

Citizens of the World Charter School – Kansas City

Financial Statements Together with Auditors' Report
For the Year Ended June 30, 2025



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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, 2025, 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, 2025, and the changes in net assets, cash flows, and statement of functional expenses 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.

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 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 opinions on the financial statements that collectively comprise the School's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, 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
December 1, 2025

Citizens Of The World Charter School – Kansas City

Statement of Financial Position

June 30, 2025

Assets

Current Assets

Cash and cash equivalents	\$ 2,064,864
Accounts receivable, net	225,009
Grants receivable	60,367
Prepaid expense	200,000
Total Current Assets	2,550,240

Property and Equipment

Non-depreciable	794,708
Depreciable capital assets, net	5,032,021
Total Property and Equipment	5,826,729
Total Assets	\$ 8,376,969

Liabilities

Current Liabilities

Accounts payable	\$ 577,100
Accrued expenses	201,897
Total Current Liabilities	778,997

Long-Term Liabilities

Long-term loans payable, net	5,333,330
Total Liabilities	6,112,327

Net Assets

Without donor restrictions	2,189,642
With donor/grantor restrictions	75,000
Total Net Assets	2,264,642
Total Liabilities and Net Assets	\$ 8,376,969

See accompanying Notes to the Financial Statements.

Citizens Of The World Charter School – Kansas City

Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor/Grantor Restrictions	Total
Revenues and Other Support			
Contributions and local grants and agreements	\$ 387,646	\$ -	\$ 387,646
Government grants and agreements	7,091,916	-	7,091,916
Fees and services	38,311	-	38,311
Miscellaneous	62,291	-	62,291
Total Revenues and Other Support	7,580,164	-	7,580,164
Expenses			
Program			
Instruction	3,088,990	-	3,088,990
Student services	529,073	-	529,073
Instructional staff support	76,969	-	76,969
Building level administration	226,518	-	226,518
General administration and central services	634,238	-	634,238
Operation of plant	1,081,659	-	1,081,659
Transportation	311,533	-	311,533
Food services	223,562	-	223,562
Community services	362,376	-	362,376
Facility acquisition and construction	166,104	-	166,104
Debt service	12,500	-	12,500
Management and general			
General administration and central services	897,492	-	897,492
Amortization and depreciation	20,283	-	20,283
Total Expenses	7,631,297	-	7,631,297
<i>Change in Net Assets</i>	<i>(51,133)</i>	<i>-</i>	<i>(51,133)</i>
Net Assets, Beginning of Year	2,240,775	75,000	2,315,775
Net Assets, End of Year	\$ 2,189,642	\$ 75,000	\$ 2,264,642

See accompanying Notes to the Financial Statements.

Citizens Of The World Charter School – Kansas City

Statement of Cash Flows

Year Ended June 30, 2025

Cash Flows from Operating Activities

Change in net assets	\$ (51,133)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in	
Grants receivable	(12,226)
Accounts payable	577,099
Accrued expenses	15,774
Accounts receivable	56,252
Net Cash Provided by Operating Activities	585,766

Cash Flows from Investing Activities

Purchase of property and equipment	(5,826,729)
Net Cash (Used) by Investing Activities	(5,826,729)

Cash Flows from Financing Activities

Loan proceeds	5,333,330
Prepaid interest expense	(200,000)
Net Cash Provided by Financing Activities	5,133,330

<i>Net Decrease in Cash</i>	(107,633)
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Cash and Cash Equivalents, Beginning of Year	2,172,497
Cash and Cash Equivalents, End of Year	\$ 2,064,864

See accompanying Notes to the Financial Statements.

Citizens Of The World Charter School – Kansas City

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Support Services	Total
	Charter School	Management and General	
Salaries	\$ 2,750,461	\$ 267,200	\$ 3,017,661
Employee benefits	775,406	79,280	854,686
Purchased services	2,430,514	527,561	2,958,075
Supplies	578,537	23,451	601,988
Capital outlay	186,387	-	186,387
Debt service	12,500	-	12,500
Total Functional Expenses	\$ 6,733,805	\$ 897,492	\$ 7,631,297

See accompanying Notes to the Financial Statements.

