



## Crossroads Charter Schools

### Crossroads Charter Schools December School Board Meeting

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#### **Date and Time**

Monday December 18, 2017 at 4:15 PM CST

#### **Location**

1011 Central Street, Kansas City, MO

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*Posted Friday, December 15th, 2017 at 4:15 p.m.*

Notice of Meeting

Board of Directors

#### **Crossroads Charter Schools Monthly Board Meeting**

Monday, December 18th, at 4:15 p.m.

#### **Meeting Location:**

Crossroads Academy-Central Street  
1011 Central  
Kansas City, MO 64105

**This is an open public meeting.**

*Representatives of the media may obtain copies of this notice by contacting Crossroads Charter Schools at the address listed above, or by calling (816) 221-2600.*

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## Agenda

### I. Opening Items

Opening Items

**A.** Record Attendance and Guests

**B.** Call the Meeting to Order

**C.** Approve Minutes

Approve minutes for Board Meeting on November 27, 2017

**D.** Approve Closed Sessions Minutes

Approval of Minutes from a Closed Session on 11/27/17 Pursuant to Missouri Revised Statutes 610.021(1), 610.021(2), and 610.021(19).

### II. Educational Excellence Committee

**A.** Academic Accountability Report

**B.** Middle School Student Relations Coordinator

### III. Finance

Finance

- A. November Financials
- B. November Register
- C. Updated Budget Projections
- D. Annual Audit Review

**IV. Governance Committee**

- A. Update on Annual School Board Report
- B. Annual Conflict of Interest Statement
- C. Upcoming Board Meeting Dates

**V. Closed Session**

- A. Pursuant to Missouri Revised Statutes 610.021(2)
- B. Pursuant to Missouri Revised Statutes 610.021(19)

**VI. Closing Items**

- A. Adjourn Meeting

# Coversheet

## Record Attendance and Guests

**Section:** I. Opening Items  
**Item:** A. Record Attendance and Guests  
**Purpose:** FYI  
**Submitted by:**  
**Related Material:** Admin. Board Report - December 2017.pdf



Crossroads Charter Schools

# Administrative Board Report

Presented: December 18, 2017

Reporting on: November, 2017

## 2017 – 2018 SMART Goals

Goal	SMART GOAL	CURRENT STATUS
#1	Students will master <b>85%</b> of targeted learning goals by June 2018	70.4%
#2	2018 MAP Test Proficiency/Advanced goal: ELA : 64% Math: 59% Science: 55%	2017 ELA score: 64% 2017 Math score: 42% 2017 Science score: 51%
#3	Students will maintain an attendance rate of <b>95%</b> during the 2016-2017 school year	CACS - 94.36% QH - 95.06% CAHS - 92.83% <b>2017-2018 Results</b>
#4	Have a cash balance of <b>\$137,000</b> on June 30, 2018	\$883,834
#5	Raise <b>\$1,432,000</b> to fully fund Supplemental Operating Expenses by June 30, 2018	\$659,796

## Academic Report

### Academic Program

- On November 11, several Crossroads staff and students participated in the Show Me KC Schools Enrollment Fair at the Central Library.
- Students at QH and CS participated in the quarter 1 Anet Assessments. For ELA passages, Central Street students scored above the network average! Quality Hill 2nd graders outscored the network by 10% on their literature passage. Overall we are very pleased with the results of our first assessment. Students will take the Anet again for quarter 2-4.
- On November 20, high school students and their families participated in a family feast. We had over 60 people in attendance. Families brought in homemade dishes to share and had a wonderful time.

## Operations Report

Student Enrollment	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
<b>CACS: Goal 424</b>	424	424	425	425	426						
<b>CAQH: Goal 230</b>	229	228	231	231	232						
<b>CHS: Goal 35</b>	34	34	35	38	38						

INCOME	EXPENSES	Income/Expense
\$3,998,542	\$3,909,611	\$88,931

### Facilities Updates

- The Crossroads administration and Facilities Committee, with the support of the Downtown Council and our construction team of MC Realty, BNIM and Turner Construction, continue to study locations that could be serve as the permanent site for Crossroads High School.

### Enrollment

- SchoolMint software provides convenient online enrollment and reenrollment for new students and returning students.
  - Crossroads is currently enrolling for the 18-19 enrollment period and currently have 164 Applicants

### Human Resources

- Recruiting for the following positions for the 18/19 School Year
  - Classroom Teacher (Elementary)

- o Classroom Teacher (High School)
- o Instructional Coach (Elementary)
- o Instructional Coach (High School)
- o STEM Teacher (Elementary)
- o Biology Teacher (High School)

## Development Report

**Significant Contacts/Activities:**

11/10/17 Submitted proposal to the Jedel Foundation for CHS.  
 11/14/17 Hosted Centurions for school tours.  
 11/27/17 Received notification of grant award from Royals Charities.

FY18 Development Report	Operational	Off Budget	CHS Capital	QH Capital	Future Commitments
<b>Grants Received FY18</b>					
Sherman Family Foundation				\$250,000	
DST (restricted-Tech)	\$127,000				
Oppenstein Brothers Foundation		\$57,339			
Kauffman Foundation	\$224,975				\$224,975
SchoolSmartKC	\$110,000				\$1,090,000
Kirk Family Foundation	\$15,000				
<b>Grants Committed FY18</b>					
Stanley H. Durwood Foundation	\$50,000				
11th St. Neighborhood TIF fund (FY 18 reimb)	\$143,941				
George K. Baum Family Foundation	\$75,000				
McGowan Charitable Foundation (Match)	\$25,000				
Early Education Grant Fund (pace)	\$50,000				\$50,000
Royals Charities		\$11,000			
<b>Fundraisers</b>					
Fall Fundraiser (\$12,500 outstanding pledges)	\$138,859				
<b>Other Giving</b>					
Individuals (non fundraiser)	\$3,024				
<b>Totals</b>	<b>\$962,799</b>	<b>\$68,339</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$50,000</b>
<b>Pending Requests</b>					
Stanley H. Durwood Foundation (CHS)			X		
Gary Dickinson Family Foundation (CHS)			X		
Francis Family Foundation (arts)	X				
Kenneth & Eva Smith Foundation	X				
Morgan Family Foundation	X				
Dreiseszun Family Foundation	X				
Forester-Powers Charitable Trust	X				
Jedel Foundation	X		X		
Charter School Growth Fund			X		
					as of 12/13/17

# Coversheet

## Approve Minutes

**Section:** I. Opening Items  
**Item:** C. Approve Minutes  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:** Minutes for Board Meeting on November 27, 2017

APPROVED



## Crossroads Charter Schools

### Minutes

#### Board Meeting

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**Date and Time**

Monday November 27, 2017 at 4:00 PM

**Location**

Crossroads Academy- Central Street, Kansas City, MO

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*Posted Tuesday, November 21st at 5:00 p.m.*

Notice of Meeting

Board of Directors

**Crossroads Charter Schools****Monthly Board Meeting**

Monday, November 27, at 4:00 p.m.

**Meeting Location:**

Crossroads Academy-Central Street  
1011 Central  
Kansas City, MO 64105

**This is an open public meeting.**

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**Trustees Present**

B. Sweetman, C. Hughley, D. Charity, D. Francis, P. Crawford, R. Cattelino

**Trustees Absent**

R. Moore

**Guests Present**

A. Nichols, D. Johnson, Don Maxwell, Mark Swanson, R. Uptergrove, T. McDowell

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**I. Opening Items**

**A. Record Attendance and Guests**

**B. Call the Meeting to Order**

C. Hughley called a meeting of the board of trustees of Crossroads Charter Schools to order on Monday Nov 27, 2017 at 4:08 PM.

