

**ALLEN VILLAGE SCHOOL  
KANSAS CITY, MISSOURI**

**FINANCIAL STATEMENTS TOGETHER  
WITH INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**

**ALLEN VILLAGE SCHOOL  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Allen Village School

### Report on the Financial Statements

We have audited the accompanying statement of assets, liabilities and net assets - modified cash basis of Allen Village School (a nonprofit organization) as of June 30, 2021 and the related statements of support, revenues, and expenses, functional expenses, and cash flows - modified cash basis for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Schools internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Allen Village School as of June 30, 2021 and its revenue, expenses and change in net assets and its cash flows for the year then ended, in accordance with the modified cash basis of accounting described in Note B.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School's basic financial statements. The supplementary information presented on pages 11 through 19, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note B.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021 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.

## ***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 the 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.

*Westbrook & Co., P.C.*

Richmond, Missouri  
December 16, 2021

**ALLEN VILLAGE SCHOOL**  
**STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS**  
**JUNE 30, 2021**

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**ASSETS**

|                             |                      |
|-----------------------------|----------------------|
| Cash and cash equivalents   | \$ 3,865,083         |
| Property and equipment, net | <u>6,726,163</u>     |
| Total Assets                | <u>\$ 10,591,246</u> |

**LIABILITIES AND NET ASSETS**

|                                  |                      |
|----------------------------------|----------------------|
| Liabilities:                     |                      |
| Payroll withholding payable      | \$ 20,589            |
| Notes payable                    | <u>3,272,323</u>     |
| Total Liabilities                | 3,292,912            |
| Net Assets:                      |                      |
| Without donor restrictions       | <u>7,298,334</u>     |
| Total Liabilities and Net Assets | <u>\$ 10,591,246</u> |

See accompanying notes to the financial statements.

**ALLEN VILLAGE SCHOOL**  
**STATEMENT OF SUPPORT, REVENUES, AND EXPENSES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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Without donor restrictions:

**SUPPORT AND REVENUES:**

|                                 |                  |
|---------------------------------|------------------|
| Government grants and contracts | \$ 7,164,477     |
| Fees and services               | 140              |
| Earnings on investments         | 5,277            |
| Other revenue                   | <u>559,138</u>   |
| Total support and revenues      | <u>7,729,032</u> |

**EXPENSES:**

|                               |                     |
|-------------------------------|---------------------|
| Program expenses:             |                     |
| Charter school                | 5,756,736           |
| Management and general        | <u>924,898</u>      |
| Total expenses                | <u>6,681,634</u>    |
| Change in Net Assets          | 1,047,398           |
| Net assets, beginning of year | <u>6,250,936</u>    |
| Net assets, end of year       | <u>\$ 7,298,334</u> |

See accompanying notes to the financial statements.

**ALLEN VILLAGE SCHOOL**  
**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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|                                       | <u>Program Services</u> | <u>Support Services</u>   |                     |
|---------------------------------------|-------------------------|---------------------------|---------------------|
|                                       | Charter<br>School       | Management<br>and General | <u>Total</u>        |
| Salaries                              | \$ 2,720,094            | \$ 670,708                | \$ 3,390,802        |
| Student transportation                | 140,707                 | -                         | 140,707             |
| Building and equipment maintenance    | 383,827                 | -                         | 383,827             |
| Payroll taxes and benefits            | 735,893                 | 126,817                   | 862,710             |
| Contract and professional fees        | 323,149                 | 59,283                    | 382,432             |
| Food service                          | 227,138                 | -                         | 227,138             |
| Depreciation expense                  | 376,994                 | -                         | 376,994             |
| Other supplies and equipment          | 320,595                 | 30,495                    | 351,090             |
| Utilities                             | 138,959                 | -                         | 138,959             |
| Interest and fees                     | 213,589                 | -                         | 213,589             |
| Textbooks and educational materials   | 43,630                  | -                         | 43,630              |
| Community services                    | 45,208                  | -                         | 45,208              |
| Telephone and communications          | 60,448                  | 1,027                     | 61,475              |
| Conferences, meetings and travel      | 443                     | 737                       | 1,180               |
| Rent expense                          | 12,385                  | 1,781                     | 14,166              |
| Other                                 | 1,423                   | 468                       | 1,891               |
| Insurance                             | -                       | 33,582                    | 33,582              |
| Building improvements not capitalized | 12,254                  | -                         | 12,254              |
|                                       | <hr/>                   | <hr/>                     | <hr/>               |
| Total expenses                        | <u>\$ 5,756,736</u>     | <u>\$ 924,898</u>         | <u>\$ 6,681,634</u> |

