, 2050. At June 30, 2022, the outstanding balance of the loan was \$8,708,777.

Future maturities are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 169,843	\$ 354,470	\$ 524,313
2024	176,939	347,374	524,313
2025	184,331	339,981	524,312
2026-2030	1,043,814	1,577,748	2,621,562
2031-2035	1,280,860	1,340,702	2,621,562
2036-2040	1,571,739	1,049,823	2,621,562
2041-2045	1,928,675	692,887	2,621,562
2046-2050	<u>2,352,576</u>	<u>268,986</u>	<u>2,621,562</u>
Total	<u>\$ 8,708,777</u>	<u>\$ 5,971,971</u>	<u>\$ 14,680,748</u>

Principal amount	\$ 8,708,777
Less Unamortized loan fees	<u>(193,205)</u>
Note payable, net	<u>\$ 8,515,572</u>

**NOTE I - OPERATING LEASE**

On July 24, 2018, the School entered into an operating lease agreement with Great American Financial Services for the use of copiers. The lease superseded the prior copier lease, and requires monthly payments of \$2,182 for a term of 60 months. Future minimum operating lease payments (assuming non-cancellation) are as follows:

**NOTE I - OPERATING LEASE (continued)**

Lease expense for the year ended June 30, 2022, was \$26,184.

Year ending		
June 30,		Total
2023	\$	26,184
2024		2,182
Total	\$	<u>28,366</u>

**NOTE J - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

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

The following table reflects the School's financial assets as of June 30, 2022, reduced by amounts not available to meet general expenditures within one year of the statement of assets, liabilities and net assets – modified cash basis date because of donor restrictions.

Cash and cash equivalents	\$	4,569,209
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**NOTE K - CONTINGENCIES**

The School is not involved in any pending litigation as of the audit report date.

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

**NOTE L - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through **December 28, 2022**, the date the financial statements were available to be issued.

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**SUPPLEMENTARY INFORMATION**



# DRAFT

SCUOLA VITA NUOVA  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2022

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	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 4,569,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,569,209</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Payroll withholding payable	\$ 19,513	\$ -	\$ -	\$ 19,513
Fund Balances:				
Unassigned	<u>4,549,696</u>	<u>-</u>	<u>-</u>	<u>4,549,696</u>
Total liabilities and fund balances	<u>\$ 4,569,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,569,209</u>

SCUOLA VITA NUOVA  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022**

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	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:				
Local	\$ 784,748	\$ 210,410	\$ 380,305	\$ 1,375,463
State	1,797,879	2,294,203	-	4,092,082
Federal	1,612,685	-	-	1,612,685
Total Revenues	4,195,312	2,504,613	380,305	7,080,230
EXPENDITURES:				
Instruction	623,756	1,894,810	57,547	2,576,113
Student activities	37,262	-	-	37,262
Student services	295,253	215	-	295,468
Instructional staff support	149,654	210,761	-	360,415
General administration and central services	279,691	167,775	-	447,466
Building administration	201,643	226,412	-	428,055
Operation of plant	467,251	108	71,711	539,070
Transportation	1,320	-	6,286	7,606
Food service	350,890	-	-	350,890
Community services	109,882	4,532	-	114,414
Building acquisition and improvements		-	504,918	504,918
Debt service:				
Principal	-	-	177,126	177,126
Interest and fees	-	-	272,312	272,312
Total Expenditures	2,516,602	2,504,613	1,089,900	6,111,115
Revenues Over (Under) Expenditures	1,678,710	-	(709,595)	969,115
Other Financing Sources (Uses):				
Transfers	(709,519)	-	709,519	-
Total other financing sources (uses)	(709,519)	-	709,519	-
Net change in fund balances	969,191	-	(76)	969,115
Fund balance, beginning	3,580,505	-	76	3,580,581
Fund balance, ending	\$ 4,549,696	\$ -	\$ -	\$ 4,549,696

SCUOLA VITA NUOVA  
**SCHEDULE OF REVENUES COLLECTED BY SOURCE -  
 MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022**

