

Citizens of the World Charter School – Kansas City

Financial Statements Together with Auditors' Report
For the Year Ended June 30, 2022

KPM
CPAS & ADVISORS

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To the Board of Directors
Citizens of the World Charter School - Kansas City
Kansas City, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Citizens of the World Charter School – Kansas City (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Citizens of the World Charter School – Kansas City as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and 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 Citizens of the World Charter School – Kansas City's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

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

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

- Exercise professional 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 accompanying Statement of Assets and Fund Balances, Statement of Receipts, Disbursements, and Changes in Fund Balances, Schedule of Receipts by Source, Schedule of Disbursements by Object, and 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*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Assets and Fund Balances, Statement of Receipts, Disbursements, and Changes in Fund Balances, Schedule of Receipts by Source, Schedule of Disbursements by Object, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of Citizens of the World Charter School – Kansas City’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 Citizens of the World Charter School – Kansas City’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 Citizens of the World Charter School – Kansas City’s internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 14, 2022

Citizens Of The World Charter School – Kansas City

Statement of Financial Position

June 30, 2022

Assets

Cash and cash equivalents	\$	881,360
Accounts receivable		34,640
Grants receivable		14,795
Total Assets	\$	930,795

Liabilities

Accounts payable	\$	182,031
Accrued expenses		222,007
Total Liabilities		404,038

Net Assets

Without donor restrictions		526,757
Total Liabilities and Net Assets	\$	930,795

See accompanying Notes to the Financial Statements.

Citizens Of The World Charter School – Kansas City

Statement of Activities

Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>
Revenues and Other Support	
Contributions and local grants and agreements	\$ 979,775
Government grants and agreements	6,004,378
Fees and services	12,461
Miscellaneous	12,096
Total Revenues and Other Support	<u>7,008,710</u>
Expenses	
Program	
Instruction	3,619,610
Student services	388,378
Instructional staff support	14,505
Building level administration	496,137
General administration and central services	495,654
Operation of plant	1,043,800
Transportation	70,236
Food services	352,589
Community services	144,483
Facility acquisition and construction	41,757
Management and general	
General administration and central services	709,697
Total Expenses	<u>7,376,846</u>
<i>Change in Net Assets</i>	(368,136)
Net Assets, beginning of year	<u>894,893</u>
Net Assets, end of year	<u><u>\$ 526,757</u></u>

See accompanying Notes to the Financial Statements.

Citizens Of The World Charter School – Kansas City

Statement of Cash Flows

Year Ended June 30, 2022

Cash Flows from Operating Activities

Change in net assets	\$ (368,136)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in	
Accounts receivable	(34,640)
Grants receivable	(14,795)
Accounts payable	58,738
Accrued expenses	15,779
Net Cash (Used) by Operating Activities	<u>(343,054)</u>
<i>Net (Decrease) in Cash</i>	(343,054)
Cash and Cash Equivalents, beginning of year	1,224,414
Cash and Cash Equivalents, end of year	<u><u>\$ 881,360</u></u>

See accompanying Notes to the Financial Statements.

Citizens Of The World Charter School – Kansas City

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services	Support Services	
	Charter School	Management and General	Total
Salaries	\$ 3,226,017	\$ 159,707	\$ 3,385,724
Employee benefits	882,808	49,344	932,152
Purchased services	1,737,676	496,915	2,234,591
Supplies	778,891	3,731	782,622
Capital outlay	41,757	-	41,757
Total Functional Expenses	\$ 6,667,149	\$ 709,697	\$ 7,376,846

See accompanying Notes to the Financial Statements.

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2022

1. Organization

Citizens of the World Charter School - Kansas City (the "School") is a Missouri not-for-profit corporation. Their purpose is to operate a Charter School established within the boundaries of the Kansas City, Missouri School District. The School is legally separate from the Kansas City, Missouri School District and is not financially accountable to it.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

The School is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the School. These net assets may be used at the discretion of the School's management and the board of directors.

