

Crossroads Special Board Meeting

Date and Time

Thursday December 19, 2024 at 2:00 PM CST

Location

Zoom: https://us06web.zoom.us/j/86142543935?pwd=JlJrqJ6lqwVU1vY0dMuNGcO20NYva3.1

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Agenda

		Purpose	Presenter	Time
I.	Opening Items			2:00 PM
	A. Call the Meeting to Order		Greg Valdovino	1 m
	B. Record Attendance		Greg Valdovino	1 m
	C. Approve Meeting Agenda	Vote	Greg Valdovino	1 m
II.	Finance			2:03 PM
	A. Financial Audit	Vote	Matt Wallace- KPM	20 m
III.	Closing Items			2:23 PM

		Purpose	Presenter	Time
A.	Adjourn Meeting	Vote	Greg Valdovino	1 m

Coversheet

Financial Audit

Section: II. Finance

Item: A. Financial Audit

Purpose: Vote

Submitted by:

Related Material: 06.30.24 Crossroads Charter Schools BOARD.pdf

Financial Statements Together with Auditors' Report for the Year Ended June 30, 2024



Table of Contents

Independent Auditors' Report	3
Financial Statements	
Statement of Financial Position	6
Statement of Activities	7
Statement of Cash Flows	8
Statement of Functional Expenses	9
Notes to the Financial Statements	10
Supplementary Information	
Statement of Assets and Fund Balances – Modified Cash Basis – Governmental Funds Presentation	17
Statement of Receipts, Disbursements, and Changes in Fund Balances – Modified Cash Basis – Governmental Funds Presentation	18
Schedule of Receipts by Source	19
Schedule of Disbursements by Object	20
Internal Control and Compliance	
Independent Accountants' Report	22
Schedule of Selected Statistics	23
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	27
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	29
Schedule of Expenditures of Federal Awards	32
Notes to the Schedule of Expenditures of Federal Awards	33
Schedule of Findings and Questioned Costs	34
Summary Schedule of Prior Audit Findings	35



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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Crossroads Charter Schools (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements 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 Crossroads Charter Schools as of June 30, 2024, 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 Crossroads Charter Schools 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 opinions.

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 Crossroads Charter Schools' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the
 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Statement of Assets and Fund Balances, Statement of Receipts, Disbursements, and Changes in Fund Balances, Schedule of Receipts by Source, Schedule of Disbursements by Object, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Statement of Assets and Fund Balances, Statement of Receipts, Disbursements, and Changes in Fund Balances, Schedule of Receipts by Source, Schedule of Disbursements by Object, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, 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 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 Crossroads Charter Schools' 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.

KPM CPAs, PC

Springfield, Missouri December 9, 2024

KPM CPAS, PC

Statement of Financial Position

June 30, 2024

Assets	
Current Assets	
Cash and cash equivalents	\$ 1,559,194
Accounts receivable	112,555
Total Current Assets	1,671,749
Noncurrent Assets	
Property and equipment, net of	
accumulated depreciation	19,246,088
Total Noncurrent Assets	19,246,088
Total Assets	\$ 20,917,837
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 206,501
Accrued expenses	1,294,386
Loans payable, current portion	215,415
Total Current Liabilities	1,716,302
Noncurrent Liabilities	
Compensated absences	8,799
Loans payable, long-term portion	7,222,039
Total Noncurrent Liabilities	7,230,838
Total Liabilities	8,947,140
Net Assets	
Without donor restrictions	11,970,697
Total Net Assets	11,970,697
Total Liabilities and Net Assets	\$ 20,917,837

Statement of Activities

	Without Donor Restrictions
Revenues and Other Support	4
Government grants and contracts	\$ 20,889,881
Contributions and non-governmental grants	636,438
Fees and services	30,346
Investment income	35,549
Miscellaneous	93,633
Total Revenues and Other Support	21,685,847
Expenses	
Program	
Instruction	12,844,425
Student services	1,418,824
Instructional staff support	470,555
Building level administration	985,371
Operation of plant	2,051,354
Transportation	1,465,189
Food service	534,284
Community services	12,444
Facilities acquisition and construction	31,230
Depreciation	460,722
Debt service	
Interest and fees	269,370
Management and general	
General administration and central services	2,777,726
Total Expenses	23,321,494
Change in Net Assets	(1,635,647)
Net Assets, Beginning of Year	13,606,344
Net Assets, End of Year	\$ 11,970,697