**C. Approve Minutes**

D. Charity made a motion to approve minutes from the Board Meeting on 10-23-17 Board Meeting on 10-23-17.

R. Cattelino seconded the motion.

The board **VOTED** unanimously to approve the motion.

**II. Finance**

**A.**

### **October Financials**

P. Crawford made a motion to Approve.

D. Charity seconded the motion.

The board **VOTED** unanimously to approve the motion.

Approved with the understanding the Agenda would be updated to reflect "October" Financials instead of September.

YTD Revenue: 3,103,037

YTD Expense: 3,117,016

Currently operating at modest 14K Deficit

Cash Balance as of 10/31: \$781,059

### **B. October Register**

R. Cattelino made a motion to Approve.

P. Crawford seconded the motion.

The board **VOTED** unanimously to approve the motion.

Approved with the understanding the Agenda would be updated to reflect "October" Financials instead of September.

## **III. Governance Committee**

### **A. Charter Board Partners**

Courtney discussed attending a recent meeting to learn about the opportunity to partner the Charter Board Partners group.

B. Sweetman made a motion to Approve.

R. Cattelino seconded the motion.

The board **VOTED** unanimously to approve the motion.

### **B. Extension to Board Terms**

Don discussed that a "Consent Action of the Board of Directors of Crossroads Charter Schools In Lieu of Regular Meeting of the Board of Directors" will be created and with a unanimous vote yes from all members who are not renewing their terms it can be approved. Could not vote during meeting as were missing quorum.

### **C. Early Childhood Tax Update**

Dean spoke about the Kansas City Charter Public Schools Early Childhood Mill Levy Proposal For Charter Schools.

## **IV. Educational Excellence Committee**

### **A. MAP and APR Update**

Tysie discussed the MAP scores and updated the Board Members on the results. Individual school scores did not drop, however, the overall scores look lower due to the addition of Quality Hill. Staff has plans in place for tutoring students to maintain solid scores. A memo will be sent out to parents on Wednesday, 12/6 with an update on the MAP scores.

## V. Closed Session

### A. Closed Session

P. Crawford made a motion to Move into closed session to discuss items pursuant to Missouri Revised Statutes 610.021(1), 610.021(2) , and 610.021(19) the board of directors will convene in closed session.

P. Crawford seconded the motion.

The board VOTED unanimously to approve the motion.

Discussion was held in regards to Missouri Revised Statutes 610.021(1)

Discussion was held in regards to Missouri Revised Statutes 610.021(2)

P. Crawford, Motioned to approve, Second - all.

Discussion was held in regards to Missouri Revised Statutes 610.021(19)

Adjourn Closed Session

R. Cattelino made a motion to move out of closed session.

P. Crawford seconded the motion.

The board VOTED to unanimously to approve the motion.

Roll Call

B. Sweetman Aye

D. Charity Aye

P. Crawford Aye

D. Francis Aye

R. Cattelino Aye

C. Hughley Aye

R. Moore Absent

## VI. Closing Items

### A. Adjourn Meeting

D. Charity made a motion to adjourn the meeting.

R. Cattelino seconded the motion.

The board **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:17 PM.

Respectfully Submitted,  
R. Uptergrove

# Coversheet

## November Financials

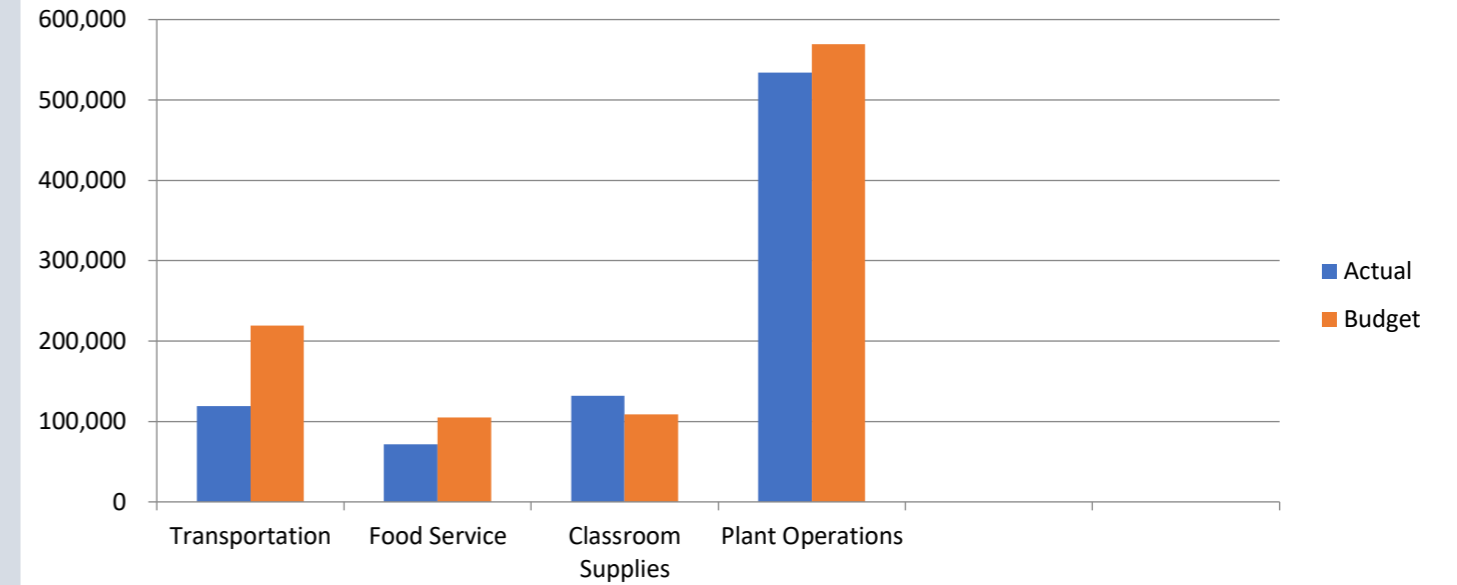
**Section:** III. Finance  
**Item:** A. November Financials  
**Purpose:** FYI  
**Submitted by:**  
**Related Material:** Crossroads Academy Board Financials Dashboard 2017-11.pdf  
Copy of 2017 11 Finance Report.pdf