Net assets with donor restrictions: net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Academy pursuant to those stipulations, that expire by the passage of time, or that include funds of perpetual donation.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

The School considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Property and Equipment

Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful lives of the assets. These assets have been recorded at historical cost. It is the policy of the School to capitalize expenditures for equipment, furniture and fixtures in excess of \$5,000 per item and useful life of more than one year. No property and equipment has met the above requirements to be recorded in the financial statements.

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2022

Revenue Recognition

The School recognizes revenue using the following methods:

Contributions, grants, and agreements: Contributions, grants, and agreements are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or explicitly released from restriction. The majority of grants and agreements received by the School are nonreciprocal. Therefore, revenue is recognized as obligations are met.

Fees and services: Fees and services consist primarily of services and activities completed by the School. Therefore, fees and services revenue is recognized when such activities are substantially completed.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from these estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Income Taxes

The School is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The School complies with the provisions of FASB ASC 740-10-25. Under FASB ASC 740-10-25, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of FASB ASC 740-10-25 had no impact on the School's financial statements. The School does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended June 30, 2022, there were no interest or penalties recorded in its financial statements.

Receivables

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise was received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Accounts and grants receivable are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2022

Subsequent Events

Management has evaluated subsequent events through November 14, 2022, the date the financial statements were available to be issued.

Expense Allocation

The cost of providing the program and supporting services have been summarized on the statement of activities on a functional basis. Most expenses can be directly allocated to the program and supporting functions. Certain categories of expenses are attributed to both program and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied and determined by management.

The expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Employee benefits	Time and effort
Purchased services	Direct cost
Supplies	Direct cost
Capital outlay	Direct cost
Debt service	Direct cost

3. Cash & Cash Equivalents

State statutes require that the School's deposits be collateralized in the name of the School by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2022, \$56,479 was uninsured and uncollateralized.

4. Commitment

On June 13, 2016, the School entered into a triple net financing agreement with an option to buy at book value with IFF Quality Seats - Broadway, LLC for the property and improvements in the total cost of \$5,244,227. As part of the agreement, the School pays a base rent each month plus operating expense of the facility, including all costs associated with the use, maintenance, financing, or repair of the property and all utilities, and insurance. The agreement also required creation of a cash collateral account in the amount of \$585,000. The agreement provides that the School will pay the reduced rent amount of \$13,670 per month for the first two years with the payment supplemented with the cash collateral account. From years 3 to 6, the base rent amount will be payable in the amount of \$36,845 per month. For years 7 to 10, the adjusted rent amount will be payable based on the greater of the School's net operating income divided by 1.2 or the annual funding cost to IFF. The School has the option to extend the agreement for 2 to 5 years.

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2022

Under the current agreement, payments of \$470,435 were due during the year ended June 30, 2022, the future payment requirements are estimated as follows:

<u>Year Ending June 30</u>	<u>Building Agreement</u>
2023	\$ 470,435
2024	470,435
2025	470,435
2026	470,435
	<u>\$ 1,881,740</u>

5. Claims & Adjustments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. As of June 30, 2022, significant amounts of grant disbursements have not been audited by grantor governments, but the School believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

6. Functional Expenses

The School has only one program of service, which is the operation of a charter school district. For the year ended June 30, 2022, program service expenses were \$6,667,149 and management and general expenses were \$709,697.

7. 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, and the Public School Retirement System. The Retirement System provides service and disability retirement benefits to full-time employees and optional benefits to members' beneficiaries. Positions covered by The Retirement System are also covered by Social Security. The Retirement System is administered by a twelve member Board of Trustees. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of the School District of Kansas City, Missouri, 324 E. 11th St., Kansas City, Missouri, 64106, or by calling 1-816-472-5800.

The Retirement System members are required to contribute 9% of their annual covered salary and the school is required to contribute a matching amount. 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 \$349,251, equal to the required contributions.

