

**ALLEN VILLAGE SCHOOL
KANSAS CITY, MISSOURI**

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

FOR THE YEAR ENDED JUNE 30, 2022

**ALLEN VILLAGE SCHOOL
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Allen Village School

Report on the Audit of the Financial Statements

Opinion

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, 2022 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.

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, 2022 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.

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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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.

Emphasis of Matter - 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with modified cash basis of accounting as 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 that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgment, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 12 through 15, including the 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 not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 15, 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.

Westbrook & Co., P.C.

Richmond, Missouri
December 15, 2022

ALLEN VILLAGE SCHOOL
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
JUNE 30, 2022

ASSETS

Cash and cash equivalents	\$ 3,872,193
Property and equipment, net	<u>6,455,516</u>
Total Assets	<u>\$ 10,327,709</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Payroll withholding payable	\$ 47,407
Note payable	<u>3,106,309</u>
Total Liabilities	3,153,716
Net Assets:	
Without donor restrictions	<u>7,173,993</u>
Total Liabilities and Net Assets	<u>\$ 10,327,709</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, 2022

Without donor restrictions:

SUPPORT AND REVENUES:

Government grants and contracts	\$ 7,776,511
Fees and services	2,675
Earnings on investments	6,934
Other revenue	<u>596,853</u>
Total support and revenues	<u>8,382,973</u>

EXPENSES:

Program expenses:	
Charter school	7,537,300
Management and general	<u>970,014</u>
Total expenses	<u>8,507,314</u>
Change in Net Assets	(124,341)
Net assets, beginning of year	<u>7,298,334</u>
Net assets, end of year	<u>\$ 7,173,993</u>

See accompanying notes to the financial statements.

ALLEN VILLAGE SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program Services</u>	<u>Support Services</u>	
	Charter School	Management and General	<u>Total</u>
Salaries	\$ 3,594,372	\$ 649,419	\$ 4,243,791
Student transportation	584,833	-	584,833
Building and equipment maintenance	429,765	-	429,765
Payroll taxes and benefits	801,420	122,869	924,289
Contract and professional fees	470,162	69,956	540,118
Food service	363,195	-	363,195
Depreciation expense	390,281	-	390,281
Other supplies and equipment	457,180	67,835	525,015
Utilities	150,696	-	150,696
Interest and fees	128,036	-	128,036
Textbooks and educational materials	49,598	-	49,598
Community services	411	-	411
Telephone and communications	87,965	124	88,089
Conferences, meetings and travel	15,790	2,215	18,005
Rent expense	12,793	1,855	14,648
Other	10	15,647	15,657
Printing and publications	793	100	893
Insurance	-	39,994	39,994
Total expenses	<u>\$ 7,537,300</u>	<u>\$ 970,014</u>	<u>\$ 8,507,314</u>

See accompanying notes to the financial statements.

**ALLEN VILLAGE SCHOOL
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (124,341)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	390,281
Increase in:	
Payroll withholding payable	<u>26,815</u>
Net cash provided by operating activities	<u>292,755</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	<u>(119,631)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on note payable	<u>(166,014)</u>
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NET INCREASE IN CASH 7,110

CASH AND CASH EQUIVALENTS, beginning 3,865,083

CASH AND CASH EQUIVALENTS, ending \$ 3,872,193

SUPPLEMENTAL DISCLOSURES:

Interest paid	<u><u>\$ 128,036</u></u>
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See accompanying notes to the financial statements.

ALLEN VILLAGE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022

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 15, 2022, the date which the financial statements were available to be issued.

NOTE C - CASH AND CASH EQUIVALENTS

On June 30, 2022, the bank balances of the School's deposits totaled \$3,932,811. Of this amount, \$250,000 was covered by FDIC insurance and \$3,697,652 was covered by pledged securities.

NOTE D - PROPERTY AND EQUIPMENT

Buildings and improvements	\$ 9,523,932
Equipment	<u>1,131,734</u>
	10,655,666
Accumulated depreciation	<u>(4,200,150)</u>
Property and equipment, net	<u><u>\$ 6,455,516</u></u>

Depreciation expense for the year ended June 30, 2022 was \$390,281.

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; 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, 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 contributions to the system for the year ended June 30, 2022 were \$331,403.