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2025

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/grantor restrictions: net assets subject to donor or grantor-imposed stipulations that can be fulfilled by actions of the School 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.

Asset Class	Useful Life
Buildings	30-50 years
Building improvements	10-30 years

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2025

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, 2025, 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, 2025

Subsequent Events

Management has evaluated subsequent events through December 1, 2025, the date the financial statements were available to be issued.

Functional 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:

Expenses	Method of Allocation
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, 2025, the School's deposits were adequately collateralized.

4. Accounts Receivable

Accounts receivable consists of grants and other government amounts due to the School. The School records an allowance for credit loss based on historical experience, current economic conditions, and specific account review. Accounts receivable is presented net of an allowance for credit losses as follows:

	Gross	Allowance	Net Receivable
	Receivable		
Accounts Receivable	\$ 281,261	\$ (56,252)	\$ 225,009

5. CWC Network Agreement

Effective October 16, 2020, the School entered into an agreement with the CWC Network, a California public benefit corporation, for licensing and other services of the CWC Network. The agreement states that the School will pay 5% of total annual revenue excluding federal funds, any parent contributions, and any non-government grants and donations for use of trademarks (3%) and academic, financial, administrative and other forms of support (2%). The agreement will continue until the end of the charter agreement. During the year, the School paid \$302,526 to the CWC Network.

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2025

6. Loans Payable

Building Loan

On June 5, 2025, the School entered into a loan payable with 22 Beacon in the amount of \$3,000,000, in order to finance the purchase and improvement of a new building. The loan calls for monthly interest payments of \$12,500, which were pre-funded at issuance and recorded as a prepaid expense, through December 2026. Beginning in January 2027, the School pays a monthly payment of \$16,105, which includes interest at 5.0%. The loan is scheduled to have a lump sum payoff in June 2030 in the amount of \$2,839,199.

Future payments for this agreement at June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 150,000	\$ 150,000
2027	25,550	149,682	175,232
2028	45,568	147,688	193,256
2029	47,900	145,356	193,256
2030	2,880,982	131,093	3,012,075
	<u>\$ 3,000,000</u>	<u>\$ 723,819</u>	<u>\$ 3,723,819</u>

The following represents the changes in loan payable for the year ended June 30, 2025:

Loan Payable, Beginning of Year	\$ -
Additions	3,000,000
Deletions	-
Loan Payable, End of Year	<u>\$ 3,000,000</u>

Construction Loan

The School has entered into a commercial construction loan agreement with Blue Hub Loan Fund, Inc., to finance the purchase and improvement of a building at 3435 Broadway Boulevard, located in Kansas City, MO. The total loan commitment is \$13,321,675, with advances made periodically based on construction progress.

Terms and Conditions

Loan Type: Multiple-advance construction loan

Interest Rate: Fixed at 7.20%

Maturity Date: June 1, 2030

Interest Reserve: An interest reserve account has been established to cover interest payments during the construction period. Interest is capitalized and deducted from the reserve.

Collateral: The loan is secured by the underlying property and improvements.

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2025

Disbursement and Draw Schedule

As of June 30, 2025, \$2,894,280 has been drawn against the loan, with \$10,427,395 available for future advances. Draws are subject to lender approval based on construction milestones and inspection reports.

Net Carrying Amount

As of June 30, 2025, the construction loan payable consisted of:

Principal Drawn	\$ 2,894,280
Unamortized Issuance Costs	(560,950)
Net Carrying Amount of Loan Payable	<u>\$ 2,333,330</u>

The loan issuance costs are amortized over the term of the loan using the straight-line method, which approximates the effective interest method. Amortization expense for the year ended June 30, 2025 was \$9,508 and is included in interest and amortization expense.

Future Maturities

It is estimated based off of construction dates and draws, beginning November 2026, the School will pay interest at \$79,479 for the first month followed by payments of \$90,877 monthly through June 1, 2030, at which, the School anticipates negotiating long-term financing or paying the lump sum payoff. All payments are subject to drawn balances.