Statement of Cash Flows

Cash Flows from Operating Activities	
(Decrease) in net assets	\$ (1,635,647)
Item not requiring operating activities cash flows	
Depreciation	460,722
Changes in	
Accounts receivable	48,496
Accounts payable	101,336
Accrued expenses	84,518
Compensated absences	 (7,313)
Net Cash (Used) by Operating Activities	(947,888)
Cash Flows from Investing Activities	
Purchase of property and equipment	 (518,451)
Net Cash (Used) by Investing Activities	(518,451)
Cash Flows from Financing Activities	
Payment of loan principal	(203,655)
Net Cash (Used) by Financing Activities	(203,655)
Net (Decrease) in Cash	(1,669,994)
Cash and Cash Equivalents, Beginning	3,229,188
Cash and Cash Equivalents, Ending	\$ 1,559,194

Statement of Functional Expenses

	Program Services			Support Services		
	Cha	Management Charter School and General				Total
Salaries	\$	7,638,608	\$	1,341,344	\$	8,979,952
Employee benefits		2,329,571		429,926		2,759,497
Purchased services		8,630,729		886,470		9,517,199
Supplies		1,146,950		119,986		1,266,936
Capital outlay		67,818		-		67,818
Debt service		269,370		-		269,370
Depreciation		460,722				460,722
Total Functional Expenses	\$	20,543,768	\$	2,777,726	\$	23,321,494

Notes to the Financial Statements

June 30, 2024

1. Business Activity

Crossroads Charter Schools (the School) is a Missouri not-for-profit public benefit corporation organized on August 5, 2011. Their purpose is to operate a charter school 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.

The School's mission is to prepare and inspire students to build a better tomorrow by providing an academically rigorous PK-12 education in a creative, collaborative, community-focused environment. The School's charter allows for the provision of education for students in prekindergarten through twelfth grade.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

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.

Net assets with donor restrictions: Net assets subject to donor-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 an increase 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.

It is the School's policy to first use net assets with donor restrictions prior to use of net assets without donor restrictions when disbursements are made for purposes for which both net assets with donor restrictions and net assets without donor restrictions are available.

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 Organization to capitalize expenditures for equipment, furniture and fixtures in excess of \$5,000 per item and useful life over a year. Interest costs are capitalized when incurred on debt where the proceeds were used to finance the construction of assets. No interest was capitalized in the current year.

Notes to the Financial Statements

June 30, 2024

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 net assets with donor restrictions support that increases that net asset class. Contributions restricted for the acquisition of property and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

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.

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.

Contributions and Accounts Receivable

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

Revenue Recognition

The School recognizes revenue using the following methods:

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

Fees and services: For program fees and services, revenue is recognized when the related obligation is met.

Notes to the Financial Statements

June 30, 2024

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 or 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:

Expense	Method of Allocation
Salaries	Time and effort
Employee benefits	Time and effort
Purchased services	Direct costs
Supplies	Direct costs
Capital outlay	Direct costs
Debt service	Direct costs

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, 2024.

Compensated Absences

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. Employees earn vacation time based on the number of years' service to the School. Outstanding vacation leave is payable upon termination of employment. Compensated absences are recorded as a liability in the Statement of Financial Position.

Subsequent Events

Management has evaluated subsequent events through December 9, 2024, the date the financial statements were available to be issued.

Notes to the Financial Statements

June 30, 2024

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, 2024, all bank balances on deposit are entirely insured or collateralized with securities in the name of the School by the trust department of a bank that does not hold the collateralized deposits.

4. Risk Management

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 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.

5. Loans Payable

Crossfirst Loan

On July 5, 2022, the School entered into a loan agreement in the amount of \$7,821,968 to finance the purchase of the buildings and assets located at 1080 Washington Street and 816 Broadway, Kansas City, Missouri. The loan calls for monthly payments of \$39,419 through July 5, 2032, with interest at 3.51%. All unpaid principal and accrued interest is due and payable on July 5, 2032. In an event of default, all unpaid principal and interest becomes immediately due and payable. The Lender is entitled to exercise any and all rights and remedies allowed by law and equity, including right of judicial foreclosure or power of sale foreclosure as permitted by state law, and the right to set-off any monies or accounts owed by Lender to Borrower, whether or not due.