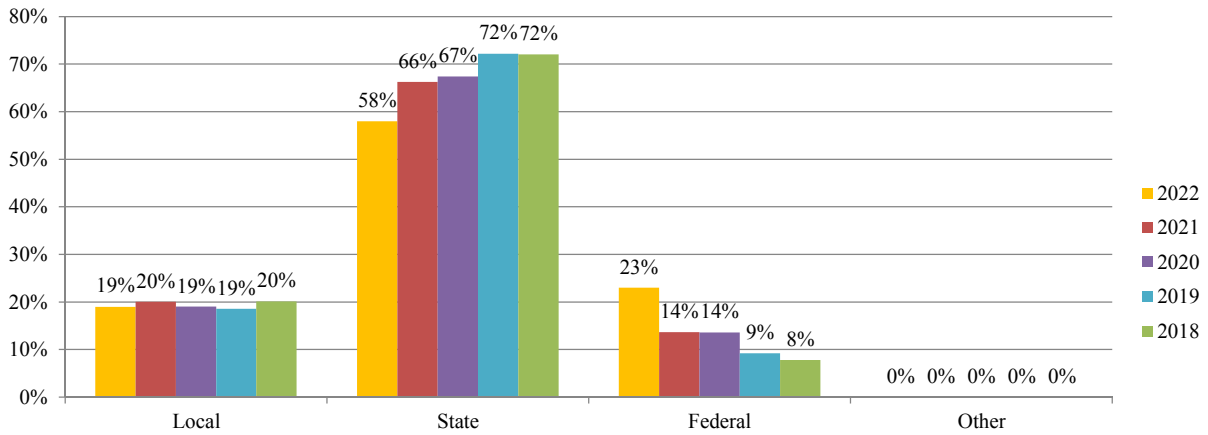
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	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
LOCAL:				
Prop C (sales tax)	\$ 350,683	\$ 210,410	\$ -	\$ 561,093
Earnings on investments	624	-	4	628
Student activities	746	-	-	746
Contributions	25,575	-	360,070	385,645
Other local revenue	407,120	-	20,231	427,351
Total Local	784,748	210,410	380,305	1,375,463
STATE:				
Basic formula	1,653,412	2,294,203	-	3,947,615
Classroom trust fund	132,383	-	-	132,383
Food service	2,420	-	-	2,420
Other revenue	9,664	-	-	9,664
Total State	1,797,879	2,294,203	-	4,092,082
FEDERAL:				
Medicaid	11,744	-	-	11,744
Food service	281,472	-	-	281,472
Individuals with disabilities	92,531	-	-	92,531
Title I	194,434	-	-	194,434
Title II. A	22,805	-	-	22,805
Title III	38,271	-	-	38,271
Title IV.A	11,860	-	-	11,860
CARES - School Student Connectivity	17,484	-	-	17,484
CARES - ESSER Fund	599,156	-	-	599,156
Other - Federal	342,928	-	-	342,928
Total Federal	1,612,685	-	-	1,612,685
Total Revenues	\$ 4,195,312	\$ 2,504,613	\$ 380,305	\$ 7,080,230

# DRAFT

## SCUOLA VITA NUOVA COMPARISON OF REVENUES BY SOURCE - MODIFIED CASH BASIS FOR THE YEARS ENDED JUNE 30, 2022, 2021, 2020, 2019, AND 2018

	2022	2021	2020	2019	2018
Local	\$ 1,375,463	\$ 1,134,409	\$ 988,786	\$ 888,956	\$ 872,323
State	4,092,082	3,749,850	3,502,701	3,457,602	3,127,565
Federal	1,612,685	773,142	707,410	442,303	340,063
Other	-	-	9,452,323	-	2,200,000
	<u>\$ 7,080,230</u>	<u>\$ 5,657,401</u>	<u>\$ 14,651,220</u>	<u>\$ 4,788,861</u>	<u>\$ 6,539,951</u>