Risks and Uncertainties

The project is subject to risks including construction delays, cost overruns ,and regulatory approvals.

7. 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, 2025, 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.

8. Functional Expenses

The School has only one program of service, which is the operation of a charter school. For the year ended June 30, 2025, program service expenses were \$6,733,805 and management and general expenses were \$897,492.

9. 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

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2025

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, 2025, were \$332,083, equal to the required contributions.

10. Restrictions on Net Assets

Net assets are restricted in the amount of \$75,000 for the Closure Reserve Fund as required by the Missouri Charter Public School Commission.

11. 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, 2025, the following tax years are subject to examination:

Jurisdiction	Open Years for Filed Returns	Return to be Filed in 2025
Federal	2021-2023	2024
Missouri	2021-2023	2024

12. 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:

	2025
Financial assets at year end	
Cash and cash equivalents	\$ 2,064,864
Accounts receivable, net	225,009
Grants receivable	<u>60,367</u>
Total financial assets	2,350,240
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>75,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,275,240</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

Citizens Of The World Charter School – Kansas City

Notes to the Financial Statements

June 30, 2025

the School are substantially met by these revenues, which are primarily received during the period in which expenses are incurred.

13. 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.

14. Property & Equipment

Property, equipment, and accumulated depreciation at June 30, 2025, were as follows:

Non-Depreciable

Construction in progress	\$ 794,708
Total Non-Depreciable Assets	794,708

Depreciable

Buildings	5,042,796
Accumulated depreciation	5,042,796
	(10,775)
Total Depreciable Assets, net	5,032,021
Total Property & Equipment, net	\$ 5,826,729

At June 30, 2025, the School did not hold any assets which had restrictions regarding their disposal.

15. Commitments

At June 30, 2025, the School was committed to the following:

- Multistudio in the amount of \$113,967 for the renovation and addition project
- McCown Gordon Construction in the amount of \$1,491,083 for the facade renovation project
- McCown Gordon Construction in the amount of \$8,915,211 for the renovation and addition project

16. Funding Agreement with Kansas City Public Schools

On April 8, 2025, voters in the Kansas City Public School (KCPS) District approved a bond issue in the amount of \$474,000,000. As part of the issuance, funds are set aside for area charter schools. KCPS has agreed to provide the School \$3,940,649 in order to help finance the renovation and addition project. As of December 1, 2025, the School has not received any funds from KCPS.

Supplementary Information

Citizens Of The World Charter School – Kansas City

Statement of Assets and Fund Balances – Modified Cash Basis – Governmental Funds Presentation
June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Assets				
Cash and cash equivalents, net of payroll liabilities	\$ 2,007,235	\$ 25,546	\$ -	\$ 2,032,781
Total Assets	\$ 2,007,235	\$ 25,546	\$ -	\$ 2,032,781
Fund Balances				
Assigned for certificated salaries	\$ -	\$ 25,546	\$ -	\$ 25,546
Unassigned	2,007,235	-	-	2,007,235
Total Fund Balances	\$ 2,007,235	\$ 25,546	\$ -	\$ 2,032,781
Total Fund Balance				\$ 2,032,781
Additional Assets on the Statement of Financial Position				6,312,105
Additional Liabilities on the Statement of Financial Position				(6,080,244)
Net Assets on the Statement of Financial Position				\$ 2,264,642

The supplementary 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.