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

Year Ending June 30,	Principal			Total		
2025	\$ 215,415	\$	257,611	\$	473,026	
2026	223,098		249,927		473,025	
2027	231,056		241,969		473,025	
2028	239,298		233,727		473,025	
2029	247,834		225,192		473,026	
2030-2033	 6,280,753		637,298		6,918,051	
	\$ 7,437,454	\$	1,845,724	\$	9,283,178	

The following is a summary of the changes in loan payable for the year ended June 30, 2024:

	Balance				Balance		Amount
	June 30,				June 30,	Dι	ue Within
	2023	Ad	ditions	 Retired	 2024	C	ne Year
Crossroads Charter Schools				 	 _		
CrossFirst Loan	\$ 7,641,109	\$	_	\$ 203,655	\$ 7,437,454	\$	215,415

Notes to the Financial Statements

June 30, 2024

6. Property & Equipment

Property and equipment at June 30, 2024, consisted of the following:

Buildings and improvements	\$ 21,319,347
Equipment and furniture	365,280
	21,684,627
Accumulated depreciation	(2,438,539)
	\$ 19,246,088

7. Retirement Plan

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

The Retirement System members are required to contribute 9% of their annual covered salary and the School is required to contribute a matching amount. The contribution requirements of members and the school are established, and may be amended, by the Board of Trustees. The School's contributions to the system for the year ended June 30, 2024, was \$1,022,307.

8. 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, 2024, 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.

Notes to the Financial Statements

June 30, 2024

9. Liquidity & Availability

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

Financial assets at year end	
Cash and cash equivalents	\$ 1,559,194
Accounts receivable	112,555
Financial assets available to meet general	
expenditures over the next twelve months	\$ 1,671,749

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 legislation in the State of Missouri. The School also participates in various state and federally funded programs. As such, the future cash needs of the School are substantially met by these revenues, which are primarily received during the period in which expenses are incurred.

10. 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, 2024, the following tax years are subject to examination:

Jurisdiction	Open Year for Filed Returns	Return to be filed in 2024
Federal	2020, 2021 and 2022	2023
Missouri	2020, 2021 and 2022	2023

11. Contingencies

The School is not involved in pending litigation at June 30, 2024.

Supplementary Information

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

June 30, 2024

Assets		General Fund	Re	pecial evenue Fund		Capital Projects Fund		Total
Current Assets								
Cash and cash equivalents	\$	1,544,836	\$	-	\$	14,358	\$	1,559,194
Total Assets	\$	1,544,836	\$	-	\$	14,358	\$	1,559,194
Fund Balances								
Assigned to capital outlay	\$	-	\$	-	\$	14,358	\$	14,358
Unassigned		1,544,836				-		1,544,836
Total Fund Balances	\$	1,544,836	\$		\$	14,358	\$	1,559,194
Total fund balance - Crossroads Charter Schools Total assets on the Statement of Financial Position,								1,559,194
less cash and cash equivalents								19,358,643
Total liabilities on the Statement of Financi	al Po	sition						(8,947,140)
Net assets on the Statement of Financial	Posi	tion					\$	11,970,697

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.

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

Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Receipts				
Local	\$ 2,050,521	\$ 752,824	\$ -	\$ 2,803,345
State	8,047,550	9,007,866	-	17,055,416
Federal	1,831,900	-	43,530	1,875,430
Other	152			152
Total Receipts	11,930,123	9,760,690	43,530	21,734,343
Disbursements				
Instruction	5,706,117	6,959,767	_	12,665,884
Student services	680,892	737,933	_	1,418,825
Instructional staff support	81,243	389,312	_	470,555
Building level administration	29,948	955,423	_	985,371
General administration and central services	2,063,967	713,758	_	2,777,725
Operation of plant	2,010,269	4,497	152,025	2,166,791
Transportation	1,465,189	,	-	1,465,189
Food service	534,284	_	_	534,284
Community services	12,444	_	_	12,444
Facility acquisition and construction	-	_	434,244	434,244
Debt service	_	_	473,025	473,025
Total Disbursements	12,584,353	9,760,690	1,059,294	23,404,337
Total Dissarsements	12,304,333	3,700,030	1,033,234	23,404,337
Excess (Deficit) of Receipts over Disbursements	(654,230)	-	(1,015,764)	(1,669,994)
Other Financing Sources (Uses)				
Operating transfers in (out)	(1,015,764)	-	1,015,764	-
, ,				
Net Change in Fund Balances	(1,669,994)	-	-	(1,669,994)
Fund Balance, Beginning	3,214,830	-	14,358	3,229,188
Fund Balance, Ending	\$ 1,544,836	\$ -	\$ 14,358	\$ 1,559,194
(Deficit) of Receipts over Disbursements per ASBR				\$ (1,669,994)
Changes in				
Accounts receivable				(48,496)
Capital assets				518,451
Accumulated depreciation				(460,722)
Accounts payable				(101,336)
Accrued expenses				(84,518)
Compensated absences				7,313
Loans principal				203,655
Change in Net Assets per Statement of Activiti	es			\$ (1,635,647)

