

**ACADEMY FOR INTEGRATED ARTS
BOARD of DIRECTORS MEETING AGENDA**

June 22nd, 2023

4:00pm

The meeting will be held via Zoom. To join the Zoom meeting, please see the information below:

<https://us06web.zoom.us/j/99620454836?pwd=enJvZTIRWmhBbzZEZDEwck5DcmRSQT09>

Meeting ID: 996 2045 4836

Passcode: nq4Pn4

Dial by your location +1 312 626 6799 US (Chicago) +1 646 558 8656 US (New York) +1 301 715 8592 US (Washington DC) +1 346 248 7799 US (Houston) +1 253 215 8782 US (Tacoma)

Meeting ID: 996 2045 4836

Passcode: 492360

Find your local number: <https://us06web.zoom.us/u/kqWfK5xrJ>

I. CALL TO ORDER

II. COMMUNITY FORUM

The board will hear comments from community members. These comments may relate to any item on the agenda or other issues which need to be brought to the attention of the Board.

Individual comments are limited to five minutes. Time allotted for the community forum will be fifteen minutes.

III. FINANCIAL REPORT

- Budget Report - Cara Newell

IV. CONSENT AGENDA

- Approval of the minutes from the 5/25/23 Board Meeting
- Approval of warrant list (check registry and purchasing card record)
- Approval of the financial report

V. ACTION ITEMS

- Approval of Charter Amendment #2
 - [w](#) Charter Renewal Contract Amendment 2 Enrollment June 2023.docx
- Approval of dates for board meetings in 2023 - 2024: July 28, August 24, September 28, October 26, December 7, January 25, February 22, March 21, April 25, May 23, June 27
- Approval of the Budget for the July 1, 2023-June 30, 2024 Fiscal Year
- Approval of Marr & Company to conduct the annual audit, the Federal Single audit, the attestation of Selected Statistics, and to prepare the tax return for the Fiscal Year ending June 30, 2023.

VI. EXECUTIVE DIRECTOR'S 0REPORT

- Monthly Update-Tricia DeGraff

VII. DISCUSSION ITEMS/COMMITTEE REPORT

- Education Committee met 6/15/23
- Finance Committee met 6/15/23
- Governance Committee met 6/20/23

VIII. NEW BUSINESS

- Discussion of Formal Succession Plan for AFIA Leadership team
- Discussion of Board Development/adding Board members
- Election of Board of Directors Officers
 - Cara Newell will remain Treasurer
 - Emily Brown will remain Secretary
 - Brad Epstein will remain President
 - Vice President will remain open

IX. EXECUTIVE SESSION

Recommendation to enter into executive session for the purpose of conducting business related to personnel, real estate, and/or legal issues as specified in Section 610.021 of the Missouri Sunshine Law.

X. ADJOURNMENT

- Next Board Meeting (Zoom) July 27, 2023

**ACADEMY FOR INTEGRATED ARTS
BOARD of DIRECTORS MEETING**

MINUTES

May 25, 2023

4:00 P.M.

7910 Troost Ave., Kansas City, Missouri

Present: Emily Brown, Secretary
Lynne Brown, Member
Peter Brown, Member (5:40)
Patrick Lenoir, Member
Cara Newell, Treasurer
Jennifer Waddell, Member

Also Present: Tricia DeGraff, Executive Director
Auburn Ellis, DEI Facilitator

I. CALL TO ORDER AND ROLL CALL

Lynne Brown called the meeting to order at 4:00

DEI Training with Dr. Auburn Ellis

II. FINANCIAL REPORT

Budget report-Cara Newell (attachment)

Discussion regarding how the board can be of help to staff with special circumstances

III. CONSENT AGENDA ITEMS

- Approval of the minutes from the April 27, 2023 board meeting
- Approval of the warrant list (check registry and purchasing card record)
- Approval of the financial report:
Motion: Peter Brown
Second: Cara Newell
Vote: 6-0

IV. ACTION ITEMS

- Approval of new hires: School Counselor, Allison Birkett-Wagner
Dean of Culture, Lamont Muhammad
Motion: Education Committee
Vote: 6-0
- Approval to hire classroom teachers: Elijah Jost, Pranika Kumaran, Moriah Draper
Motion: Cara Newell

Second: Emily Brown
Vote: 5-0 (Jennifer Waddell abstained)

V. EXECUTIVE DIRECTOR'S REPORT

- Monthly Update -Tricia DeGraff (attachment)
Discussion regarding AFIA's 2021-2022 Annual Report from sponsor, Missouri Charter Public School Commission

VI. DISCUSSION ITEMS/COMMITTEE REPORTS

- Education Committee met on May 18th. Tricia's evaluation will be shared and discussed at the June meeting.
- Finance Committee met on May 18th. Review of 2021 Final 990; Return has been filed.
- Governance Committee did not meet.

VII. NEW BUSINESS

None

Motion to adjourn Regular Meeting: Patrick Lenoir
Second: Emily Brown
Vote: 5-0

VIII. EXECUTIVE SESSION

Motion to enter into Executive Session pursuant to Section 610.021 of the Missouri Sunshine Law to discuss a legal matter: Cara Newell

Second: Emily Brown

Roll Call on the Motion:

Emily Brown-yes

Lynne Brown-yes

Patrick Lenoir-yes

Cara Newell-yes

Jennifer Waddell-yes

Discussion of current issue

Motion to resume Regular Meeting: Cara Newell
Second :Patrick Lenoir

IX. ADJOURNMENT

Motion to adjourn: Emily Brown

Second: Patrick Lenoir

Vote: 5-0

Meeting adjourned at 5:57 p.m.

Next Board Meeting is on June 22, 2023 at 4:00 p.m.

Respectfully submitted,

Emily Brown
Secretary

Brad Epsten
President



Academy for Integrated Arts

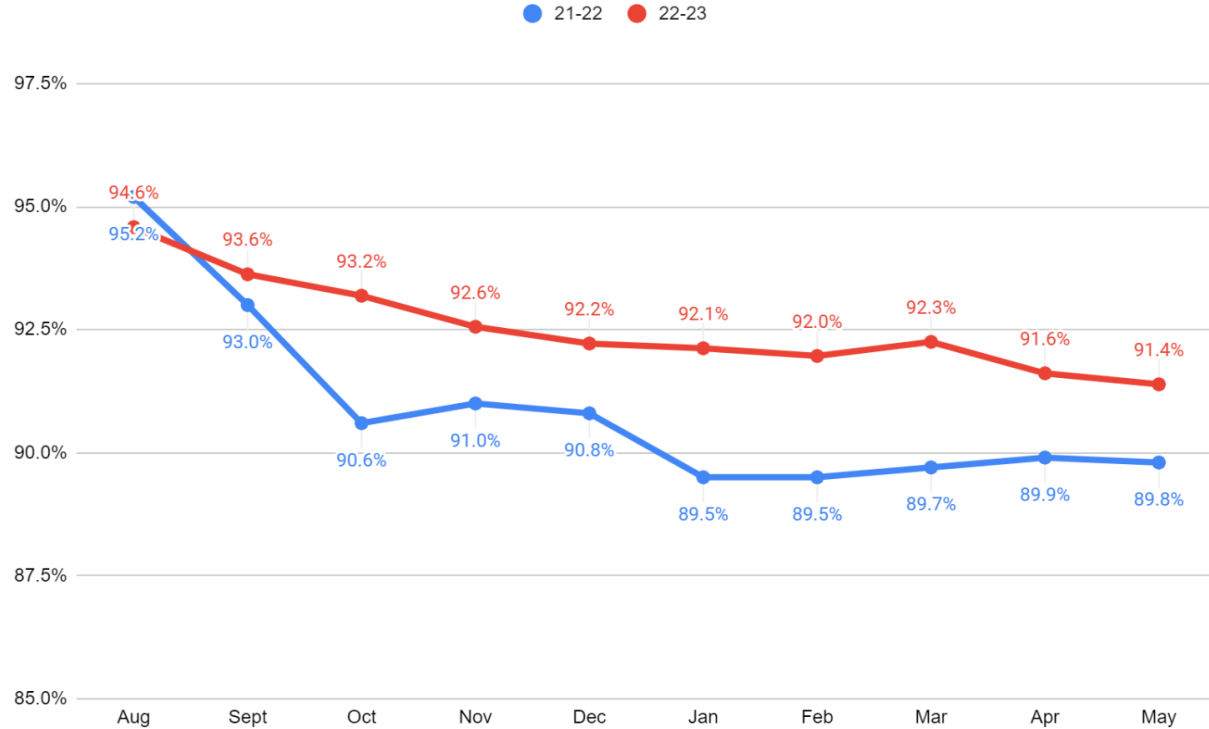
Executive Director's Report

June 22, 2023

Enrollment 2022-2023

Grade	8/22	Sept	Oct	Dec	Jan	Feb	Mar	Apr	May	June
PK	16	16	16	16	16	16	16	16	15	
TK	9	7	7	7	7	7	7	7	7	
K	34	35	36	37	37	35	34	34	34	
1st	41	42	42	41	42	41	40	40	40	
2nd	42	42	41	40	40	39	39	39	39	
3rd	39	40	40	39	39	39	39	39	39	
4th	41	40	37	35	36	38	38	38	38	
5th	35	35	33	32	31	31	31	31	31	
6th	21	21	20	20	20	20	20	20	20	
Total	278	278	272	267	268	266	264	264	263	

Year to Date Attendance Percentage (through 5/26/2023)



90/90 Attendance Performance (As of 5/26/2023)

All Enrollments YTD <i>(includes withdrawn students & excludes PK)</i>				
90/90 Performance Band		# of Students	% of Students	2021-2022 <i>(as of 6/3/2022)</i>
Less than 85%	<i>No points</i>	42	15.5%	20.9%
85% to 87.5%	<i>0.25 points</i>	16	5.9%	10.5%
87.5% to 90%	<i>0.50 points</i>	24	8.9%	12.8%
Greater than 90%	<i>1 point</i>	189	69.7%	55.8%
MSIP6 - LEA Attendance Rate:	75.94%	Total YTD 271		
MSIP6 - LEA points:	0			

Staffing Updates

- Resignations
- Current openings
 - Arts Specialist (enrichment teacher)
 - Assistant teacher
 - Interventionist
 - Operations/front office support

General Updates

- Five members of our team attended the Launch of Next Education Workforce in Kansas City at School Smart KC on June 2nd.
- We are working on finalizing details for two team teaching pilots for the upcoming school year. While we are implementing a teaming model across all classrooms, we are implementing team teaching in grades 2nd and 3rd grade at a deeper level.
- We are working with Startland to engage in design thinking as we work to implement the 2nd and 3rd grade team teaching pilot.
- Our team is working to submit grant reports, core data submissions, etc. I appreciate everyone's hard work to ensure we get everything completed in a timely matter.

Enrollment for 23-24 School Year as of June 13, 2023

Grade Level	Current students*	New Students	Total	Goal**	Difference between goal and current total
PK	0	8	8	10	-2
TK	0	7	7		
K	18	15	33	50	-17
1	32	10	42	44	-2
2	34	5	39	44	-5
3	36	8	44	40	4
4	34	8	42	40	2
5	32	0	32	34	2
6	23	0	23	20	3
Total	209	61	270	282	-12

*Does not include students who have indicated that they are moving to different schools

**Must update charter based on capacity of our building

SUMMER CELEBRATION

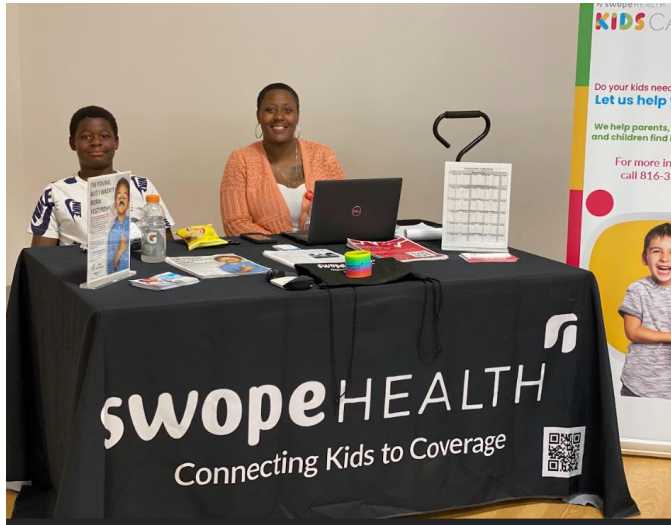
June 20th, 5 - 7 PM



SUMMER CELEBRATION



SUMMER CELEBRATION



Succession Planning for AFIA

June 2023



Contents

Organizational History

- Early Years & Turnaround
- AFIA Today
- From Growth to Sustainability

About Succession Planning

- Succession Planning Fundamentals
- Succession Planning for AFIA

Current State

- Operational Readiness
- Talent Readiness
- Administrative Staffing '22-'23

Achieving Transition Readiness

- Proposed Focus Areas
- Administrative Staffing '23-'24
- Next Steps

Pillar 3: AFIA's Strategic Plan/Performance Contract

Pillar 3: Organizational Sustainability

Goal 1: Enhance the Board governance processes through industry best practices and leveraging collaborative resources to ensure a high. quality and efficient Board of Directors.

Annually, 80% of the Board of Directors will attend 80% of the Board meetings

The AFIA Board of Directors will develop a formal succession plan for the Board of Directors by August 2022.

The AFIA Board of Directors will develop a formal succession plan for the AFIA Leadership team by August 2023.

Once a year, the Board of Directors will:

- self assess their effectiveness
- Identify and agree upon no less than two strength areas and two growth areas
- Develop measurable goals based on the growth areas

Goal 2: Improve student learning by ensuring resources are available commensurate with performance expectations.

Annually, the Executive Director and Finance Committee prepares, for Board approval, an annual budget aligning resources and expenditures to AFIA Goals and Measurable Objectives.

Annually, the school has a clean audit.

Annually, fund balance is 3% or greater.

Annually, unrestricted days on cash is at least 60 days.

Annually, the school meets its fundraising goals.



Succession Planning Fundamentals

Succession planning is...

- At minimum, the creation of a statement of actions an organization will take in the case of an unexpected leadership transition (emergency succession plan)
- At best, an **ongoing and strategic planning process** to ensure the organization's readiness for a leadership transition

Strategic succession planning should be...

- ✓ Proactive
- ✓ A collaboration between the board and the school leader
- ✓ Focused on operational and talent needs for transition readiness



Succession Planning for AFIA

We aim to ensure that...

- AFIA is **operationally ready** for a leadership transition:
 - Strategic plan with clear goals and objectives
 - Codified systems and structures
- AFIA is **talent-ready** for a leadership transition:
 - Clearly defined and sustainable ED role
 - Strong leadership outside of ED
- In the case of an **unexpected leadership departure**, AFIA has immediate protocols in place:
 - Interim staffing plan
 - Leadership replacement plan
 - Operational directory
 - Communications plan



From Growth to Sustainability

- AFIA is coming to the end of a phase characterized by:
 - Significant **enrollment growth**
 - **Shifting roles** and responsibilities
 - **Rapid changes** to program and operations
 - Post-pandemic **student behavior challenges**
- Although AFIA has made strides in academics and staff culture over this period, **liabilities remain** when it comes to AFIA's sustainability as an organization
- Now is the time to move from relying on an “all hands on deck” culture to developing **proactive, intentional systems and structures** for long term sustainability and risk management

“Charter schools are also businesses, and they’re startup businesses.”

“Overlooking [business operations] is...the most common reason for closing a charter school.”

**From “Starting Strong: Best Practices in Starting a Charter School” (Vanderbilt Peabody College)*

Current State





Operational Readiness

Strengths:

- Strategic plan in place, including clear goals and measures of success
- School operations perceived as strong by staff

Gaps:

- **Need to codify operational processes and roles, including creating SOPs (standard operating procedures) and revising current job descriptions**
- Enrollment growth has increased demands on operations team and led to capacity challenges

*EdOps report; Site Visit report; recent staff surveys



Talent Readiness

Strengths:

- Experienced leadership with a long history with AFIA
- Leadership team is hard working and adaptive to changing needs with an “all hands on deck” mentality
- Staff name strong instructional leadership and a culture of inclusion and belonging

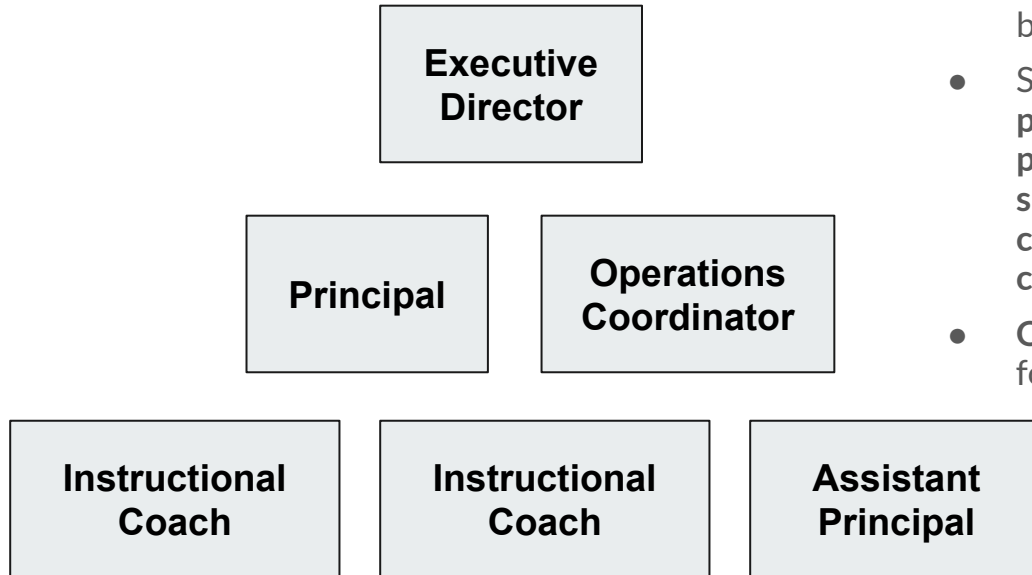
Gaps:

- Need to further develop leadership capacity outside of ED and role clarity among leaders
- Sustainability and resourcing challenges
- Teachers report inconsistent experiences in instructional coaching and relationships with/access to administrators (shifts in leadership structure is a possible cause)
- Need for more effective student behavior support

*EdOps report; Site Visit report; recent staff surveys; admin team



'22-'23 Admin & Leadership



Staffing Challenges:

- **Instructional leadership responsibilities** between ED, Principal, AP, and instructional coaches need clarifying
- Gap in **student behavior structures** and supports
- **ED doing heavy lifting** in too many areas across the board (operations, academics, etc.)
- Strategic and capacity gaps in: **community partnerships, student & teacher recruitment, public relations, ongoing policy changes and subsequent organizational changes, overseeing contracted services, fundraising and development, communications & marketing, legal**
- **Operations & HR responsibilities** are understaffed for increased school size

Achieving Transition Readiness



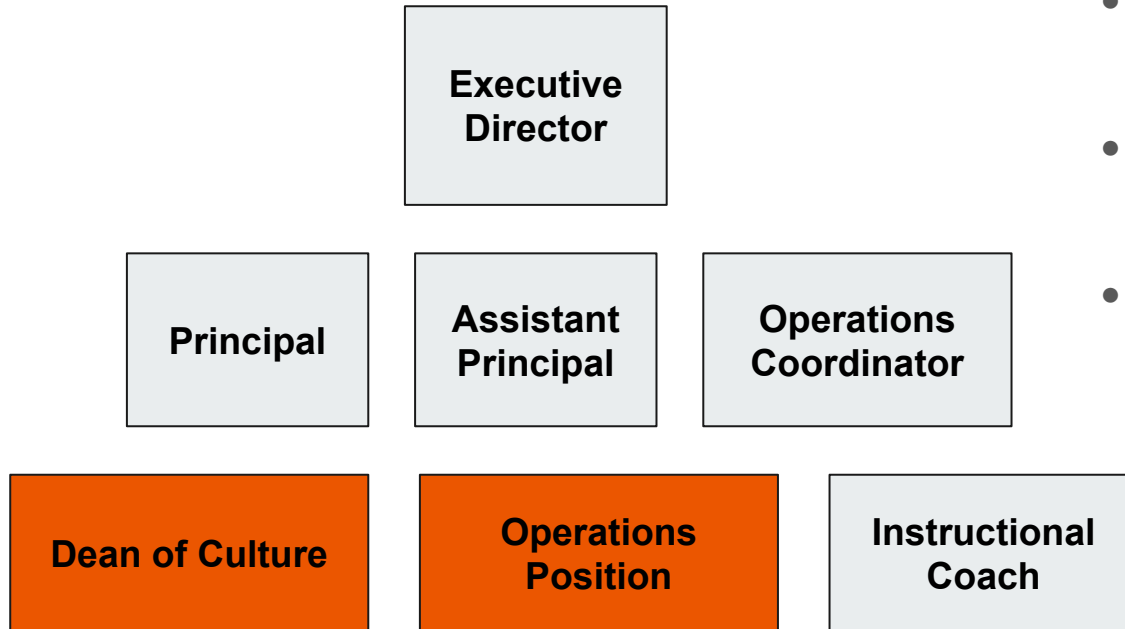


Proposed Focus Areas

- **Reworking administrative staffing for '23-'24** to address capacity gaps, round out skill sets, and deepen leadership capacity outside of ED
- **Strengthening systems and structures** for instructional and operations teams
 - Clarify roles and responsibilities
 - Strengthen accountability structures
 - Tighten and document key processes
- **Creating emergency departure draft plan** by August 2023 and continue to work to ensure it meets the need of the organization, making revisions as necessary



'23-'24 Admin & Leadership



Strategic Staffing Changes:

- Replacing instructional coach role with **Dean of Culture** to fill gap in student behavior supports
- Opening second **Operations support role** to address capacity challenges (new team structure TBD)
- Revamping instructional leadership structure to more clearly distinguish roles and responsibilities.
- Deepening leadership capacity in operations and academics with improved oversight structures



Next Steps

AFIA Leadership:

- Hire **Dean of Culture** (done) and new **Operations support role**
- Finalize **role changes and additions**, to include redistributed responsibilities and accountability structures
- Orient staff to these role changes and additions and align staff/leadership expectations for responsibilities (includes operationalizing these changes through adherence to structures and ongoing communication)
- **Strengthen and document key systems** in academics and operations (to align closely with strategic plan)
- **Share progress** with board; support development of **emergency departure plan**

AFIA Board:

- Draft and finalize **emergency departure plan** in collaboration with AFIA leadership (governance committee to lead?)