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2022

8. Open Tax Years

The School's informational and tax returns are subject to examination by taxing authorities for a period of 3 years from the date they are filed. As of June 30, 2022, the following tax years are subject to examination:

<u>Jurisdiction</u>	<u>Open Years for Filed Returns</u>	<u>Return to be Filed in 2022</u>
Federal	2018-2020	2021
Missouri	2018-2020	2021

9. Liquidity & Availability

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

Financial assets at year end	<u>2022</u>
Cash and cash equivalents	\$ 881,360
Accounts receivable	34,640
Grants receivable	14,795
Total financial assets	<u>930,795</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 930,795</u></u>

The School does not have a policy to maintain a particular amount of days of operating expenses as liquid assets. The School is substantially supported by grant revenues that are based on formulas enacted by the legislation in the State of Missouri. The School also participates in various state and federally funded programs. As such, the future cash needs of the School are substantially met by these revenues, which are primarily received during the period in which expenses are incurred.

11. Risk Management

The School is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

Supplementary Information

Citizens Of The World Charter School – Kansas City

Statement of Assets and Fund Balances – Modified Cash Basis – Governmental Funds Presentation

June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Assets				
Cash and cash equivalents, net of payroll liabilities	\$ 817,373	\$ 25,546	\$ -	\$ 842,919
Total Assets	\$ 817,373	\$ 25,546	\$ -	\$ 842,919
Fund Balances				
Assigned for certificated salaries	\$ -	\$ 25,546	\$ -	\$ 25,546
Unassigned	817,373	-	-	817,373
Total Fund Balances	\$ 817,373	\$ 25,546	\$ -	\$ 842,919
Total fund balance				\$ 842,919
Additional Assets on the Statement of Financial Position				49,435
Additional Liabilities on the Statement of Financial Position				(365,597)
Net Assets on the Statement of Financial Position				\$ 526,757

The supplementary modified cash basis financial statement above has been provided for purposes of reporting to the State of Missouri Department of Elementary and Secondary Education. This statement conforms to the presentation of the Annual Secretary of the Board Report. The modification to cash basis relates only to the presentation of payroll liabilities.

Citizens Of The World Charter School – Kansas City

Statement of Receipts, Disbursements, and Changes in Fund Balances – Modified Cash Basis – Governmental Funds Presentation

Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Receipts				
Local	\$ 1,348,104	\$ 227,047	\$ -	\$ 1,575,151
State	1,249,100	2,855,478	-	4,104,578
Federal	1,279,546	-	-	1,279,546
Total Receipts	3,876,750	3,082,525	-	6,959,275
Disbursements				
Instruction	1,042,499	2,565,394	-	3,607,893
Student services	413,878	-	-	413,878
Instructional staff support	24,102	-	-	24,102
Building level administration	21,629	474,508	-	496,137
General administration and central services	1,088,436	42,623	-	1,131,059
Operation of plant	1,024,257	-	-	1,024,257
Pupil transportation	70,236	-	-	70,236
Food services	352,589	-	-	352,589
Community services	144,483	-	-	144,483
Facility acquisition and construction	-	-	41,757	41,757
Total Disbursements	4,182,109	3,082,525	41,757	7,306,391
<i>(Deficit) of Receipts Over Disbursements</i>	(305,359)	-	(41,757)	(347,116)
Other Financing Sources (Uses)				
Transfers in (out)	(41,757)	-	41,757	-
<i>(Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	(347,116)	-	-	(347,116)
Fund Balance, beginning	1,164,489	25,546	-	1,190,035
Fund Balance, ending	\$ 817,373	\$ 25,546	\$ -	\$ 842,919
<i>Net change in fund balance per ASBR</i>				\$ (347,116)
Changes in				
Accounts receivable				34,640
Grants receivable				14,795
Accounts payable				(58,738)
Accrued expenses				(11,717)
Change in net assets per Statement of Activities				\$ (368,136)

The supplementary modified cash basis financial statement above has been provided for purposes of reporting to the State of Missouri Department of Elementary and Secondary Education. This statement conforms to the presentation of the Annual Secretary of the Board Report. The modification to cash basis relates only to the presentation of payroll liabilities.