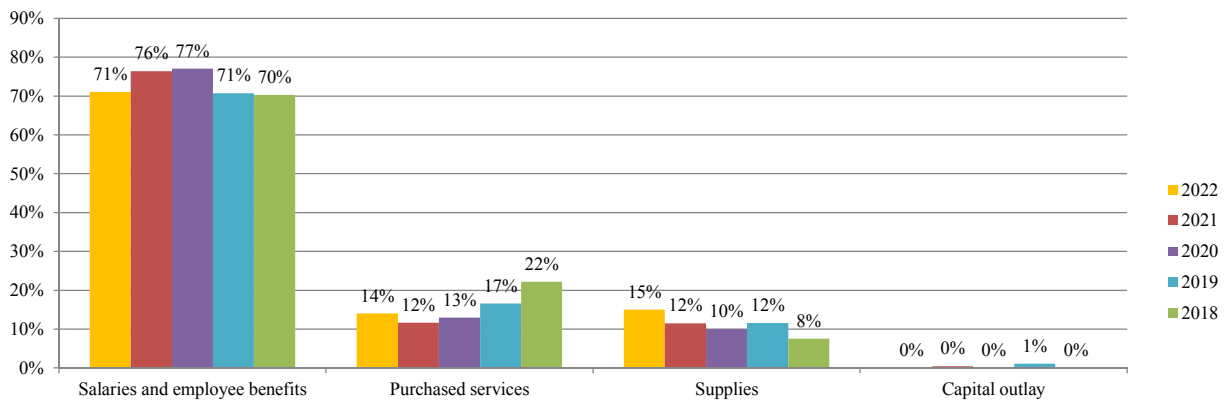


Note: The graph above does not include loan proceeds.

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SCUOLA VITA NUOVA  
 SCHEDULE OF EXPENDITURES PAID BY OBJECT - MODIFIED CASH BASIS  
 FOR THE YEARS ENDED JUNE 30, 2022, 2021, 2020, 2019, AND 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	2022 TOTALS	2021 TOTALS	2020 TOTALS	2019 TOTALS	2018 TOTALS
Salaries	\$ 833,965	\$ 1,994,123	\$ -	\$ 2,828,088	\$ 2,417,762	\$ 2,406,622	\$ 2,135,546	\$ 1,864,051
Employee benefits	229,438	510,490	-	739,928	633,585	655,322	568,999	470,057
Purchased services	705,661	-	-	705,661	465,427	514,330	635,047	736,320
Supplies	747,538	-	-	747,538	459,938	398,853	443,952	250,306
Capital outlay	-	-	640,462	640,462	7,000,993	849,580	382,467	2,201,135
Principal	-	-	-	-	0	2,110,352	72,048	2,153,664
Interest and fees	-	-	449,438	449,438	366,411	293,645	92,633	98,581
	<u>\$ 2,516,602</u>	<u>\$ 2,504,613</u>	<u>\$ 1,089,900</u>	<u>\$ 6,111,115</u>	<u>\$ 11,344,116</u>	<u>\$ 7,228,704</u>	<u>\$ 4,330,692</u>	<u>\$ 7,774,114</u>



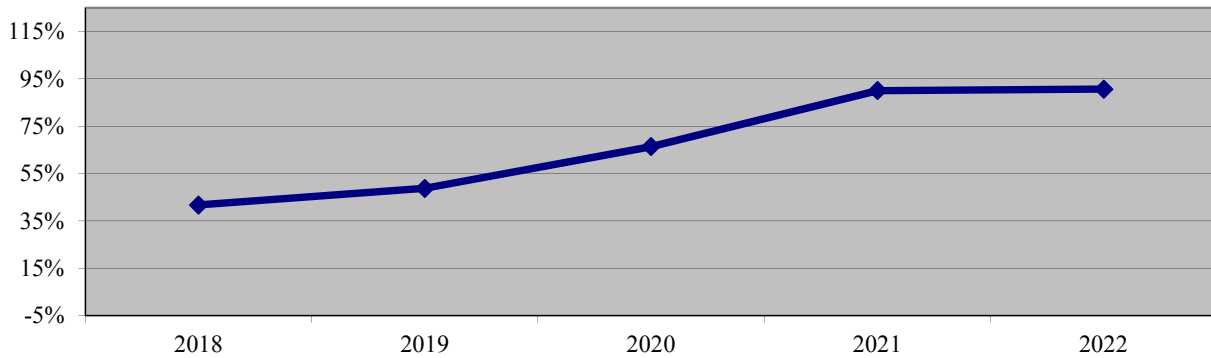
Note: The above graph does not include expenditures for debt service or capital improvements.