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Receipts				
Local	\$ 852,475	\$ 218,536	\$ -	\$ 1,071,011
State	3,936,560	2,048,200	-	5,984,760
Federal	512,167	-	-	512,167
Total Receipts	5,301,202	2,266,736	-	7,567,938
Disbursements				
Instruction	1,093,026	1,958,012	-	3,051,038
Student services	529,073	-	-	529,073
Instructional staff support	76,969	-	-	76,969
Building level administration	2,515	224,003	-	226,518
General administration and central services	1,332,991	84,721	-	1,417,712
Operation of plant	1,081,659	-	-	1,081,659
Pupil transportation	311,533	-	-	311,533
Food services	223,562	-	-	223,562
Community services	362,376	-	-	362,376
Facility acquisition and construction	-	-	5,513,365	5,513,365
Debt service	-	-	782,958	782,958
Total Disbursements	5,013,704	2,266,736	6,296,323	13,576,763
<i>Excess (Deficit) of Receipts Over Disbursements</i>	287,498	-	(6,296,323)	(6,008,825)
Other Financing Sources (Uses)				
Loan proceeds	-	-	5,894,280	5,894,280
Transfers in (out)	(402,043)	-	402,043	-
Total Other Financing Sources (Uses)	(402,043)	-	6,296,323	5,894,280
<i>Net Change in Fund Balances</i>	(114,545)	-	-	(114,545)
Fund Balance, Beginning of Year	2,121,780	25,546	-	2,147,326
Fund Balance, End of Year	\$ 2,007,235	\$ 25,546	\$ -	\$ 2,032,781
<i>Net change in fund balance per ASBR</i>			\$ (114,545)	
Changes in				
Grants receivable			12,226	
Loans payable, net			(5,333,330)	
Accounts payable			(577,099)	
Accrued expenses			(8,862)	
Accounts receivable			(56,252)	
Fixed asset activity			5,826,729	
Prepaid expenses			200,000	
Change in Net Assets per Statement of Activities			\$ (51,133)	

The supplementary 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.

Citizens Of The World Charter School – Kansas City

Schedule of Receipts by Source

Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Local				
School district trust fund (Prop C)	\$ 364,227	\$ 218,536	\$ -	\$ 582,763
Earnings from temporary deposits	57,597	-	-	57,597
Sales to pupils - reimbursable school meals	15,866	-	-	15,866
Admissions - student activities	3,152	-	-	3,152
Bookstore sales	7,573	-	-	7,573
Community services	11,720	-	-	11,720
Gifts	387,646	-	-	387,646
Miscellaneous local revenue	4,694	-	-	4,694
Total Local	852,475	218,536	-	1,071,011
State				
Basic formula - state monies	3,651,159	2,048,200	-	5,699,359
Transportation	18,141	-	-	18,141
Basic formula - classroom trust fund	205,204	-	-	205,204
Food service - state	925	-	-	925
High need fund - special education	60,006	-	-	60,006
Other - state	1,125	-	-	1,125
Total State	3,936,560	2,048,200	-	5,984,760
Federal				
Medicaid	82,992	-	-	82,992
IDEA grants	4,470	-	-	4,470
IDEA entitlement funds, part B IDEA	120,706	-	-	120,706
National school lunch program	81,934	-	-	81,934
School breakfast program	27,320	-	-	27,320
Title I - ESEA	132,356	-	-	132,356
Title IV.A student support and academic enrichment	8,981	-	-	8,981
Title III, ESEA - English language acquisition	5,267	-	-	5,267
Title II, part A&B, ESEA - teacher and principal training	15,624	-	-	15,624
ARP - homeless children and youth II	32,517	-	-	32,517
Total Federal	512,167	-	-	512,167
Other				
Loan proceeds	-	-	5,894,280	5,894,280
Total Other	-	-	5,894,280	5,894,280
Total Receipts	\$ 5,301,202	\$ 2,266,736	\$ 5,894,280	\$ 13,462,218
<i>Receipts per ASBR</i>				\$ 13,462,218
Changes in				
Grants receivable				12,226
Loan proceeds				(5,894,280)
Revenues and Other Support per Statement of Activities				\$ 7,580,164

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Salaries	\$ 1,235,324	\$ 1,769,154	\$ -	\$ 3,004,478
Employee benefits	361,425	497,582	-	859,007
Purchased services	2,844,057	-	-	2,844,057
Supplies	572,898	-	-	572,898
Capital outlay	-	-	5,513,365	5,513,365
Debt service	-	-	782,958	782,958
	<u>\$ 5,013,704</u>	<u>\$ 2,266,736</u>	<u>\$ 6,296,323</u>	<u>\$ 13,576,763</u>
<i>Disbursements per ASBR</i>				\$ 13,576,763
Changes in				
Accounts payable				577,099
Accrued expenses				8,862
Accounts receivable				56,252
Fixed asset activity				(5,826,729)
Prepaid expenses				(200,000)
Loan closing costs				(560,950)
Expenses per Statement of Activities				<u>\$ 7,631,297</u>