Resources:

- [CBP succession planning guide](#)
- [Emergency departure plan template](#)



Timeline

	Staffing	Systems & Structures	Emergency Departure Plan
July - Aug	<ul style="list-style-type: none">• Dean of Culture onboarding• Scope and post Ops role	<ul style="list-style-type: none">• Identify roles and responsibilities shifts• Identify first and second priority updates to systems & structures	<ul style="list-style-type: none">• Complete first draft of emergency departure plan
Sept - Oct	<ul style="list-style-type: none">• Ops role onboarding• Begin to identify other contract/FTE hiring needs	<ul style="list-style-type: none">• Roll out roles and responsibilities shifts• Roll out first priority updates to systems & structures	<ul style="list-style-type: none">• Stakeholder input and collaborative refining
Nov - Dec	<ul style="list-style-type: none">• Refine contract/FTE hiring plans for 2024	<ul style="list-style-type: none">• Refine second priority updates to systems & structures to roll out Jan 2024	<ul style="list-style-type: none">• Final updates

Separations for the 2022 – 2023 school year

Amilia Winter, Classroom Teacher
Freshelle Asberry, Student Success Coach
Gabriella Rodriguez, Classroom Teacher
Gerald Turner, Music Teacher
Haley Hurst, Instructional Coach
Keyonia Cobbins, Classroom Teacher
Lily Cosgrove, Classroom Teacher
Maggie Manning, Classroom Teacher
Sabrina Owings, Assistant Teacher (separation date 2/24/2023)
Sarah Horne, Classroom Teacher

AMENDMENT NUMBER 2

The Charter Renewal and Performance Contract (Contract) executed on March 9, 2022 by Academy for Integrated Arts (School) and the Missouri Charter Public School Commission (Commission) is amended as follows, effective on the date of execution by both parties.

The section titled Student Enrollment and Demographic Information that begins on page 3 of the charter renewal document is amended as follows:

Below is the anticipated enrollment for the next charter term that was shared in the renewal charter document.

GRADE LEVEL	FY23	FY24	FY25	FY26	FY27
PK	12	12	12	12	12
K	54	54	54	54	54
1	44	44	44	44	44
2	44	44	44	44	44
3	40	40	40	40	40
4	40	40	40	40	40
5	40	40	40	40	40
6	18	36	36	36	36
Total Students	292	310	310	310	310

We finished renovations during the summer of 2022 and in the process of working with the architect and our finance committee (they weigh in on facility decisions), it was determined that we are not able to add enough classrooms to accommodate the anticipated enrollment numbers that were in the charter renewal document. The revised anticipated enrollment numbers are below.

GRADE LEVEL	FY24	FY25	FY26	FY27
PK	10	10	10	10
K	50	50	50	50
1	44	44	44	44
2	44	44	44	44
3	40	40	40	40
4	40	40	40	40
5	34	34	34	34
6	20	20	20	20
Total Students	282	282	282	282

Reason for revision: The school is currently using all available space and the building space does not accommodate adding enough classroom space for two sixth grade cohorts.

The AFIA board approved this amendment change at the June 22nd, 2023 board meeting.

All other terms of the Performance Contract and charter renewal document, including prior amendments, remain effective as written.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment.

By: _____ By: _____

Name: Robbyn G. Wahby

Brad Epsten

Executive Director

Board Chair

Missouri Charter Public School Commission

Academy for Integrated Arts

Date: _____ Date: _____

**ACADEMY FOR INTEGRATED ARTS
FINANCE COMMITTEE MEETING
AGENDA**

Thursday, June 15, 2023
8:30 a.m.

The meeting will be held via Zoom. To join the meeting, please type <https://zoom.us> into your web browser. You will be prompted to enter the meeting ID: 917 1862 9229 and the password: cqvjE5.

- I. Call to order
- II. Approve agenda for this meeting (June 15, 2023) – added 3 items to VI. Approval of invoices and added VIII. Approval of Audit and Tax engagement.
- III. Approve minutes for May 18, 2023 meeting.
- IV. Financial Update and Review (*including all documents to be submitted to Epicenter*)
 - Actual financial results vs. budget and forecast
 - Grant/donation activity
 - Bank Statement
 - Cash Disbursements
 - Outstanding Invoices
 - ADA WADA monthly report
- V. Facilities
- VI. Approval of Invoices >\$10,000 –
 - EdOps SY24 Financial Services Contract – Details attached
 - EdOps SY24 Data Services Contract – Details attached
 - Assured Partners Insurance Renewal – Ratify. Details attached
- VII. Budget 2024 –
- VIII. Approval of Audit and Tax engagement
- IX. Discussion of using accrual basis of accounting for audit
- X. Other business –
- XI. Adjournment



May 2023 Financials

PREPARED JUN'23 BY



- **Executive Summary Forecast Overview – 3**
- **Executive Summary Forecast Detail – 4**
- **Cash Forecast – 5**
- **Key Performance Indicators – 6**
- **Forecast Overview – 6**
- **Detailed Financials – 7**
- **Monthly Financials – 8**
- **Balance Sheet – 9**
- **Changes in Forecast from April to May - 10**

Executive Summary: Forecast Overview



	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$5.1m	\$4.6m	\$521k	+521k	Primary drivers: <ul style="list-style-type: none"> Increased State Funding after Funding Equity was passed (\$600k increase) Kauffman Grant received 06/2022 removed from FY23 forecast (\$125k decrease)
Expenses	\$4.8m	\$5m	\$189k	+189k	Primary drivers: <ul style="list-style-type: none"> Budgeted positions not filled (\$169k decrease) Janitorial Costs (\$46k increase) HVAC Replacement (\$23k increase) Utilities (\$15k increase) Transportation (\$120k decrease). FY23 budget used a 25% increase on FY22 actuals, will see savings in FY23 actuals
Net Income	\$342k	-\$368k	\$710k	710k	

0

Executive Summary: Forecast Detail

Fiscal Year Ended June 30, 2022

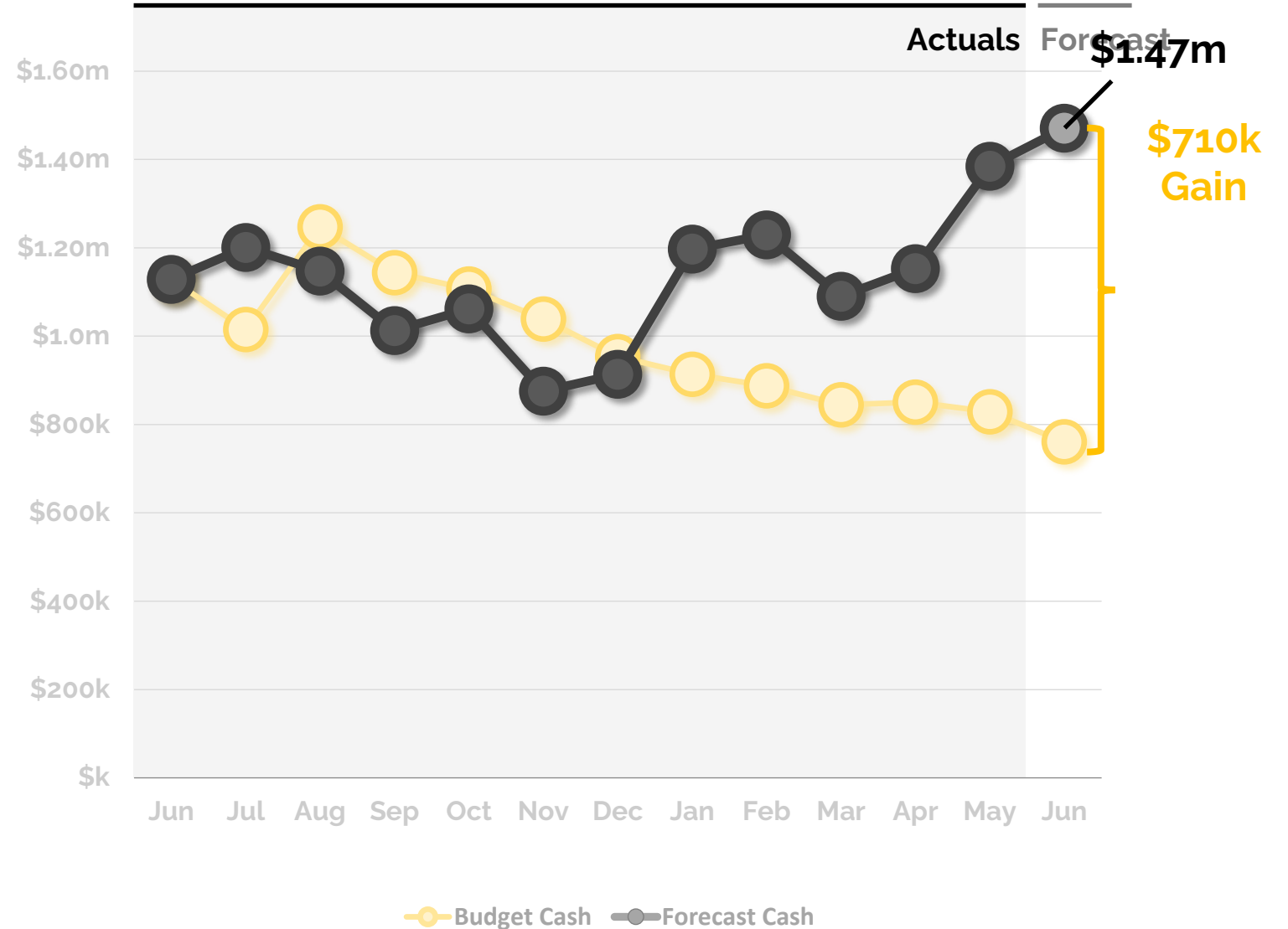
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	
Revenue				
Local Revenue	354,348	339,580	14,768	
State Revenue	3,024,167	2,417,415	606,752	A
Federal Revenue	1,216,218	1,168,611	47,607	
Grants/Donations	500,000	675,000	(175,000)	B, C
Earned Fees	34,133	6,771	27,362	
Total Revenue	5,128,866	4,607,376	521,490	
Expenses				
Salaries	2,447,213	2,574,326	127,113	D
Benefits and Taxes	711,059	756,227	45,168	D
Staff-Related Costs	82,221	50,046	(32,176)	
Rent	200,000	200,000	(0)	
Occupancy Service	389,328	279,060	(110,268)	E
Student Expense, Direct	312,820	367,507	54,687	
Student Expense, Food	187,697	203,422	15,725	
Office & Business Expense	214,968	184,038	(30,931)	
Transportation	241,190	360,705	119,515	F
Total Expenses	4,786,495	4,975,330	188,835	
Net Income (Loss)	342,371	(367,954)	710,325	
Change in Cash	342,371	(367,954)	710,325	

Variance explanations: + or - impact on cash

A + \$600,000	State Revenue- Increased State Funding after Funding Equity was passed
B + \$125,000	Grants/Donations – Kauffman grant of \$125,000 was received early. That is, it was received in June of SY22 was for expenses that were to be incurred this fiscal year (SY23).
C - \$50,000	Grants (excluding Kauffman above): Did not meet our budget for SY2023. This was identified in the forecasting process several months ago.
D + \$170,000	Budgeted positions not filled
E - \$110,000	(46,000) Janitorial – hiring of additional day porter to replace janitor; overall increase due to current economic trends. (23,000) HVAC Compressor replacement (15,000) Utilities – increase current economic trends
F - \$120,000	Transportation: We thought bus services were going to go up more than they did. Note: due to delay in year end billings I believe this variance will end up being closer to \$80,000.

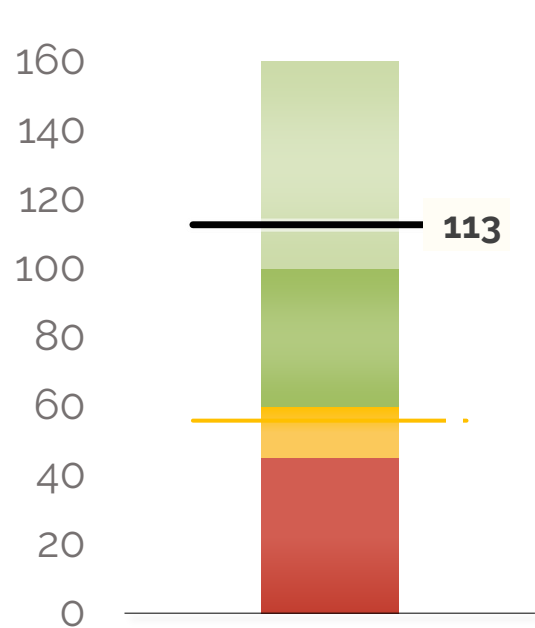
112 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$1.5m**, **\$710k** above budget.



Days of Cash

Cash balance at year-end divided by average daily expenses

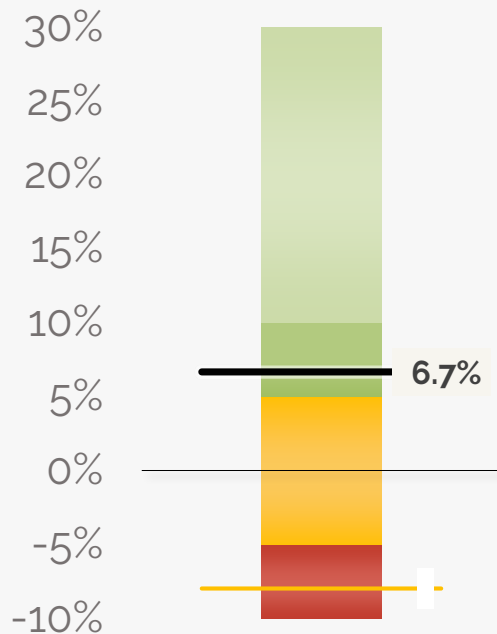


113 DAYS OF CASH AT YEAR'S END

The school will end the year with 113 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

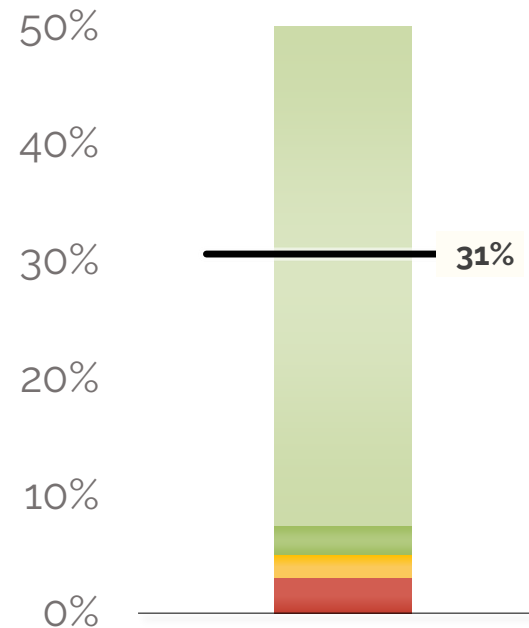


6.7% GROSS MARGIN

The forecasted net income is \$342k, which is \$710k above the budget. It yields a 6.7% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses



30.62% AT YEAR'S END

The school is projected to end the year with a fund balance of \$1,465,495. Last year's fund balance was \$1,123,124.

	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
Revenue							
Local Revenue	322,320	329,468	(7,148)	354,348	339,580	14,768	32,028
State Revenue	2,778,544	2,213,427	565,116	3,024,167	2,417,415	606,752	245,624
Federal Revenue	1,001,594	1,036,561	(34,968)	1,216,218	1,168,611	47,607	214,625
Private Grants and Donations	499,040	675,000	(175,960)	500,000	675,000	(175,000)	960
Earned Fees	34,133	6,206	27,927	34,133	6,771	27,362	-
Total Revenue	4,635,630	4,260,663	374,967	5,128,866	4,607,376	521,490 ①	493,236
Expenses							
Salaries	2,259,206	2,359,799	100,593	2,447,213	2,574,326	127,113	188,007
Benefits and Taxes	629,609	693,208	63,599	711,059	756,227	45,168	81,450
Staff-Related Costs	75,398	45,875	(29,523)	82,221	50,046	(32,176)	6,823
Rent	187,500	183,333	(4,167)	200,000	200,000	(0)	12,500
Occupancy Service	362,779	255,805	(106,974)	389,328	279,060	(110,267)	26,548
Student Expense, Direct	258,887	336,881	77,994	312,820	367,507	54,687	53,933
Student Expense, Food	176,859	186,470	9,611	187,697	203,422	15,725	10,838
Office & Business Expense	189,773	168,701	(21,072)	214,968	184,038	(30,931)	25,195
Transportation	224,176	330,646	106,470	241,190	360,705	119,515	17,014
Total Ordinary Expenses	4,364,187	4,560,719	196,533	4,786,495	4,975,330	188,835	422,309
Total Expenses	4,364,187	4,560,719	196,533	4,786,495	4,975,330	188,835 ②	422,309
Net Income	271,444	(300,056)	571,500	342,371	(367,954)	710,325 ③	70,928
Cash Flow Adjustments	(15,525)	-	(15,525)	0	-	0	15,525
Change in Cash	255,918	(300,056)	555,975	342,371	(367,954)	710,325	86,453

① REVENUE: \$521K AHEAD

② EXPENSES: \$189K AHEAD

③ NET INCOME: \$710K ahead

Monthly Financials

	Actual											Forecast	
Income Statement	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Revenue													
Local Revenue	35,850	32,552	28,178	29,467	26,962	27,639	29,888	36,057	21,864	26,926	26,938	32,028	354,348
State Revenue	184,061	170,940	173,289	395,153	195,299	298,042	371,982	233,318	252,247	252,246	251,966	245,624	3,024,167
Federal Revenue	31,733	9,855	65,693	0	66,403	88,483	227,971	128,048	18,489	75,689	289,230	214,625	1,216,218
Private Grants and Donations	134,756	166,524	272	1,700	5,067	16,191	44,500	5,340	11,748	62,900	50,042	960	500,000
Earned Fees	17,909	4,760	6,700	189	254	420	740	471	311	1,016	1,364	0	34,133
Total Revenue	404,309	384,631	274,131	426,509	293,985	430,775	675,082	403,233	304,658	418,777	619,539	493,236	5,128,866
Expenses													
Salaries	176,690	220,094	225,310	191,539	262,266	204,030	195,857	197,290	193,641	199,019	193,470	188,007	2,447,213
Benefits and Taxes	47,741	59,692	59,116	59,947	61,295	64,075	56,190	56,325	55,036	55,581	54,611	81,450	711,059
Staff-Related Costs	12,813	2,520	6,021	2,849	4,430	8,842	7,965	2,557	12,348	8,569	6,485	6,823	82,221
Rent	25,000	25,000	25,000	25,000	25,000	0	12,500	12,500	12,500	12,500	12,500	12,500	200,000
Occupancy Service	34,349	54,579	33,109	33,683	23,478	29,424	23,472	30,016	48,397	23,291	28,980	26,548	389,328
Student Expense, Direct	27,515	35,797	11,228	36,004	16,580	37,649	6,318	15,316	33,914	21,647	16,918	53,933	312,820
Student Expense, Food	0	0	12,521	20,621	21,231	17,504	6,440	38,080	14,951	18,417	27,094	10,838	187,697
Office & Business Expense	9,958	17,315	25,186	12,847	16,038	27,842	13,770	17,696	15,651	15,066	18,404	25,195	214,968
Transportation	0	17,846	0	348	49,853	2,829	65,706	1,528	53,367	5,891	26,809	17,014	241,190
Total Ordinary Expenses	334,066	432,841	397,491	382,838	480,171	392,197	388,217	371,309	439,805	359,981	385,271	422,309	4,786,495
Total Expenses	334,066	432,841	397,491	382,838	480,171	392,197	388,217	371,309	439,805	359,981	385,271	422,309	4,786,495
Net Income	70,243	-48,210	-123,360	43,671	-186,186	38,579	286,865	31,925	-135,147	58,796	234,269	70,928	342,371
Cash Flow Adjustments	1,743	-4,990	-11,236	5,227	-197	-124	-3,605	484	-3,682	3,476	-2,621	15,525	0
Change in Cash	71,986	-53,200	-134,596	48,898	-186,383	38,455	283,260	32,409	-138,829	62,272	231,647	86,453	342,371

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
	<i>6/30/2022</i>	<i>5/31/2023</i>	<i>6/30/2023</i>
Assets			
Current Assets			
Cash	1,128,622	1,384,540	1,470,993
Total Current Assets	1,128,622	1,384,540	1,470,993
Total Assets	1,128,622	1,384,540	1,470,993
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	5,498	-10,027	5,498
Total Current Liabilities	5,498	-10,027	5,498
Total Long-Term Liabilities	0	0	
Total Liabilities	5,498	-10,027	
Equity			
Unrestricted Net Assets	1,123,124	1,123,124	1,123,124
Net Income	0	271,444	342,371
Total Equity	1,123,124	1,394,567	1,465,495

Change in Forecast from April to May

- At May's close, forecasted Net Income is \$313k, no significant change from last month.
- Net Revenue projection is \$5.1m (\$18k decrease in revenue):
 - Prop C forecast decreased \$5k
 - State Revenue decreased \$7.4k
 - Food revenue increased \$24k
 - Title Fund revenue decreased \$30k
- Net Expenses projection is \$4.8m (\$18k increase):
 - \$16.8k increase in Salaries and Benefits due to hourly staff, and to capture FY24 Worker's Comp Renewal paid in FY23
 - \$9k increase in Occupancy Service from Copier Rental (\$4k) and Maintenance (\$3k)
 - \$42k decrease in Direct Student Expense spending primarily due to savings in supply categories
 - \$4k decrease in Office & Business Supply spending



QUESTIONS?