Citizens Of The World Charter School – Kansas City

Schedule of Receipts by Source

Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Local				
School district trust fund (Prop C)	\$ 378,412	\$ 227,047	\$ -	\$ 605,459
Earnings from temporary deposits	484	-	-	484
Admissions - student activities	3,013	-	-	3,013
Community services	9,448	-	-	9,448
Gifts	565,713	-	-	565,713
Miscellaneous local revenue	391,034	-	-	391,034
Total Local	1,348,104	227,047	-	1,575,151
State				
Basic formula - state monies	968,826	2,855,478	-	3,824,304
Basic formula - classroom trust fund	194,921	-	-	194,921
Food service - state	2,008	-	-	2,008
High need fund - special education	76,869	-	-	76,869
Other - state	6,476	-	-	6,476
Total State	1,249,100	2,855,478	-	4,104,578
Federal				
Medicaid	85,127	-	-	85,127
ARP - ESSER III	355,410	-	-	355,410
CRRSA - ESSER II	31,386	-	-	31,386
IDEA grants	1,838	-	-	1,838
IDEA entitlement funds, part B IDEA	137,339	-	-	137,339
National school lunch program	203,103	-	-	203,103
School breakfast program	78,033	-	-	78,033
Title I - ESEA	155,997	-	-	155,997
Title IV.A student support and academic enrichment	10,393	-	-	10,393
Title II, part A&B, ESEA - teacher and principal training	16,191	-	-	16,191
Dept of health food service program	84,843	-	-	84,843
Other - federal	119,886	-	-	119,886
Total Federal	1,279,546	-	-	1,279,546
Total Receipts	\$ 3,876,750	\$ 3,082,525	\$ -	\$ 6,959,275
Changes in				
Accounts receivable				34,640
Grants receivable				14,795
Revenues and other support per Statement of Activities				\$ 7,008,710

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

Citizens Of The World Charter School – Kansas City

Schedule of Disbursements by Object

Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Salaries	\$ 972,151	\$ 2,400,385	\$ -	\$ 3,372,536
Employee benefits	251,483	682,140	-	933,623
Purchased services	2,175,853	-	-	2,175,853
Supplies	782,622	-	-	782,622
Capital outlay	-	-	41,757	41,757
	\$ 4,182,109	\$ 3,082,525	\$ 41,757	\$ 7,306,391
Disbursements per ASBR				\$ 7,306,391
Changes in				
Accounts payable				58,738
Accrued expenses				11,717
Expenses per Statement of Activities				\$ 7,376,846

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

Internal Control and Compliance



Independent Accountants' Report

To the Board of Directors
Citizens of the World Charter School - Kansas City
Kansas City, Missouri

We have examined Citizens of the World Charter School - Kansas City's compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the School's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the Schedule of Selected Statistics during the year ended June 30, 2022. Management of Citizens of the World Charter School - Kansas City is responsible for the School's compliance with the specified requirements. Our responsibility is to express an opinion on Citizens of the World Charter School - Kansas City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA, and those standards require that we plan and perform the examination to obtain reasonable assurance about whether Citizens of the World Charter School - Kansas City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedure to obtain evidence about whether Citizens of the World Charter School - Kansas City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides 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 engagement does not provide a legal determination on Citizens of the World Charter School - Kansas City's compliance with the specified requirements. Our examination did, however, disclose that the School did not meet compliance with Missouri laws and regulations as the School was not adequately collateralized during the year.

In our opinion, except for the condition described in the fourth paragraph, Citizens of the World Charter School - Kansas City complied in all material respects, with the aforementioned requirements for the year ended June 30, 2022.