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.

Schedule of Receipts by Source

Year Ended June 30, 2024

		General Fund	 Special Revenue Fund	Capital Projects Fund		Total
Local						
School district trust fund (Prop C)	\$	1,254,708	\$ 752,824	\$ -	\$	2,007,532
Earnings from temporary deposits		35,549	-	-		35,549
Sales to pupils - reimbursable school meals		27,379	=	-		27,379
Admissions - student activities		130	-	-		130
Other pupil activity income		2,837	-	-		2,837
Gifts		636,438	-	-		636,438
Prior period adjustment		5,285	-	-		5,285
Miscellaneous local revenue	_	88,195	752.024			88,195
Total Local		2,050,521	752,824	-		2,803,345
State						
Basic formula - state monies		6,555,160	9,007,866	-		15,563,026
Transportation		711,690	-	-		711,690
Basic formula - classroom trust fund		615,597	-	-		615,597
Food service - state		1,703	-	-		1,703
High need fund - special education		11,498	-	-		11,498
School safety grant		150,000	-	-		150,000
Other - state		1,902	 - 0.007.000			1,902
Total State		8,047,550	9,007,866	-		17,055,416
Federal						
Medicaid		169,091	-	-		169,091
ARP - ESSER III		161,961	-	-		161,961
CRRSA - ESSER II		4,950	-	-		4,950
CRRSA - GEER II		7,732	-	-		7,732
IDEA grants		1,635	-	-		1,635
IDEA entitlement funds, part B IDEA		175,967	-	-		175,967
National school lunch program		136,791	-	-		136,791
School breakfast program		68,051	-	-		68,051
Title I - ESEA		435,368	-	-		435,368
Title IV.A student support and academic enrichment		38,153	-	-		38,153
Title III, ESEA - English language acquisition		32,272	_	-		32,272
Title II, part A&B, ESEA - teacher and principal training		46,538	_	-		46,538
ARP - homeless children and youth II		65,991	_	-		65,991
ARP - homeless children and youth II		6,325	_	_		6,325
Other - federal		481,075		43,530		524,605
Total Federal		1,831,900	 	43,530		1,875,430
Other Sources						
Sale of other property		152	_	-		152
Total Other Sources	_	152			-	152
Total Receipts	\$	11,930,123	\$ 9,760,690	\$ 43,530	\$	21,734,343

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

Schedule of Disbursements by Object

	General Fund		 Special Revenue Fund	Capital Projects Fund	Total
Salaries	\$	1,434,808	\$ 7,481,367	\$ -	\$ 8,916,175
Employee benefits		466,746	2,279,323	-	2,746,069
Purchased services		9,415,863	-	-	9,415,863
Supplies		1,266,936	-	-	1,266,936
Capital outlay		-	-	586,268	586,268
Debt service		-	-	473,026	473,026
	\$	12,584,353	\$ 9,760,690	\$ 1,059,294	\$ 23,404,337

Internal Control and Compliance



Board of Directors Crossroads Charter Schools Kansas City, Missouri

We have examined Crossroads Charter Schools' compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the School's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the Schedule of Selected Statistics during the year ended June 30, 2024. Management of Crossroads Charter Schools is responsible for the School's compliance with the specified requirements. Our responsibility is to express an opinion on Crossroads Charter Schools' 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 Crossroads Charter Schools complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Crossroads Charter Schools 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 Crossroads Charter Schools' compliance with the specified requirements.

In our opinion, Crossroads Charter Schools complied in all material respects, with the aforementioned requirements for the year ended June 30, 2024.