Please contact your EdOps Finance Team:

Paul Greenwood

paul@ed-ops.com

415.359.3995

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Batch Description: 2023 05 Operating Account
Checking Account: 3 Security bank

Processing Month: 05/2023

<u>Check/Reference Number</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
	Statement Balance	05/31/2023	143,075.69

Agrees to bank

Outstanding Automatic Payments

<u>Check/Reference Number</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
76410087	CITY TREASURER	04/28/2023	1,755.66
76410100	CITY TREASURER	05/31/2023	1,704.25
76410102	MISSOURI DEPARTMENT OF REVENUE	05/31/2023	5,010.00
	Total:		<u>8,469.91</u>

<u>Statement Balance</u>	<u>Outstanding Total</u>	<u>Balance on Books</u>	<u>Cash Account Balance</u>	<u>Difference</u>
143,075.69	(8,469.91)	134,605.78	134,600.50	5.28

Agrees to balance sheet

Cleared Automatic Payment Total:	79,421.41
Cleared Checks Total:	109,801.23
Cleared Direct Deposit Total:	(175,084.93)
Cleared Void Total:	
Cleared Cash Receipt Total:	50,113.88
Cleared Manual Journal Entries Total:	456,959.41
Cleared Sales Journal Total:	

Donation detail through April 2023								
	SY22	SY23			SY23			
Donor	Actual	Actual	Budget	Variance	Forecast	Budget	Variance	Notes
Brickman Gross Family Foundation		\$5,000	0	5,000	5,000	0	5,000	
Brown Peter and Lynne	2,213	2,256	0	2,256	2,256		2,256	
Deffenbaugh	25,000	25,000	25,000	0	25,000	25,000	0	
Epsten, Brad & Jenny		\$318	0	318	318		318	
Gottlieb	25,000	25,000	25,000	0	25,000	25,000	0	
Hall		125,000	125,000	0	125,000	125,000	0	
Hand Naomi and Peter	2,500	2,500	2,500	0	2,500	2,500	0	
Kauffman	125,000		125,000	(125,000)		125,000	(125,000)	Received in SY22
Kauffman DEI Grant		150,000	0	150,000	150,000		150,000	
Kirkpatrick Herman	2,000		2,000	(2,000)	0	2,000	(2,000)	Adjusted to reflect actual
Lathrop GPM	1,500	1,000	0	1,000	1,000		1,000	
Missouri DHSS (Covid testing)	44,291	15,709	0	15,709	15,709		15,709	Relcated to SY22
MO Arts Council	7,036	19,948	0	19,948	25,650		25,650	Are we still expecting to received remaining payment?
Murien McBrien Kauffman Family Foundation matching	8,700	950	7,500	(6,550)	8,250	7,500	750	We should have received matching gift by now
Newell	2,500	2,500	2,500	0	2,500	2,500	0	
SSKC (Data Cohort)	19,510	9,756	0	9,756	9,756		9,756	
SSKC (Harvestors)		500	0	500	500		500	
SSKC (Talent Cohort)	19,510	20,000	0	20,000	20,000		20,000	Changed forecast to reflect actual
SSKC (Team Teaching)		\$84,000	\$167,000	(83,000)	\$84,000	\$167,000	(83,000)	Adjusted to Schedule D of final grant agreement
Wedlan David	3,000	4,500	3,000	1,500	4,500	3,000	1,500	
Wilke Wayne	5,000	5,000	5,000	0	5,000	5,000	0	
AFIA Supporting Foundation	75,000			0			0	
Bomba (Library Books)	8,000			0			0	
Bomba (Unrestricted)	20,000			0			0	
Sherman Family (Literacy Lab)	33,000			0			0	
Sherman Family (Staff Retention S	15,200			0			0	
SSKC (Early Learners)	26,400			0			0	
Other/Yet to be identified	766	98	185,500	(185,402)		185,500	(185,500)	
Total	\$471,126	\$499,035	\$675,000	(\$175,965)	\$511,939	\$675,000	(\$163,062)	Leave forecast at \$500k for now

Academy for Integrated Arts Enrollment Report – June 2023

Enrollment 2022-2023										
Grade	8/22	Sept	Oct	Dec	Jan	Feb	Mar	Apr	May	June
PK	16	16	16	16	16	16	16	16	15	
TK	9	7	7	7	7	7	7	7	7	
K	34	35	36	37	37	35	34	34	34	
1st	41	42	42	41	42	41	40	40	40	
2nd	42	42	41	40	40	39	39	39	39	
3rd	39	40	40	39	39	39	39	39	39	
4th	41	40	37	35	36	38	38	38	38	
5th	35	35	33	32	31	31	31	31	31	
6th	21	21	20	20	20	20	20	20	20	
Total	278	278	272	267	268	266	264	264	263	

<p>22-23 Academy for Integrated Arts 7910 Troost Avenue, Kansas City MO 64131 Generated on 06/22/2023 07:00:24 PM Page 1 of 1</p>	<p>Attendance/Membership Summary Report Start/End Date: 08/17/2022 - 05/26/2023 School(s): 1 Calendar(s): 1 Grade: PK, TK, K, 1, 2, 3, 4, 5, 6</p>
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School: Academy for Integrated Arts Calendar: 22-23 Academy for Integrated A

Grade	Student Membership		Absent Days	Present Days	ADM	ADA	Unexcused Absences		Percent In Attendance	
	Count	Days					Days	Avg. Daily		
PK	16	2531	173.65	2357.35	15.53	14.46	98.35	0.61	93.14%	
TK	8	1206	119.30	1086.70	7.40	6.66	89.29	0.55	90.11%	
K	40	5723	616.60	5106.40	35.11	31.33	339.42	2.05	89.23%	
1	51	6640	408.59	6231.41	40.76	38.25	235.52	1.41	93.85%	
2	50	6524	595.94	5928.06	40.05	36.38	319.38	1.97	90.87%	
3	49	6339	641.66	5697.34	38.92	35.00	387.25	2.37	89.88%	
4	51	6100	481.67	5618.33	37.44	34.49	287.53	1.75	92.10%	
5	41	5233	424.48	4808.52	32.13	29.55	254.79	1.58	91.89%	
6	26	3290	186.83	3103.17	20.20	19.05	99.59	0.61	94.32%	
Total	9	332	43586	3648.72	39937.28	267.54	245.17	2111.12	12.90	91.63%

**Academy for Integrated Arts
Enrollment Report – June 2023**

Please note that the student count number includes all students who attended AFIA at any time during the 22-23 school year. This number also includes students who ended the year at AFIA in May 2022, but did not return in August 2022. For state reporting purposes, these students must remain in our SIS after they are withdrawn and will appear in this report during the 22-23 school year.

ADM: Average Daily Membership

ADA: Average Daily Attendance

WADA: Weighted Average Daily Attendance

The information below was obtained from the Weighted Average Daily Attendance (WADA) Report available in the School Finance Section Reports on DESE’s website. This data is accurate as of June 2, 2023.

District	Regular Term ADA	Summer Term ADA	Total ADA	FRL Count	Total ADA X 30.95 %	Weighted FRL Count	IEP Count	Total ADA X 13.11 %	Weighted IEP Count	LEP Count	Total ADA X 2.39 %	Weighted LEP Count	PK Regular Term ADA	PK Summer Term ADA	WADA
048-927	232.0000		232.0000	231.05	71.8040	39.8115	20	30.4152		1	5.5448		9	0	280.8115

Dashboard

Academy for Integrated Arts

July 2022 through May 2023

Key Performance Indicators

Days of Cash
(At Year End)

111

Target > 45 days

Gross Margin
Margin

6%

Target > -5.0%

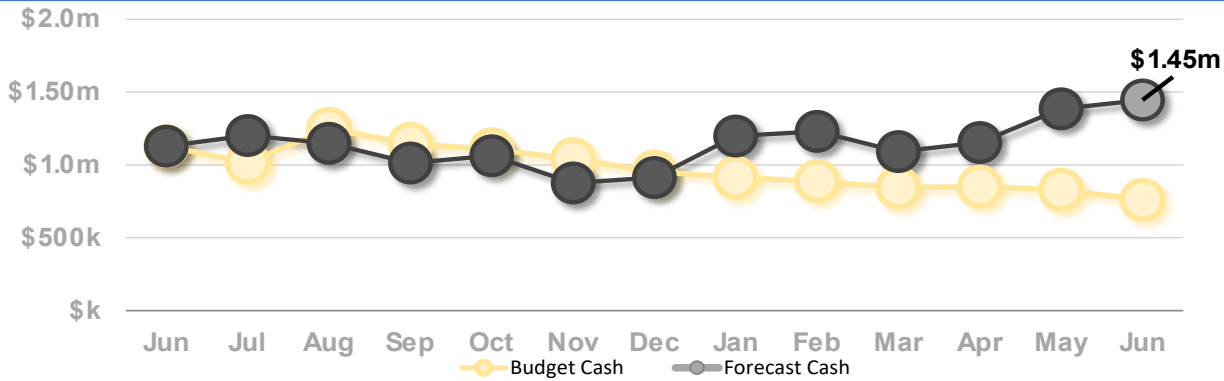
Fund Balance
(At Year End)

30%

Target > 0,00

<None>

Cash Forecast



Financial Snapshot

	Year-To-Date Financials			Annual Forecast			Remaining
	Actual	Budget	Variance	Forecast	Budget	Variance	
Revenue							
Local Revenue	322,320	329,468	(7,148)	349,258	339,580	9,678	26,938
State Revenue	2,778,544	2,213,427	565,116	3,016,749	2,417,415	599,334	238,205
Federal Revenue	1,001,594	1,036,561	(34,968)	1,185,193	1,168,611	16,582	183,599
Private Grants and Donations	499,040	675,000	(175,960)	499,040	675,000	(175,960)	-
Earned Fees	34,133	6,206	27,927	34,133	6,771	27,362	-
Total Revenue	4,635,630	4,260,663	374,967	5,084,373	4,607,376	476,996	448,742
Expenses							
Salaries	2,259,206	2,359,799	100,593	2,450,498	2,574,326	123,828	191,292
Benefits and Taxes	629,609	693,208	63,599	711,059	756,227	45,168	81,450
Staff-Related Costs	75,398	45,875	(29,523)	82,221	50,046	(32,176)	6,823
Rent	187,500	183,333	(4,167)	200,000	200,000	(0)	12,500
Occupancy Service	362,779	255,805	(106,974)	389,328	279,060	(110,267)	26,548
Student Expense, Direct	258,887	336,881	77,994	294,907	367,507	72,600	36,020
Student Expense, Food	176,859	186,470	9,611	187,697	203,422	15,725	10,838
Office & Business Expense	189,773	168,701	(21,072)	214,968	184,038	(30,931)	25,195
Transportation	224,176	330,646	106,470	241,190	360,705	119,515	17,014
Total Ordinary Expenses	4,364,187	4,560,719	196,533	4,771,868	4,975,330	203,463	407,681
Net Operating Income	271,444	(300,056)	571,500	312,505	(367,954)	680,459	41,061
Extraordinary Expenses							
Depreciation and Amortization	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Facility Improvements	-	-	-	-	-	-	-
Total Extraordinary Expenses	-	-	-	-	-	-	-
Total Expenses	4,364,187	4,560,719	196,533	4,771,868	4,975,330	203,463	407,681
Net Income	271,444	(300,056)	571,500	312,505	(367,954)	680,459	41,061
Cash Flow Adjustments	(15,525)	-	(15,525)	0	-	0	15,525
Change in Cash	255,918	(300,056)	555,975	312,505	(367,954)	680,459	56,586

Revenue Drivers

As of 5/12/2023

Enrollment	264
YTD Attendance %	91.89%

	Payment	Forecast	Budgeted	Change	Gain/(Loss)
Start of Year Enrollment		276	277	-1	0
Attrition			3.00%	0	-1
End of Year Enrollment		266	269	-3	0

Attendance % 92% 90.0% 2.4% 0

ADA				
Regular Term ADA				
Pre-K	9.0	9.3	-	9.3
K-12	232.0	230.5	-	230.5
Subtotal Regular Term	241.0	239.8	246.0	239.8
Remedial ADA				
Summer ADA	-	-	4.98	(5.0)
Total ADA	241.0	239.8	251.0	234.8

Special Populations Weights				
Free and Reduced Lunch (FRL)				
% of ADA	99.6%	99.6%	100.0%	-0.4%
Count	231.05	229.57	230.45	(0.88)
Weight	39.8	39.6	40.9	(1.3)
Individualized Education Plans (IEP)				
% of ADA		10.0%	10%	0.00%
Count		23.05	32.02	-8.97
Weight	-	-	0.8	(0.8)
Limited English Proficiency (LEP)				
% of ADA		0.0%	4%	-4%
Count		-	(0.79)	1
Weight	-	-	-	-
Total WADA	280.811	279.4	291.8	(12.4)
Per Wada Payment	\$ 10,492	\$ 10,492	\$ 8,300	\$ 2,192
State Aid Projection	\$ 2,902,072	\$ 2,887,252	\$ 2,385,529	\$ 501,723
Prior Year Adjustment	\$ 4,084	\$ 4,084	\$ -	\$ 4,084
Net State Rev Projection	\$ 2,906,156	\$ 2,891,336	\$ 2,385,529	\$ 505,807
Classroom Trust Fund	\$ 98,670	\$ 98,670	\$ 112,777	\$ (14,107)
Basic Formula	\$ 2,807,486	\$ 2,792,666	\$ 2,272,752	\$ 519,914

Income Statement

Academy for Integrated Arts

July 2022 through May 2023

Income Statement	Year-To-Date			Annual			Previous Forecast	
	Actual	Budget	Variance	Forecast	Budget	Variance	Prv TOTAL	Diff
Revenue								
Local Revenue								
5113 · Proposition C (Sales Tax)	322,320	329,468	(7,148)	349,258	339,580	9,678	354,348	-5,090
Total Local Revenue	322,320	329,468	(7,148)	349,258	339,580	9,678	354,348	-5,090
State Revenue								
5311 · Basic Formula	2,573,080	2,080,835	492,245	2,792,666	2,272,769	519,897	2,792,666	0
5312 · Transportation	114,472	21,914	92,558	124,890	23,906	100,984	124,890	0
5319 · Classroom Trust Fund	90,469	103,399	(12,930)	98,670	112,799	(14,129)	98,670	0
5333 · School Food Service	523	1,593	(1,071)	523	1,738	(1,215)	1,738	-1,215
5397 · Other State Revenue	0	5,686	(5,686)	0	6,203	(6,203)	6,203	-6,203
Total State Revenue	2,778,544	2,213,427	565,116	3,016,749	2,417,415	599,334	3,024,167	-7,418
Federal Revenue								
5412 · Medicaid	45,262	51,833	(6,571)	56,545	56,545	0	56,545	0
5422 · ESSER III - ARP Elementary and	505,085	0	505,085	610,597	0	610,597	610,597	0
5424 · CARES ESSER	15,000	559,714	(544,714)	15,000	610,597	(595,597)	15,000	0
5441 · Idea	54,925	54,925	0	65,292	65,292	0	65,292	0
5442 · ECSE	0	1,007	(1,007)	1,098	1,098	0	1,098	0
5445 · Food Service-lunch	127,123	114,908	12,215	140,123	125,354	14,769	125,354	14,769
5446 · Food Service-breakfast	82,143	72,496	9,648	89,981	79,086	10,895	79,086	10,895
5448 · Food Service-snacks	8,486	0	8,486	9,287	0	9,287	9,272	14
5449 · Food Service-ff&v	5,816	7,132	(1,316)	5,816	7,780	(1,964)	7,780	-1,964
5451 · Title I	127,397	153,066	(25,669)	157,397	192,206	(34,809)	181,391	-23,994
5461 · Title Iva	8,294	9,657	(1,363)	10,094	12,126	(2,032)	12,126	-2,032
5465 · Title II	12,209	14,754	(2,546)	14,109	18,527	(4,418)	18,037	-3,928
5497 · Charter School Start-up Revenue	9,855	0	9,855	9,855	0	9,855	9,855	0
Total Federal Revenue	1,001,594	1,036,561	(34,968)	1,185,193	1,168,611	16,582	1,191,433	-6,240
Private Grants and Donations								
5192 · Donations	499,040	675,000	(175,960)	499,040	675,000	(175,960)	500,000	-960
Total Private Grants and Donations	499,040	675,000	(175,960)	499,040	675,000	(175,960)	500,000	-960
Earned Fees								
5181 · Bac	7,423	6,206	1,217	7,423	6,771	652	7,351	72
5198 · Miscellaneous Revenue	26,710	0	26,710	26,710	0	26,710	25,418	1,292
Total Earned Fees	34,133	6,206	27,927	34,133	6,771	27,362	32,769	1,364
Total Revenue	4,635,630	4,260,663	374,967	5,084,373	4,607,376	476,996	5,102,717	-18,344
Expenses								
Salaries								
1111-6111 · ES Instruction Cert FT	1,052,303	1,300,773	248,470	1,141,867	1,419,025	277,158	1,137,981	-3,886
1111-6131 · ES Instruction Supp Pay	126,023	119,167	(6,856)	126,142	130,000	3,858	124,832	-1,310
1111-6152 · ES Instruction Aides	465,584	314,875	(150,709)	508,114	343,500	(164,614)	510,669	2,555
1221-6111 · Special Education Cert FT	109,563	109,542	(21)	119,521	119,500	(21)	119,521	0
1221-6131 · Special Education Supp Pay	6,525	5,500	(1,025)	6,558	6,000	(558)	6,557	0
1411-6121 · Stu Act Cert Subs	13,934	0	(13,934)	15,889	0	(15,889)	17,933	2,045
1411-6131 · Student Activities Supp Pay	750	0	(750)	750	0	(750)	0	-750
1411-6161 · Student Activities NC PT	750	0	(750)	750	0	(750)	750	0
2113-6111 · Social Work Cert Ft	41,905	41,905	0	45,715	45,715	(0)	45,715	0
2113-6131 · Social Work Supp Pay	5,150	2,750	(2,400)	5,150	3,000	(2,150)	5,150	0
2122-6111 · Counseling Cert Ft	21,822	0	(21,822)	27,025	0	(27,025)	22,319	-4,706
2134-6111 · Nursing Cert Ft	42,500	45,238	2,738	46,750	49,350	2,600	46,750	0
2134-6131 · Nursing Supp Pay	1,017	0	(1,017)	1,017	0	(1,017)	1,017	0
2321-6112 · Exec Admin Cert Ft Admin	133,467	133,467	(0)	145,600	145,600	(0)	145,600	0
2329-6131 · Other Exec Admin Supp Pay	3,000	2,750	(250)	3,000	3,000	0	3,000	0
2329-6151 · Other Exec Admin Nc Ft	41,250	73,333	32,083	45,000	80,000	35,000	45,000	0
2329-6161 · Other Exec Admin Nc Pt	8,281	0	(8,281)	9,513	0	(9,513)	7,649	-1,864
2411-6112 · Building Admin Cert Ft Admi	90,695	90,695	0	98,940	98,940	0	98,940	0
2411-6131 · Buidling Admin Supp Pay	3,000	2,750	(250)	3,000	3,000	0	3,000	0
2411-6412 · Building Admin Tech Supplie	0	338	338	0	369	369	0	0
2511-6131 · Business Office Supp Pay	3,000	2,750	(250)	3,000	3,000	0	3,000	0
2511-6151 · Business Office NC FT	72,930	72,930	0	79,560	79,560	0	79,560	0
2542-6131 · Facilities Supp Pay	0	2,750	2,750	0	3,000	3,000	0	0
2542-6151 · Facilities Nc Ft	2,802	17,601	14,799	2,802	19,201	16,399	2,802	0
3812-6161 · Afterschool Nc Pt	12,956	20,686	7,730	14,836	22,566	7,730	14,898	62
Total Salaries	2,259,206	2,359,799	100,593	2,450,498	2,574,326	123,828	2,442,643	-7,855
Benefits and Taxes								
1111-6211 · ES Instruction Cert PRS	132,354	156,093	23,739	143,101	170,283	27,182	142,096	-1,005
1111-6221 · ES Instruction NC PRS	42,977	37,785	(5,192)	48,081	41,220	(6,861)	49,767	1,687
1111-6231 · ES Instruction Soc Sec	98,904	107,559	8,655	107,101	117,337	10,236	107,224	123
1111-6232 · ES Instruction Medicare	23,131	25,155	2,024	25,048	27,442	2,394	25,077	29
1111-6241 · ES Instruction Emp Ins	173,664	179,142	5,479	189,887	195,428	5,541	190,352	465
1221-6211 · Special Education Cert PRS	13,145	13,145	0	14,340	14,340	0	14,340	0
1221-6231 · Special Education Soc Sec	6,668	7,133	465	7,287	7,781	494	7,289	2
1221-6232 · Special Education Medicare	1,559	1,668	109	1,704	1,820	115	1,705	0
1221-6241 · Special Education Emp Ins	3,450	9,070	5,620	3,450	9,895	6,445	3,450	0
1411-6231 · Student Activities Soc Sec	957	0	(957)	1,097	0	(1,097)	1,167	69
1411-6232 · Student Activities Medicare	224	0	(224)	257	0	(257)	273	16
2113-6211 · Social Work Cert PRS	0	5,029	5,029	457	5,486	5,029	914	457
2113-6221 · Social Work Nc Prs	5,029	0	(5,029)	5,029	0	(5,029)	4,571	-457
2113-6231 · Social Work Soc Sec	2,917	2,769	(149)	3,154	3,020	(133)	3,154	0
2113-6232 · Social Work Medicare	682	647	(35)	738	706	(31)	738	0
2113-6241 · Social Work Emp Ins	0	4,535	4,535	0	4,948	4,948	0	0
2122-6211 · Counseling Cert Prs	2,619	0	(2,619)	2,961	0	(2,961)	2,678	-282