See accompanying notes to the financial statements.

**ALLEN VILLAGE SCHOOL  
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

|  |                  |
|--|------------------|
| Change in net assets   | \$ 1,047,398     |
| Adjustments to reconcile change in net assets<br>to net cash provided by operating activities: |                  |
| Depreciation   | 376,994          |
| Increase (decrease) in:  |                  |
| Payroll withholding payable  | <u>(23,977)</u>  |
| Net cash provided by operating activities  | <u>1,400,415</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES:**

|   |                |
|---|----------------|
| Purchase of property and equipment        | (205,991)      |
| Change in escrow funds                    | <u>756,937</u> |
| Net cash provided by investing activities | <u>550,946</u> |

**CASH FLOWS FROM FINANCING ACTIVITIES:**

|                                       |                  |
|---------------------------------------|------------------|
| Payments on notes payable             | (4,005,354)      |
| Proceeds from notes payable           | <u>3,300,000</u> |
| Net cash used by financing activities | <u>(705,354)</u> |

**NET INCREASE IN CASH**

1,246,007

**CASH AND CASH EQUIVALENTS, beginning**

2,591,399

**CASH AND CASH EQUIVALENTS, ending**

\$ 3,837,406

**SUPPLEMENTAL DISCLOSURES:**

|               |                          |
|---------------|--------------------------|
| Interest paid | \$ <u><u>213,589</u></u> |
|---------------|--------------------------|

See accompanying notes to the financial statements.

**ALLEN VILLAGE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE A - BUSINESS ACTIVITY**

Allen Village School is a standalone Local Education Agency (LEA) and is a nonprofit corporation that is organized under the laws of the State of Missouri. The School was granted LEA status July 1, 2006. Prior to that time the School was a charter school that received its share of state revenue from the Kansas City Missouri School District. Since the School is an LEA, state revenues are paid to it by the Missouri Department of Secondary Education (DESE). The School has operated as a charter school since its inception in 1999 and is sponsored by Kansas City Public Schools. The School's charter provides for the education of students in kindergarten through twelfth 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, net assets, revenues and expenditures when they result from cash transactions with a provision for recording capital assets, related depreciation and debt. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents: 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:

|                            |             |
|----------------------------|-------------|
| Buildings and improvements | 15-40 years |
| Equipment                  | 5 years     |

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

Recognition of Donor Restrictions: Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The School has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Income Taxes: Allen Village School 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.

Paid Leave Days: Personal days and sick leave are considered as expenditures in the year paid. Employees are awarded eight sick days and two personal days at the beginning of the school year. Paid leave days may not be carried over from one year to the next. Employees are paid, at the end of the school year, for unused leave days at a rate of 25% of the hourly rate.

**ALLEN VILLAGE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

Functional Allocation of Expenses: Expenses consist of costs related to program service and support service functions. These costs have been summarized on a functional basis in the statement of functional expenses. Directly identifiable expenses are charged to program and support services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the School.

Subsequent Events: The School has evaluated subsequent events through December 16, 2021, the date which the financial statements were available to be issued.

**NOTE C - CASH AND CASH EQUIVALENTS**

On June 30, 2021, the bank balances of the School's deposits totaled \$3,947,652. Of this amount, \$250,000 was covered by FDIC insurance and \$3,697,652 was covered by pledged securities.