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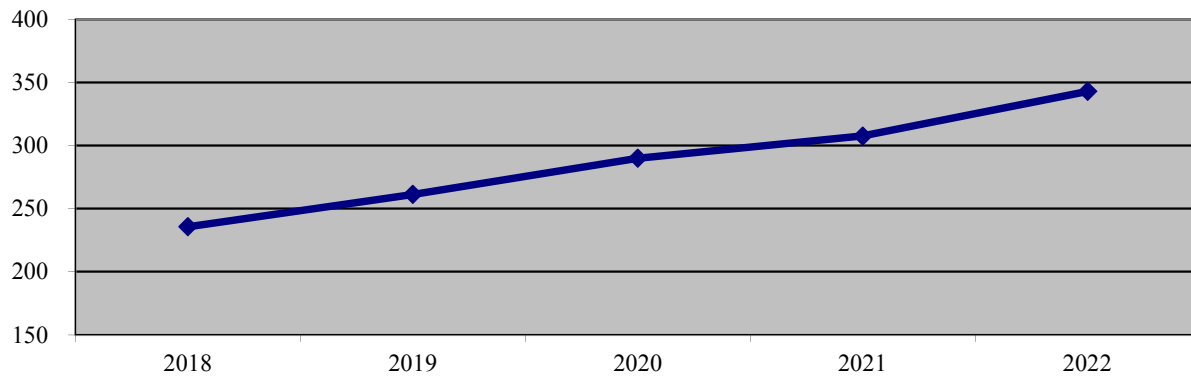
SCUOLA VITA NUOVA  
 SELECTED TRENDS  
 FOR THE YEARS ENDED JUNE 30, 2018 THROUGH 2022

General and Special Revenue Funds	2018	2019	2020	2021	2022
Total Fund Balances	\$ 1,386,611	\$ 1,844,780	\$ 2,639,655	\$ 3,580,505	\$ 4,549,696
Total Expenditures	3,320,734	3,783,544	3,975,127	3,976,712	5,021,215
Reserve Ratio <sup>1</sup>	41.76%	48.76%	66.40%	90.04%	90.61%
Average Daily Attendance <sup>2</sup>	235.69	261.23	289.88	307.59	342.86

Reserve Ratio



Average Daily Attendance



<sup>1</sup> Reserve ratio does not include Capital Projects Fund.

<sup>2</sup> Average daily attendance consists of regular session, remedial and summer session.

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**STATE COMPLIANCE SECTION**



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

To the Members of the Board of Directors  
Scuola Vita Nuova

**Report on Compliance with State Requirements**

We have examined management's assertions that Scuola Vita Nuova ("School") complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the School's records of pupil attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2022.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

**Opinion on Compliance with State Requirements**

In our opinion, management's assertions that Scuola Vita Nuova complied with the aforementioned requirements for the year ended June 30, 2022, are fairly stated, in all material respects.

This report is intended solely for the information and use of the Governing Board, administration, University of Central Missouri and the Missouri Department of Elementary and Secondary Education and other audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

December 28, 2022



SCUOLA VITA NUOVA  
 CHARTER NUMBER 048-915  
 SCHEDULE OF SELECTED STATISTICS  
 FOR THE YEAR ENDED JUNE 30, 2022

DRAFT

**1. CALENDAR (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
6945	K	8	-	7	169	1,147.00

**2. ATTENDANCE HOURS**

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
6945	K-8	393,257.22	-	-	-	-	321,119.85

**3. SEPTEMBER MEMBERSHIP**

School Code	Grade Level	Full-Time	Part-Time	Other	Total
6945	K-8	379.00	-	-	379.00

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
6945	261.00	27.00	-	-	288.00

SCUOLA VITA NUOVA  
 CHARTER NUMBER 048-915  
 SCHEDULE OF SELECTED STATISTICS  
 FOR THE YEAR ENDED JUNE 30, 2022

DRAFT

**5. FINANCE**

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

SCUOLA VITA NUOVA  
 CHARTER NUMBER 048-915  
 SCHEDULE OF SELECTED STATISTICS  
 FOR THE YEAR ENDED JUNE 30, 2022

DRAFT

<b>5.4</b>	The charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
<b>5.5</b>	As required by Section 162.405, RSMo, an insurance policy was purchased for the charter school's employee theft coverage in the total amount of:	\$500,000
<b>5.6</b>	The charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
<b>5.7</b>	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	N/A
<b>5.8</b>	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
<b>5.9</b>	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
<b>5.10</b>	The charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
<b>5.11</b>	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	N/A
<b>5.12</b>	The amount spent for approved professional development committee plan activities was:	N/A
<b>5.13</b>	The charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

SCUOLA VITA NUOVA  
 CHARTER NUMBER 048-915  
 SCHEDULE OF SELECTED STATISTICS  
 FOR THE YEAR ENDED JUNE 30, 2022

DRAFT

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	N/A
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.	N/A
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:	N/A
	Eligible ADT	0.00
	Ineligible ADT	0.00
6.4	The charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	N/A
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	312
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	0.00
	Ineligible Miles (Non-Route/Disapproved)	312
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	0.00

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**I. Chapter 67 RSMO (Budget Statute)**

Chapter 67 RSMo requires that each political subdivision of the State of Missouri adopts an annual budget, itemized by fund. It further requires that in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

There were no state budget findings.