ALLEN VILLAGE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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.

NOTE G - NOTE PAYABLE

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 refinance an existing loan. 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, 2022 was \$3,106,309.

Debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 174,545	\$ 119,505	\$ 294,050
2024	181,565	112,485	294,050
2025	188,868	105,181	294,049
2026	<u>2,561,331</u>	<u>37,588</u>	<u>2,598,919</u>
Total	<u>\$ 3,106,309</u>	<u>\$ 374,759</u>	<u>\$ 3,481,068</u>

NOTE H - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The School strives to maintain liquid financial assets sufficient to cover general expenditures. As of June 30, 2022, the School has \$3,872,193 cash and cash equivalents available to meet general expenditures. As of June 30, 2022, 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, 2022**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>
ASSETS				
Cash and cash equivalents	\$ 3,872,193	\$ -	\$ -	\$ 3,872,193
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payroll withholding payable	\$ 47,407	\$ -	\$ -	\$ 47,407
Fund Balances:				
Unassigned	<u>3,824,786</u>	<u>-</u>	<u>-</u>	<u>3,824,786</u>
Total liabilities and fund balances	<u>\$ 3,872,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,872,193</u>

ALLEN VILLAGE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:				
Local	\$ 1,145,182	\$ 323,232	\$ -	\$ 1,468,414
State	2,234,608	3,471,213	-	5,705,821
Federal	1,208,738	-	-	1,208,738
Total Revenues	<u>4,588,528</u>	<u>3,794,445</u>	<u>-</u>	<u>8,382,973</u>
EXPENDITURES:				
Instruction	1,341,384	2,968,074	69,480	4,378,938
Student services	132,715	149,401	-	282,116
Intructions staff support	579,454	266,376	50,151	895,981
General administration and central services	211,426	366,589	-	578,015
Building administration	310,296	44,005	-	354,301
Operation of plant	670,841	-	-	670,841
Transportation	584,833	-	-	584,833
Food service	363,195	-	-	363,195
Community services	411	-	-	411
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal	-	-	166,014	166,014
Interest and fees	-	-	128,036	128,036
Total Expenditures	<u>4,194,555</u>	<u>3,794,445</u>	<u>413,681</u>	<u>8,402,681</u>
Revenues Over (Under) Expenditures	393,973	-	(413,681)	(19,708)
Other Financing Sources (Uses):				
Transfers	<u>(413,681)</u>	<u>-</u>	<u>413,681</u>	<u>-</u>
Net change in fund balance	(19,708)	-	-	(19,708)
Fund balance, beginning	<u>3,844,494</u>	<u>-</u>	<u>-</u>	<u>3,844,494</u>
Fund balance, ending	<u>\$ 3,824,786</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,824,786</u>

**ALLEN VILLAGE SCHOOL
SCHEDULE OF REVENUES BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>
LOCAL:				
Sales tax	\$ 538,720	\$ 323,232	\$ -	\$ 861,952
Earnings on investments	6,934	-	-	6,934
Food service	2,675	-	-	2,675
Other local revenue	<u>596,853</u>	<u>-</u>	<u>-</u>	<u>596,853</u>
Total Local	<u>1,145,182</u>	<u>323,232</u>	<u>-</u>	<u>1,468,414</u>
STATE:				
Basic formula	1,958,433	3,471,213	-	5,429,646
Transportation aid	18,074	-	-	18,074
Basic formula - classroom trust fund	237,099	-	-	237,099
Food service	2,406	-	-	2,406
Other state revenue	<u>18,596</u>	<u>-</u>	<u>-</u>	<u>18,596</u>
Total State	<u>2,234,608</u>	<u>3,471,213</u>	<u>-</u>	<u>5,705,821</u>
FEDERAL:				
Title I	298,101	-	-	298,101
Title II.A	19,701	-	-	19,701
Title III	5,692	-	-	5,692
Title IV	29,150	-	-	29,150
Individuals with Disabilities	11,082	-	-	11,082
Child Nutrition Program	283,070	-	-	283,070
CARES - Child Nutrition Program	12,361	-	-	12,361
Education Stabilization Fund	<u>549,581</u>	<u>-</u>	<u>-</u>	<u>549,581</u>
Total Federal	<u>1,208,738</u>	<u>-</u>	<u>-</u>	<u>1,208,738</u>
Total Revenues	<u><u>\$ 4,588,528</u></u>	<u><u>\$ 3,794,445</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,382,973</u></u>