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

Citizens Of The World Charter School – Kansas City

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2025

	Contracted	Disabled	Total
Purchased services	\$ 252,548	\$ 58,425	\$ 310,973
Supplies	60	-	60
	<u>\$ 252,608</u>	<u>\$ 58,425</u>	<u>\$ 311,033</u>

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

Internal Control and Compliance



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 and January, 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, 2025. 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.

In our opinion, Citizens of the World Charter School - Kansas City complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2025.

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
December 1, 2025

Citizens Of The World Charter School – Kansas City

Schedule of Selected Statistics

Year Ended June 30, 2025

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
6905	PK	PK	-	6.50	183	1,189.50
6905	K	4	-	7.00	160	1,064.00
3905	5	8	-	7.00	160	1,064.00

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
Resident II	PK-8	39,284.80	-	-	-	-	39,284.80
6905	PK-4	229,998.42	-	-	-	10,985.85	240,984.27
3905	5-8	132,749.85	-	-	-	5,596.28	138,346.13
Grand Total	PK-8	402,033.07	-	-	-	16,582.13	418,615.20

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 include all PK students. If possible, note the number of PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File (example: 102 (20 claimed for SA)).

School Code	Grade Level	Full-Time	Part-Time	Other	Total
6905	PK-4	282.00	-	-	282.00
3905	5-8	146.00	-	-	146.00
Grand Total	PK-8	428.00	-	-	428.00

Notes: PK in the table above includes all PK students. The School identified 18 PK students as being eligible to be claimed for state aid in the October MOSIS Student Core Files.

Citizens Of The World Charter School – Kansas City

Schedule of Selected Statistics

Year Ended June 30, 2025

4. January Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in January 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 include all PK students. If possible, note the number of PK students marked as being eligible to be claimed for state aid in the February MOSIS Student Core File (example: 102(20 claimed for SA)).

School Code	Grade Level	Full-Time	Part-Time	Other	Total
6905	PK-4	287.00	-	-	287.00
3905	5-8	140.00	-	-	140.00
Grand Total	PK-8	427.00	-	-	427.00

Notes: PK in the table above includes all PK students. The School identified 18 PK students as being eligible to be claimed for state aid in the February MOSIS Student Core Files.

5. 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/charter school in which the students are educated.

School Code	Free Lunch	Reduced Lunch	DESEG In Free	DESEG In Reduced	Total
Resident II	17.00	2.00	-	-	19.00
6905	124.00	23.00	-	-	147.00
3905	58.00	7.00	-	-	65.00
Grand Total	199.00	32.00	-	-	231.00

6. Finance

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

Section	Question	Answer
6.1	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
6.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation and reporting by category 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:	

Citizens Of The World Charter School – Kansas City

Schedule of Selected Statistics

Year Ended June 30, 2025

	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	True
	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
6.3	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
6.4	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
6.5	As required by Section 162.401, RSMo, a bond was purchased for the district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	\$100,000
6.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual.	True
6.7	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
6.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	True
6.9	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

Citizens Of The World Charter School – Kansas City

Schedule of Selected Statistics

Year Ended June 30, 2025

6.10	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
6.11	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. (Not applicable to charter schools.)	N/A
6.12	The amount spent for approved professional development committee plan activities was:	N/A
6.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

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

Finding:	None
Management Letter Comment:	N/A

7. 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
7.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
7.2	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
7.3	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	67.5
	Ineligible ADT	-
7.4	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

Citizens Of The World Charter School – Kansas City

Schedule of Selected Statistics

Year Ended June 30, 2025

7.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	50,446
7.6	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	50,057
	Ineligible Miles (Non-Route/Disapproved)	389
7.7	Number of days the district/charter school operated the school transportation system during the regular school year:	158

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, 2025, 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 December 1, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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
December 1, 2025