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 9, 2024

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Schedule of Selected Statistics

Year Ended June 30, 2024

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
6990	PK	PK	-	6.50	178.00	1,157.00
6990	K	6	-	6.85	153.00	1,048.05
6905	К	5	-	6.85	153.00	1,048.05
1905	7	12	-	6.85	153.00	1,048.05

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
6990	PK-6	344,053.05	-	-	-	264,008.02	608,061.07
6905	K-5	239,900.80	-	-	-	20,379.50	260,280.30
1905	7-12	357,713.51	-	-	-	135,722.10	493,435.61
Grand Total	PK - 12	941,667.36	-	-	-	420,109.62	1,361,776.98

3. September Membership

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
6990	PK-6	357.00	-	-	357.00
6905	K-5	251.00	-	-	251.00
1905	7-12	425.00	-	-	425.00
Grand Total	PK - 12	1,033.00	-	-	1,033.00

Schedule of Selected Statistics

Year Ended June 30, 2024

4. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

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

School Code	Free Lunch	Reduced Lunch	DESEG In Free	DESEG In Reduced	Total
Resident II	3.00	1.00	-	-	4.00
6990	147.00	30.00	-	-	177.00
6905	123.00	7.00	-	-	130.00
1905	160.00	16.00	-	-	176.00
Grand Total	433.00	54.00	-	-	487.00

5. Finance

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation 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:	
	Academic Programs Off-Campus	True
	Career Exploration Program – Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	N/A
	Homebound instruction	N/A
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A

Schedule of Selected Statistics

	The district/charter school maintained complete and accurate attendance records	
5.3	allowing for the accurate calculation of September Membership for all students in	Truo
	accordance with all applicable state rules and regulations.	True
	The district/charter school maintained complete and accurate attendance and other	
5.4	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
	As required by Section 162.401, RSMo, a bond was purchased for the district's	Truc
	school treasurer or as required by Section 160.405, RSMo, a bond was purchased	
5.5	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:	\$500,000
	The district's/charter school's deposits were secured during the year as required by	
5.6	Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting	
	Manual.	True
	The district maintained a separate bank account for all Debt Service Fund monies in	
5.7	accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter	
	schools)	N/A
	Salaries reported for educators in the October MOSIS Educator Core and Educator	
5.8	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
	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted	Huc
	expenditures, the board approve a resolution to make the transfer, which identified	
5.9	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
- 10	The district/charter school published a summary of the prior year's audit report	
5.10	within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
	The district has a professional development committee plan adopted by the board	
	with the professional development committee plan identifying the expenditure of	
5.11	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
5.12	The amount spent for approved professional development committee plan activities	
3.12	was:	N/A
	The district/charter school has posted, at least quarterly, a searchable expenditure	
5.13	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

Schedule of Selected Statistics

Year Ended June 30, 2024

ΑII	above	"False"	' answers must	be supported	by a	finding or	management	letter	comment.
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Finding:	None	
Manageme	ent Letter Comment:	N/A

6. Transportation (Section 163.161, RSMo)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	
	·	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a	
	manner to accurately disclose in all material respects the average number of regular riders	
	transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12	
	students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	726.5
	Ineligible ADT	11.0
6.4	The district's/charter school's transportation odometer mileage records are maintained in a	
	manner to accurately disclose in all material respects the eligible and ineligible mileage for	
	the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage	
	for the year was:	350,263
6.6	Of this total, the eligible non disabled and students with disabilities route miles and the	330,203
0.0	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	299,460
	Ineligible Miles (Non-Route/Disapproved)	50,803
6.7	Number of days the district/charter school operated the school transportation system	
	during the regular school year:	148
		140

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

Finding:	None	
Manageme	nt 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 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 Crossroads Charter Schools (a nonprofit organization), as of and for the year ended June 30, 2024, and the related statements of activities and cash flows for the year then ended, 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 9, 2024.