**Crossroads Academy Kansas City  
As of 11/30/2017**

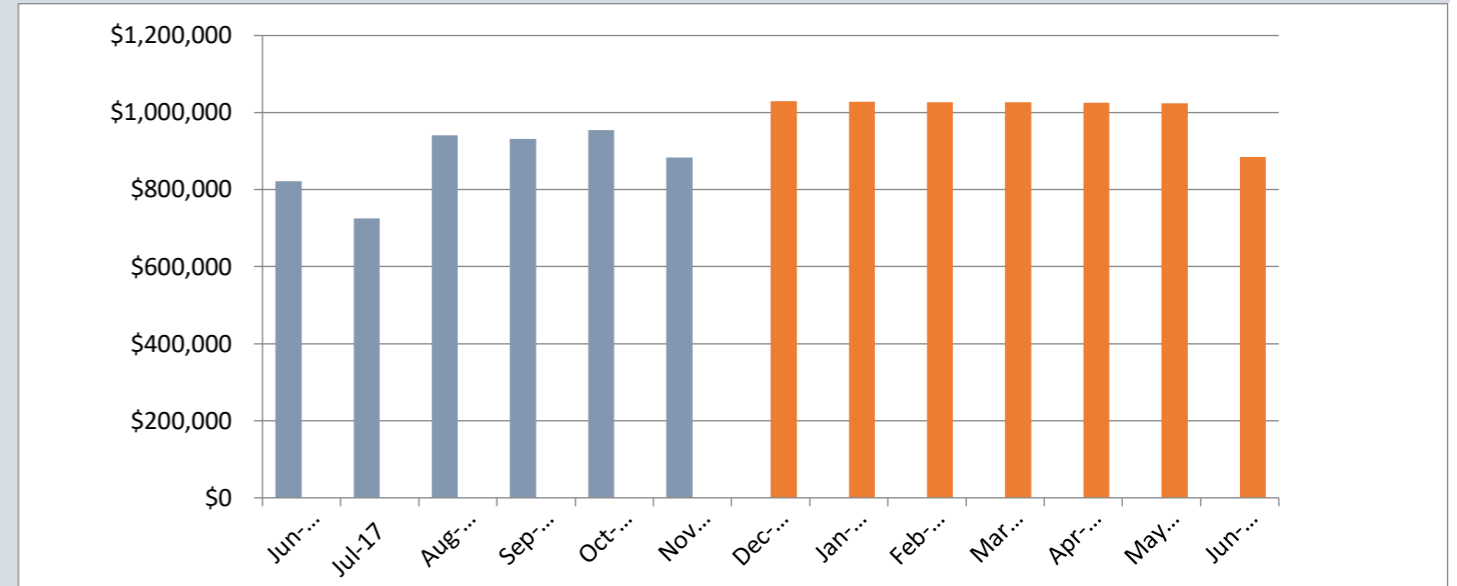
**STATEMENT OF ACTIVITIES**

	YTD		FY18		
	ACTUAL	BUDGET	FORECAST	BUDGET	VARIANCE
<b>REVENUE</b>					
5100 · Local Revenue	1,031,754	896,747	2,228,971	2,152,193	76,778
5300 · State Revenue	2,801,949	2,863,768	6,795,746	6,873,043	(77,297)
5400 · Federal Revenue	164,839	241,990	560,775	580,775	(20,000)
<b>TOTAL REVENUE</b>	<b>3,998,542</b>	<b>4,002,504</b>	<b>9,585,492</b>	<b>9,606,011</b>	<b>(20,519)</b>
<b>EXPENSES</b>					
6100 · Salaries	1,909,157	1,876,435	4,582,031	4,503,445	78,586
6200 · Benefits	517,288	576,802	1,313,145	1,384,325	(71,180)
6300 · Purchased Services	1,154,483	1,246,807	3,027,337	2,950,337	77,000
6400 · Supplies & Materials	328,684	262,629	600,352	630,310	(29,958)
6500 · Equipment	-	-	-	-	-
6600 · Debt Service and Other	-	-	-	-	0
<b>TOTAL EXPENSE</b>	<b>3,909,611</b>	<b>3,922,812</b>	<b>9,522,864</b>	<b>9,468,416</b>	<b>54,448</b>
<b>NET CHANGE IN ASSETS</b>	<b>88,931</b>	<b>79,692</b>	<b>62,627</b>	<b>137,594</b>	<b>(74,967)</b>
<b>June 30, 2017 Cash Balance:</b>	<b>\$821,459</b>				
<b>November 30, 2017 Cash Balance:</b>	<b>\$883,834</b>				
<b>June 30, 2018 Cash Forecast:</b>	<b>\$884,086</b>				

**YTD EXPENSES - ACTUAL vs BUDGET BREAKOUT FOR PRIORITY ITEMS**



**PROJECTED MONTH-END CASH**



**Fundraising Tracking**

	FY 18 Budget	YTD Budget	YTD Actual
Fall Fundraiser	175,000.00	131,250.00	138,859.00
Spring Event	25,000.00	-	-
Leverage Loan Interest	43,752.00	10,938.00	10,938.00
CAKC Real Estate Donation	172,697.00	-	-
CAKC Real Estate Maitenance Fund	41,200.00	-	-
Other Giving	20,000.00	-	-
Grants	986,000.00	410,833.33	520,937.42
<b>Totals</b>	<b>1,463,649</b>	<b>553,021</b>	<b>670,734</b>

**PRIMARY REVENUE DRIVERS**

	FORECAST	BUDGETED	VARIANCE
Enrollment	689.00	687.00	2
Regular Term ADA	651.11	649.00	
Summer ADA	45.34	46.08	(1)
Remedial ADA	40.69	40.69	-
FRL	28.81	34.86	(6)
LEP	32.24	28.71	4
Total Wada	798.19	799.34	(1)
Per Wada Payment	8,602	8,670	(68)
Prior Year Adjustment	(30,000)		
State Revenue Projection	\$ 6,732,998	\$ 6,826,324	(93,326)



# Crossroads Charter Schools

## MONTHLY FINANCE REPORT

November 2017

# Contents

- November Snapshot
- Dashboard
- Check Register



# November Snapshot

## Revenue

- 889K received in November
- Local Revenue at 194K, including 116K in donations
  - Food sales collection forecast increased
  - 12K Dreaming Big revenue outstanding
- State Revenue paid at 649K, including an updated transportation allocation
  - Forecasting a 77K reduction in state revenue based on per WADA payment and prior year adjustment

## Expenditures

- November expenditures at 805, putting 3 month average at 812K
- YTD spending 1% variance from target
- Salaries and benefits forecasts have been updated based on November data
- Most of instructional supply spending has already taken place
- Note: 120K in transportation expenditures will hit in December

## The Big Picture

- Currently operating at modest 89K surplus
- Cash Balance at 883K
- All things considered, the school is where we expected to be at this point in the FY
- Meeting remaining donation target will be key to ending FY18 strong

# Coversheet

## November Register

**Section:** III. Finance  
**Item:** B. November Register  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** 2017 11 Check Register.pdf

Crossroads Academy of Kansas City, Inc.  
12/14/2017 8:26 AM

**Check Register by Type**

Page: 1  
User ID: SAS

<b>Payee Type: Vendor</b>		<b>Check Type: Automatic Payment</b>			<b>Checking Account ID: 1</b>			
<u>Check Number</u>	<u>Check Date</u>	<u>Cleared</u>	<u>Void</u>	<u>Void Date</u>	<u>Entity ID</u>	<u>Entity Name</u>	<u>Check Amount</u>	
1603508	11/01/2017	X			CAKCESTAT	CROSSROADS REAL ESTATE COMPANY	27,899.00	
1603509	11/18/2017	X			ATT	AT&T	760.62	
1603510	11/25/2017	X			UHCBS	UHCBS REIMBURSEMENT	2,515.46	
1603511	11/20/2017	X			UNITED	UNITED HEALTH CARE INSURANCE COMPANY	1,712.01	
1603512	11/04/2017	X			BCBS	BLUE CROSS AND BLUE SHELDF OF KANSAS CITY	47,381.82	
1603513	11/03/2017	X			UNUM	UNUM LIFE INSURANCE COMPANY OF AMERICA	1,196.29	
1603514	11/10/2017	X			HVH	HISTORIC VIRGINIA HOTEL	24,166.67	
1603515	11/20/2017	X			KCPL	KCP&L	14,222.29	
1603516	11/21/2017	X			HARTFORD	THE HARTFORD INSURANCE COMPANY	1,140.63	
1603517	11/02/2017	X			HANOVER	THE HANOVER INSURANCE CO	4,015.20	
1603518	11/05/2017	X			AFLAC	AFLAC	0.00	
1603520	11/28/2017	X			REPUBLIC	REPUBLIC SERVICES #468	440.00	
1603521	11/06/2017	X			COMMON	COMMON GOAL SYSTEMS INC	89.95	
1603535	11/07/2017	X			COMMERCECC	COMMERCE BANK - COMMERCIAL CARDS	13,370.05	
Checking Account ID: 1					Void Total:	0.00	Total without Voids:	138,909.99
Check Type Total:			Automatic Payment	Void Total:	0.00	Total without Voids:	138,909.99	