2122-6231 · Counseling Soc Sec	1,353	0	(1,353)	1,530	0	(1,530)	1,384	-146
2122-6232 · Counseling Medicare	316	0	(316)	358	0	(358)	324	-34
2134-6211 · Nursing Cert Prs	5,100	5,429	329	5,610	5,922	312	5,610	0
2134-6231 · Nursing Soc Sec	2,585	2,805	220	2,849	3,060	211	2,862	13
2134-6232 · Nursing Medicare	605	656	51	666	716	49	669	3
2134-6241 · Nursing Emp Ins	5,175	4,535	(640)	5,750	4,948	(802)	5,750	0
2321-6211 · Exec Admin Cert Prs	16,016	16,016	0	17,472	17,472	0	17,472	0
2321-6231 · Exec Admin Soc Sec	7,542	8,275	733	8,294	9,027	733	8,361	67
2321-6232 · Exec Admin Medicare	1,764	1,935	171	1,940	2,111	171	1,955	16
2321-6241 · Exec Admin Emp Ins	6,325	4,535	(1,790)	6,900	4,948	(1,952)	6,900	0
2321-6261 · Exec Admin Wc	13,157	26,602	13,445	39,020	29,020	(10,000)	29,020	-10,000
2321-6271 · Exec Admin Unemp	0	2,104	2,104	0	2,296	2,296	0	0
2329-6221 · Other Exec Admin Nc Prs	4,950	8,800	3,850	5,436	9,600	4,164	5,472	36
2329-6231 · Other Exec Admin Soc Sec	3,054	4,717	1,663	3,305	5,146	1,841	3,266	-39
2329-6232 · Other Exec Admin Medicare	714	1,103	389	773	1,203	430	764	-9
2329-6241 · Other Exec Admin Emp Ins	6,325	9,070	2,745	6,900	9,895	2,995	6,900	0
2411-6211 · Building Admin Cert Prs	10,883	10,883	0	11,873	11,873	0	11,873	0
2411-6231 · Building Admin Soc Sec	5,617	5,794	176	6,129	6,320	192	6,146	17
2411-6232 · Building Admin Medicare	1,314	1,355	41	1,433	1,478	45	1,437	4
2411-6241 · Building Admin Emp Ins	6,325	4,535	(1,790)	6,900	4,948	(1,952)	6,900	0
2511-6221 · Business Office NC PRS	8,752	8,752	0	9,547	9,547	0	9,547	0
2511-6231 · Business Office Soc Sec	4,534	4,692	158	4,945	5,119	174	4,961	16
2511-6232 · Business Office Medicare	1,060	1,097	37	1,156	1,197	41	1,160	4
2511-6241 · Business Office Emp Ins	6,325	4,535	(1,790)	6,900	4,948	(1,952)	6,900	0
2542-6221 · Facilities Nc Prs	333	2,112	1,779	333	2,304	1,971	333	0
2542-6231 · Facilities Soc Sec	174	1,262	1,088	174	1,377	1,203	174	0
2542-6232 · Facilities Medicare	41	295	255	41	322	281	41	0
3812-6231 · Afterschool Soc Sec	803	1,282	479	920	1,399	479	924	4
3812-6232 · Afterschool Medicare	188	300	112	215	327	112	216	1
Total Benefits and Taxes	629,609	693,208	63,599	711,059	756,227	45,168	702,114	-8,945
Staff-Related Costs								
2213-6319 · Professional Development	67,653	28,742	(38,910)	67,653	31,355	(36,297)	63,000	-4,653
2213-6343 · Professional Development	1,394	9,167	7,773	5,000	10,000	5,000	10,000	5,000
2213-6411 · Professional Development	4,318	6,632	2,314	7,235	7,235	(0)	7,235	0
2642-6391 · Recruitment	2,034	1,059	(975)	2,034	1,156	(878)	1,774	-260
2642-6411 · Recruitment Supplies	0	275	275	300	300	0	300	0
Total Staff-Related Costs	75,398	45,875	(29,523)	82,221	50,046	(32,176)	82,309	87
Rent								
2542-6333 · Facilities Rent	187,500	183,333	(4,167)	200,000	200,000	(0)	200,000	0
Total Rent	187,500	183,333	(4,167)	200,000	200,000	(0)	200,000	0
Occupancy Service								
2542-6316 · Facilities Data Process	715	0	(715)	715	0	(715)	422	-293
2542-6319 · Facilities Prof Serv	410	932	522	1,017	1,017	0	1,017	0
2542-6331 · Facilities Janitorial	92,429	55,706	(36,722)	106,629	60,770	(45,859)	106,629	0
2542-6332 · Facilities Rep & Mait	36,159	9,167	(26,992)	36,846	10,000	(26,846)	33,903	-2,943
2542-6335 · Facilities Water/sewer	6,416	6,142	(274)	6,700	6,700	(0)	6,700	0
2542-6336 · Facilities Trash Remov	10,079	3,667	(6,413)	10,403	4,000	(6,403)	10,403	0
2542-6338 · Facilities Tech Rental	15,897	9,543	(6,355)	18,476	10,410	(8,066)	14,425	-4,050
2542-6339 · Facilities Oth Prop Serv	44,759	38,192	(6,567)	44,959	41,664	(3,295)	44,366	-593
2542-6351 · Facilities Prop Insur	50,264	45,833	(4,431)	50,264	50,000	(264)	50,264	0
2542-6361 · Facilities Phone/internet	1,258	825	(433)	1,333	900	(433)	1,321	-12
2542-6411 · Facilities Supplies	36,436	25,970	(10,466)	37,636	28,331	(9,305)	36,796	-840
2542-6481 · Facilities Electricity	63,557	55,216	(8,341)	69,317	60,236	(9,081)	69,223	-94
2542-6482 · Facilities Gas	1,587	1,833	246	2,000	2,000	0	2,000	0
2546-6319 · Security Svcs Prof Serv	2,812	2,779	(33)	3,032	3,032	(0)	3,032	0
Total Occupancy Service	362,779	255,805	(106,974)	389,328	279,060	(110,267)	380,502	-8,825
Student Expense, Direct								
1111-6311 · ES Instruction Instruc Serv	0	57,565	57,565	0	62,799	62,799	0	0
1111-6319 · ES Instruction Prof Serv	84,702	94,063	9,362	94,702	102,615	7,913	102,615	7,913
1111-6411 · ES Instruction Supplies	32,844	22,643	(10,202)	33,920	24,701	(9,219)	40,000	6,080
1111-6412 · ES Instruction Tech Supplies	33,483	29,879	(3,604)	33,483	32,595	(888)	32,877	-607
1111-6431 · Textbooks	8,167	12,650	4,483	9,152	13,800	4,648	13,800	4,648
1111-6543 · ES Instruction Tech Equipm	2,418	0	(2,418)	2,418	0	(2,418)	2,418	0
1191-6411 · Summer Instruction Supplies	0	4,583	4,583	0	5,000	5,000	0	0
1221-6319 · Special Education Prof Serv	5,245	3,735	(1,510)	9,035	4,075	(4,960)	4,075	-4,960
1221-6411 · Special Education Supplies	0	4,583	4,583	0	5,000	5,000	0	0
1411-6319 · Student Activities Prof Serv	26,951	1,397	(25,554)	35,000	1,524	(33,476)	35,000	0
1411-6411 · Student Activities Supplies	2,680	458	(2,221)	4,000	500	(3,500)	4,000	0
1411-6471 · Stu Act Snack	563	0	(563)	1,000	0	(1,000)	1,000	0
1421-6411 · Student Athletics Supplies	0	4,583	4,583	0	5,000	5,000	0	0
1933-6319 · Tuition for Sped Pri - Prof Se	27,300	27,500	200	30,000	30,000	0	30,000	0
2113-6319 · Social Work Prof Serv	0	490	490	534	534	0	534	0
2132-6319 · Other Prof/technical Service	0	135	135	147	147	0	147	0
2134-6411 · Nursing Supplies	1,891	642	(1,249)	2,046	700	(1,346)	1,993	-53
2142-6319 · Psychological Testing Prof S	4,450	2,426	(2,024)	4,450	2,646	(1,804)	3,796	-654
2152-6319 · Speech Pathology Prof Serv	25,200	29,970	4,770	27,720	32,694	4,974	32,694	4,974
2162-6319 · Ot Services Prof Serv	2,447	11,520	9,074	2,753	12,568	9,815	12,568	9,815
2222-6441 · Library Books	0	11,033	11,033	0	12,036	12,036	0	0
2491-6411 · Other School Administration	0	917	917	0	1,000	1,000	1,000	1,000
3511-6319 · Early Childhood Program	0	9,167	9,167	0	10,000	10,000	10,000	10,000
3812-6319 · Afterschool Prof Serv	0	0	0	0	0	0	0	0
3812-6411 · Afterschool Supplies	547	0	(547)	547	0	(547)	547	0
3912-6319 · Parental Involvement Prof S	0	2,750	2,750	2,000	3,000	1,000	3,000	1,000
3912-6411 · Parental Involvement Suppli	0	4,192	4,192	2,000	4,573	2,573	4,573	2,573
Total Student Expense, Direct	258,887	336,881	77,994	294,907	367,507	72,600	336,636	41,728
Student Expense, Food								
2562-6411 · Food Preparation Supplies	0	733	733	800	800	0	800	0
2562-6471 · Food Preparation Snack	0	9,187	9,187	0	10,022	10,022	0	0

2563-6391 · Food Delivery Contracted Fc	410	176,275	175,865	410	192,300		191,890	410	0
2563-6471 · Food Supplies	176,449	275	(176,174)	186,486	300		(186,186)	186,486	0
Total Student Expense, Food	176,859	186,470	9,611	187,697	203,422		15,725	187,697	0
Office & Business Expense									
2114-6319 · Student Support Services Pr	7,846	6,463	(1,384)	7,846	7,050		(796)	7,846	0
2114-6412 · Technology Supplies	0	3,653	3,653	0	3,985		3,985	3,985	3,985
2311-6315 · Board Audit	14,295	9,167	(5,128)	14,295	10,000		(4,295)	14,295	0
2311-6317 · Board Legal	8,422	7,883	(538)	8,600	8,600		(0)	8,600	0
2311-6319 · Board Prof Serv	0	65	65	70	70		(0)	70	0
2321-6316 · Exec Admin Data Process	6,640	9,053	2,413	9,876	9,876		(0)	9,876	0
2321-6319 · Exec Admin Prof Serv	17,654	12,037	(5,618)	18,004	13,131		(4,873)	17,916	-88
2321-6343 · Exec Admin Travel	1,465	0	(1,465)	1,465	0		(1,465)	1,465	0
2321-6352 · Exec Admin Liability Insuran	0	1,899	1,899	2,072	2,072		(0)	2,072	0
2321-6371 · Exec Admin Dues And Merr	1,675	0	(1,675)	1,675	0		(1,675)	1,675	0
2321-6411 · Exec Admin Supplies	21,290	4,764	(16,525)	21,620	5,198		(16,422)	21,620	0
2322-6411 · Community Services Supplie	1,910	317	(1,593)	2,300	346		(1,954)	2,300	0
2329-6319 · Other Exec Admin Prof Serv	2,652	5,959	3,307	6,501	6,501		0	6,501	0
2329-6411 · Other Exec Admin Supplies	118	4,125	4,007	118	4,500		4,382	118	0
2331-6319 · It Admin Prof Serv	36,073	35,427	(645)	39,221	38,648		(573)	39,221	0
2331-6352 · IT Admin Liability Insurance	0	3,667	3,667	4,000	4,000		0	4,000	0
2411-6411 · Building Admin Supplies	0	466	466	508	508		(0)	508	0
2511-6319 · Business Office Prof Serv	8,930	6,435	(2,495)	9,691	7,020		(2,671)	9,808	118
2511-6334 · Business Office Equip Rent	105	0	(105)	105	0		(105)	105	0
2511-6411 · Business Office Supplies	5,698	2,321	(3,376)	7,000	2,532		(4,468)	7,000	0
2525-6319 · Financial Accounting Service	55,000	55,000	0	60,000	60,000		0	60,000	0
Total Office & Business Expense	189,773	168,701	(21,072)	214,968	184,038		(30,931)	218,983	4,014
Transportation									
2551-6341 · Transportation - Contracted,	211,170	325,703	114,532	228,000	355,312		127,312	228,000	0
2551-6342 · Transportation - Contracted,	4,190	0	(4,190)	4,190	0		(4,190)	2,292	-1,898
2553-6341 · Transportation - Contracted,	8,816	4,944	(3,872)	9,000	5,393		(3,607)	9,000	0
Total Transportation	224,176	330,646	106,470	241,190	360,705		119,515	239,292	-1,898
Total Expenses	4,364,187	4,560,719	196,533	4,771,868	4,975,330		203,463	4,790,174	18,307
Net Income	271,444	(300,056)	571,500	312,505	(367,954)		680,459	312,542	-38
Cash Flow Statement	Actual	Budget	Variance	Forecast	Budget	Variance		Prv TOTAL	Diff
Net Income	271,444	(300,056)	571,500	312,505	(367,954)	680,459		312,542	-38
Cash Flow Adjustments									
Other Operating Activities									
1598 · Remove from operations	0	0	0	0	0		0	0	0
2156 · Group Health And Life Insurance F	(12,872)	0	(12,872)	0	0		0	0	0
2161 · Other Deductions Payable, incl Gc	705	0	705	(0)	0		(0)	0	0
2162 · Tax Sheltered Annuity Payable	151	0	151	0	0		0	0	0
2163 · Other Insurance Payable	1,699	0	1,699	0	0		0	0	0
2164 · Mo Suta Payable	(5,208)	0	(5,208)	0	0		0	0	0
Total Other Operating Activities	(15,525)	0	(15,525)	0	0		0	0	0
Facilities Project Adjustments									
1599 · Add to facilities	0	0	0	0	0		0	0	0
Total Facilities Project Adjustments	0	0	0	0	0		0	0	0
Total Cash Flow Adjustments	(15,525)	0	(15,525)	0	0		0	0	0
Change in Cash	255,918	(300,056)	555,975	312,505	(367,954)	680,459		312,542	-38

Balance Sheet

Academy for Integrated Arts

As of May 31, 2023

Balance Sheet	6/30/2022	5/31/2023	6/30/2023
Assets	Last Year	Current	Year End
Assets			
Current Assets			
Cash			
1113 · Operating: Security Bank	135,190	134,601	1,441,127
1115 · Money Market: Community Fir	300,049	300,076	0
1117 · Sweep Account: Security Bank	692,232	707,691	0
1118 · Pref Money Market Morgan Sta	0	241,022	0
1132 · Petty Cash	1,151	1,151	0
Total Cash	1,128,622	1,384,540	1,441,127
Intercompany Transfers			
1598 · Remove from operations	0	0	0
1599 · Add to facilities	0	0	0
Total Intercompany Transfers	0	0	0
Total Current Assets	1,128,622	1,384,540	1,441,127
Total Assets	1,128,622	1,384,540	1,441,127
Liabilities and Equity			
Liabilities and Equity			
Current Liabilities			
Other Current Liabilities			
2156 · Group Health And Life Insuranc	7,770	(5,102)	7,770
2161 · Other Deductions Payable, incl	(1,178)	(473)	(1,178)
2162 · Tax Sheltered Annuity Payable	0	151	0
2163 · Other Insurance Payable	997	2,696	997
2164 · Mo Suta Payable	(2,091)	(7,300)	(2,091)
Total Other Current Liabilities	5,498	(10,027)	5,498
Total Current Liabilities	5,498	(10,027)	5,498
Equity			
Unrestricted Net Assets			
3111 · Fund Balance	1,123,124	1,123,124	1,123,124
Total Unrestricted Net Assets	1,123,124	1,123,124	1,123,124
Net Income			
Net Income	0	271,444	312,505
Total Net Income	0	271,444	312,505
Total Equity	1,123,124	1,394,567	1,435,629
Total Liabilities and Equity	1,128,622	1,384,540	1,441,127



Preliminary SY23-24 Budget

Revised
**June 20,
2023**

Core Information

- Budget Concepts – Page 3
- Budget Overview – Page 4
- Budget Detail – Page 5
- Grants and Donations - Page 6
- Human Resources – Page 7
- Looking to the future - Page 8

Other Helpful Information

- Supporting Organizations – Page 9-10
- Budget Line Item Explanations – Page 11

Leveraging strong financial position: Federal Covid Relief Funding (“ESSER”), along with SSKC, Kauffman and Hall grants, set AFIA up to continue its strategy of investing in additional human resources to support our students and teachers (team-teaching model).

ESSER Funding ends: SY24 will be the final year of funding (\$611,000).

Addressing “Post ESSER” future: AFIA’s financial strength should carry forward through SY25. During these next 18 months AFIA school leadership and Board must develop strategies needed to support the school’s vision and mission as ESSER funding winds down.

- Fundraising: reengaging prior funders; identify new funding opportunities
- Identify most efficient ways to deploy teaching teams and other human resources to support our students
- Other cost savings.

	In \$000's			Comments
	SY22-23 Forecast	SY23-24 Prelim Budget	Variance	
Revenue	\$5,088	\$5,347	\$259	\$175k Increase in Grants and Donations. \$110 Increase in expected State Revenue
Expenses	\$4,771	\$5,283	\$512	\$330 Salaries and benefits \$125 Student Direct expenses
Net Income	\$317	\$64	(\$253)	
June 30 Cash Balance	\$1,446	\$1,510	\$64	
Days Cash	111	104	4	
Holding/Foundation (Note 1)	\$472	\$709	\$237	

Note 1: This cash is available to pay for remaining renovations and capital expenditures as the building ages.