**NOTE D - ESCROW FUNDS**

Under the loan and trust agreements discussed at Note H, certain funds were held by the trustee for debt service, debt service reserve, and repairs and replacements. During the year, these funds were used to pay off the balance when the loan was refinanced.

**NOTE E - PROPERTY AND EQUIPMENT**

|                             |                            |
|-----------------------------|----------------------------|
| Buildings and improvements  | \$ 9,404,301               |
| Equipment                   | <u>1,131,734</u>           |
|                             | 10,536,035                 |
| Accumulated depreciation    | <u>(3,809,872)</u>         |
| Property and equipment, net | <u><u>\$ 6,726,163</u></u> |

Depreciation expense for the year ended June 30, 2021 was \$376,994.

**NOTE F - 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.

**ALLEN VILLAGE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE G - 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; 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 Kansas City Public School Retirement System, 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, 2019, the employer contribution rate increased from 9.0% to 10.5%. The contribution requirements of members and the School are established, and may be amended, by the Board of Trustees. The School's contributions to the system for the year ended June 30, 2021 were \$364,406.

**NOTE H - NOTES PAYABLE**

The Industrial Development Authority of City of Kansas City, Missouri issued \$4,770,000 in Industrial Development Revenue Bonds (Allen Village School Project) Series 2006A and Series 2006B. The proceeds of the bonds were used to acquire the facility located at 706 W. 42<sup>nd</sup> Street, Kansas City, Missouri, to pay renovation costs of the facility, to fund a debt service reserve, and to pay certain costs related to the issuance of such bonds. On August 1, 2006 the School entered into a loan agreement with the Industrial Development Authority of the City of Kansas City, Missouri in the amount of \$4,770,000. Interest payments are due semi-annually at various interest rates ranging from 6.125% to 9.00% with principal payments starting in 2009. The note is secured by a deed of trust on 706 W. 42<sup>nd</sup> Street, Kansas City, Missouri and assignment of leases and rents. The note payable was refunded using Series 2014A and Series 2014B bonds on October 21, 2014. Interest payments are due semi-annually at various interest rates ranging from 2.5% to 4.0% with principal payments starting in 2015. On April 12, 2021 this loan was paid off.

On April 12, 2021, the School entered into a secured promissory note for \$3,300,000, interest at 3.95%. The loan proceeds were used to pay off the loan discussed above. The loan is payable in monthly payments of \$24,504 beginning May 12, 2021, with the unpaid principal due April 12, 2026. The balance of this loan at June 30, 2021 was \$3,272,323.

Debt service requirements to maturity are as follows:

| Year ending<br>June 30, | Principal           | Interest          | Total               |
|-------------------------|---------------------|-------------------|---------------------|
| 2022                    | \$ 167,795          | \$ 126,255        | \$ 294,050          |
| 2023                    | 174,545             | 119,505           | 294,050             |
| 2024                    | 181,565             | 112,485           | 294,050             |
| 2025                    | 188,868             | 105,182           | 294,050             |
| 2026                    | <u>2,559,550</u>    | <u>39,369</u>     | <u>2,598,919</u>    |
| Total                   | <u>\$ 3,272,323</u> | <u>\$ 502,796</u> | <u>\$ 3,775,119</u> |

**ALLEN VILLAGE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

The School strives to maintain liquid financial assets sufficient to cover general expenditures. As of June 30, 2021, the School has \$3,865,083 cash and cash equivalents available to meet general expenditures. As of June 30, 2021, there were no net assets with donor restrictions.