<b>Payee Type: Vendor</b>		<b>Check Type: Check</b>			<b>Checking Account ID: 1</b>		
<u>Check Number</u>	<u>Check Date</u>	<u>Cleared</u>	<u>Void</u>	<u>Void Date</u>	<u>Entity ID</u>	<u>Entity Name</u>	<u>Check Amount</u>
1694	11/16/2017	X			MAJESTIC	THE MAJESTIC RESTURANT	400.00
1701	11/06/2017	X			WINGSCAFE	WINGS CAFE	400.00
1704	11/28/2017	X			TOWNPARK	Town Park, Ltd.	1,244.00
1708	11/20/2017	X			PARISI	PARISI CAFE	150.00
1710	11/10/2017	X			STEEBRI	Brian Steever	200.00
1717	11/08/2017	X			RAMOMAR	MARIA RAMOS	153.00
1718	11/08/2017	X			MWANOYA	Oya Mwanza	153.00
1719	11/30/2017	X			MONARCH	THE MONARCH ROOM	2,450.00
1721	11/30/2017	X			GRANDHALLA	The Grand Hall at Power & Light	1,503.20
1722	11/30/2017	X			HENRY	Henry Heredia los Rios	500.00
71416514	11/01/2017	X			KCWATER	KCMO WATER SERVICES DEPARTMENT	10.73
71416515	11/01/2017	X			ISS	ISS FACILITY SERVICES - KC	202.47
71416516	11/01/2017	X			ISS	ISS FACILITY SERVICES - KC	286.41
71416517	11/01/2017	X			KCWATER	KCMO WATER SERVICES DEPARTMENT	593.56
71416518	11/01/2017	X			PATHWAY	PATHWAYS TO READING, INC	2,739.40
71416519	11/01/2017	X			PATHWAY	PATHWAYS TO READING, INC	460.00
71416520	11/01/2017	X			PATHWAY	PATHWAYS TO READING, INC	4,065.00
71416521	11/01/2017	X			KCWATER	KCMO WATER SERVICES DEPARTMENT	39.88
71416760	11/01/2017	X			KPM	KPM CPA'S, P.C.	2,750.00
71416761	11/01/2017	X			MSBA	MISSOURI SCHOOL BOARDS ASSOCIATION	932.59
71416762	11/01/2017	X			BLACKBAUD	BLACKBAUD	2,817.31
71416763	11/01/2017	X			MEDELLIN	Medellin Landscaping & Gardening	137.00
71416764	11/01/2017	X			OGLETREE	OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.	500.50
71416765	11/01/2017	X			IRESQ	IResQ	180.00
71416922	11/01/2017	X			ATRONIC	ATRONIC ALARMS INC	267.00
71416923	11/01/2017	X			BATENIK	NIKKI BATES	500.00
71416924	11/01/2017	X			HIGENE	HI-GENE'S JANITORIAL	7,277.09
71416925	11/01/2017	X			ATRONIC	ATRONIC ALARMS INC	721.77
71416926	11/01/2017	X			KELLY	KELLY SERVICES, INC	2,247.50
71417763	11/02/2017	X			STRASSER	STRASSER TRUE VALUE	44.75
71418175	11/02/2017	X			TYLERTECH	TYLER TECHNOLOGIES	545.00
71418176	11/02/2017	X			KCAV	KANSAS CITY AUDIO-VISUAL	1,601.00
71418544	11/02/2017	X			TIERNEY	TIERNEY OFFICE PRODUCTS	205.44
71419420	11/03/2017	X			KIPP	KIPP ATHLETICS	125.00
71420759	11/06/2017	X			SOLI	SOLI AND SOLI INC	436.00
71422245	11/07/2017	X			DATAMAX	DATAMAX, INC	1,667.28
71423459	11/08/2017	X			TIERNEY	TIERNEY OFFICE PRODUCTS	691.11

Crossroads Academy of Kansas City, Inc.  
12/14/2017 8:26 AM

**Check Register by Type**

Page: 2  
User ID: SAS

Payee Type: Vendor		Check Type: Check			Checking Account ID: 1		
Check Number	Check Date	Cleared	Void	Void Date	Entity ID	Entity Name	Check Amount
71427987	11/14/2017	X			21STCENT	21ST CENTURY THERAPY, P.C.	1,982.50
71427988	11/14/2017	X			YARDI	YARDI MARKETPLACE	650.26
71427989	11/14/2017	X			YARDI	YARDI MARKETPLACE	795.40
71427990	11/14/2017	X			K12ITC	K12 ITC, INC.	3,793.74
71427991	11/14/2017	X			SUPERIOR	SUPERIOR MOVING AND STORAGE	500.00
71427992	11/14/2017	X			KCMOTREAS	KANSAS CITY TREASURER	129.00
71427993	11/14/2017	X			KENTON	KENTON BROTHER'S INC	115.85
71427994	11/14/2017	X			WISC	WEST INTERACTIVE SERVICES CORPORATION	5,000.00
71427995	11/14/2017	X			KCTR	KANSAS CITY TEACHER RESIDENCY	25,000.00
71427996	11/14/2017	X			ISS	ISS FACILITY SERVICES - KC	523.28
71427997	11/14/2017	X			ISS	ISS FACILITY SERVICES - KC	668.73
71427998	11/14/2017	X			DEFFENBUAG	DEFFENBAUGH DISPOSAL SERV	294.00
71427999	11/14/2017	X			PLAZAACADE	THE PLAZA ACADEMY	1,050.00
71428000	11/14/2017	X			SCHOLASTIC	SCHOLASTIC INC.	21.95
71428001	11/14/2017	X			UNIVERSACA	UNIVERSITY ACADEMY	3,375.00
71428002	11/14/2017	X			STRASSER	STRASSER TRUE VALUE	26.88
71428273	11/14/2017	X			DOWNTOWNC	DOWNTOWN COUNCIL	300.00
71428274	11/14/2017	X			CONCENTRA	CONCENTRA	57.00
71428275	11/14/2017	X			QHA	QUALITY HILL ASSOCIATES LLC	1,300.00
71428276	11/14/2017	X			STASON	STASON, LLC	593.83
71428277	11/14/2017	X			TYLERTECH	TYLER TECHNOLOGIES	1,090.00
71428278	11/14/2017	X			GRAPHICED	GRPAHIC EDGE	135.28
71428279	11/14/2017	X			KCMETRO	KC METRO CONFERENCE	1,840.00
71428280	11/14/2017	X			JVS	Jewish Vocational Services	93.00
71428281	11/14/2017	X			PINNACLE	PINNACLE	108.50
71428282	11/14/2017	X			SOLI	SOLI AND SOLI INC	318.00
71428283	11/14/2017	X			AMERDINING	AMERICAN FOOD & VENDING CORP	17,187.90
71428514	11/14/2017	X			BATENIK	NIKKI BATES	16.00
71428515	11/14/2017	X			KIENJES	JESSI KIENTZY	70.97
71428516	11/14/2017	X			ITALK	ITALK TELECONTRACTING, INC	157.50
71428517	11/14/2017	X			NICHANN	ANNE NICHOLS	175.06
71428518	11/14/2017	X			DOVEPAT	PATRICK DOVE	224.59
71428519	11/14/2017	X			MIDCON	MID-CON MANAGEMENT-DST	420.00
71428520	11/14/2017	X			DONALD	DONALD E MAXWELL, LLC	2,550.00
71428521	11/14/2017	X			EDOPS	EdOps	13,250.00
71428522	11/14/2017	X			MEYECH	CHELSEA MEYER	250.96
71428523	11/14/2017	X			DATAMAX	DATAMAX, INC	2,272.23
71428524	11/14/2017	X			TIERNEY	TIERNEY OFFICE PRODUCTS	664.06
71428525	11/14/2017	X			KELLY	KELLY SERVICES, INC	5,070.65
71434598	11/21/2017	X			K12ITC	K12 ITC, INC.	3,994.88
71435336	11/21/2017	X			SOLI	SOLI AND SOLI INC	757.00
71436796	11/22/2017	X			MARSHM	MARSH & MCLENNAN AGENCY, LLC INC	1,939.00
71436797	11/22/2017	X			PARKU	Park University	5,000.00
71436798	11/22/2017	X			PARKU	Park University	5,000.00
71436799	11/22/2017	X			PARKU	Park University	5,000.00
71436800	11/22/2017	X			PARKU	Park University	5,000.00
71436801	11/22/2017	X			BISTCOR	BIST / Cornerstones of Care	10,700.00
71436802	11/22/2017	X			KENTON	KENTON BROTHER'S INC	34.75
71436803	11/22/2017	X			KCWATER	KCMO WATER SERVICES DEPARTMENT	12.27
71436804	11/22/2017	X			ONEBEAT	ONE BEAT CPR	138.00
71436805	11/22/2017	X			VEOLIA	VEOLIA ENERGY	687.84
71436806	11/22/2017	X			PARKU	Park University	5,000.00
71436807	11/22/2017	X			PARKU	Park University	5,000.00
71436808	11/22/2017	X			PARKU	Park University	5,000.00
71436809	11/22/2017	X			PARKU	Park University	5,000.00
71436810	11/22/2017	X			KCWATER	KCMO WATER SERVICES DEPARTMENT	616.19
71437149	11/22/2017	X			INFORMED	INFORMED IMPROVEMENT LLC INC	3,069.00
71437150	11/22/2017	X			CONCENTRA	CONCENTRA	57.00