	(\$000's)			
	SY22-23 Forecast	SY23-24 Prelim Budget	Budget More than (Less than) Last Year	Explanation for differences between SY24 budget and SY23 Forecast
Students	263	270	7	Started SY23 with 278 students
Staff	47	51	4	Interventionist, Dean of Culture, Social Worker, Front Office
Revenue				
Local	\$ 349	\$ 381	\$ 32	
State	3,017	3,127	110	Expected increase state funding per WADA.
Federal	578	545	(33)	
ESSER	611	611	(0)	
Grants/Donations	499	675	176	Needed increase to balance budget.
Earned fees	34	8	(26)	
Total Revenue	5,088	5,347	259	
Expenses				
Salaries	2,450	2,675	225	Increase in staff as well and overall salary increases to remain competitive in retaining and attracting high-quality staff.
Benefits/Taxes	711	818	107	
Staff-Related Costs	82	111	29	
Rent	200	150	(50)	Lease agreement was amended from \$25/month to \$12.5/month in November 2022.
Occupancy	389	432	43	
Student Direct	295	419	124	\$44 Replacement of student and teacher technology equipment (typical 3 year cycle).
Student Indirect	188	193	5	
Office & Business	215	217	2	
Transportation	241	268	27	
Total Expenses	4,771	5,283	512	
Net Income	317	64	(253)	
Cash flow adjustment				
July 1 Cash Balance	1,129	1,446	1,510	
June 30 Cash Balance	\$ 1,446	\$ 1,510	\$ 1,256	
Days Cash	111	104	(6)	
Holding/Foundation (Note 1)	\$ 472	\$ 709	\$ 237	

Note 1: This cash is available to pay for remaining renovations and capital expenditures as the building ages.

<u>Donor</u>	<u>SY23 Forecast</u>	<u>SY24 Budget</u>
SSKC Team Teaching	\$84	\$168
SSKC Data/Talent	30	
Kauffman		125
Kauffman DEI	150	143
Hall	125	125
MO Arts Council	26	
Deffenbaugh	25	25
Gottlieb	25	25
Others individually under \$25k	<u>34</u>	<u>64</u>
Total	<u>\$499</u>	<u>\$675</u>

Human Resources	FY23	Not returning	New hires filling positions	FY23 Apprentices filling open positions	New/ Additional Position	Deleted positions	Position yet to be filled as of today	FY24 Proposed	Running Total	Student to Adult Ratio (n=270)
Teacher - Classroom	17	(6)	4	2	1			18	18	15
Teacher - Assistant	6	(1)					1	6	24	11
Teacher - Specialists*	4	(1)			1		1	5	29	9
Teacher - SPED	2							2	31	9
Teacher - Apprentice	5							5	36	8
Interventionist	1				1			2	38	7
Student Success Coach	3					(1)		2	40	7
Instructional Coach	2					(1)		1	41	7
Dean of Culture					1			1	42	6
Counselor/Social Worker	1				1			2	44	6
Nurse	1							1	45	6
Front office	1				1			2	47	6
Admin/Leadership Team	4							4	51	5
Total	47	(8)	4	2	6	(2)	2	51		
*previously referred to as Enrichment.										

<u>Academy for Integrated Arts Financial Data (\$000's)</u>					<u>Donation detail</u>				
	SY22-23 Forecast	SY23-24 Prelim Budget	SY24-25 Prelim Long Range	SY25-26 Prelim Long Range		SY22-23 Forecast	SY23-24 Prelim Budget	SY24-25 Prelim Long Range	SY25-26 Prelim Long Range
Students	263	270	270	270	SSKC Team Teaching	\$ 84	\$ 168	\$ 168	\$ 80
Staff	47	51	51	51	SSKC Data/Talent	30			
Revenue					Kauffman		125		
Local	\$ 349	\$ 381	\$ 380	\$ 380	Kauffman DEI	150	143		
State	3,017	3,127	3,130	3,130	Hall	125	125	250	
Federal	578	545	545	545	MO Arts Council	26			
ESSER	611	611	-	-	Deffenbaugh	25	25	25	25
Grants/Donations	499	675	675	675	Gottlieb	25	25	25	25
Earned fees	34	8	-	-	Left to raise	<u>34</u>	<u>64</u>	<u>207</u>	<u>545</u>
Total Revenue	5,088	5,347	4,730	4,730	Total	\$ 499	\$ 675	\$ 675	\$ 675
Expenses					<p>AFIA's financial strength should carry forward through SY25. During the next 18 months, AFIA school leadership and Board will develop strategies needed to support the school's mission as ESSER funding winds down.</p> <p>Fund raising: Reengaging prior funders; identifying new funding sources.</p> <p>Identify most efficient ways to deploy teaching teams and other human resources to support our students.</p> <p>Identify other cost savings.</p>				
Salaries	2,450	2,675	2,755	2,838					
Benefits/Taxes (30%)	711	818	827	851					
Staff-Related Costs	82	111	111	111					
Rent	200	150	150	150					
Occupancy	389	432	445	458					
Student Direct	295	419	432	445					
Student Indirect	188	193	199	205					
Office & Business	215	217	224	230					
Transportation	241	268	276	284					
Total Expenses	4,771	5,283	5,418	5,572					
Net Income (Loss)	317	64	(688)	(842)					
Cash flow adjustment									
July 1 Cash Balance	1,129	1,446	1,510	822					
June 30 Cash Balance	\$ 1,446	\$ 1,510	\$ 822	\$ (20)					
Days Cash	111	104	55	(1)					
Holding/Foundation (Note 1)	\$ 472	\$ 709	\$ 887	\$ 1,025					

Note 1: This cash is available to pay for remaining renovations and capital expenditures as the building ages.

Note 2: Assumes all non-salary related line items except rent increased at 3% for SY25 and SY26

Other helpful info: Supporting Organizations Page 9

	Supporting Foundation	Holding Company
Established	2015	2016
Tax-Exempt	501(c)(3)	501(c)(3)
Fiscal year	July 1- June 30	July 1- June 30
Board of Directors	Five. Majority appointed by School Board	Three. Majority appointed by School Board

The Academy for Integrated Arts Supporting Foundation

Established to raise funds to purchase and renovate AFIA's school building. The project qualified for the New Market Tax Credit program (NMTC). NMTC is a Federal program that provides incentive for private investment in low-income communities.

AFIA Holding Company

Established, as required by the NMTC transaction agreement, to own and operate the building and to lease it to the School. Lease terms were prescribed by the NMTC agreement.

Any additional funds raised by either organization are used to benefit the School.

Building Acquisition and Renovation

Since 2015 \$7.8 million has been invested in the School building and surrounding grounds. The majority of funding (80%) came from individual donors and private foundations.

Other Highlights:

- Spring/Summer 2016 - Phase 1 construction completed in time for first day of school.
- September 2016 - NMTC transaction completed. Building ownership transfers from Supporting Foundation to Holding Company per requirements of NMTC
- Summer 2017 - Phase 2 construction completed
- Summers of 2020 and 2022 - smaller renovations to accommodate enrollment growth and other needs. Only a small portion of the building remains unfinished at this time.

AFIA Holding and Academy for Integrated Arts Supporting Foundation Combined Cash Sources and Uses			
	Inception (2015) thru SY23	Forecast SY24	Forecast SY25
	(\$000's)		
Beginning Cash	\$ -	\$ 471	\$ 709
Sources			
Donations			
Individuals/private foundations	6,176	100	40
New Market Tax Credit program (Note 1)	775		
Rent (Note 1)	1,840	150	150
Other	18	-	-
Uses			
Building acquisition and renovation	(7,770)		
Interest Expense (Note 2)	(291)		
Donation to School	(145)		
Building maint/mgmt	(89)	(7)	(7)
Professional fees	(43)	(5)	(5)
Ending Cash (Note 3)	\$ 471	\$ 709	\$ 887
<p>NOTE 1: The New Markets Tax Credit Program (NMTC) is a Federal program that attracts private investment in projects that benefit economically distressed, neglected, and underserved low-income communities. The NMTC program set rent at \$300k/year until program was completed (October 2022). At that time rent was reduced to \$150k/year.</p> <p>NOTE 2: A total of \$2.7 million in debt was used to finance the renovations. All debt was paid in full by June 2021.</p> <p>NOTE 3: This cash is available for any remaining renovations and capital expenditures as the building ages.</p>			

	SY22-23 Forecast	SY23-24 Prelim	Description of what line item includes
Revenue	(\$000's)		
Local	\$ 349	\$ 381	Derived mainly from community's property tax.
State	3,017	3,127	Source is general state revenues (income, sales etc. taxes). Schools are funded on an adjusted per student basis. Multipliers are used to give districts more money to reflect the additional cost of educating certain categories of students (eg. Individualized Education Plans (IEPs) Free or Reduced Lunch (FRL))
Federal	578	545	Funding primarily for food service and Title 1 (schools serving low income families).
ESSER	611	611	Federal Covid emergency relief funding. Ending SY24
Grants/Donations	499	675	
Earned fees	34	8	After school care
Total Revenue	5,088	5,347	
Expenses			
Salaries	2,450	2,675	Benefits include: Contribution to retirement plan - 14.5% of salary.
Benefits/Taxes	711	818	Employers portion of Soc. Security and medicare - 7.97% of salary; Medical insurance - \$575/month; Basic Life and Accidental Death; Long-Term Disability;
Staff-Related Costs	82	111	Professional development
Rent	200	150	Paid to AFIA Holding Company - a 501(c)(3) that supports AFIA.
Occupancy	389	432	Janitorial;Utilities; Repairs, maintance; Property and Casualty Insurance.
Student Direct	295	419	Contracted educational professional services (eg. SPED; OT; Speech); Educational supplies; computers; text and library books etc.
Student Indirect	188	193	Food service
Office & Business	215	217	Accounting, IT, audit, tax return, admin supplies.
Transportation	241	268	
Total Expenses	4,771	5,283	
Net Income	317	64	
July 1 Cash Balance	1,129	1,446	
June 30 Cash Balance	\$ 1,446	\$ 1,510	
Days Cash	111	104	Cash divided by Total Expenses divided by 365 days

Questions or Comments?

Contact:

Cara Newell

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913-706-3676

or

Tricia DeGraff

Tricia.Degraff@afiakc.org

Audit and Tax Proposal for SY23-SY25

Marr and Company provided the proposal (attached). Cost data below:

	Prior Contract			Current Proposal*		
	SY20	SY21	SY22	SY23	SY24	SY25
Audit	\$7,900	\$8,050	\$8,125	\$9,400	\$10,000	\$10,700
Federal			3,950	4,000	4,075	4,150
Tax	1,350	1,425	1,500	1,800	1,960	2,125
Total	\$9,250	\$9,475	13,575	\$15,200	\$16,035	\$16,975

*Proposal specifies that SY24 and SY25 are optional renewals. May not need Federal Single Audit in SY25.

A fairly significant increase (\$1,625 or 12%) over SY22 and then a little less than 6% for the next two years. This is not surprising given trends in inflation. Also, prior 3 years' increases (as specified in original proposal) were modest.

Marr and Company have done good work and it seems important to maintain consistency at least through next 2-3 years as we work through Federal funding.

Recommend approval.



June 13, 2023

Board of Directors
Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

We are pleased to confirm our understanding of the services we are to provide for the Academy for Integrated Arts (the “Academy”), a nonprofit organization, for the year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the Academy, which comprise the statement of assets, liabilities and net assets - modified cash basis as of June 30, 2023, and the related statements of support, revenue and expenses - modified cash basis, functional expenses – modified cash basis, and cash flows - modified cash basis for the year then ended, and the disclosures (collectively, the “financial statements”). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain 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 (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor’s report on the financial statements:

1. Statement of assets, liabilities and fund balances-modified cash basis by fund
2. Statement of receipts, disbursements and changes in fund balance- modified cash basis by fund
3. Schedule of receipts collected by source-by fund
4. Schedule of disbursements paid by object-by fund
5. Schedule of expenditures of federal awards (SEFA)

The objectives of our audit 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 issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with the modified cash basis of accounting, and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on:

- Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial report, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Academy or to acts by management or employees on behalf of the Academy. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Academy's attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risk of material misstatement as part of our audit planning: management override of controls and improper revenue recognition due to fraud.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

We will obtain an understanding of the Academy and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Academy's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of these procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Academy's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Academy's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will prepare the Academy's federal and state information returns for the year ended June 30, 2023 for the State of Missouri and the IRS based on information provided by you. We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Academy in conformity with modified cash basis of accounting and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will issue a **separate** engagement letter contract for the tax preparation services.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statements, schedule of expenditures of federal awards, related notes, and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

You agree to assume all management responsibilities for the tax services, financial statements, related notes, schedule of expenditures of federal awards, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with modified cash basis of accounting; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for including all informative disclosures that are appropriate for the modified cash basis of accounting. Those disclosures will include (1) a description of the modified cash basis, including a summary of significant accounting policies, and how the modified cash basis differs from GAAP, (2) informative disclosures similar to those required by GAAP, and (3) additional disclosures beyond those specifically required that may be necessary for the financial statements to achieve fair presentation.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the Academy from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Academy involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Academy received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Academy complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with the modified cash basis of accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the modified cash basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the modified cash basis of accounting; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, debt, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Academy; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Marr and Company, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Missouri DESE or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Marr and Company's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by Missouri DESE. If we are aware that an auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Clark Hanner is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

The estimated fee for audit-related services will be **\$13,400** (includes \$9,400 base fee and \$4,000 additional fee for a federal single audit) for the year ending June 30, 2023. Incidental out-of-pocket expenses related to the audit have not been included in the above fee and will be billed at our cost. Our estimated fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

The Academy has the option to renew these services for 2 additional years for the year ended:

June 30, 2024	\$14,075	(\$10,000 base fee and \$4,075 additional fee for a federal single audit)
June 30, 2025	\$14,850	(\$10,700 base fee and \$4,150 additional fee for a federal single audit).

Reporting

We will issue a written report upon completion of our Single audit. Our report will be addressed to Board of Directors of the Academy. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

Academy for Integrated Arts

June 13, 2023

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The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the Academy for Integrated Arts and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the RESPONSE section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com.



Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Academy for Integrated Arts.

Officer Signature & Title

Date



June 13, 2023

Board of Directors
Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

Marr and Company, P.C. (“firm,” “we,” “us,” or “our”) is pleased to provide Academy for Integrated Arts (the “Academy”) (“you” or “your”) with the professional services described below. This letter (collectively, “Agreement”) confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

We will prepare the federal Form 990 and applicable state tax returns for the year ended June 30, 2023. We will rely upon the completeness and accuracy of the information and representations you provide to us to prepare your tax returns. We have not been engaged to and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service (“IRS”) and applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS, state and local tax authorities regardless of the nature of the claim, including the negligence of any party, excepting claims arising from the gross negligence of intentional wrongful acts of Marr and Company, P.C.

Our engagement does not include any procedures designed to detect errors, fraud, theft, or other wrongdoing. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls. You are responsible for developing and implementing internal controls applicable to your operations.

This engagement is limited to the professional services outlined above.

CPA Firm Responsibilities

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services (“SSTs”) issued by the American Institute of Certified Public Accountants (“AICPA”) and U.S. Treasury Department Circular 230 (“Circular 230”). It is our duty to perform services with the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

Marr and Company, P.C. will not make management decisions or perform management functions on your behalf.

Arguable positions

We will use our professional judgment to resolve questions in your favor where a tax law is unclear, provided that we have a reasonable belief that there is substantial authority for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of tax reference materials. Tax reference materials include, but are not limited to, the Internal Revenue Code (“IRC”), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings, court cases, and similar state and local guidance. If the IRS, state or local tax authorities later contest the position you select, additional tax, penalties, and interest may be assessed. You will be responsible for these amounts, as well as any related professional fees, you may incur to respond to the tax authority.

Bookkeeping assistance

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. These services will be performed solely in accordance with the AICPA Code of Professional Conduct. In the event we conclude that such services are necessary to prepare your tax returns, we will advise you in writing before services are performed and bill you for the required services. These services will be billed at our standard hourly rates and will be subject to the terms of this Agreement.

Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, and we agree, we will confirm this engagement in a separate written agreement.

Third party requests

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We do not communicate with third parties or provide them with copies of tax returns.

Client Responsibilities

You will provide us with a trial balance and other supporting data necessary to prepare your tax returns. You must provide us with accurate and complete information. Income from all sources, including those outside of the U.S., is required to be reported.

Unrelated business taxable income

If your organization produces revenue from a trade or business activity not directly related to its tax-exempt purpose, it may have unrelated business taxable income that must be reported separately from other income. You are responsible for informing us of any potential unrelated business taxable income. At your written request, we are available to provide you with written answers to your questions on this matter.

Other responsibilities of not-for-profit organizations

As a non-profit organization, you are subject to additional obligations including but not limited to:

- Maintaining state registrations related to solicitations with state charitable divisions;
- Meeting the public support test; and
- Maintaining non-profit status by timely filing tax returns.

You acknowledge that these are solely your responsibilities. If you would like assistance in understanding your responsibilities, and we agree, we will confirm this engagement in a separate written agreement.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. Our records are not a substitute for yours. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You will be responsible for any liability, including but not limited to, additional tax, penalties, interest and related professional fees, resulting from the disallowance of tax deductions due to inadequate documentation.

State and local filing obligations

You are responsible for determining your filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, and property taxes or abandoned and unclaimed property. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. You acknowledge that the scope of our services under this Agreement does not include any services related to your compliance with filing obligations other than those identified in the *Engagement Objective and Scope* section of this Agreement. If you ask us to prepare any other returns, and we agree, we will confirm this engagement in a separate written agreement. You will be responsible for penalties associated with the failure to file or untimely filing of any form for which we were not engaged to prepare.

Ultimate responsibility

You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS, state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879-EO, *IRS e-file Signature Authorization for an Exempt Organization*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

In the event that you do not wish to have your tax returns filed electronically, please contact our firm. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

Timing of the Engagement

Our services will conclude upon the earlier of:

- the filing and acceptance of your 2023 tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) to you for your review and your filing with the appropriate tax authorities,
- written notification by either party that the engagement is terminated, or
- one (1) year from the execution date of this Agreement.

Extensions of Time to File Tax Returns

The original filing due dates for your tax returns are November 15, 2023 for federal and Missouri. It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may limit your ability to make certain elections, extend the time available for a government agency to undertake an audit of your return and/or extend the statute of limitations to file a legal action.

If we apply for an extension of time to file because you have not provided us all of the information needed to prepare the tax returns by the original due date, you agree to hold our firm harmless from any consequences arising from any election waived. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations including failure to file or late filing of returns, and underpayment of taxes. You will be responsible for the payment of any additional tax, penalties, and interest charges imposed by tax authorities.

Professional Fee

Our professional fee for the services outlined above is estimated to be **\$1,800**. This fee is based upon the complexity of the expected work to be performed, our professional time and out-of-pocket expenses. Circumstances may arise that impact our estimated fee such as, but not limited to, issues encountered with the timely delivery, availability, quality, or completeness of the information you provide to us, changes in your personnel or operations that impact our services or other unanticipated items that arise during our engagement and that require additional time in order to complete the agreed-upon services. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the tax returns.

The Academy has the option to renew these services for 2 additional years for the years ended June 30, 2024 and 2025 and an estimated fee of **\$1,960** and **\$2,125**, respectively.

* * * * *

If the foregoing correctly sets forth your understanding of our tax engagement, please sign the accepted by section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com. If you disagree with any of these terms, please notify us immediately. We want to express our appreciation for this opportunity to work with you. If you have any questions or need any additional information, please do not hesitate to call.



Marr and Company, P.C.
Certified Public Accountants

ACCEPTED BY:

Academy for Integrated Arts

Signature: _____

Date: _____

Printed Name: _____

Title: _____



June 13, 2023

Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

We are pleased to confirm our understanding of the services we are to provide for Academy for Integrated Arts (the “Academy”).

We will examine management’s assertions that the Academy complied with the requirements of Missouri laws and regulations regarding attendance and pupil transportation records, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2023. The objectives of our examination are to (1) obtain reasonable assurance about whether the Schedule of Selected Statistics is free from material misstatement based on the requirements by the Missouri Department of Elementary and Secondary Education (“DESE”); and (2) to express an opinion as to whether management’s assertions that the Academy complied with the aforementioned requirements are fairly stated, in all material respects.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report as a part of the audited financial statement reporting package upon completion of our examination. Our report will be addressed to the Board of Directors of the Academy. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

You understand that the report is intended solely for the information and use of the Board of Directors, Academy’s management, and the Missouri DESE and is not intended to be and should not be used by anyone other than those specified parties.

We will plan and perform the examination to obtain reasonable assurance about whether the Schedule of Selected Statistics is free from material misstatement based on the requirements by the Missouri DESE. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies, that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

You are responsible for the presentation of the Schedule of Selected Statistics in accordance with the requirements by the Missouri DESE; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for, and agree to provide us with, a written assertion about whether the Schedule of Selected Statistics is presented in accordance with the requirements of the Missouri DESE. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

Clark Hanner is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

The fees for these services were included in the signed engagement letter for the audit of the financial statements. The Academy has the option to renew these services for 2 additional years ended June 30, 2024 and 2025 under the same terms and conditions.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the RESPONSE section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com.

Very truly yours,



Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Academy for Integrated Arts.

By: _____

Title: _____

Date: _____

Approval of Property and Casualty and Worker's Comp

SY24 = \$72,400 vs. Actual SY23 = \$82,600.