**ALLEN VILLAGE SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	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	048-909	\$ 92,985
COVID-19 - School Lunch Program	10.555	048-909	202,445
Total Child Nutrition Cluster			<u>295,430</u>
<u>U.S. Department of Education</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	048-909	128,176
Special Education - Preschool Grants	84.173	048-909	1,118
Total Special Education Cluster			<u>129,294</u>
Title I - Grants to Local Educational Agencies	84.010	048-909	313,240
English Language Acquisition Grants	84.365	048-909	15,715
Supporting Effective Instruction State Grants	84.367	048-909	23,799
Student Support and Academic Enrichment Program	84.424	048-909	22,658
Education Stabilization Fund:			
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	048-909	12,184
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	048-909	694,531
Total Education Stabilization Fund			<u>706,715</u>
Total U.S. Department of Education			<u>1,211,421</u>
Total Expenditures of Federal Awards			<u>\$ 1,506,851</u>

Note 1. 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 2. 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, 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 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 ACCOUNTANTS' REPORT ON THE ADMINISTRATION'S
ASSERTION ABOUT COMPLIANCE WITH SPECIFIED
REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

To the Board of Directors
Allen Village School

We have examined the administration's assertion, included in its representation letter dated December 15, 2022, that Allen Village School complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the School's attendance records of average daily attendance, resident membership on the last Wednesday of September 2021 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January 2022; 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 actual odometer miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2022. As discussed in that representation letter, the administration is responsible for the School's assertion. Our responsibility is to express an opinion on the administration's assertion about the School's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the administration's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether the administration's assertion is fairly stated, in all material respects. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of administration's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the School's compliance with the specified requirements.

In our opinion, the administration's assertion that the School complied with the aforementioned requirements for the year ended June 30, 2022, is fairly stated, in all material respects.

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

Westbrook & Co., P.C.

Richmond, Missouri
December 15, 2022

**ALLEN VILLAGE SCHOOL
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

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		7.0000	174	1,212.00
6905	K	02		6.7500	156	1,031.00
6915	03	05		6.7500	156	1,031.00
3930	06	08		6.7500	156	1,031.00
1980	09	12		6.7500	156	1,031.00

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	12,155.25					12,155.25
6905	K-02	80,459.12				5,353.53	85,812.65
6915	03-05	95,643.70				5,928.85	101,572.55
3930	06-08	113,821.88				7,823.25	121,645.13
1980	09-12	144,848.93			105.27	3,911.75	148,865.95
Grand Total		446,928.88			105.27	23,017.38	470,051.53

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
7500	PK	11.00			11.00
6905	K-02	83.00			83.00
6915	03-05	100.00			100.00
3930	06-08	124.00			124.00
1980	09-12	155.00			155.00
Grand Total		473.00			473.00

**ALLEN VILLAGE SCHOOL
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

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	66.00	7.00			73.00
6915	74.00	17.00			91.00
3930	92.00	14.00			106.00
1980	104.00	25.00			129.00
Grand Total	336.00	63.00			399.00

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
	Students participating in the school flex program	N/A

**ALLEN VILLAGE SCHOOL
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number 048-909

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

**ALLEN VILLAGE SCHOOL
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number 048-909

	district or school website or other form of social media as required by Section 160.066, RSMo.	
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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:	
	Eligible ADT	314.5
	Ineligible ADT	5.0
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:	101,611
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	89,368
	Ineligible Miles (Non-Route/Disapproved)	12,243
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	156

**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, 2022, 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 15, 2022.

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 opinions 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 2022-001, that we consider to be a material weakness.

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 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

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

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 15, 2022

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

To the Board of Directors
Allen Village School

Report on Compliance for Each Major Federal Program

Opinion on 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, 2022. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the 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, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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.

Westbrook & Co., P.C.

Richmond, Missouri
December 15, 2022

**ALLEN VILLAGE SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

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:
Education Stabilization Fund

AL No. 84.425

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, 2022**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS
2022-001 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