## **SUPPLEMENTARY INFORMATION**

**ALLEN VILLAGE SCHOOL  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

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|                                      | <u>GENERAL<br/>FUND</u> | <u>SPECIAL<br/>REVENUE<br/>FUND</u> | <u>CAPITAL<br/>PROJECTS<br/>FUND</u> | <u>TOTALS</u>       |
|--------------------------------------|-------------------------|-------------------------------------|--------------------------------------|---------------------|
| <b>ASSETS</b>                        |                         |                                     |                                      |                     |
| Cash and cash equivalents            | \$ 3,851,528            | \$ 13,555                           | \$ -                                 | \$ 3,865,083        |
| <b>LIABILITIES AND FUND BALANCES</b> |                         |                                     |                                      |                     |
| Liabilities:                         |                         |                                     |                                      |                     |
| Payroll withholding payable          | \$ 7,034                | \$ 13,555                           | \$ -                                 | \$ 20,589           |
| Fund Balances:                       |                         |                                     |                                      |                     |
| Unassigned                           | <u>3,844,494</u>        | <u>-</u>                            | <u>-</u>                             | <u>3,844,494</u>    |
| Total liabilities and fund balances  | <u>\$ 3,851,528</u>     | <u>\$ 13,555</u>                    | <u>\$ -</u>                          | <u>\$ 3,865,083</u> |

**ALLEN VILLAGE SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

|   | GENERAL<br>FUND  | SPECIAL<br>REVENUE<br>FUND | CAPITAL<br>PROJECTS<br>FUND | TOTALS            |
|---|------------------|----------------------------|-----------------------------|-------------------|
| <b>REVENUES:</b>                            |                  |                            |                             |                   |
| Local                                       | \$ 1,028,468     | \$ 278,376                 | \$ 47                       | \$ 1,306,891      |
| State                                       | 2,743,910        | 2,938,988                  | -                           | 5,682,898         |
| Federal                                     | 739,243          | -                          | -                           | 739,243           |
| <b>Total Revenues</b>                       | <b>4,511,621</b> | <b>3,217,364</b>           | <b>47</b>                   | <b>7,729,032</b>  |
| <b>EXPENDITURES:</b>                        |                  |                            |                             |                   |
| Instruction                                 | 992,205          | 2,578,728                  | -                           | 3,570,933         |
| Student services                            | 113,078          | 97,569                     | -                           | 210,647           |
| Intructional staff support                  | 360,632          | 60,663                     | 171,778                     | 593,073           |
| General administration and central services | 186,336          | 406,897                    | -                           | 593,233           |
| Building administration                     | 240,796          | 73,507                     | -                           | 314,303           |
| Operation of plant                          | 555,332          | -                          | 46,468                      | 601,800           |
| Transportation                              | 140,707          | -                          | -                           | 140,707           |
| Food service                                | 227,138          | -                          | -                           | 227,138           |
| Facilities acquisition and construction     | -                | -                          | -                           | -                 |
| Community services                          | 45,208           | -                          | -                           | 45,208            |
| Debt service:                               |                  |                            |                             |                   |
| Principal                                   | -                | -                          | 3,977,677                   | 3,977,677         |
| Interest and fees                           | -                | -                          | 213,589                     | 213,589           |
| <b>Total Expenditures</b>                   | <b>2,861,432</b> | <b>3,217,364</b>           | <b>4,409,512</b>            | <b>10,488,308</b> |
| Revenues Over (Under) Expenditures          | 1,650,189        | -                          | (4,409,465)                 | (2,759,276)       |
| <b>Other Financing Sources (Uses):</b>      |                  |                            |                             |                   |
| Loan proceeds                               | -                | -                          | 3,300,000                   | 3,300,000         |
| Transfers                                   | (352,528)        | -                          | 352,528                     | -                 |
| <b>Total other financing sources (uses)</b> | <b>(352,528)</b> | <b>-</b>                   | <b>3,652,528</b>            | <b>3,300,000</b>  |
| Net change in fund balance                  | 1,297,661        | -                          | (756,937)                   | 540,724           |
| Fund balance, beginning                     | 2,546,833        | -                          | 756,937                     | 3,303,770         |
| Fund balance, ending                        | \$ 3,844,494     | \$ -                       | \$ -                        | \$ 3,844,494      |