Crossroads Academy of Kansas City, Inc.  
 12/14/2017 8:26 AM

**Check Register by Type**

Page: 3  
 User ID: SAS

<b>Payee Type: Vendor</b>		<b>Check Type: Check</b>			<b>Checking Account ID: 1</b>		
<u>Check Number</u>	<u>Check Date</u>	<u>Cleared</u>	<u>Void</u>	<u>Void Date</u>	<u>Entity ID</u>	<u>Entity Name</u>	<u>Check Amount</u>
71437151	11/22/2017	X			AMERDINING	AMERICAN FOOD & VENDING CORP	7,743.30
71437152	11/22/2017	X			IRESQ	IResQ	1,815.70
71437514	11/22/2017	X			LACRLAU	LAURA LACROIX	29.38
71437515	11/22/2017	X			BURTTAY	TAYLOR BURTON	88.69
71437516	11/22/2017	X			VANDANG	ANGELA VANDEVENTER	175.05
71437517	11/22/2017	X			HIGENE	HI-GENE'S JANITORIAL	7,627.50
71437518	11/22/2017	X			KELLY	KELLY SERVICES, INC	3,978.00
71440251	11/28/2017	X			STRASSER	STRASSER TRUE VALUE	211.19
71440627	11/28/2017	X			KCTG	DBA KANSAS CITY TRANSPORTATION GROUP INC	5,918.00
71440818	11/28/2017	X			HOLTJUS	JUSTINA HOLT	106.82
71440819	11/28/2017	X			WASHLAR	LARRY WASHINGTON	227.50
Checking Account ID: 1					Void Total:	0.00	Total without Voids: 221,196.17
Check Type Total:		Check			Void Total:	0.00	Total without Voids: 221,196.17
Payee Type Total:		Vendor			Void Total:	0.00	Total without Voids: 360,106.16
Grand Total:					Void Total:	0.00	Total without Voids: 360,106.16

# Coversheet

## Annual Audit Review

**Section:** III. Finance  
**Item:** D. Annual Audit Review  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** 06-30-17 Crossroads Charter School audit report with letters.pdf

**CROSSROADS CHARTER SCHOOLS  
AND AFFILIATES**

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

**For the Year Ended June 30, 2017**

## TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT .....	3
<b>FINANCIAL STATEMENTS</b>	
Combined Statement of Financial Position – Cash Basis .....	5
Combined Statement of Support, Receipts and Disbursements – Cash Basis .....	6
Combined Statement of Cash Flows – Cash Basis .....	7
Notes to Financial Statements.....	8
<b>OTHER FINANCIAL INFORMATION</b>	
Combining Statement of Financial Position .....	15
Combining Statement of Activities.....	16
<b>SUPPLEMENTARY INFORMATION</b>	
Statement of Assets and Fund Balances – Governmental Funds – Cash Basis .....	18
Statement of Receipts, Disbursements and Changes in Fund Balances – Governmental Funds – Cash Basis .....	19
Schedule of Receipts Collected by Source .....	20
Schedule of Disbursements Paid by Object.....	21
Schedule of Selected Statistics.....	22
<b>INTERNAL CONTROL AND COMPLIANCE</b>	
Independent Accountants’ Report on Management’s Assertions About Compliance with Specified Requirements of Missouri Laws and Regulations .....	25
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 <i>Government Auditing Standards</i> .....	26





## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Crossroads Charter Schools  
Kansas City, Missouri

We have audited the accompanying combined financial statements of Crossroads Charter Schools (a non-profit organization), which comprise the cash basis statement of financial position as of June 30, 2017, and the related statements of support, receipts and disbursements, and cash flows – cash basis for the year then ended and the related notes to the combined financial statements.

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

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

### **Auditors' Responsibility**

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

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

[www.kpmcpa.com](http://www.kpmcpa.com)

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

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To the Board of Directors  
Crossroads Charter Schools  
Kansas City, Missouri

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

### **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the cash basis financial position of Crossroads Charter Schools, as of June 30, 2017, and the results of its operations and its cash flows – cash basis for the year then ended in conformity with the basis of accounting described in Note B.

### **Basis of Accounting**

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017, on our consideration of Crossroads Charter Schools' 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 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 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 Crossroads Charter Schools' internal control over financial reporting and compliance.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The data contained under Supplementary Information and Other Financial Information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

KPM CPAs, PC

KPM CPAs, PC  
Springfield, Missouri  
December 1, 2017

**CROSSROADS CHARTER SCHOOLS**  
**COMBINED STATEMENT OF FINANCIAL POSITION – CASH BASIS**  
 June 30, 2017

**ASSETS**

Cash and cash equivalents	\$ 994,003
<b>TOTAL ASSETS</b>	<u><u>\$ 994,003</u></u>

**NET ASSETS**

Temporarily restricted	\$ 38,255
Unrestricted	<u>955,748</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 994,003</u></u>

See accompanying notes.

**CROSSROADS CHARTER SCHOOLS**  
**COMBINED STATEMENT OF SUPPORT, RECEIPTS AND DISBURSEMENTS – CASH BASIS**  
For the Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT, RECEIPTS, AND RECLASSIFICATIONS</b>			
Government grants and contracts	\$ 7,026,636	\$ -	\$ 7,026,636
Contributions and non-governmental grants	1,547,219	38,255	1,585,474
Fees and services	59,382	-	59,382
Miscellaneous	113,748	-	113,748
<b>TOTAL SUPPORT, RECEIPTS, AND RECLASSIFICATIONS</b>	<b>8,746,985</b>	<b>38,255</b>	<b>8,785,240</b>
<b>DISBURSEMENTS</b>			
Instruction	4,355,598	-	4,355,598
Student services	372,706	-	372,706
Instructional staff support	146,198	-	146,198
Building level administration	781,147	-	781,147
General administration and central services	301,987	-	301,987
Operation of plant	979,324	-	979,324
Transportation	433,951	-	433,951
Food service	227,627	-	227,627
Community service	167,613	-	167,613
Facilities acquisition and construction	623,718	-	623,718
Debt Service			
Interest and fees	120,767	-	120,767
<b>TOTAL DISBURSEMENTS</b>	<b>8,510,636</b>	<b>-</b>	<b>8,510,636</b>
<b>CHANGE IN NET ASSETS</b>	<b>236,349</b>	<b>38,255</b>	<b>274,604</b>
Net assets, beginning of year	719,399	-	719,399
Net assets, end of year	<u>\$ 955,748</u>	<u>\$ 38,255</u>	<u>\$ 994,003</u>

See accompanying notes.