Report on 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) 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 over financial reporting 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 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 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

Springfield, Missouri

KPM CPAS, PC

December 9, 2024



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

Board of Directors Crossroads Charter Schools Kansas City, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Crossroads Charter Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Crossroads Charter Schools' major federal programs for the year ended June 30, 2024. Crossroads Charter Schools' major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Crossroads Charter Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPM CPAs, PC

Springfield, Missouri

KPM CPAS, PC

December 9, 2024

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program Title U.S. Department of Agriculture	Faller I Control Day Through Control (Day and Till	Assistance Listing	Pass-through Grantor's Number/ Other	Passed-through	Federal
Missouri Department of Elementary and Secondary Education Child Nutrition Cluster Child Nu		Number	identifying Number	to Subrecipient	Expenditures
National School Lunch Program 10.555 20232N119943 54,0051	Missouri Department of Elementary and Secondary Education				
National School Lunch Program 10.555 20232N119943 . 51,475 . 20242N109943 . 85,317 . 20242N109943 . 85,317 . 20248N109943 . 85,317 . 20248N109943 . 85,317 . 20248N109943 . 20248N1099	School Breakfast Program	10.553		\$ -	
Total Child Nutrition Cluster Total U.S. Department of Agriculture U.S. Department of Education Direct Charter Schools Missouri Department of Elementary and Secondary Education Title I Grants to Local Educational Agencies 84.010A 84.010A 84.010A 84.010A 85.010A230025 82.42A230026 82.42A20026 82.42A230026 82.42A230026 82.42A20026 82.42A230026 82.42A230			2024210109945		
Total Child Nutrition Cluster Total U.S. Department of Agriculture U.S. Department of Education Direct Charter Schools Missouri Department of Elementary and Secondary Education Title I Grants to Local Educational Agencies 84.010A 84.010A 84.010A 84.010A 85.010A230025 82.42A230026 82.42A20026 82.42A230026 82.42A230026 82.42A20026 82.42A230026 82.42A230	National School Lunch Brogram	10 555	202228110042		E1 //7E
Total Child Nutrition Cluster	National School Eurich Frogram	10.555		-	•
Total Child Nutrition Cluster Charter Schools Charter School Schools Charter School Schools Charter School Scho			202 12112033 13		
Direct	Total Child Nutrition Cluster				
Direct Charter Schools	Total U.S. Department of Agriculture			-	204,843
Missouri Department of Elementary and Secondary Education Title Grants to Local Educational Agencies					
Title I Grants to Local Educational Agencies 84.010A \$010A220025 - 217,094 S010A230025 - 217,793 5217,993 - 217,793 - 217,793 - 3373 - 9,333 - 367A220025 - 36,409 - 367A220024 - 25,734 - 5367A220024 - 18,603 - - 546,447 - - 546,447 - - 546,447 - - 546,447 - - - 546,447 - - - 546,447 - - - - 546,447 - -	Charter Schools	84.282E	N/A	-	220,801
S010A230025	Missouri Department of Elementary and Secondary Education				
S424A220026	Title I Grants to Local Educational Agencies	84.010A	S010A220025	-	210,607
S424A230026 9,337 36,409 5367A220025 - 36,409 5367A220024 - 25,734 5367A220024 - 26,734 546,447 - 26,732 - 26,734 -			S010A230025	-	217,994
Sa67A220025 36,409 5367A220024 - 25,734 5367A220024 - 25,734 5367A220024 - 30,603			S424A220026	-	27,763
Sa67A220024			S424A230026	-	9,337
Sa67A230024 - 18,603 - 546,447 - 5			S367A220025	-	36,409
COVID-19 - Education Stabilization Fund			S367A220024	-	
COVID-19 - Education Stabilization Fund 84.425C \$425C210016 - 7,732 84.425D \$425D210021 - 4,950 84.425U \$425U210021 - 91,382 84.425W \$425W210026 - 67,612 - - 171,676 Special Education Cluster (IDEA) - 132,899 Special Education Preschool Grants to States (IDEA, Part B) 84.027A H027A220040 - 132,899 Special Education Preschool Grants 84.173A H173A230040 - 66,600 Total Special Education Cluster (IDEA) - 6,138 Total U.S. Department of Education - 205,637 Total U.S. Department of Health and Human Services - 1,144,561 U.S. Department of Health and Human Services Missouri Department of Health and Human Services 93.434 90TP0066 - 300 U.S. Department of Justice - 308,137 Direct - 308,137 Total U.S. Department of Justice - 308			S367A230024		
Second Education Cluster (IDEA) S4.425D S425D210021 - 91,382				-	546,447
84.425U \$425U210021 - 91,382 84.425W \$425W210026 - 67,612	COVID-19 - Education Stabilization Fund	84.425C	S425C210016	-	7,732
Special Education Cluster (IDEA) Special Education - Grants to States (IDEA, Part B)		84.425D	S425D210021	-	4,950
Special Education Cluster (IDEA) Special Education - Grants to States (IDEA, Part B)		84.425U	S425U210021	-	91,382