**ALLEN VILLAGE SCHOOL  
SCHEDULE OF REVENUES BY SOURCE  
FOR THE YEAR ENDED JUNE 30, 2021**

|                                      | <u>GENERAL<br/>FUND</u> | <u>SPECIAL<br/>REVENUE<br/>FUND</u> | <u>CAPITAL<br/>PROJECTS<br/>FUND</u> | <u>TOTALS</u>            |
|--------------------------------------|-------------------------|-------------------------------------|--------------------------------------|--------------------------|
| <b>LOCAL:</b>                        |                         |                                     |                                      |                          |
| Sales tax                            | \$ 463,960              | \$ 278,376                          | \$ -                                 | \$ 742,336               |
| Earnings on investments              | 5,230                   | -                                   | 47                                   | 5,277                    |
| Food service                         | 140                     | -                                   | -                                    | 140                      |
| Other local revenue                  | <u>559,138</u>          | <u>-</u>                            | <u>-</u>                             | <u>559,138</u>           |
| <br>Total Local                      | <br><u>1,028,468</u>    | <br><u>278,376</u>                  | <br><u>47</u>                        | <br><u>1,306,891</u>     |
| <b>STATE:</b>                        |                         |                                     |                                      |                          |
| Basic formula                        | 2,415,204               | 2,938,988                           | -                                    | 5,354,192                |
| Transportation aid                   | 96,631                  | -                                   | -                                    | 96,631                   |
| Basic formula - classroom trust fund | 228,512                 | -                                   | -                                    | 228,512                  |
| Food service                         | <u>3,563</u>            | <u>-</u>                            | <u>-</u>                             | <u>3,563</u>             |
| <br>Total State                      | <br><u>2,743,910</u>    | <br><u>2,938,988</u>                | <br><u>-</u>                         | <br><u>5,682,898</u>     |
| <b>FEDERAL:</b>                      |                         |                                     |                                      |                          |
| Child nutrition                      | 130,216                 | -                                   | -                                    | 130,216                  |
| Title I                              | 293,802                 | -                                   | -                                    | 293,802                  |
| Title II.A                           | 36,042                  | -                                   | -                                    | 36,042                   |
| Title IV                             | 15,235                  | -                                   | -                                    | 15,235                   |
| Title III                            | 17,181                  | -                                   | -                                    | 17,181                   |
| CARES - GEER                         | 32,774                  | -                                   | -                                    | 32,774                   |
| Coronavirus Relief Fund              | 39,568                  | -                                   | -                                    | 39,568                   |
| CARES - School food program          | 59,575                  | -                                   | -                                    | 59,575                   |
| Individuals with Disabilities        | <u>114,850</u>          | <u>-</u>                            | <u>-</u>                             | <u>114,850</u>           |
| <br>Total Federal                    | <br><u>739,243</u>      | <br><u>-</u>                        | <br><u>-</u>                         | <br><u>739,243</u>       |
| <b>OTHER:</b>                        |                         |                                     |                                      |                          |
| Loan proceeds                        | <u>-</u>                | <u>-</u>                            | <u>3,300,000</u>                     | <u>3,300,000</u>         |
| <br>Total Revenues                   | <br><u>\$ 4,511,621</u> | <br><u>\$ 3,217,364</u>             | <br><u>\$ 3,300,047</u>              | <br><u>\$ 11,029,032</u> |

**ALLEN VILLAGE SCHOOL  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2021**

County District Number 048-909

**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 |
|-------------|-------------|-----------|--------------------|---------------------|------|------------------|
| 7500        | PK          | PK        |                    | 6.5000              | 176  | 1,228            |
| 6905        | K           | 02        |                    | 6.7500              | 157  | 1,044            |
| 6915        | 03          | 05        |                    | 6.7500              | 157  | 1,044            |
| 3930        | 06          | 08        |                    | 6.7500              | 157  | 1,044            |
| 1980        | 09          | 12        |                    | 6.7500              | 157  | 1,044            |