**CROSSROADS CHARTER SCHOOLS  
 COMBINED STATEMENT OF CASH FLOWS – CASH BASIS  
 For the Year Ended June 30, 2017**

	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in net assets	<u>\$ 274,604</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>274,604</u>
NET INCREASE IN CASH	274,604
CASH AND CASH EQUIVALENTS, beginning	<u>719,399</u>
CASH AND CASH EQUIVALENTS, ending	<u><u>\$ 994,003</u></u>

See accompanying notes.

CROSSROADS CHARTER SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE A – BUSINESS ACTIVITY

Crossroads Charter Schools (the “School”) is a Missouri not-for-profit public benefit corporation organized on August 5, 2011. The purpose of the corporation is to operate a charter school, which is sponsored by the University of Central Missouri. The School is legally separate from the Kansas City, Missouri School District and is not financially accountable to it.

The School’s mission is to prepare students to excel in high school by providing an academically rigorous K-8 education. The School’s charter allows for the provision of education for students in kindergarten through eighth grade. In the fiscal year 2016-2017 the School served students in kindergarten through eighth grade.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements are presented in accordance with ASC 958-205. Under ASC 958-205, the School is required to report information regarding its assets and net assets according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The School does not have restricted net assets as of June 30, 2017.

It is the School’s policy to first use restricted net assets prior to use of unrestricted net assets when disbursements are made for purposes for which both restricted and unrestricted net assets are available.

Principles of Combination

The financial statements combine the accounts of Crossroads Charter Schools with the affiliated organization Crossroads Real Estate Company. The organizations share common management and some board members. Crossroads Real Estate Company was created for the exclusive purpose of holding title to property and collecting income from the property.

Basis of Accounting

The School has elected to present its financial statements on the cash basis of accounting. This cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to when financial events are recorded, such as timing of recognizing receipts, disbursements, and their related assets and liabilities. Under the cash basis of accounting, receipts and disbursements and the related assets are recorded when they result from cash transactions.

CROSSROADS CHARTER SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded as expenses at the time goods are purchased.

Recognition of Donor Restrictions

Contributions are recognized when they are unconditionally received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes. If a restriction is fulfilled in the same time period in which the contribution is received, the School reports the support as unrestricted.

Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the School defines its cash and equivalents to include only cash in demand deposits.

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).

Accounting for Uncertainty in Income Taxes

The School complies with the provisions of FASB ASC 740-10-25. Under this standard, 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. No interest or penalties were accrued as of June 30, 2017, as a result of the adoption of this standard.

CROSSROADS CHARTER SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sick and Personal Leave

Staff are awarded personal time of 66 hours per contract year which can be cashed out at \$10 per hour or converted to sick time. Staff are awarded 66 hours of sick time each contract year. Once 270 hours of sick time are accrued, staff may cash out at \$10 per hour, but no more than 60 hours at a time. Staff may continue to accrue sick time up to 540 hours. Any hours over 540 will be automatically cashed out at the end of the contract year at \$10 per hour.

Subsequent Events

Management has evaluated subsequent events through December 1, 2017, the date the financial statements were available to be issued.

NOTE C – CASH AND CASH EQUIVALENTS – CONCENTRATION OF CREDIT RISK

At June 30, 2017, the total bank balances of the School and its affiliate were collateralized or covered by federal depository insurance.

NOTE D – TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2017, net assets were temporarily restricted in the amount of \$38,255 for replacement reserves in relation to the loans held by Crossroads Real Estate.

NOTE E – INSURANCE

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



CROSSROADS CHARTER SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2017

NOTE F –LOAN PAYABLE

In November 2015, Crossroads Real Estate Company entered into four loan agreements. The Company entered into Qualified Low Income Community Investment (QLICI) loans A and B with Enterprise Sub-CDE XVIII, LLC in the total amount of \$4,950,000. At the same time, the Company entered into QLICI loans A and B with USBCDE Sub-CDE 134, LLC in the amount of \$1,485,000. These loans were originated with \$4,375,600 from the School as the leveraged lender and \$2,129,400 from U.S. Bancorp Community Development Corporation as a New Market Tax Credit investor. These funds created the USBCDC Investment Fund 129, LLC which subsequently sent the funds to the Enterprise Sub-CDE XVIII, LLC for a qualified equity interest in the amount of \$5,000,000 and the USBCDE Sub-CDE 134, LLC for a qualified equity interest in the amount of \$1,500,000. The loans cannot be paid before September 30, 2022. Interest will be paid quarterly at the rate of 1.88% on the Enterprise QLICI loans A and B and 0.76% on the USBCDE QLICI loans A and B. After September 30, 2022, principal and interest will be paid quarterly until all loans are paid off and shall not exceed the maturity date of November 16, 2045.

Under the current assessment, the future loan requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ -	\$ 104,460	\$ 104,460
2019	-	104,460	104,460
2020	-	104,460	104,460
2021	-	104,460	104,460
2022	94,281	104,342	198,623
2023-2027	1,185,712	140,859	1,326,571
2028-2032	1,284,607	370,953	1,655,560
2033-2037	1,392,550	263,010	1,655,560
2038-2042	1,510,429	145,131	1,655,560
2043-2045	967,421	25,874	993,295
	<u>\$ 6,435,000</u>	<u>\$ 1,468,009</u>	<u>\$ 7,903,009</u>

CROSSROADS CHARTER SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE G – RELATED PARTY TRANSACTIONS

In March 2016, the School created the Limited Liability Company, Washington Street Management, LLC for the purpose of lending funds to an unrelated company, The Historic Virginia Hotel, LLC which built a building leased through an operating lease to the School. The promissory notes in the amount of \$700,000 and \$228,000 were loaned through a promissory note to Washington Street Management, LLC during the year ended June 30, 2016 and subsequently loaned to The Historic Virginia Hotel, LLC. Payments are due monthly to Washington Street Management, LLC and the School with an interest rate of 1.4% through 2022. The School received \$43,790 during the year ended June 30, 2017.

NOTE H – 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. 11<sup>th</sup> 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 years ended June 30, 2017, was \$328,101.

NOTE I – CONTINGENCIES

Litigation: The School is not involved in pending litigation at June 30, 2017.

**CROSSROADS CHARTER SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2017**

**NOTE J – CLAIMS AND 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, 2017, 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.

**NOTE K – FUNCTIONAL EXPENSES**

The School has only one program service, which is the operation of a charter school district. For the year ended June 30, 2017, program service expenses were \$7,427,502 and management expenses were \$1,083,134.