**II. Other Findings**

There were no other state findings.

# DRAFT

**FEDERAL COMPLIANCE SECTION**



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

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors  
Scuola Vita Nuova

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 Scuola Vita Nuova School (a nonprofit organization) (School), which comprise the Statement of Assets, Liabilities and Net Assets – Modified Cash Basis as of June 30, 2022, and the related Statements of Support, Revenue, Reclassifications, Expenses and Changes in Net Assets, Functional Expenses and Cash Flows – Modified Cash Basis for the year then ended and the related notes to the financial statements, and have issued our report thereon dated **December 28, 2022**.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

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

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

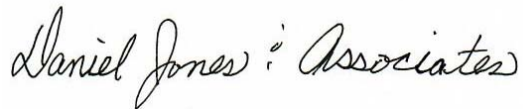
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## ***Report on Compliance and Other Matters***

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

## ***Purpose of this Report***

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



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

December 28, 2022





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

To the Members of the Board of Directors  
Scuola Vita Nuova

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

**Opinion on Each Major Federal Program**

We have audited Scuola Vita Nuova ("School") 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, 2022. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2022.

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

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

We are required to be independent of the 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.

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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.

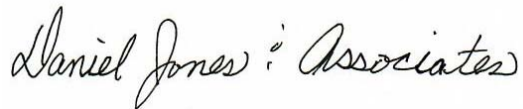
## **Report on Internal Control Over Compliance**

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

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

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

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



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

December 28, 2022

SCUOLA VITA NUOVA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

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FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
COVID-19 - School Breakfast Program	10.553	048-915	\$ 67,679
COVID-19 - National School Lunch Program	10.555	048-915	229,604
Non-cash - Food Distribution	10.555	048-915	<u>2,732</u>
Total Child Nutrition Cluster:			<u>300,015</u>
<u>U.S. Department of Education</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster:			
Special Education - Grants to States	84.027	048-915	86,944
Special Education - Preschool Grants	84.173	048-915	<u>-</u>
Total Special Education Cluster			<u>86,944</u>
Title I - Grants to Local Educational Agencies	84.010	048-915	204,785
English Language Acquisition Grants	84.365	048-915	40,544
Supporting Effective Instruction State Grants	84.367	048-915	23,474
Student Support and Academic Enrichment Program	84.424	048-915	12,425
COVID-19 - Education Stabilization Fund:			
COVID-19 - Elementary and Secondary School Emergency Relief (GEER) Fund	84.425C	048-915	5,250
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	048-915	364,819
COVID-19 - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	048-915	<u>296,565</u>
Total COVID-19 - Education Stabilization Fund:			<u>666,634</u>
Direct			
Charter School Expansion Grant	84.282		<u>261,249</u>
Total U.S. Department of Education			<u>1,296,055</u>
Total Expenditures of Federal Awards			<u>\$ 1,596,070</u>

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the 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. The School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Scuola Vita Nuova under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Scuola Vita Nuova, it is not intended to and does not present the financial position, change in net position or cash flows of Scuola Vita Nuova.

**SCUOLA VITA NUOVA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

DRAFT

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 - RELATIONSHIP TO ACCOMPANYING FINANCIAL STATEMENTS

Federal awards are reported in the School’s accompanying financial statements as follows:

<u>Federal Sources</u>	
General Fund	\$ 1,612,685.15
Special Revenue Fund	-
Total	<u>\$ 1,612,685.15</u>

NOTE 5 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

NOTE 6 –MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 7 – SUBRECIPIENTS

The School provided no federal awards to subrecipients during the year ended June 30, 2022.

NOTE 8 – PERSONAL PROTECTIVE EQUIPMENT

The School was not provided any donated personal protective equipment during the year ended June 30, 2022.

SCUOLA VITA NUOVA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2022

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**I. FINANCIAL STATEMENTS FINDINGS**

There were no audit findings to report for the year ended June 30, 2022.

SCUOLA VITA NUOVA  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022

DRAFT

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**I. PRIOR YEAR FINDINGS – FINANCIAL STATEMENTS AUDIT**

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