Special Education Cluster (IDEA) Special Education - Grants to States (IDEA, Part B) 84.027A H027A220040 H027A230040 - 66,600 - 199,499 Special Education Preschool Grants Special Education Preschool Grants Total Special Education Cluster (IDEA) Total U.S. Department of Education U.S. Department of Health and Human Services Missouri Department of Elementary and Secondary Education Every Student Succeeds Act/Preschool Development Grants Total U.S. Department of Health and Human Services U.S. Department of Justice Direct STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice - 300,132 - 308,137 Total U.S. Department of Justice		84.425W	S425W210026		67,612
Special Education - Grants to States (IDEA, Part B) 84.027A H027A220040 - 132,899 H027A230040 - 66,600 - 199,499 Special Education Preschool Grants 84.173A H173A230103 - 6,138 Total Special Education Cluster (IDEA) - 205,637 Total U.S. Department of Education - 1,144,561 U.S. Department of Health and Human Services - 300 Missouri Department of Elementary and Secondary Education - 300 Every Student Succeeds Act/Preschool Development Grants 93.434 90TP0066 - 300 Total U.S. Department of Health and Human Services - 300 U.S. Department of Justice - 308,137 Total U.S. Department of Justice 16.839 N/A - 308,137				-	171,676
Special Education Preschool Grants 84.173A H173A230103 - 6,138 Total Special Education Cluster (IDEA) - 205,637 Total U.S. Department of Education U.S. Department of Health and Human Services Missouri Department of Elementary and Secondary Education Every Student Succeeds Act/Preschool Development Grants 7 101a U.S. Department of Health and Human Services - 300 Total U.S. Department of Health and Human Services - 300 U.S. Department of Justice Direct STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice - 308,137		04.0074	110274220040		422.000
Special Education Preschool Grants 84.173A H173A230103 - 6,138 Total Special Education Cluster (IDEA) - 205,637 Total U.S. Department of Education - 1,144,561 U.S. Department of Health and Human Services Missouri Department of Elementary and Secondary Education Every Student Succeeds Act/Preschool Development Grants 7 Total U.S. Department of Health and Human Services - 300 Total U.S. Department of Health and Human Services - 300 U.S. Department of Justice Direct STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice - 308,137	Special Education - Grants to States (IDEA, Part B)	84.02/A		-	•
Special Education Preschool Grants 84.173A H173A230103 - 6,138 Total Special Education Cluster (IDEA) - 205,637 Total U.S. Department of Education - 1,144,561 U.S. Department of Health and Human Services Missouri Department of Elementary and Secondary Education Every Student Succeeds Act/Preschool Development Grants Total U.S. Department of Health and Human Services - 300 Total U.S. Department of Health and Human Services U.S. Department of Justice Direct STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice - 308,137			H02/A230040		
Total Special Education Cluster (IDEA) Total U.S. Department of Education U.S. Department of Health and Human Services Missouri Department of Elementary and Secondary Education Every Student Succeeds Act/Preschool Development Grants 93.434 90TP0066 - 300 Total U.S. Department of Health and Human Services - 300 U.S. Department of Justice Direct STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice 1 308,137				-	199,499
Total Special Education Cluster (IDEA) Total U.S. Department of Education U.S. Department of Health and Human Services Missouri Department of Elementary and Secondary Education Every Student Succeeds Act/Preschool Development Grants 93.434 90TP0066 - 300 Total U.S. Department of Health and Human Services - 300 U.S. Department of Justice Direct STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice 1 308,137	Special Education Preschool Grants	84.173A	H173A230103	-	6.138
Total U.S. Department of Education - 1,144,561 U.S. Department of Health and Human Services Missouri Department of Elementary and Secondary Education Every Student Succeeds Act/Preschool Development Grants 93.434 90TP0066 - 300 Total U.S. Department of Health and Human Services - 300 U.S. Department of Justice Direct STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice					
Every Student Succeeds Act/Preschool Development Grants Potal U.S. Department of Health and Human Services 93.434 90TP0066 - 300 U.S. Department of Justice Direct STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice 16.839 N/A - 308,137 308,137				-	
Total U.S. Department of Health and Human Services - 300 U.S. Department of Justice Direct STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice - 308,137					
Direct STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice - 308,137	· · · · · · · · · · · · · · · · · · ·	93.434	90TP0066		
Direct 16.839 N/A - 308,137 Total U.S. Department of Justice - 308,137	U.S. Department of Justice				
STOP School Violence 16.839 N/A - 308,137 Total U.S. Department of Justice - 308,137	•				
Total U.S. Department of Justice - 308,137		16.839	N/A	-	308,137
·	Total U.S. Department of Justice		•		
	Total Expenditures of Federal Awards			\$ -	