**2. AVERAGE DAILY ATTENDANCE (ADA)**

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          |
|--------------------|-------------|----------------|-----------|----------------|-------|---------------|----------------|
| 7500               | PK          | 12,216         |           |                |       |               | 12,216         |
| 6905               | K-02        | 91,346         |           |                |       | 1,726         | 93,072         |
| 6915               | 03-05       | 98,323         |           |                |       | 3,058         | 101,381        |
| 3930               | 06-08       | 128,359        |           |                |       | 4,184         | 132,543        |
| 1980               | 09-12       | 157,019        |           |                |       | 2,855         | 159,874        |
| <b>Grand Total</b> |             | <b>487,263</b> |           |                |       | <b>11,823</b> | <b>499,086</b> |

**3. SEPTEMBER MEMBERSHIP**

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

| School Code        | Grade Level | Full-Time     | Part-Time | Other | Total         |
|--------------------|-------------|---------------|-----------|-------|---------------|
| 6905               | K-02        | 93.00         |           |       | 93.00         |
| 6915               | 03-05       | 101.00        |           |       | 101.00        |
| 3930               | 06-08       | 131.00        |           |       | 131.00        |
| 1980               | 09-12       | 164.00        |           |       | 164.00        |
| <b>Grand Total</b> |             | <b>489.00</b> |           |       | <b>489.00</b> |

**ALLEN VILLAGE SCHOOL  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2021**

County District Number 048-909

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

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

| School Code        | Free Lunch    | Reduced Lunch | Deseg In Free | Deseg In Reduced | Total         |
|--------------------|---------------|---------------|---------------|------------------|---------------|
| 6905               | 82.00         | 3.00          |               |                  | 85.00         |
| 6915               | 74.00         | 9.00          |               |                  | 83.00         |
| 3930               | 88.00         | 16.00         |               |                  | 104.00        |
| 1980               | 119.00        | 8.00          |               |                  | 127.00        |
| <b>Grand Total</b> | <b>363.00</b> | <b>36.00</b>  |               |                  | <b>399.00</b> |

**5. FINANCE**

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

| Section | Question   | Answer |
|---------|--|--------|
| 5.1     | The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.  | True   |
| 5.2     | The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance 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   | True   |
|         | Career Exploration Program – Off Campus  | N/A    |
|         | Cooperative Occupational Education (COE) or Supervised Occupational Experience Program   | N/A    |
|         | Dual enrollment  | True   |
|         | Homebound instruction  | N/A    |
|         | Missouri Options   | N/A    |
|         | Prekindergarten eligible to be claimed for state aid   | True   |
|         | Remediation  | N/A    |
|         | Sheltered Workshop participation   | N/A    |

**ALLEN VILLAGE SCHOOL  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2021**

County District Number 048-909

|             |   |           |
|-------------|---|-----------|
|             | Students participating in the school flex program   | N/A       |
|             | Traditional instruction (full and part-time students)   | True      |
|             | Virtual instruction (MOCAP or other option)   | True      |
|             | Work Experience for Students with Disabilities  | N/A       |
| <b>5.3</b>  | The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.   | True      |
| <b>5.4</b>  | 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.  | True      |
| <b>5.5</b>  | An insurance policy as required by Section 160.405, RSMo. has been purchased by the School for employee theft coverage in the amount of:  | \$500,000 |
| <b>5.6</b>  | The district's/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 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.  | 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:   | \$0       |
| <b>5.13</b> | 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  | True      |

**ALLEN VILLAGE SCHOOL  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2021**

County District Number 048-909

|  |  |  |
|--|--|--|
|  | district or school website or other form of social media as required by Section 160.066, RSMo. |  |
|--|--|--|