Overall premium increase of \$10,200 or 14% due primarily to:

- \$4,000 – Property/General Liability – nationwide market conditions related, in part, to increased number of natural disasters over the past few years.
- \$6,300 – Worker's Comp – increase in total payroll (nearly \$400k).

Note – Cyber Liability is a July 5 renewal and is not included in this proposal. SY23 cost was \$3,985. We expect SY24 to remain well below \$10,000 threshold and will not require Finance Committee approval.

Insurance renewal is on June 5. We did not receive renewal documents until June 1. Based on review of coverage and explanation for increases, I approved. We will discuss with Assured Partners the need to have this information prior to the May Fin Comm Meeting.



Academy for Integrated Arts

Presented on: June 1, 2023
Presented by: Matt Bengé &
Mark Herwig



Assured Partners of Missouri, LLC 4435 Main St., 4th Floor, Kansas City, MO 64111

THIS DOCUMENT SUMMARIZES THE PROPOSAL FOR YOUR INSURANCE. THIS IS NOT A CONTRACT. THE TERMS OF THE POLICY FORMS WILL CONTROL THE INSURANCE CONTRACT WITHOUT REGARD TO ANY STATEMENT MADE IN THIS PROPOSAL.

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Premium Summary

Coverage	Expiring Premium	Renewal Premium
Property <i>Coverage same</i>	\$33,907.00	\$36,951.00
Equipment Floater <i>Computer coverage 150K to 100K</i>	\$575.00	\$575.00
Crime <i>Coverage same</i>	\$51.00	\$51.00
General Liability/Abuse or Molestation <i>Coverage same</i>	\$4,856.00	\$5,648.00
Auto <i>Coverage Same</i>	\$1,037.00	\$1,105.00
Worker's Compensation <i>Increase payroll (400K)</i>	\$19,541.00	\$25,863.00
Commercial Umbrella <i>Same</i>	\$2,299.00	\$2,434.00
Educators Legal Liability <i>Same</i>	\$7,539.00	\$7,539.00
Cyber Liability (7/5 Renewal)	\$3,985.80	\$TBD
Student Accident - Primary <i>Same</i>	\$1,922.00	\$1,828.00
Student Accident - Catastrophe <i>Same</i>	\$660.00	\$632.00
Total Premium	\$76,372.80	\$82,626.00

Quote Comments

- The overall premium increase is 14%, going from \$72,387 to \$82,626, an increase of \$10,239. This is driven by Property, General Liability, and Workers Compensation. Please note, I am excluding cyber from this calculation.
 - Commercial Package Policy increased by 9% from \$40,426 to \$44,330. Total increase \$3,904.
 - Carrier rate for property insurance increased from \$0.41 per \$100 in Total Insured Values to \$0.45 per \$100 in Total Insured Values, for a 10% increase. This is due to market conditions.
 - Philadelphia paid out \$124,617.73 for a building and contents claim 4/14/19 date of loss.
 - Workers Compensation increased by 32% from \$19,541 to \$25,863. Total increase \$6,322. Payroll for class code 8868 Professional Employees & Clerical increased by 28% from \$1,595,453 to \$2,042,481. Rate for class code 8868 increased by 16% from \$0.80 to \$0.93. Payroll for class code 9101 All Other Employees is included at \$17,804 this year with a \$6.81 rate. This policy is auditable.
 - Umbrella increased by 6% from \$2,299 to \$2,434. This is due to increase in underlying exposure.
 - Educators Legal Liability is flat year over year.
 - Student Accident – Primary – decreased by 5% from \$1,922 to \$1,828.
 - Student Accident – Catastrophe – decreased by 4% from \$660 to \$632.
 - Cyber Liability renews July 5, 2023. I will have terms early June, kept premium on here so you can see full picture.
- Missouri Employers Mutual (Work Comp) visited with you all in April 2022. At that time, they recommended you put a formal Return to Work program in place. Please advise if this has been put in place, and provide a copy.
- Bill plan options
 - Package & Educators Legal Liability: 25% Down & 9 Installments
 - Umbrella: 25% Down & 3 or 5 Installments; 50% Down & 2 Installments
- This proposal is a summary of coverage and does not detail all applicable terms, conditions, exclusions and warranties.
- In the event of a discrepancy between the proposal and policy, the policy will prevail.
- Client ultimately determines values insured so please review all quotes carefully, and advise of changes.
- All limits apply per policy term.

Service Team

Matt Benge	Sales Executive
Phone	(913) 236-3021
Cell Phone:	(913) 424-3055
Email	matt.benge@assuredpartners.com
Mark Herwig	Account Manager – Property & Casualty
Phone	(913) 236-3048
Email	mark.herwig@assuredpartners.com
Haylee Slocum	Account Coordinator – Employee Benefits
Phone	(913) 236-3025
Email	haylee.slocum@assuredpartners.com
Makenzie Behymer	Account Coordinator – Employee Benefits
Phone	(913) 236-3029
Email	makenzie.behymer@assuredpartners.com
Sarah Smith-Maser	Claims Manager
Phone	(913) 236-3066
Email	sarah.smith-maser@assuredpartners.com

Property

Issuing Company	Philadelphia Indemnity Insurance Company
AM Best Rating	A++ XV
Policy Number	TBD
Policy Term	6/5/2023 to 6/5/2024

Named Insureds

Insured	Interest
Academy for Integrated Arts	First Named Insured
AFIA Holding Co.	Additional Named Insured
Academy for Integrated Arts Supporting Foundation	Additional Named Insured

Coverages

Loc	Bldg	Subject	Amount	Val*	Co-ins	Cause of Loss	Deductible
1	1	7910 Troost Avenue • Kansas City, MO 64131					
		Building	\$7,000,000	R	90%	Special	\$25,000
		Business Personal Property	\$270,400	R	90%	Special	\$25,000
		Business Income with Extra Expense	\$1,000,000	V	90%	Special	24 hours
		Boiler & Machinery – Property Damage	\$7,270,400	R	90%	Special	\$25,000

Same as 5423

- Windstorm/Hail Deductible \$25,000

**CLIENT ULTIMATELY DETERMINES VALUES INSURED
HIGHER LIMITS ARE AVAILABLE AND CAN BE QUOTED UPON REQUEST**

*Valuation Definitions		
(A) Actual Cash Value	(G) Guaranteed Replacement Cost	(R) Replacement Cost
(B) Business Income Changes	(I) Invoice Cost	(S) Stated Amount
(C) Agreed Amount (Waived Coinsurance) and Replacement Cost	(L) Actual Loss Sustained	(T) Total Insured Value
(D) Reproduction	(M) Market Value	(U) Full Value Replacement Cost
(E) Agreed Amount (Waived Coinsurance)	(O) Other	(V) Agreed Value
(F) Functional Replacement Cost	(P) Selling Price	(X) Extended Value Replacement Cost

All same as last year except as noted below.

Additional Coverages

Limit of Insurance

Band Uniforms	\$ 50,000
Brands and Labels	Included in Policy Limits
Claims Expense	\$ 10,000
Contract Penalty Clause	\$ 25,000
Computer Property	Included in Personal Property Limits
Emergency Vacating Expense	\$ 15,000
Excavation & Landscaping	\$ 25,000
Fine Arts	\$ 50,000
Fines for False Alarms	\$ 5,000
Fire Department Service Charge	\$ 50,000
Fire, Sprinkler or Burglar Alarm Upgrade	\$ 50,000
Fish in Aquariums	\$ 1,000
Garage/Storage Sheds	\$ 5,000
Glass	Included in Policy Limits
Guard Dogs	\$ 1,000
Lost Key Replacement	\$ 2,500
Musical Instruments	\$ 50,000
Newly Acquired Property	\$ 1,000,000 Blanket Limit Real & Personal
New Construction	\$ 500,000
Ordinance or Law – Undamaged Portion	Included in Building Limit
Ordinance or Law – Demolition	\$ 250,000
Ordinance or Law – Incr. Cost or Construction	\$ 250,000
Personal Effects – Portable Electronic Equip away from premises	\$ 1,000
Personal Effects – Premises	\$ 25,000
Personal Effects – Spouses	\$ 500
Personal Effects – Worldwide	\$ 1,000
Pollutant Cleanup & Removal	\$ 100,000
Precious Metals	\$ 2,500
Signs	Included in Personal Property Limits
Students Personal Effects	\$2,500 per student/\$100,000 per Occurrence
Theft Damage to Building	Included in Personal Property Limits
Utility Service – Direct Damage	\$ 10,000
Voluntary Parting	\$ 10,000

*- 300,000 } last year
- 300,000 } OK*



Equipment Floater

Issuing Company	Philadelphia Indemnity Insurance Company
AM Best Rating	A++ XV
Policy Number	TBD
Policy Term	6/5/2023 to 6/5/2024

Coverages

Description		
Blanket computer coverage	\$100,000	\$500 deductible
While in Transit	\$ 10,000	<i>150,000 last year OK.</i>
Transfer between Premises	\$ 10,000	
Temporarily within other Premises	\$ 10,000	
Permanently located at employee residence	\$ 10,000	
Blanket monthly limit of indemnity	\$10,000	

Crime

Same as
last year.

Issuing Company	Philadelphia Indemnity Insurance Company
AM Best Rating	A++ XV
Policy Number	TBD
Policy Term	6/5/2023 to 6/5/2024

Coverages

Loc	Bldg	Description	Limit	Deductible
1	1	7910 Troost Avenue, Kansas City, MO		
		Employee Dishonesty	\$500,000	\$5,000
		Forgery or Alteration	\$100,000	\$1,000
		Theft of Money and Securities - Inside Premises	\$50,000	\$1,000
		Theft of Money and Securities - Outside Premises	\$35,000	\$1,000
		Computer Fraud	\$100,000	\$1,000
		Money Orders and Counterfeit Currency	\$5,000	\$500
		Kidnap, Ransom, Extortion	\$25,000	\$0

HIGHER LIMITS MAY BE AVAILABLE AND CAN BE QUOTED UPON REQUEST

General Liability

Same as last year

Issuing Company	Philadelphia Indemnity Insurance Company
AM Best Rating	A++ XV
Policy Number	TBD
Policy Term	6/5/2023 to 6/5/2024

Coverages

Description	Limit
General Aggregate	\$3,000,000
Products / Completed Operations Aggregate	\$3,000,000
Each Occurrence	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Fire Damage (Any One Fire)	\$300,000
Medical Expense (Any One Person)	\$15,000
Employee Benefits (Claims Made) each claim; retro date 06/01/2012	\$1,000,000
Employee Benefits Aggregate	\$1,000,000
Sexual/Physical Abuse or Molestation – Occurrence Limit	\$1,000,000
Sexual/Physical Abuse or Molestation – Aggregate Limit	\$2,000,000
Sexual/Physical Abuse or Molestation – Deductible	None

**HIGHER LIMITS MAY BE AVAILABLE AND CAN BE QUOTED UPON REQUEST
REVIEW EXPOSURES CAREFULLY – POLICY IS SUBJECT TO AUDIT**

Locations and Exposures

Loc	Bldg	Description	Exposure	Premium Basis
		Playground	1	Playgrounds
		School – Elementary	264	Students
		School – Faculty	53	Faculty Members
		Day Care Center	15	Person

Same

Forms and Endorsements

GENERAL LIABILITY DELUXE ENDORSEMENT SCHOOLS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE

It is understood and agreed that the following extensions only apply in the event that no other specific coverage for the indicated loss exposure is provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy, unless otherwise noted on this endorsement.

Coverage Applicable	Limit of Insurance
Damage to Premises Rented to You	\$300,000
Extended Property Damage	Included
Non-Owned Watercraft	Less than 58 feet
Supplementary Payments – Bail Bonds	\$2,500
Supplementary Payment – Loss of Earnings	\$500 per day
Medical Payments	\$15,000
Medical Payments – Extended Reporting Period	3 years
Employee Indemnification Defense Coverage for Employee	\$25,000
Additional Insured – Medical Directors and Administrators	Included
Additional Insured – Managers and Supervisors	Included
Additional Insured – Broadened Named Insured	Included
Additional Insured – Funding Source	Included
Additional Insured – Managers or Lessors of Premises	Included
Additional Insured – By Contract, Agreement or Permit	Included
Additional Insured – Broad Form Vendors	Included
General Aggregate – Per Campus	Included
Duties in the Event of Occurrence, Claim or Suit	Included
Other Insurance – Primary Additional Insured	Included
Other Insurance – You Are An Additional Insured On Another Person's Or Organization's Policy	Included
Unintentional Failure to Disclose Hazards	Included
Liberalization	Included
Bodily Injury – includes Mental Anguish	Included
Personal and Advertising Injury – includes Abuse of Process, Discrimination	Included
Transfer of Rights of Recovery Against Others To Us	Clarification
Science Laboratory "Occurrence"	\$50,000
Medical Incident Liability – Nurse and Athletic Trainer	Included

Commercial Auto

Issuing Company	Philadelphia Indemnity Insurance Company
AM Best Rating	A++ XV
Policy Number	TBD
Policy Term	6/5/2023 to 6/5/2024

Named Insureds

Insured	Interest
Academy for Integrated Arts	First Named Insured

Coverages

Description	Symbol	Limit
Combined Single Limit – Hired & Non Owned Liability	8, 9	\$1,000,000
Hired Car Physical Damage – Comprehensive	8	\$100
Hired Car Physical Damage – Collision	8	\$1,000

same

HIGHER LIMITS MAY BE AVAILABLE AND CAN BE QUOTED UPON REQUEST



Workers Compensation

Issuing Company	Missouri Employer's Mutual Insurance Co.
AM Best Rating	A- IX
Policy Number	TBD
Policy Term	6/5/2023 to 6/5/2024

Description	Limit
Employers Liability: Each Accident	\$500,000
Employers Liability: Disease – Policy Limit	\$500,000
Employers Liability: Disease – Each Employee	\$500,000
Workers Compensation: Statutory Benefit	Included

Loc	St	Code	Description	Expiring Payroll	Expiring Rate	Renewal Payroll	Renewal Rate
1			7910 Troost Avenue • Kansas City, MO 64131				
	MO	8868	Professional Employees & Clerical	\$1,595,453	\$0.80	\$2,042,481	\$0.93
	MO	9101	All Other Employees	\$0	\$5.76	\$17,804	\$6.81

Premium Calculations

State of Missouri	
Total Factored Premium	\$20,207
Increased Limits	\$162
Experience or Merit Modification	1.33000 \$6,722
Scheduled Rating Credit	8% -\$2,167
TRIA	\$206
Catastrophe	\$412
Premium Discount	0.9731 -\$672
Expense Constant	\$240
Taxes / Assessments	\$753
Total Estimated Annual Premium for Missouri	\$25,863

Payroll increased from \$1,595,453 to \$2,060,285
 Experience Mod went from 1.46 to 1.33

Umbrella / Excess Liability

SCM

Issuing Company	Philadelphia Indemnity Insurance Company
AM Best Rating	A++ XV
Policy Number	TBD
Policy Term	6/5/2023 to 6/5/2024

Coverages

Description	Limit
General Aggregate	\$3,000,000
Products / Completed Operations Aggregate	\$3,000,000
Each Occurrence	\$3,000,000
Personal and Advertising Injury	\$3,000,000
Self-Insured Retention (SIR)	\$10,000

add

Underlying Coverages

Description	Carrier / Policy #	Policy Period	Limit
Automobile Liability Combined Single Limit	Philadelphia Indemnity Insurance Company / TBD	6/5/2023 to 6/5/2024	\$1,000,000
General Liability Each Occurrence Aggregate	Philadelphia Indemnity Insurance Company / TBD	6/5/2023 to 6/5/2024	\$1,000,000 \$3,000,000
Employers Liability Each Accident Disease Each Employee Disease Policy Limit	Missouri Employer's Mutual Insurance Company / TBD	6/5/2023 to 6/5/2024	\$500,000 \$500,000 \$500,000
General Liability Abuse & Molestation	Philadelphia Indemnity Company / TBD	6/5/2023 to 6/5/2024	\$1,000,000
General Liability Employee Benefits Liability	Philadelphia Indemnity Company / TBD	6/5/2023 to 6/5/2024	\$1,000,000



Educators Legal Liability

Scml

Issuing Company	Philadelphia Indemnity Insurance Company
AM Best Rating	A++ XV
Policy Number	TBD
Policy Term	6/5/2023 to 6/5/2024

Named Insured

Insured	Interest
Academy for Integrated Arts	First Named Insured

Coverages

Description	
Educators Legal Liability	\$1,000,000 per claim/\$1,000,000 aggregate; \$10,000 retention
Employment Practices Liability	\$1,000,000 per claim/\$1,000,000 aggregate; \$10,000 retention
Non-Monetary Defense Expense	\$ 100,000 per claim/\$300,000 aggregate; \$1,000 retention

Retroactive date 06/01/2012

Cyber

Issuing Company	Lloyd's of London
AM Best Rating	A XV
Policy Number	RPS-P-1057247M
Policy Term	7/5/2022 to 7/5/2023

TBD

Coverages

Description	Limit	
Aggregate Limit of Liability	\$1,000,000	

Coverage	Per Claim Sublimit of Liability (excludes claim expenses)	Aggregate Sublimit of Liability
Privacy Liability (including Employee Privacy)	\$1,000,000	\$1,000,000
Privacy Regulatory Claims Coverage	\$1,000,000	\$1,000,000
Security Breach Response Coverage	\$1,000,000	None
Security Liability	\$1,000,000	\$1,000,000
Multimedia Liability	\$1,000,000	\$1,000,000
Cyber Extortion	\$50,000	None
Business Income and Digital Asset Restoration		
❖ Business Income Loss	\$1,000,000	None
❖ Restoration Costs	\$1,000,000	None
❖ Reputation Business Income Loss	\$1,000,000	None
❖ Systems Integrity Restoration Loss	\$250,000	None
PCI DDS Assessment	\$1,000,000	\$1,000,000
Retention (Cyber Deception Retention \$10,000)	\$2,500	
Electronic Fraud		
1. Phishing Loss	\$50,000	None
2. Services Fraud Loss	\$100,000	None
3. Reward Fund Loss	\$50,000	None
4. Personal Financial Loss	\$250,000	None
5. Corporate Identify Theft Loss	\$250,000	None
6. Telephone Hacking Loss	\$100,000	None
7. Direct Financial Loss (Funds Transfer Fraud)	\$100,000	None
8. Cyber Deception	\$250,000	\$250,000

01/20/2

Same

Retention (including Claims Expenses)

Coverage	Each Claim or Event	Aggregate
Privacy Liability (including Employee Privacy)	\$2,500	\$2,500
Privacy Regulatory Claims Coverage	\$2,500	\$2,500
Security Breach Response Coverage	\$2,500	\$2,500
Security Liability	\$2,500	\$2,500
Multimedia Liability	\$2,500	\$2,500
Cyber Extortion	\$2,500	\$2,500
Business Income and Digital Asset Restoration	\$2,500	\$2,500
PCI DSS Assessment	\$2,500	\$2,500
Electronic Fraud		
❖ Phishing Loss	\$2,500	\$2,500
❖ Services Fraud Loss	\$2,500	\$2,500
❖ Reward Fund Loss	\$2,500	\$2,500
❖ Personal Financial Loss	\$2,500	\$2,500
❖ Corporate Identify Theft Loss	\$2,500	\$2,500
❖ Telephone Hacking Loss	\$2,500	\$2,500
❖ Direct Financial Loss (Funds Transfer Fraud)	\$2,500	\$2,500
❖ Cyber Deception	\$10,000	None

Supplemental Limits

Coverage	Sublimit of Liability
Court Attendance Costs	\$100,000
Bodily Injury / Property Damage Liability	\$250,000
TCPA	\$100,000
HIPAA Corective Action Plan Costs	\$50,000
Post Breach Response	\$25,000
Independent Consultant	\$25,000
Outsourced Provider	\$250,000
Computer System	\$250,000

Student Accident

Same

Issuing Company	Great American Insurance Company
AM Best Rating	A+ XV
Policy Number	TBD – Primary
Policy Term	6/5/2023 to 6/5/2024

Named Insured

Insured	Interest
Academy for Integrated Arts	First Named Insured

Coverages

Description

Maximum Benefit Amount	\$25,000
Deductible	\$0
Accidental Death, Dismemberment, Loss of Sight, Speech, or Hearing	\$20,000

Benefit Period
Provided treatment begins within 90 days from the date of Injury, Benefits are payable for 52 weeks from the date of an Injury, provided the care is Medically Necessary.

Specified Activity
Private School Activities



June

Student Accident

Issuing Company	United States Fire Insurance Company
AM Best Rating	A XV
Policy Number	TBD – Catastrophic
Policy Term	6/5/2023 to 6/5/2024

Named Insured

Insured	Interest
Academy for Integrated Arts	First Named Insured

Coverages

Description	
Maximum Benefit Amount	\$1,000,000
Deductible	\$25,000
Accidental Death, Dismemberment, Loss of Sight, Speech, or Hearing	\$20,000
Benefit Period	Provided treatment begins within 90 days from the date of Injury, Benefits are payable for 52 Weeks from the date of an Injury, provided the care is Medically Necessary.
Specified Activity	Charter School Activities, including interscholastic athletics (no tackle football)

Who Is Covered

All students are covered while participating in school-sponsored and supervised activities, including athletics. A student is also covered while traveling, directly and without interruption, to and from any school-sponsored activity and his or her home, or place of residence. Coverage is expanded to include all teachers, coaches and staff members.