**NOTE K – 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, 2017, the following tax years are subject to examination:

Jurisdiction	Open Year for Filed Returns	Return to be filed in 2017
Federal	2013, 2014 and 2015	2016
Missouri	2013, 2014 and 2015	2016

## **OTHER FINANCIAL INFORMATION**

**CROSSROADS CHARTER SCHOOLS**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
 June 30, 2017

	Crossroads Academy of Kansas City	Crossroads Real Estate LLC	Eliminations	Combined
<b>ASSETS</b>				
Cash and cash equivalents	\$ 821,496	\$ 172,507	\$ -	\$ 994,003
TOTAL ASSETS	<u>\$ 821,496</u>	<u>\$ 172,507</u>	<u>\$ -</u>	<u>\$ 994,003</u>
<b>NET ASSETS</b>				
Temporarily restricted	\$ 38,255	\$ -	\$ -	\$ 38,255
Unrestricted	783,241	172,507	-	955,748
TOTAL NET ASSETS	<u>\$ 821,496</u>	<u>\$ 172,507</u>	<u>\$ -</u>	<u>\$ 994,003</u>

**CROSSROADS CHARTER SCHOOLS**  
**COMBINING STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2017

	Crossroads Academy of Kansas City	Crossroads Real Estate LLC	Eliminations	Total
<b>SUPPORT AND RECEIPTS</b>				
Government grants and contracts	\$ 7,026,636	\$ -	\$ -	\$ 7,026,636
Contributions and non-governmental grants	1,796,143	283	(210,952)	1,585,474
Fees and services	59,382	-	-	59,382
Rental income	-	332,329	(332,329)	-
Miscellaneous	113,748	-	-	113,748
<b>TOTAL SUPPORT AND RECEIPTS</b>	<b>8,995,909</b>	<b>332,612</b>	<b>(543,281)</b>	<b>8,785,240</b>
<b>DISBURSEMENTS</b>				
Instruction	4,355,598	-	-	4,355,598
Student services	372,706	-	-	372,706
Instructional staff support	146,198	-	-	146,198
Building level administration	301,987	-	-	301,987
General administration and central services	769,539	11,608	-	781,147
Operation of plant	1,311,653	-	(332,329)	979,324
Transportation	433,951	-	-	433,951
Food service	227,627	-	-	227,627
Community service	167,613	-	-	167,613
Facilities Acquisition and Construction	623,718	210,952	(210,952)	623,718
Debt Service				
Interest and fees	19,510	101,257	-	120,767
<b>TOTAL DISBURSEMENTS</b>	<b>8,730,100</b>	<b>323,817</b>	<b>(543,281)</b>	<b>8,510,636</b>
<b>CHANGE IN NET ASSETS</b>	<b>265,809</b>	<b>8,795</b>	<b>-</b>	<b>274,604</b>
Net assets, beginning of year	555,687	163,712	-	719,399
Net assets, end of year	<u>\$ 821,496</u>	<u>\$ 172,507</u>	<u>\$ -</u>	<u>\$ 994,003</u>

## **SUPPLEMENTARY INFORMATION**

**CROSSROADS CHARTER SCHOOLS**  
**STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – CASH BASIS**  
 June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 766,419	\$ -	\$ 55,077	\$ 821,496
TOTAL ASSETS	<u>\$ 766,419</u>	<u>\$ -</u>	<u>\$ 55,077</u>	<u>\$ 821,496</u>
<b>FUND BALANCES</b>				
Restricted for debt service	\$ 38,255	\$ -	\$ -	\$ 38,255
Assigned to capital outlay	-	-	55,077	55,077
Unassigned	728,164	-	-	728,164
TOTAL FUND BALANCE	<u>\$ 766,419</u>	<u>\$ -</u>	<u>\$ 55,077</u>	<u>\$ 821,496</u>

NOTE: The supplementary 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.



**CROSSROADS CHARTER SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS – CASH BASIS  
For the Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
<b>RECEIPTS</b>				
Local	\$ 1,557,453	\$ 157,907	\$ 675,000	\$ 2,390,360
State	2,235,427	3,758,577	-	5,994,004
Federal	611,545	-	-	611,545
<b>TOTAL RECEIPTS</b>	<b>4,404,425</b>	<b>3,916,484</b>	<b>675,000</b>	<b>8,995,909</b>
<b>DISBURSEMENTS</b>				
Instruction	1,071,298	3,284,300	-	4,355,598
Student services	243,463	129,243	-	372,706
Instructional staff support	65,544	80,654	-	146,198
Building level administration	9,387	292,600	-	301,987
General administration and central services	645,084	123,960	495	769,539
Operation of plant	1,311,653	-	-	1,311,653
Transportation	433,951	-	-	433,951
Food service	227,627	-	-	227,627
Community service	161,886	5,727	-	167,613
Facility acquisition & construction	-	-	623,718	623,718
Debt service Interest	-	-	19,510	19,510
<b>TOTAL DISBURSEMENTS</b>	<b>4,169,893</b>	<b>3,916,484</b>	<b>643,723</b>	<b>8,730,100</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>				
	234,532	-	31,277	265,809
FUND BALANCE, beginning	531,887	-	23,800	555,687
FUND BALANCE, ending	<u>\$ 766,419</u>	<u>\$ -</u>	<u>\$ 55,077</u>	<u>\$ 821,496</u>

NOTE: The supplementary 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.

**CROSSROADS CHARTER SCHOOLS  
SCHEDULE OF RECEIPTS COLLECTED BY SOURCE  
For the Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
<b>LOCAL</b>				
School district trust fund (Prop C)	\$ 263,179	\$ 157,907	\$ -	\$ 421,086
Earnings on investments	44,523	-	-	44,523
Food service program	25,599	-	-	25,599
Community service	33,784	-	-	33,784
Gifts	1,121,143	-	675,000	1,796,143
Miscellaneous local revenue	69,225	-	-	69,225
TOTAL LOCAL	<u>1,557,453</u>	<u>157,907</u>	<u>675,000</u>	<u>2,390,360</u>
<b>STATE</b>				
Basic formula	2,030,889	3,758,577	-	5,789,466
Transportation	37,761	-	-	37,761
Basic formula - classroom trust fund	165,752	-	-	165,752
Food service	1,025	-	-	1,025
TOTAL STATE	<u>2,235,427</u>	<u>3,758,577</u>	<u>-</u>	<u>5,994,004</u>
<b>FEDERAL</b>				
Medicaid	51,355	-	-	51,355
IDEA entitlement funds, Part B	83,091	-	-	83,091
School lunch program	141,015	-	-	141,015
After school snack program	6,164	-	-	6,164
Title I - ESEA	170,990	-	-	170,990
Title II, Part A&B, ESEA	57,680	-	-	57,680
CSP grant	101,250	-	-	101,250
TOTAL FEDERAL	<u>611,545</u>	<u>-</u>	<u>-</u>	<u>611,545</u>
TOTAL RECEIPTS	<u><u>\$ 4,404,425</u></u>	<u><u>\$ 3,916,484</u></u>	<u><u>\$ 675,000</u></u>	<u><u>\$ 8,995,909</u></u>

The Schedule of Receipts by Source agrees to the Annual Secretary of the Board Report (ASBR).

**CROSSROADS CHARTER SCHOOLS  
 SCHEDULE OF DISBURSEMENTS PAID BY OBJECT  
 For the Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Salaries	\$ 734,220	\$ 3,068,723	\$ -	\$ 3,802,943
Employee benefits	224,379	847,761	-	1,072,140
Purchased services	2,483,300	-	494	2,483,794
Supplies	727,994	-	-	727,994
Capital outlay	-	-	623,719	623,719
Interest expense	-	-	19,510	19,510
	<u>\$ 4,169,893</u>	<u>\$ 3,916,484</u>	<u>\$ 643,723</u>	<u>\$ 8,730,100</u>

**CROSSROADS CHARTER SCHOOLS 048-926**  
**SCHEDULE OF SELECTED STATISTICS**  
 For the Year Ended June 30, 2017

1. CALENDAR (Sections 160.041 and 171.031, RSMo)

A. The total number of hours between the starting time of the first class and the dismissal time of the last class, minus the time allowed for lunch and one passing time, and minus Channel One time was 6.0000.