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

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

| Section | Question   | Answer |
|---------|--|--------|
| 6.1     | The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.   | True   |
| 6.2     | The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.  | True   |
| 6.3     | Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:                   | True   |
|         | Eligible ADT   | 104.5  |
|         | Ineligible ADT   | 2.5    |
| 6.4     | The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year. | True   |
| 6.5     | Actual odometer records show the total district/charter-operated and contracted mileage for the year was:  | 18,449 |
| 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   | 12,728 |
|         | Ineligible Miles (Non-Route/Disapproved)   | 5,721  |
| 6.7     | Number of days the district/charter school operated the school transportation system during the regular school year:   | 37     |

**ALLEN VILLAGE SCHOOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

| FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR/<br>PROGRAM TITLE                   | ASSISTANCE<br>LISTING<br>NUMBER | PASS-THROUGH<br>GRANTOR<br>NUMBER | EXPENDITURES      |
|--|---------------------------------|-----------------------------------|-------------------|
| <u>U.S. Department of Agriculture</u>  |                                 |                                   |                   |
| Passed-through Missouri Department of<br>Elementary and Secondary Education: |                                 |                                   |                   |
| Child Nutrition Cluster:   |                                 |                                   |                   |
| COVID-19 - School Breakfast Program  | 10.553                          | 048-909                           | \$ 72,486         |
| COVID-19 - School Lunch Program  | 10.555                          | 048-909                           | 117,305           |
| Total Child Nutrition Cluster  |                                 |                                   | <u>189,791</u>    |
| <u>U.S. Department of the Treasury</u>                                       |                                 |                                   |                   |
| Passed-through Missouri Department of<br>Elementary and Secondary Education: |                                 |                                   |                   |
| COVID-19 - Coronavirus Relief Fund   | 21.019                          | 048-909                           | <u>39,568</u>     |
| <u>U.S. Department of Education</u>  |                                 |                                   |                   |
| Passed-through Missouri Department of<br>Elementary and Secondary Education: |                                 |                                   |                   |
| Special Education Cluster (IDEA):  |                                 |                                   |                   |
| Special Education - Grants to States   | 84.027                          | 048-909                           | 125,932           |
| Title I - Grants to Local Educational Agencies                               | 84.010                          | 048-909                           | 325,428           |
| English Language Acquisition Grants  | 84.365                          | 048-909                           | 17,181            |
| Supporting Effective Instruction State Grants                                | 84.367                          | 048-909                           | 4,666             |
| Student Support and Academic Enrichment Program                              | 84.424                          | 048-909                           | 21,727            |
| COVID-19 - Education Stabilization Fund                                      | 84.425C                         | 048-909                           | 30,374            |
| COVID-19 - Education Stabilization Fund                                      | 84.425D                         | 048-909                           | 190,100           |
| Total COVID-19-Education Stabilization Fund                                  |                                 |                                   | <u>220,474</u>    |
| Total U.S. Department of Education   |                                 |                                   | <u>715,408</u>    |
| Total Expenditures of Federal Awards   |                                 |                                   | <u>\$ 944,767</u> |

Note 2. 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. Allen Village School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Allen Village School under programs of the federal government for the year ended June 30, 2021. 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 Allen Village School, it is not intended to and does not present the financial position, change in net assets or cash flows of Allen Village School.

## **INTERNAL CONTROL AND COMPLIANCE**

**INDEPENDENT AUDITORS' REPORT ON THE ADMINISTRATION'S  
ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED  
REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

To the Board of Directors  
Allen Village School

We have audited the administration's assertions, included in its representation letter dated December 16, 2021, that Allen Village School complied with the requirements of Missouri Laws and Regulations regarding accurate disclosure by the School's attendance records of average daily attendance, resident membership on the last Wednesday of September, 2020 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2021; and accurate disclosure by the School's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2021. As discussed in that representation letter, the administration is responsible for the School's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the School's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining evidence supporting compliance with the specified laws and regulations, 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.

In our opinion, administration's assertions that the School complied with the aforementioned requirements for the year ended June 30, 2021, are fairly stated in all material respects.