Maximum Medical Expense Benefit

If the Covered Person incurs eligible expenses as the direct result of a covered injury and independent of all other causes, the Company will pay the charges incurred for such expense within 365 days, beginning on the date of the accident.

Payment will be made for eligible expenses in excess of the applicable Deductible Amount, not to exceed the Maximum Medical Benefit. The first such expense must be incurred within 90 days after the date of the accident.

“Eligible Expense” means charges for the following necessary treatment and service, not to exceed the usual and customary charges in the area where provided.

- Medical and surgical care by a physician;
- Radiology (X-rays);
- Prescription drugs and medicines;
- Hospital care and service in semi-private accommodations, or as an outpatient;
- Ambulance service from the scene of the accident to the nearest hospital;
- Orthopedic appliances necessary to promote healing

Excess Coverage: This plan does not cover treatment or service for which benefits are payable or service is available under any other insurance or medical service plan available to the Covered Person.

Accidental Death and Dismemberment

If a covered injury results in any of the losses specified below within 365 days after the date of the accident, the company will pay the applicable amount.

- Full Principal Sum for loss of life
- Full Principal Sum for double dismemberment
- Full Principal Sum for loss of sight in both eyes
- 50% of the Principal Sum for loss of one hand, one foot, or sight of one eye
- 25% of the Principal Sum for loss of index finger and thumb of same hand

“Member” means hand, foot, or eye. Loss of hand or foot means complete severance above the wrist or ankle joint. Loss of eye means the total, permanent loss of sight.

We will not pay more than the Principal Sum for this Benefit for all losses due to the same accident.

Exclusions and Limitations

This plan does not cover any loss to or resulting from:

- Suicide, self-destruction, attempted self-destruction or intentional self-inflicted injury while sane or insane.
- War or any act of war, declared or undeclared.
- Sickness, disease or any bacterial infection, except one that results from an accidental cut or wound or pyogenic infections that result from accidental ingestion of contaminated substances.
- Voluntarily taking any drug or narcotic unless the drug or narcotic is prescribed by a Physician.

- Covered Expenses for which the Covered Person would not be responsible in the absence of this Policy.
- Injuries paid under Workers' Compensation, Employer's liability laws or similar occupational benefits or while engaging in activity for monetary gain from sources other than the Policyholder.
- Injury caused by, contributed to or resulting from the Covered Person's use of alcohol, illegal drugs or medicines that are not taken in the dosage or for the purpose as prescribed by the Covered Person's Physician.
- Service or Active Duty in the armed forces, National Guard, military, naval or air service or organized reserve corps of any country or international organization.
- Services or treatment rendered by a Physician, Nurse or any other person who is employed or retained by the policyholder; or an Immediate Family member of the Covered Person.
- Treatment of a hernia, Osgood-Schlatter's disease, osteo - chondritis, appendicitis, osteomyelitis, cardiac disease or conditions, pathological fractures, congenital weakness, whether or not caused by a Covered Accident.
- Damage to or loss of dentures or bridges or damage to existing orthodontic equipment, except as specifically provided in this Policy.
- Eyeglasses, contact lenses, hearing aids.
- Travel or flight in or on any vehicle for aerial navigation, including boarding or alighting from: While riding as a passenger in any aircraft not intended or licensed for the transportation of passengers.

Audit and Tax Proposal for SY23-SY25

Marr and Company provided the proposal (attached). Cost data below:

	Prior Contract			Current Proposal*		
	SY20	SY21	SY22	SY23	SY24	SY25
Audit	\$7,900	\$8,050	\$8,125	\$9,400	\$10,000	\$10,700
Federal			3,950	4,000	4,075	4,150
Tax	1,350	1,425	1,500	1,800	1,960	2,125
Total	\$9,250	\$9,475	13,575	\$15,200	\$16,035	\$16,975

*Proposal specifies that SY24 and SY25 are optional renewals. May not need Federal Single Audit in SY25.

A fairly significant increase (\$1,625 or 12%) over SY22 and then a little less than 6% for the next two years. This is not surprising given trends in inflation. Also, prior 3 years' increases (as specified in original proposal) were modest.

Marr and Company have done good work and it seems important to maintain consistency at least through next 2-3 years as we work through Federal funding.

Recommend approval.



June 13, 2023

Board of Directors
Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

We are pleased to confirm our understanding of the services we are to provide for the Academy for Integrated Arts (the “Academy”), a nonprofit organization, for the year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the Academy, which comprise the statement of assets, liabilities and net assets - modified cash basis as of June 30, 2023, and the related statements of support, revenue and expenses - modified cash basis, functional expenses – modified cash basis, and cash flows - modified cash basis for the year then ended, and the disclosures (collectively, the “financial statements”). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain 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 (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor’s report on the financial statements:

1. Statement of assets, liabilities and fund balances-modified cash basis by fund
2. Statement of receipts, disbursements and changes in fund balance- modified cash basis by fund
3. Schedule of receipts collected by source-by fund
4. Schedule of disbursements paid by object-by fund
5. Schedule of expenditures of federal awards (SEFA)

The objectives of our audit 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 issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with the modified cash basis of accounting, and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on:

- Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial report, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Academy or to acts by management or employees on behalf of the Academy. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Academy's attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risk of material misstatement as part of our audit planning: management override of controls and improper revenue recognition due to fraud.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

We will obtain an understanding of the Academy and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Academy's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of these procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Academy's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Academy's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will prepare the Academy's federal and state information returns for the year ended June 30, 2023 for the State of Missouri and the IRS based on information provided by you. We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Academy in conformity with modified cash basis of accounting and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will issue a **separate** engagement letter contract for the tax preparation services.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statements, schedule of expenditures of federal awards, related notes, and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

You agree to assume all management responsibilities for the tax services, financial statements, related notes, schedule of expenditures of federal awards, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with modified cash basis of accounting; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for including all informative disclosures that are appropriate for the modified cash basis of accounting. Those disclosures will include (1) a description of the modified cash basis, including a summary of significant accounting policies, and how the modified cash basis differs from GAAP, (2) informative disclosures similar to those required by GAAP, and (3) additional disclosures beyond those specifically required that may be necessary for the financial statements to achieve fair presentation.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the Academy from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Academy involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Academy received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Academy complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with the modified cash basis of accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the modified cash basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the modified cash basis of accounting; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, debt, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Academy; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Marr and Company, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Missouri DESE or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Marr and Company's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by Missouri DESE. If we are aware that an auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Clark Hanner is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

The estimated fee for audit-related services will be **\$13,400** (includes \$9,400 base fee and \$4,000 additional fee for a federal single audit) for the year ending June 30, 2023. Incidental out-of-pocket expenses related to the audit have not been included in the above fee and will be billed at our cost. Our estimated fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

The Academy has the option to renew these services for 2 additional years for the year ended:

June 30, 2024	\$14,075	(\$10,000 base fee and \$4,075 additional fee for a federal single audit)
June 30, 2025	\$14,850	(\$10,700 base fee and \$4,150 additional fee for a federal single audit).

Reporting

We will issue a written report upon completion of our Single audit. Our report will be addressed to Board of Directors of the Academy. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

Academy for Integrated Arts

June 13, 2023

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The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the Academy for Integrated Arts and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the RESPONSE section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com.



Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Academy for Integrated Arts.

Officer Signature & Title

Date



June 13, 2023

Board of Directors
Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

Marr and Company, P.C. (“firm,” “we,” “us,” or “our”) is pleased to provide Academy for Integrated Arts (the “Academy”) (“you” or “your”) with the professional services described below. This letter (collectively, “Agreement”) confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

We will prepare the federal Form 990 and applicable state tax returns for the year ended June 30, 2023. We will rely upon the completeness and accuracy of the information and representations you provide to us to prepare your tax returns. We have not been engaged to and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service (“IRS”) and applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS, state and local tax authorities regardless of the nature of the claim, including the negligence of any party, excepting claims arising from the gross negligence of intentional wrongful acts of Marr and Company, P.C.

Our engagement does not include any procedures designed to detect errors, fraud, theft, or other wrongdoing. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls. You are responsible for developing and implementing internal controls applicable to your operations.

This engagement is limited to the professional services outlined above.

CPA Firm Responsibilities

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services (“SSTs”) issued by the American Institute of Certified Public Accountants (“AICPA”) and U.S. Treasury Department Circular 230 (“Circular 230”). It is our duty to perform services with the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

Marr and Company, P.C. will not make management decisions or perform management functions on your behalf.

Arguable positions

We will use our professional judgment to resolve questions in your favor where a tax law is unclear, provided that we have a reasonable belief that there is substantial authority for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of tax reference materials. Tax reference materials include, but are not limited to, the Internal Revenue Code (“IRC”), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings, court cases, and similar state and local guidance. If the IRS, state or local tax authorities later contest the position you select, additional tax, penalties, and interest may be assessed. You will be responsible for these amounts, as well as any related professional fees, you may incur to respond to the tax authority.

Bookkeeping assistance

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. These services will be performed solely in accordance with the AICPA Code of Professional Conduct. In the event we conclude that such services are necessary to prepare your tax returns, we will advise you in writing before services are performed and bill you for the required services. These services will be billed at our standard hourly rates and will be subject to the terms of this Agreement.

Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, and we agree, we will confirm this engagement in a separate written agreement.

Third party requests

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We do not communicate with third parties or provide them with copies of tax returns.

Client Responsibilities

You will provide us with a trial balance and other supporting data necessary to prepare your tax returns. You must provide us with accurate and complete information. Income from all sources, including those outside of the U.S., is required to be reported.

Unrelated business taxable income

If your organization produces revenue from a trade or business activity not directly related to its tax-exempt purpose, it may have unrelated business taxable income that must be reported separately from other income. You are responsible for informing us of any potential unrelated business taxable income. At your written request, we are available to provide you with written answers to your questions on this matter.

Other responsibilities of not-for-profit organizations

As a non-profit organization, you are subject to additional obligations including but not limited to:

- Maintaining state registrations related to solicitations with state charitable divisions;
- Meeting the public support test; and
- Maintaining non-profit status by timely filing tax returns.

You acknowledge that these are solely your responsibilities. If you would like assistance in understanding your responsibilities, and we agree, we will confirm this engagement in a separate written agreement.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. Our records are not a substitute for yours. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You will be responsible for any liability, including but not limited to, additional tax, penalties, interest and related professional fees, resulting from the disallowance of tax deductions due to inadequate documentation.

State and local filing obligations

You are responsible for determining your filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, and property taxes or abandoned and unclaimed property. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. You acknowledge that the scope of our services under this Agreement does not include any services related to your compliance with filing obligations other than those identified in the *Engagement Objective and Scope* section of this Agreement. If you ask us to prepare any other returns, and we agree, we will confirm this engagement in a separate written agreement. You will be responsible for penalties associated with the failure to file or untimely filing of any form for which we were not engaged to prepare.

Ultimate responsibility

You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS, state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879-EO, *IRS e-file Signature Authorization for an Exempt Organization*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

In the event that you do not wish to have your tax returns filed electronically, please contact our firm. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

Timing of the Engagement

Our services will conclude upon the earlier of:

- the filing and acceptance of your 2023 tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) to you for your review and your filing with the appropriate tax authorities,
- written notification by either party that the engagement is terminated, or
- one (1) year from the execution date of this Agreement.

Extensions of Time to File Tax Returns

The original filing due dates for your tax returns are November 15, 2023 for federal and Missouri. It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may limit your ability to make certain elections, extend the time available for a government agency to undertake an audit of your return and/or extend the statute of limitations to file a legal action.

If we apply for an extension of time to file because you have not provided us all of the information needed to prepare the tax returns by the original due date, you agree to hold our firm harmless from any consequences arising from any election waived. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations including failure to file or late filing of returns, and underpayment of taxes. You will be responsible for the payment of any additional tax, penalties, and interest charges imposed by tax authorities.

Professional Fee

Our professional fee for the services outlined above is estimated to be **\$1,800**. This fee is based upon the complexity of the expected work to be performed, our professional time and out-of-pocket expenses. Circumstances may arise that impact our estimated fee such as, but not limited to, issues encountered with the timely delivery, availability, quality, or completeness of the information you provide to us, changes in your personnel or operations that impact our services or other unanticipated items that arise during our engagement and that require additional time in order to complete the agreed-upon services. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the tax returns.

The Academy has the option to renew these services for 2 additional years for the years ended June 30, 2024 and 2025 and an estimated fee of **\$1,960** and **\$2,125**, respectively.

* * * * *

If the foregoing correctly sets forth your understanding of our tax engagement, please sign the accepted by section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com. If you disagree with any of these terms, please notify us immediately. We want to express our appreciation for this opportunity to work with you. If you have any questions or need any additional information, please do not hesitate to call.



Marr and Company, P.C.
Certified Public Accountants

ACCEPTED BY:

Academy for Integrated Arts

Signature: _____

Date: _____

Printed Name: _____

Title: _____



June 13, 2023

Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

We are pleased to confirm our understanding of the services we are to provide for Academy for Integrated Arts (the “Academy”).

We will examine management’s assertions that the Academy complied with the requirements of Missouri laws and regulations regarding attendance and pupil transportation records, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2023. The objectives of our examination are to (1) obtain reasonable assurance about whether the Schedule of Selected Statistics is free from material misstatement based on the requirements by the Missouri Department of Elementary and Secondary Education (“DESE”); and (2) to express an opinion as to whether management’s assertions that the Academy complied with the aforementioned requirements are fairly stated, in all material respects.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report as a part of the audited financial statement reporting package upon completion of our examination. Our report will be addressed to the Board of Directors of the Academy. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

You understand that the report is intended solely for the information and use of the Board of Directors, Academy’s management, and the Missouri DESE and is not intended to be and should not be used by anyone other than those specified parties.

We will plan and perform the examination to obtain reasonable assurance about whether the Schedule of Selected Statistics is free from material misstatement based on the requirements by the Missouri DESE. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies, that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

You are responsible for the presentation of the Schedule of Selected Statistics in accordance with the requirements by the Missouri DESE; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for, and agree to provide us with, a written assertion about whether the Schedule of Selected Statistics is presented in accordance with the requirements of the Missouri DESE. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

Clark Hanner is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

The fees for these services were included in the signed engagement letter for the audit of the financial statements. The Academy has the option to renew these services for 2 additional years ended June 30, 2024 and 2025 under the same terms and conditions.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the RESPONSE section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com.

Very truly yours,



Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Academy for Integrated Arts.

By: _____

Title: _____

Date: _____

Approval of EdOps SY24 Financial Services Contract

- Proposed SY24 = \$66,000 vs. Actual SY23 = \$60,000
- Pricing methodology was based on SY23 actual hours. Although SY23 hours supported a fee increase to \$69,000, AFIA was given a 5% fee reduction based on longstanding relationship.
- Contract attached.

Approval of EdOps SY24 Financial Services Contract

- Proposed SY24 = \$35,100 vs. Actual SY23 = \$32,600
- As in previous years, the price increased slightly by the per-pupil funding increase in MO.
- Contract attached.

**STATEMENT OF WORK
FINANCE AND ACCOUNTING SERVICES
2024 FISCAL YEAR**

THIS STATEMENT OF WORK (the “Agreement”) is made and entered into as of July 1, 2023 (the “Effective Date”) by and between Academy for Integrated Arts (the "School") and EdOps (hereinafter, separately a “Party” and jointly “the Parties”).

The following provisions are designated in accordance with the Services Agreement, which is incorporated herein by reference.

Nature of Services

Our service offering comprises complementary financial and business consulting and business process outsourcing services that are critical to successfully planning, launching, and implementing a financially sound and fiscally sustainable business model. The Services, detailed below, include creating a detailed budget, performing bookkeeping and accounting services, preparing financial statements and reports, providing analysis and insight on the School’s fiscal performance, supporting the School with financial aspects of federal grants administration, and acting as the interface for the School’s annual audit. Helping the School develop the organizational capacity to execute critical financial operating procedures and internal controls also cuts across our Services.

I. BUDGETING

EdOps provides technical support to School staff in preparing annual and multi-year budgets. Beyond performing the technical modeling work, we strive to ensure that the budget is a strategic document that captures the vision and direction of the School.

EdOps Responsibilities	<ul style="list-style-type: none"> ▪ Using its proprietary budget tool, EdOps will work with the School to create a detailed budget for the upcoming year and, as requested by the School for internal use, the following four years. ▪ EdOps works with School staff to revise budgets, within reason, during the year to reflect changing circumstances at the School or in funding levels.
School Responsibilities	<ul style="list-style-type: none"> ▪ EdOps’ primary role is to facilitate the discussion and give financial form to the School’s ideas. EdOps can provide guidance, but managerial and budgeting decisions ultimately rest with School. ▪ The School’s Board of Trustees must approve the budget before June 30. At that point it must be submitted to the Sponsor.

II. ACCOUNTING AND MONTHLY CLOSE

The foundation of the budgeting and analytical work we perform is strong basic accounting and bookkeeping executed in accordance with DESE’s Missouri Finance Accounting Manual. We strive to carry out our accounting engagements with staff who are not only technically skilled and personable, but who are also passionate and knowledgeable about schools.

EdOps Responsibilities	<ul style="list-style-type: none"> ▪ EdOps prepares and records journal entries and maintains the general ledger according to accepted accounting standards. ▪ EdOps reconciles primary bank and investment accounts to the general ledger monthly or upon receipt of statements. Revolving and petty cash accounts are reconciled quarterly or as required. ▪ EdOps reconciles credit card accounts to the general ledger monthly or upon receipt of statements. ▪ EdOps records capitalized assets as provided by the School and records related depreciation and amortization in the general ledger. ▪ EdOps maintains necessary supporting schedules such as restricted net assets, grant/pledge discounts, loan amortization, etc. ▪ EdOps maintains the School’s chart of accounts and can use customized account codes (within reason) for unique features of the School program. ▪ EdOps can track revenue and expenditures by fund - e.g., Title I funds and expenditures. ▪ EdOps verifies that the School is receiving the correct amount of funds from the DESE.
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	<ul style="list-style-type: none"> ▪ If the funds from DESE are not correct, EdOps tracks down the appropriate officials and alerts them of the problem. EdOps will use reasonable efforts to negotiate on behalf of the School in disputes with funding agencies over improperly calculated payments. ▪ EdOps trains appropriate personnel on accounting procedures and practices designed to support accurate record keeping
School Responsibilities	<ul style="list-style-type: none"> ▪ The School will provide online read-only access to all bank accounts, credit card accounts, investment accounts and other accounts that EdOps will be reconciling. The School will provide any statements for which online access cannot be established within three business days of receipt. ▪ A member of the School’s staff will be designated as the operational interface between the School and EdOps. That individual will respond promptly to all requests for information from EdOps staff regarding financial activity for the month including grants, pledges, contracts, obligations, contingent revenues or expenses, and generally any transactions or conditions which may impact the financial statements or forecast for the School under GAAP. ▪ The School will manage depositing incoming checks, cash, or other instruments into the School’s bank account(s) including making and maintaining copies of all checks to be deposited. ▪ The School will obtain/retain receipts for all credit card transactions, and file such receipts with each month’s credit card statement/reconciliation bundle. ▪ The School will provide information on grants, pledges, or other similar items that are pending, expected, or awarded. ▪ The School is responsible for obtaining a subscription to Software Unlimited (or another mutually agreeable accounting system that EdOps can remotely access) and paying all associated fees. ▪ Note: Because EdOps needs bank statements to complete a financial close and adequate time to resolve questions with staff, full financial packages based on prior month financials generally cannot be delivered prior to the 15th of the month.

III. FINANCIAL STATEMENTS, ANALYSIS, AND BOARD SUPPORT

EdOps produces financial statements as part of its monthly close process. One of the cornerstones of the EdOps approach is that we go beyond simply producing generic backward-looking financial reports. We work to make financial data relevant and actionable for School leaders and Board members by supplementing the historical data with forward-looking analytics and explanatory narrative.