N/A - Not applicable

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

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the School for the year ended June 30, 2024, and is presented on the accrual basis of accounting as described below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position or cash flows of the School.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting which is described in Note 2 to the School's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The School elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I: Summary of Auditors' Results

Financial Statements				
Type of report the auditor issued on whether the financia accordance with GAAP:	Unmodified			
Internal Control over Financial Reporting:				
Material weakness(es) identified?		No		
Significant deficiency(ies) identified?		None Reported		
Noncompliance material to financial statements noted?	No			
Federal Awards				
Internal control over major federal programs:				
Material weakness(es) identified?	Material weakness(es) identified?			
Significant deficiency(ies) identified?	Significant deficiency(ies) identified?			
Type of auditors' report issued on compliance for each maj	Unmodified			
Any audit findings disclosed that are required to be reported	No			
Identification of major federal programs:				
Assistance Listing Number(s)	· Cluster			
84.010A				
84.027A & 84.173A	IDEA)			
Dollar threshold used to distinguish between type A and ty	\$750,000			
Auditee qualified as low-risk auditee?	No			

Section II: Financial Statement Findings

None

Section III: Federal Award Findings and Questioned Costs

None

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

There were no prior audit findings.



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, 2024, 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. However, as discussed in 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 did not identify any deficiencies in internal control over financial reporting that we consider to be 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 a matter to bring to your attention. The following paragraphs summarize our comments and recommendations regarding this matter.

1. Declining Balances

During our audit, we noted that the School experienced a decline in cash and the corresponding unrestricted ending fund balance on the Annual Secretary of the Board Report (ASBR). The ASBR ended at \$1,559,194, which is a decrease of \$1,669,994 from the prior year. The unrestricted ending fund balance percentage (combined General and Teachers Funds ending cash balances divided by the combined General and Teachers Funds expenditures on the ASBR) is 6.91%. Section 61.520 RSMo indicates a School as financially stressed when the combined ending balances in the General and Teachers Funds are less than 3%. While the School is not considered financially stressed, the School should be mindful of the declining balances.

We Recommend:

The School review all budget items to ensure no deficits are budgeted. The School should determine what an adequate reserve to maintain should be and budget and spend accordingly. In addition, the School needs to continually monitor the budget to the actual receipts and disbursements to ensure spending is not exceeding budgeted amounts.

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2. Cybersecurity

Cybersecurity threats are increasing and entities of all sizes are at risk for a breach of their information systems. With this increase in risk, entities should be continually evaluating risk and taking steps necessary to ensure the security of information systems. Steps include identifying critical information systems, training employees to properly identify threats received in emails or by other means, and adopting internal communication methods other than email.

It is important that entities develop a recovery plan outlining procedures that personnel should follow once a cybersecurity breach is discovered. Additionally, entities should be aware of any insurance in place to help protect them from liabilities that can occur as the result of a breach.

We Recommend:

The School continue to evaluate its cybersecurity risks and take the necessary steps to reduce the risk of cybersecurity threats to their information systems. This evaluation should be performed frequently as technology and information systems are continually changing.

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

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

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

Respectfully submitted,

KPM CPAS, PC

KPM CPAs, PC

Springfield, Missouri

December 9, 2024



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, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance, 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 April 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Crossroads Charter Schools are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023-2024. We noted no transactions entered into by the School for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. The significant estimate relates to the valuation of new property & equipment acquired in the current year.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

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Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 9, 2024.

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 auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

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

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of 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

Springfield, Missouri

KPM CPAS, PC

December 9, 2024