We noted immaterial instances of noncompliance with the aforementioned requirements that we have reported to the administration of the School in the accompanying Schedule of State Findings.

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

*Westbrook & Co., P.C.*

December 16, 2021

**ALLEN VILLAGE SCHOOL  
SCHEDULE OF STATE FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**TRANSPORTATION**

*Condition:* The Number of Days Transportation System Operated reported on the School's Application for State Transportation Aid did not match the School's calendar for the regular school term.

*Criteria:* DESE requires that the amount reported for Number of Days Transportation System Operated should be based on the school calendar for the regular school term.

*Cause:* The Application for State Transportation Aid was not properly reviewed prior to being submitted to DESE.

*Effect:* Inaccurate information was submitted to DESE.

*Recommendation:* We recommend that the School implement review procedures to ensure that all information on the Application for State Transportation Aid has been correctly reported.

*Auditee's Response:* The School will implement an additional review process to ensure the number of days transported is accurately reported to DESE on the Application for State Transportation Aid.

**ATTENDANCE**

*Condition:* The School's Pre K hours eligible for state aid were not reported on the Attendance Hours Summary Core Data report.

*Criteria:* Attendance information uploaded to DESE must be reconciled to the School's attendance software and should be reviewed prior to being submitted.

*Cause:* The School did not have a review process to ensure the information was correct.

*Effect:* Inaccurate information was reported on the Attendance Hours Summary Core Data report.

*Recommendation:* We recommend that the School implement a reconciliation and review process to ensure the information in the School's attendance software agrees to the data uploaded to MOSIS and reported to DESE.

*Auditee's Response:* The School will implement procedures to ensure that Pre K student hours are reported correctly.

**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**

To the Board of Directors  
Allen Village School

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of Allen Village School (a nonprofit organization) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 16, 2021.

**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) to determine the 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 over financial reporting.

*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 charged with governance.

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. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

## **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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **School's Response to Findings**

The School's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School's responses were 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 result 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.

*Westbrook & Co., P.C.*

Richmond, Missouri  
December 16, 2021

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

To the Board of Directors  
Allen Village School

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

We have audited Allen Village School's compliance with the types of compliance requirements described 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, 2021. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit 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 audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

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

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Westbrook & Co., P.C.*

Richmond, Missouri  
December 16, 2021

**ALLEN VILLAGE SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with the modified cash basis:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

  X   Yes                 No

• Significant deficiency(ies) identified?

           Yes        X   None reported

Noncompliance material to financial statements noted?

           Yes        X   No

*Federal Awards*

Internal control over major federal programs:

• Material weakness(es) identified?

           Yes        X   No

• Significant deficiency(ies) identified?

           Yes        X   None reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

           Yes        X   No

Identification of major federal programs:

Title I - Grants to Local Educational Agencies  
Special Education Cluster

AL No. 84.010  
AL No. 84.027

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

           Yes        X   No

**ALLEN VILLAGE SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

MATERIAL WEAKNESS

2021-001 SEGREGATION OF DUTIES

*Condition:* The School's Business Manager has authority to input vendors and input purchase orders and is also responsible for performing the bank reconciliation. The Business Manager also initiates the payroll cycles, maintains payroll information, and submits the payroll. While the principal and a board member review the payroll register, it is returned to the Business Manager to submit the payroll. Finally, the Business Manager is the accounting system administrator, thus allowing full access and control of the accounting system.

*Criteria:* Accounting duties should be segregated to provide for adequate internal control.

*Cause:* Duties have not been properly segregated.

*Effect:* Inadequate controls could allow for errors or fraud to occur.

*Recommendation:* Consideration should be given to reassigning duties in order to improve internal controls. We concur with the School's implementation of a process for the Superintendent to review and sign off on the monthly bank statement, however the opportunity still exists for errors or fraud to occur.

*Auditee's Response:* The School will analyze the duties to improve internal control.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None