EdOps Responsibilities	<p><i>Financial Statements</i></p> <ul style="list-style-type: none"> ▪ EdOps prepares a monthly YTD income statement compared to budget and balance sheet in time for board meetings and sponsor submission. ▪ EdOps can generate the following supplemental reports upon request: detailed account activity; bank register activity; summary of budget, expenditures by account; cash balances; payroll register (for periods when payroll is processed by EdOps); revenues; general ledger account balances. <p><i>Analysis and Board Support</i></p> <ul style="list-style-type: none"> ▪ EdOps critically reviews budget to actuals and updates the budget forecast on a monthly basis. ▪ EdOps produces a cash flow forecast showing anticipated cash balances by month through the end of the fiscal year to assist the School with cash flow management. ▪ EdOps performs reasonable financial analysis that the staff or board requests. EdOps will also provide customized reports (within reason) for grant proposals. ▪ EdOps helps School leaders work through options to manage cash position, both excess liquidity and potential shortfalls. ▪ In addition to financial statements, EdOps provides a PowerPoint summary and analysis of the financial statements so the Board and staff can quickly focus on the salient financial issues facing the School.
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	<ul style="list-style-type: none"> ▪ EdOps will attend monthly board meetings or finance committee meetings in person or by teleconference as requested (up to one per month) to present its financial statements, analysis, and forecast. ▪ EdOps can attend additional leadership meetings at the request of the School (e.g. both a Board meeting and Finance Committee meeting), but will bill hourly for meetings in excess of one per month, including travel and preparation time. ▪ As requested, EdOps can help the School leader find solutions to financial issues by recommending budget changes and/or identifying sources of potential funding.
School Responsibilities	<ul style="list-style-type: none"> ▪ The School is responsible for providing EdOps with dates for any Board or Finance Committee meetings at which its support is needed at least two weeks in advance. ▪ In performing financial forecasting, EdOps is dependent on the School for providing timely updates on operational items that impact financial performance such as new vendor contracts, changes in enrollment outlook, or new grant awards ▪ Financial forecasting is inherently uncertain. School is responsible for critically reviewing and forming its own judgment regarding the validity of any forecasts provided by EdOps.

IV. AUDIT AND 990 SUPPORT

EdOps supports the auditor during audit field work and in preparing the School’s annual 990 tax filing to reduce the impact on School staff.

EdOps Responsibilities	<ul style="list-style-type: none"> ▪ Before the beginning of audit field work, EdOps completes an internal close of the School’s financial books for the fiscal year. ▪ EdOps prepares all financial schedules on the auditor’s “Prepared by Client” or “School Assistance” list. ▪ EdOps provides assistance as requested by the auditor during fieldwork and conducts follow up work responding to auditor’s financial requests. ▪ EdOps supports the School and auditor in preparing Form 990 tax-exempt organization annual filing. The audit firm is responsible for compiling and filing the form with the School’s approval. EdOps supports the process by providing financial information requested by the auditor.
School Responsibilities	<ul style="list-style-type: none"> ▪ The School will prepare the non-financial items required by the auditors and assist EdOps in resolving and reconciling all outstanding items and issues that arise as EdOps closes books for the year and prepares deliverables for the auditor. ▪ The School will assist the audit team during the on-site portion of the audit. This support will include providing access to files and hard-copies of requested documentation. ▪ Throughout the audit process, the School will provide EdOps and auditor with occasional clerical assistance. Clerical duties will include, but are not limited to, gathering and/or copying relevant documentation, including contracts, leases, invoices, bank statements, etc. ▪ For clarification, fees for audit and 990 are paid by the School, and it is the School’s and auditor’s sole responsibility to ensure these forms are filed. The School is solely responsible for the accuracy of all disclosures in the 990.

V. PAYROLL ADMINISTRATION

EdOps processes payroll and serves as the school liaison for retirement.

EdOps Responsibilities	<ul style="list-style-type: none"> ▪ EdOps prepares an Excel payroll data file as the main data source for payroll processing. ▪ EdOps processes payroll, and enters new hire information, time for hourly employees, payroll changes, and leave usage (if tracked through payroll) based on information provided by the School. ▪ EdOps prepares remittances for federal, state, and local taxes and the Kansas City Public School System Retirement Plan contributions using information in official payroll reports. ▪ EdOps reconciles monthly insurance invoices to the payroll deduction report. ▪ EdOps prepares and submits monthly retirement reconciliation to Kansas City Public Retirement System. ▪ EdOps files all payroll related reports(unemployment, worker’s comp, etc) required/requested by the state/vendors ▪ EdOps processes W-2s.
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School Responsibilities	<ul style="list-style-type: none"> ▪ The School will update an EdOps–provided Excel payroll data file and email it to EdOps by close of business the day before payroll vendor’s data entry cut-off date for each pay date. ▪ The School is responsible for reviewing all payroll data processing as well as the final reports documenting payroll submission. ▪ The School is responsible for the accurate and timely transmittal of all employee-related payroll data to EdOps for entry into the payroll system including personal, tax, benefits, and other required information. School staff, outside of the payroll process with EdOps, should not reach out directly to EdOps staff. Any payroll/benefits questions or changes should be received by a pre-determined School staff. ▪ The School is responsible for the administration of its employee benefits programs and the filing of Forms 1095 as required by the Affordable Care Act. ▪ The School is responsible for completing and remitting verifications of employment from current or prior School staff. EdOps can provide financial information required for verifications to the School.
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VI. ACCOUNTS PAYABLE

EdOps coordinates schools’ usage of an online accounts payable system to manage payables in a modern and efficient manner. We support our clients with the implementation and ongoing management of that solution.

EdOps Responsibilities	<ul style="list-style-type: none"> ▪ EdOps reviews School staff coding of invoices (or performs initial coding if missing) in the School’s online accounts payable system. ▪ EdOps serves as the primary interface between the School and its online accounts payable platform provider, managing issues such chart of accounts maintenance and system implementation. ▪ EdOps records in detail all transactions (bills, checks, deposits, etc.) into accounting software package. ▪ EdOps oversees the migration of check and invoice data from the online accounts payable system to the School’s accounting software. EdOps prepares Forms 1099 and Form 1096 for non-incorporated vendors and contract employees paid through AP (or via payroll).
School Responsibilities	<ul style="list-style-type: none"> ▪ School will use an online accounts payable service (AnyBill or other mutually agreeable provider) and pay all fees associated with that service. ▪ School will identify at least one payment authorizer who is responsible for approving all checks and invoice coding prior to release. Note that final coding and approval decisions are solely the responsibility of the School. ▪ School will communicate to EdOps or tag directly in the online payable system all invoices that should be applied to federal or other grant awards. ▪ The School is responsible for obtaining W-9s for all vendors and for providing accurate tax ID and corporate form data on its vendors to EdOps to support filing of 1099s. ▪ School is responsible for preparation and distribution of any paper checks.

VII. FEDERAL GRANTS & MEDICAID ADMINISTRATION

EdOps will assist the School with the financial portion of federal grants applications as well as completing reimbursement requests associated with spending under those grant programs.

EdOps Responsibilities	<ul style="list-style-type: none"> ▪ EdOps assists with the financial portion of the initial applications for many of the programs run through DESE (e.g., Title I-II, Sped Part B). ▪ EdOps prepares draw requests for federal grant funds reimbursement and informs school leader when they are ready to be submitted by the school. ▪ EdOps prepares grant budget revisions and reallocations as requested by the School. ▪ EdOps sets up fund accounting to track direct and allocated costs to grants. ▪ EdOps prepares and submits all Final Expenditure Reports and ASBR. ▪ EdOps files quarterly Medicaid SDAQ forms required for administrative services program. ▪ EdOps serves as school liaison to Medicaid administrative agencies. ▪ EdOps supports school leadership in setting up outsourced student service providers in Medicaid Direct Services Program
School Responsibilities	<ul style="list-style-type: none"> ▪ The School is responsible for completing and submitting all Federal Grant applications. EdOps can complete drafts of financial and other portions of those applications, but the

	<p>School is responsible for reviewing those drafts, modifying them as needed, and ultimately approving a finalized application for submission. The School is solely responsible for the accuracy and suitability for funding of all Federal grant applications and budget amendments, including decisions regarding which expenses to apply against a specific federal grant.</p> <ul style="list-style-type: none"> ▪ School is responsible for submitting on epegs any and all federal grant draw requests, as well as all final expenditure reports. ▪ The School is responsible for spending funds as it has indicated in its approved Federal Grant applications, as well as retaining all required documentation to support that spending, including federal time and effort documentation for federally funded employees. ▪ The School is solely responsible for the accuracy and timely submission of all federal grants reimbursement requests. ▪ The School will involve EdOps in the grant budgeting process so EdOps can proactively contribute to the process and can remain current on all sub-budget tracking and reporting requirements. It is ultimately School’s responsibility to ensure information on grant spending is communicated to EdOps, including specifically flagging which expense items belong to which grant.
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VIII. FACILITIES CONSULTING AND FINANCING SUPPORT (BILLED HOURLY)

As an optional hourly service, EdOps can support School in developing its facilities strategy and/or in obtaining financing for a facilities project. EdOps’ financial expertise, deep experience, and strong reputation in the charter space along with many successful consulting and debt transaction engagements, make EdOps a natural choice to provide such support when needed.

<p>EdOps Responsibilities</p>	<ul style="list-style-type: none"> ▪ Facilities Consulting – The output of this work can be broad such as “what should we do,” or narrower such as “can we afford this project we are considering.” EdOps will help the School think about what questions and factors are important and help the School determine most likely options for a successful facilities strategy. EdOps facilities engagements almost always include significant quantitative modeling (discussed more below) as well as analysis of all of the legal rights and options of the School as outlined in legal documents governing their current and prospective choices. ▪ Project Finance Modeling – EdOps will help the School assess the feasibility of facilities projects, evaluate the relative attractiveness of various financing solutions, provide financial models required by underwriters, and help make buy/lease decisions by modeling project attributes with respect to the School’s ability to support debt/lease payments over the life of the project. ▪ Negotiation and Underwriting Support – We analyze various options presented in the term sheets received and outline the quantitative and qualitative strengths and weaknesses of each to help leadership drive to a decision. We work on the client’s behalf along with borrower’s counsel to try to improve terms and support term sheet negotiation to drive to final commitments with chosen financing and other deal partners. We also provide additional financial modeling support as necessary for underwriting. ▪ Contract Documents Review – We can review transaction documents at the relationship stage including leases, letters of agreement, letters of intent, memoranda of understanding, term sheets, and the like from a financial perspective, offering comments and edits for areas of concern. We help ensure the financial terms of the governing documents are consistent with initial term sheets, letters of agreement, and memoranda of understanding. ▪ Transaction Execution Support – We help drive the chosen financing option to close by working with subordinate lenders, borrower’s counsel, bond counsel, bank’s counsel and other involved parties as client’s financial advocate, including (as noted above) reviewing loan documents, with a particular emphasis on financial commitments, covenants, and compliance. We prepare any required analyses to support final document preparation and board decision-making. We can attend project team meetings as requested by the School. ▪ Bank Reporting Support – For Schools with debt instruments in place, EdOps can support bank requests for custom financial reporting and analysis requested by lenders.
<p>School Responsibilities</p>	<ul style="list-style-type: none"> ▪ School is responsible for providing all legal documents, agreements, background information, and the like relevant to a given consulting engagement.

	<ul style="list-style-type: none"> ▪ School is responsible for providing enrollment assumptions, staffing models, and all other inputs used in financial modeling and for critically reviewing and approving all financial modeling performed by EdOps. ▪ School is responsible for selecting legal counsel and other professionals necessary to support School with all legal, tax, or other aspects of a particular deal, as well as to assist in negotiating final deal terms in the areas related to their expertise. ▪ School is solely responsible for the final decision with respect to which financing instruments to enter into.
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Note on Expectations of School

EdOps’ completion of the deliverables, in the format and per the timing noted above, is contingent on School providing the assistance and performing the functions noted in “School Responsibilities.” Failure of School to offer such assistance and to perform such functions in a timely manner may adversely impact EdOps’ ability to complete the Scope of Work as outlined above.

Out of Scope

There are times when school requests will be identified as out of scope by the EdOps team. Examples of work that would be deemed out of scope include, but are not limited to:

HR: Employee Onboarding/Offboarding, Open Enrollment, Benefit Management, Cobra Management, 403b administration, Direct Requests from School Staff

Operations: Bank Account/Credit Card Set Up, Transportation Records Maintenance, W9 Records Maintenance, Grants Request Submission

Reporting: Multi-Site Labor Report, 1095 ACA, Unclaimed Property Report, Time/Effort Reporting, Departmental Budget Reporting

Fees for Services

Our fees for the aforementioned services for the period **JULY 1, 2023** through **JUNE 30, 2024** will be at the monthly rate of \$5,500. The time period covered by this statement of work is July 1, 2023 to June 30, 2024. Work of any type that is to be performed by EdOps after June 30, 2024, including specifically audit and 990 support, would require a separate statement of work and different fee structure.

Note that the fee above does not include facilities financing support, the preparation of responses to custom reporting requirements from lenders associated with existing debt, or the technical work required to establish proper accounting treatment for a new financing transaction including reviewing loan and other transaction-related documents. Because of the variable nature of the time required to provide financing support, EdOps bills it hourly, typically under a separate Statement of Work. Additional business consulting services not listed in the Nature of Services section and those explicitly identified as hourly be billed at our standard hourly rates, which are listed below.

- Regional Director \$250/hour
- School Finance Manager: \$145/hour
- School Finance Specialist: \$105/hour
- School Finance Analyst: \$90/hour

Services may be extended to additional years through mutual written agreement of the parties with respect to price, scope, and period of service. This Statement of Work is an extension of the Statement of Work for Finance and Accounting for the period ending 6/30/23.

EdOps

By: Paul Greenwood
Paul Greenwood (May 25, 2023 12:53 CDT)

Authorized Signature

Paul Greenwood
Paul Greenwood (May 25, 2023 12:53 CDT)

Printed Name

Missouri Finance Team Director

Title

May 25, 2023

Date

Academy for Integrated Arts

By: _____

Authorized Signature

Printed Name

Title

Date



**STATEMENT OF WORK
STUDENT DATA MANAGEMENT & ANALYTICS SERVICES
JULY 2023 – JUNE 2024**

THIS STATEMENT OF WORK (the “Agreement”) is made and entered into as of July 1, 2023 (the “Effective Date”) by and between Academy for Integrated Arts (the "School") and EdOps (hereinafter, separately a “Party” and jointly “the Parties”).

The following provisions are designated in accordance with the existing Services Agreement, which is incorporated herein by reference.

Nature of Services

Our service offering provides comprehensive student data management, analysis, and reporting. We partner with the School to improve data quality, ensure reporting compliance, and support strategic decision making across all levels of the organization. Our goal is to provide the right combination of data insights and technology tools to support the staff behaviors most impactful to improving schools. Building a strong data program as a foundation is a critical first step. Our work focuses on two main areas - technical/compliance and tactical/monitoring.

I. Student Data Monitoring, Reporting & Analytics

Our reporting strives to help every layer of the School understand your students’ performance to improve outcomes and meet the school’s mission. EdOps provides data tools and resources you can use to track and interpret key school environment metrics (e.g., enrollment, demographics, attendance, discipline) and assessment results. The services also aid the decision-making process to identify specific action steps for stakeholders to take to create the best possible outcomes for student behavior and achievement.

A. Data Cycle and Data Calendar Development

EdOps Responsibilities	<ul style="list-style-type: none"> ● Collaborate with the school to identify mission-oriented metrics that reflect critical milestones in a School’s growth. ● Develop systems to collect data on these metrics. ● Create a data cycle and reporting calendar to provide actionable insights for key meetings to drive school improvement. ● Deliver data takeaways and communication on needs as part of LEA meeting structures ● Partner with LEA to interpret data and translate takeaways into an action plan for improvement.
School Responsibilities	<ul style="list-style-type: none"> ● Participate in planning meetings. ● Follow up with next steps in a timely manner ● Provide an assessment calendar.

B. Attendance Data Reporting

EdOps Responsibilities	<ul style="list-style-type: none"> ● Provide a weekly attendance report that confirms data quality and accuracy and provides insight into the schools attendance trends and implications. ● Create a space to provide and discuss the specific reports the client will receive.
School Responsibilities	<ul style="list-style-type: none"> ● Provide feedback on established EdOps tools and request any custom additions by October 1st. ● Accurately record and track attendance data in the Student Information System for both compliance and reporting purposes.
Pricing Assumptions	Pricing is based on the accurate collection and storage of attendance data and our attendance reporting template. Significant cleanup can accrue hourly charges. Significant custom revisions requested by the school will be considered for future implementation. Edops values

	our school’s feedback on our tools and will support custom revisions when possible, but additional requests that require changes to data collection, data structures and/or the tools we use can accrue hourly charges at the Director’s discretion.
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C. Indicator Monitoring Reporting

EdOps Responsibilities	<ul style="list-style-type: none"> Collaborate with the school to identify all indicator monitoring/interim assessments that require reporting outside of the assessment platforms. Propose a report template for each assessment based on previous EdOps templates. Provide a report for each indicator/assessment based on the metrics the school has outlined. Provide a scheduled report to track these metrics.
School Responsibilities	<ul style="list-style-type: none"> Provide an assessment calendar and deadlines for reporting. Provide feedback and propose any changes to EdOps templates by September 1st. Provide access to all systems required for collecting data.
Pricing assumptions	Pricing is based on school size, complexity and the time it has taken previously to perform these functions. Significant custom revisions requested by the school will be considered for future implementation. Edops values our school’s feedback on our tools and will support custom revisions when possible, but additional requests that require changes to data collection, data structures and/or the tools we use can accrue hourly charges at the Director’s discretion.

D. State Assessment Reporting

EdOps Responsibilities	<ul style="list-style-type: none"> Collaborate with the school to identify key metrics to be reported on state assessments. Provide an annual report <u>highlighting trends in student performance and growth.</u>
School Responsibilities	<ul style="list-style-type: none"> Provide feedback on established EdOps tools and identify any additional metrics that need to be tracked by September 1st. Provide access to student level data files.
Pricing assumptions	Pricing is based on school size, complexity and the time it has taken previously to perform these functions. Significant custom revisions requested by the school will be considered for future implementation. Edops values our school’s feedback on our tools and will support custom revisions when possible, but additional requests that require changes to data collection, data structures and/or the tools we use can accrue hourly charges at the Director’s discretion.

E. Data Program Action Planning & Meeting Facilitation

EdOps Responsibilities	<ul style="list-style-type: none"> Communication of Data - Deliver key takeaways to the school during regular meetings. Action Planning - Partner with the LEA to interpret data and translate takeaways into an action plan for improvement
School Responsibilities	<ul style="list-style-type: none"> Attend scheduled meetings Follow up on action steps
Pricing assumptions	Pricing is based on school size, complexity and the time it has taken previously to perform these functions. Significant custom revisions requested by the school will be considered for future implementation. Edops values our school’s feedback on our tools and will support custom revisions when possible, but additional requests that require changes to data collection, data structures and/or the tools we use can accrue hourly charges at the Director’s discretion.

Note on Expectations of School

EdOps’ completion of the deliverables, in the format and per the timing noted above, is contingent on School providing the assistance and performing the functions noted in “School Responsibilities.” Failure of School to offer such assistance and to perform such functions in a timely manner may adversely impact EdOps’ ability to complete the Scope of Work as outlined above.

Fees for Services

Our fees for the aforementioned services for the period July 1, 2023 through June 30, 2024 will be at the monthly rate of **\$2,925**.

Pricing is customized based on the total value of EdOps service and the number of projects completed for the school in each category in previous years. For any additional work deemed to be ad-hoc,project-based and hourly in nature, the School will be billed at the following hourly rates at the discretion of the Director:

- Student Data Analyst: \$105/hour
- Student Data Specialist: \$145/hour
- Student Data Manager: \$210/hour

Services may be extended to additional years through mutual written agreement of the parties with respect to price, scope, and period of service.

EdOps

By: _____
 Authorized Signature
Dan Theisen
 Printed Name
CEO
 Title
7/1/23
 Date

Academy for Integrated Arts

By: _____
 Authorized Signature

 Printed Name

 Title

 Date

**ACADEMY FOR INTEGRATED ARTS
EDUCATION COMMITTEE AGENDA**

May 18, 2023

4:00 – 5:30 PM

7910 Troost Ave., Kansas City, Missouri

This meeting will be held over Zoom.

<https://us06web.zoom.us/j/91718629229?pwd=eXRjdHc5Q2tCK1RuU0w4anhKRjNKQT09>

Meeting ID: 917 1862 9229

Passcode: cqvjE5

Dial by your location

- +1 312 626 6799 US (Chicago)
- +1 646 558 8656 US (New York)
- +1 301 715 8592 US (Washington DC)
- +1 346 248 7799 US (Houston)
- +1 720 707 2699 US (Denver)
- +1 253 215 8782 US (Tacoma)

Meeting ID: 917 1862 9229

Passcode: 414140

I. CALL TO ORDER

II. DISCUSSION ITEMS

Reference Material: [Performance Contract](#)

- **Succession Planning Feedback**
- **Evaluation of Executive Director**

Other items

III. Meeting Adjournment

**ACADEMY FOR INTEGRATED ARTS
GOVERNANCE COMMITTEE MEETING
AGENDA**

June 20, 2023
8:30 a.m. to 9:30 a.m.

Zoom Web Meeting Details

<https://us06web.zoom.us/j/91718629229?pwd=eXRjdHc5Q2tCK1RuU0w4anhKRjNKQT09>

Meeting ID: 917 1862 9229

Passcode: cqvjE5

- I. Call to Order
- II. Formal succession plan for the AFIA Leadership team (by August 2023)
 - a. Executive Director is putting together a plan for Board oversight and guidance – review slide deck
- III. Other Business
- IV. Adjournment