B. The number of hours classes were in session and pupils were under the direction of teachers during the year was as follows:

Grades K-8	1,044.00
------------	----------

C. The number of days classes were in session and pupils were under the direction of teachers during the year was 174 days.

2. AVERAGE DAILY ATTENDANCE (ADA)

Average daily attendance:

Regular term:

Grades K-8	538.26
------------	--------

Remedial	47.21
----------	-------

Total regular term	585.47
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Summer school average daily attendance	51.44
--	-------

Total Average Daily Attendance	636.91
--------------------------------	--------

3. SEPTEMBER MEMBERSHIP

September Resident Membership	561.00
-------------------------------	--------

4. FREE AND REDUCED PRICE LUNCH FTE COUNT (Section 163.011(6), RSMo)

Free and Reduced Price Eligible Students:

Free	278.00
------	--------

Reduced	62.00
---------	-------

Total	340.00
-------	--------

5. FINANCE

A. An insurance policy as required by Section 162.401, RSMo., has been purchased by the School covering employee theft.

B. The School's deposits were secured during the year as required by Section 110.010 and 110.020, RSMo.

CROSSROADS CHARTER SCHOOLS 048-926  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2017

5. FINANCE (continued)

- C. The School does not have a Debt Service Fund.
- D. Salaries reported for educators in the October Core Data Cycle are supported by payroll/contract records.
- E. The School did not make a \$162,326 or 7% x SAT x WADA transfer.
- F. The School is not required to publish a summary of the 2015-2016 audit report pursuant to Section 165.121, RSMo.
- G. The School is not required to have 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.
- H. The School is not required to spend for approved professional development committee plan activities.

There were no findings noted above.

6. TRANSPORTATION (Section 163.161, RSMo)

- A. The allowable costs for school transportation substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.
- B. The School's school transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported.
- C. Based on the ridership records, the average number of students (non-disabled K-12, career education, and K-12 students with disabilities) transported on a regular basis (ADT) eligible for state transportation aid was 203.50 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was 0.
- D. The School's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year.
- E. Based on the actual odometer records, the total mileage for the year was 89,014. Of this total, the eligible non-disabled student route miles were 78,720 and the ineligible non-route and disapproved miles (combined) were 10,294.
- F. The School operated the school transportation system for 174 days during the school year.

There were no findings noted above.

## **INTERNAL CONTROL AND COMPLIANCE**



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

Board of Directors  
Crossroads Charter Schools  
Kansas City, Missouri

We have examined management's assertions that Crossroads Charter Schools complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the District'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, 2017. Crossroads Charter Schools' Management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, management's assertions referred to above are fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Education, District 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, 2017

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**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  
Crossroads Charter Schools  
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 the governmental activities and each major fund of Crossroads Charter Schools as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Crossroads Charter Schools' basic financial statements and have issued our report thereon dated December 1, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Crossroads Charter Schools' internal control over financial reporting (internal control) to determine the 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.

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Crossroads Charter Schools  
Kansas City, Missouri

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 a material weakness. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of 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, 2017



Board of Directors  
Crossroads Charter Schools  
Kansas City, Missouri

In planning and performing our audit of the basic financial statements of Crossroads Charter Schools, for the year ended June 30, 2017, we considered the School's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

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 some additional matters to bring to your attention. The following paragraphs summarize our comments and recommendations regarding these matters. This letter does not affect our report dated December 1, 2017, on the financial statements of Crossroads Charter Schools.

1. Periodic Internal Control Review

As the School evolves, policies and procedures change, the School should periodically conduct a review of its internal control procedures to determine if any changes are necessary in order to protect the School's assets.

We Recommend:

The School conduct a review of its internal control procedures to determine opportunities for strengthening safeguards over the School's assets. The School may want to consider conducting reviews on cash management, computer information systems, mail distribution procedures, purchasing procedures, new vendor procedures, and other areas the School considers necessary.

Board of Directors  
Crossroads Charter Schools  
Kansas City, Missouri  
Page Two

2. Account Code Structure Changes

Beginning on July 1, 2018, DESE is implementing a new mandatory account code structure for Missouri school districts. The account code structure changes are designed to satisfy many uses by segmenting the code into several dimensions. The account code structure at a minimum will include six segmenting dimensions. This will require school software providers to update the accounting system to comply with the new structure. School personnel responsible for determining coding for districts will require training on the new account code structure.

We Recommend:

School personnel become familiar with the new account code structure changes and ensure that the School's software has been updated. Furthermore, all personnel within the School who have management and disbursement coding responsibilities need training on the new structure as it will have a high impact on identifying revenue sources for specific disbursements.

3. Implementation of FASB ASU 2016-14: Presentation of Financial Statements of Not-for-Profit Entities

The Financial Accounting Standards Board has released new standards regarding presentation of financial information. Some significant changes will include the presentation of net assets (from three categories to two, donor restricted and net assets without restrictions) and disclosure of new qualitative information regarding liquidity risk. The effective date is for fiscal years beginning after December 15, 2017.

We Recommend:

The School become familiar with the requirements of FASB ASU 2016-14 in order to assess the steps necessary to ensure successful implementation of this statement on the effective date.

4. Attendance Reporting

During our audit, we noted that the School attendance software currently does not produce reports necessary to verify information in Core Data for summer school and remedial hours. The software should be capable of producing attendance summary reports showing the total hours of attendance by grade. These reports are necessary to provide management with a proper audit trail. These reports should then be reconciled to the attendance hours summary on Core Data.

We Recommend:

The School contact its software provider and request the necessary modifications in order to produce the reports discussed above or manually track summer school and remedial hours.

Board of Directors  
Crossroads Charter Schools  
Kansas City, Missouri  
Page Three

5. Accounting Basis

The School is considering converting to the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

We Recommend:

The School review the steps necessary to convert the annual financial statements to the accrual basis. These steps will include recording capital assets and determining historical cost and estimated useful life so depreciation can be calculated. This will also include tracking accounts payable and accounts receivable for inclusion in the School's financial statements. The School will also need to review related companies to determine if inclusion in financial statements and reporting on the accrual basis is necessary for these entities.

We appreciate this opportunity to serve as Crossroads Charter Schools' independent auditor and the courtesies and assistance extended to us by the School's employees.

Respectfully submitted,

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
December 1, 2017



December 1, 2017

Mr. Dean Johnson, Executive Director  
Crossroads Charter Schools  
Kansas City, Missouri

Dear Mr. Johnson:

Please find enclosed 12 signed copies of the financial statements with auditors' report for the year ended June 30, 2017. You will need to send one copy of this report to the Department of Elementary and Secondary Education in order for you to be eligible for 2017-18 fiscal year state aid. The Board of Directors must approve the audit report at a Board of Directors meeting and the School must send a copy of the minutes that indicate approval to the Finance Section of the Department of Elementary and Secondary Education.

Also, please find enclosed 12 copies of a management letter with matters we want to bring to your attention and 12 copies of a required letter for the Board of Education.

We wish to express our appreciation for the cooperation given to us by all school personnel during our audit. If you have any questions regarding the financial statements, please contact us at your convenience.

Thank you for the opportunity of serving the School again this year.

Sincerely,

*KPM CPAs, PC*

KPM CPAs, PC

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Board of Directors  
Crossroads Charter Schools  
Kansas City, Missouri

We have audited the financial statements of Crossroads Charter Schools for the year ended June 30, 2017. 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 January 27, 2017. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Crossroads Charter Schools are described in Note B to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016-2017. 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 disclosures in the financial statements 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 assets.

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Page Two

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as 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.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 1, 2017.

### *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**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, 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.

Board of Directors  
Crossroads Charter Schools  
Kansas City, Missouri  
Page Three

This information is intended solely for the use of the Board of Directors and management of Crossroads Charter Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
December 1, 2017