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 14, 2022

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Member of The Leading Edge Alliance

Citizens Of The World Charter School – Kansas City

Schedule of Selected Statistics

Year Ended June 30, 2022

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
3905	6	8	-	6.75	160	1,080.00
6905	K	5	-	6.75	162	1,093.50
6905	PK	PK	-	6.50	178	1,157.00

2. Attendance Hours

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

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
6905	PK-5	383,389.49	-	-	-	18,559.13	401,948.62
3905	6-8	100,996.27	-	-	-	3,100.00	104,096.27
Grand Total	PK-8	484,385.76	-	-	-	21,659.13	506,044.89

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	PK-5	408.00	-	-	408.00
3905	6-8	115.00	-	-	115.00
Grand Total	PK-8	523.00	-	-	523.00

Citizens Of The World Charter School – Kansas City

Schedule of Selected Statistics

Year Ended June 30, 2022

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	109.00	30.00	-	-	139.00
3905	13.00	2.00	-	-	15.00
Grand Total	122.00	32.00	-	-	154.00

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, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	N/A
	Homebound instruction	N/A
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A

Citizens Of The World Charter School – Kansas City

Schedule of Selected Statistics

Year Ended June 30, 2022

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	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$25,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	False
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 approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
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:	N/A
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

Citizens Of The World Charter School – Kansas City

Schedule of Selected Statistics

Year Ended June 30, 2022

Notes:	

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

Finding:	The School was under collateralized during the year.
Management Letter Comment:	See Management Letter Comment number 1

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	10.0
	Ineligible ADT	-
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:	10,103

Citizens Of The World Charter School – Kansas City

Schedule of Selected Statistics

Year Ended June 30, 2022

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	9,677
	Ineligible Miles (Non-Route/Disapproved)	426
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	158

Notes:	

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

Finding:	None
Management Letter Comment:	N/A



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*

Board of Directors
Citizens of the World Charter School - Kansas City
Kansas City, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Citizens of the World Charter School - Kansas City (a nonprofit organization), as of and for the year ended June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Citizens of the World Charter School - Kansas City's basic financial statements and have issued our report thereon dated November 14, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Citizens of the World Charter School - Kansas City'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

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Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 14, 2022



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Citizens of the World Charter School - Kansas City
Kansas City, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Citizens of the World Charter School - Kansas City's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Citizens of the World Charter School - Kansas City's major federal programs for the year ended June 30, 2022. Citizens of the World Charter School - Kansas City'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, Citizens of the World Charter School - Kansas City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Citizens of the World Charter School - Kansas City 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 the effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts of grant agreements applicable to the School's federal programs.

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500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Citizens of the World Charter School - Kansas City'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 Citizens of the World Charter School – Kansas City'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 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.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 14, 2022

Citizens Of The World Charter School – Kansas City

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number/ Other Identifying Number	Passed-through to Subrecipient	Federal Expenditures
U.S. Department of Agriculture				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	20210N109943 20221N119943	\$ - -	\$ 24,596 53,437
			-	78,033
National School Lunch Program	10.555	20210N109943 20221N119943	- -	60,953 142,150
			-	203,103
Total Child Nutrition Cluster			-	281,136
Missouri Department of Health and Senior Services				
Child and Adult Care Food Program				
	10.558	213MO305N1099 213MO305N2020 223MO305N1199 223MO305N2020	- - - -	17,422 1,238 56,730 4,029
COVID 19 - Child and Adult Care Food Program	10.558	213MO702H1706	-	5,424
			-	84,843
Total U.S. Department of Agriculture			-	365,979
U.S. Department of Education				
Missouri Department of Elementary and Secondary Education				
Title I Grants to Local Educational Agencies				
	84.010A	S010A190025 S010A200025 S010A210025	- - -	7,704 101,224 45,323
			-	154,251
Supporting Effective Instruction State Grants	84.367A	S367A200024 S424A210026	- -	16,100 696
			-	16,796
Student Support and Academic Enrichment Program	84.424A	S424A200026 S424A210026	- -	7,631 1,996
			-	9,627
COVID 19 - Education Stabilization Fund	84.425D 84.425U	S425D210021 S425U210021	- -	31,386 370,205
			-	401,591
Special Education Grants Cluster				
Special Education Grants to States				
	84.027A	H027A200040 H027A210040	- -	90,852 47,114
			-	137,966
Total Special Education Grants Cluster			-	137,966
Total U.S. Department of Education			-	720,231
U.S. Department of Health and Human Services				
Missouri Department of Health and Senior Services				
COVID 19 - Epidemiology and Laboratory Capacity for Infections Diseases (ELC)				
	93.323	NU50CK000546	-	119,886
Total U.S. Department of Treasury			-	119,886
Total Expenditures of Federal Awards			\$ -	\$ 1,206,096

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Citizens Of The World Charter School – Kansas City

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

1. The Schedule of Expenditures of Federal Awards is presented using the accounting principles generally accepted in the United States of America, which is described in Note 2 to the School's financial statements.
2. The School did not provide funds to subrecipients in the current year.
3. The School elected not to use the 10% de minimis indirect cost rate.

Citizens Of The World Charter School – Kansas City

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I: Summary Schedule of Audit Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No
Identification of major federal program:	
Assistance Listing Number(s)	Name of Federal Program or Cluster
84.424D, 84.425U 84.027A	COVID 19 - Education Stabilization Fund Special Education Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II: Financial Statement Findings

None

Section III: Federal Award Findings and Questioned Costs

None

Citizens Of The World Charter School – Kansas City

Summary Schedule of Prior Year Audit Findings

Year Ended June 30, 2022

There were no prior year audit findings.



Board of Directors
Citizens of the World Charter School - Kansas City
Kansas City, Missouri

In planning and performing our audit of the financial statements of the Citizens of the World Charter School - Kansas City as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.

Accordingly, we do not express an opinion on the effectiveness of the School's internal control. Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be a significant deficiency. In addition to the 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*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and recommendations regarding these matters.

1. Collateralization of Deposits

The School's deposits were not adequately secured at various times during the current year in accordance with Section 160.405(4)(4), RSMo. The financial institution did not adequately cover the School's deposits in excess of FDIC coverage.

We Recommend:

The School work with their financial institutions to ensure that all deposits in excess of FDIC coverage are fully collateralized in order to comply with statutory requirements.

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2. Implementation of FASB ASU 2016-2: Leases

The Financial Accounting Standards Board has released new standards regarding recognition of lease assets and lease liabilities for operation leases. The effective date is for fiscal years beginning after December 15, 2021. For the School, that will be year ending June 30, 2023.

We Recommend:

The School become familiar with the requirements of FASB ASU 2016-02 in order to assess the steps necessary to ensure successful implementation of this statement on the effective date.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the School's administrative personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations

We appreciate this opportunity to serve as Citizens of the World Charter School - Kansas City's independent auditor and the courtesies and assistance extended to us by the School's employees.

Restriction on Use

This communication is intended solely for the information and use of management, Board of Directors, and other within the School and is not intended and should not be used by anyone other than these specified parties.

Respectfully submitted,

Handwritten signature in black ink that reads "KPM CPAs, PC".

KPM CPAs, PC
Springfield, Missouri
November 14, 2022



Board of Directors
Citizens of the World Charter School - Kansas City
Kansas City, Missouri

We have audited the financial statements of Citizens of the World Charter School - Kansas City for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We communicated such information in our letter to you dated March 25, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Citizens of the World Charter School - Kansas City are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021-22. We noted no transactions entered into by the School for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. The significant estimate relates to the calculation of discount on contributions receivable.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no misstatements regarding assets or net position.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

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Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 14, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the Schedule of Receipts by Source, Schedule of Disbursements by Object, and the Schedule of Expenditures of Federal Awards, which accompany the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Citizens of the World Charter School - Kansas City and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Handwritten signature in black ink that reads "KPM CPAs, PC".

KPM CPAs, PC
Springfield, Missouri
November 14, 2022