

**LEE A. TOLBERT COMMUNITY ACADEMY
A 501(c)(3) Not-For-Profit Organization**

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Ralph C. Johnson & Company, p.c.
Certified Public Accountants
Kansas City

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Ralph C. Johnson & Company, p.c.

Certified Public Accountants
4609 The Paseo, Suite 104
Kansas City, Missouri 64110-1825
(816) 472-8900
Fax (816) 472-4633

INDEPENDENT AUDITOR'S REPORT

The Governing Board
Lee A. Tolbert Community Academy
Kansas City, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of **LEE A TOLBERT COMMUNITY ACADEMY** (a nonprofit organization), which comprise the statement of assets, liabilities and net assets, - modified cash basis as of June 30, 2018, and the related statements of support, revenue and expenses - modified cash basis, and cash flows for the fiscal year then ended, and the related notes to the financial statements. As discussed in Note 2 to the financial statements, the financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Managements Responsibility for the Financial Statements

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

Auditors Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets - modified cash basis of **LEE A. TOLBERT COMMUNITY ACADEMY** as of June 30, 2018, and its support, revenue, and expenses - modified cash basis and its cash flows for the year then ended on the basis of accounting described in Note 2.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2018, on our consideration of **LEE A. TOLBERT COMMUNITY ACADEMY's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **LEE A. TOLBERT COMMUNITY ACADEMY's** internal control over financial reporting and compliance.

KANSAS CITY
13 December 2018
OUR 48th YEAR

Ralph C. Johnson & Company, P.C.

Ralph C. Johnson & Company, P.C.

LEE A. TOLBERT COMMUNITY ACADEMY
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
JUNE 30, 2018

ASSETS		
Current Assets		
Cash	\$	<u>1,648,328</u>
Capital Assets		
Property and Equipment		1,151,145
Less: Accumulated Depreciation		<u>815,025</u>
		<u>336,120</u>
Total Assets	\$	<u>1,984,448</u>
LIABILITIES AND NET ASSETS		
Total Current Liabilities	\$	<u>-</u>
Unrestricted Net Assets		1,984,448
Temporarily Restricted Net Assets		-
Permanently Restricted Net Assets		<u>-</u>
Total Net Assets		<u>1,984,448</u>
Total Liabilities and Net Assets	\$	<u>1,984,448</u>

LEE A. TOLBERT COMMUNITY ACADEMY
STATEMENTS OF SUPPORT, REVENUE, AND EXPENSES AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Unrestricted Revenue	
State - Grants and General Revenue	\$ 4,904,421
Federal - Grants and General Revenue	886,501
Other Income	819,802
Total Unrestricted Revenue	<u>6,610,724</u>
Unrestricted Expenses	
Instruction	3,926,188
Administrative and Support Services	564,268
Operation and Facilities	1,083,604
Food Service	384,926
Pupil Transportation	323,941
Total Unrestricted Expenses	<u>6,282,927</u>
Increase in Unrestricted Net Assets Before Depreciation	327,797
Other Income - Adjustment to Opening Balances	-
Depreciation and Amortization	143,451
	<u>143,451</u>
(Decrease) Increase in Unrestricted Net Assets	184,346
Unrestricted Net Assets, beginning of year	<u>1,800,102</u>
Unrestricted Net Assets, end of year	<u>1,984,448</u>
Temporarily Restricted Net Assets, end of year	<u>-</u>
Permanently Restricted Net Assets, end of year	<u>-</u>
(Decrease) increase in Net Assets	184,346
Net Assets, beginning of year	<u>1,800,102</u>
Net Assets, end of year	<u>\$ 1,984,448</u>

LEE A. TOLBERT COMMUNITY ACADEMY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

Cash Flows from Operating Activities	
(Decrease) Increase in net assets	\$ 184,346
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities	
Depreciation and Amortization	143,451
Adjustment for uncleared checks over 180 days old	<u>-</u>
Net Cash Used by Operating Activities	<u>327,797</u>
Cash Flows from Investing Activities	
Proceeds from Capital Investment	100
Purchase of Property and Equipment	<u>(192,213)</u>
Net Cash Used by Investing Activities	<u>(192,113)</u>
Cash Flows from Financing Activities	<u>-</u>
Net Decrease in Cash and Cash Equivalents	135,684
Beginning Cash and Cash Equivalents	<u>1,512,644</u>
Ending Cash and Cash Equivalents	<u>\$ 1,648,328</u>
Interest paid	<u>\$ None</u>
Income taxes paid	<u>\$ None</u>

LEE A. TOLBERT COMMUNITY ACADEMY
Notes to Financial Statements
June 30, 2018

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

LEE A. TOLBERT COMMUNITY ACADEMY is operated as a division of Tolbert Educational Services (TES), a not-for-profit Corporation, which operates to provide services to at-risk inner city youth of Kansas City, Missouri. The School is governed by Missouri Revised Statutes Chapter 160, and is sponsored by the University of Missouri Kansas City. The School is exempt from most Missouri laws and statutes which govern educational institutions.

The School's charter provides for the education of low income, disadvantage, at-risk students in Kindergarten through 8th grades.

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements are presented on the modified cash basis of accounting. This basis recognizes assets, liabilities, net assets, revenues and expenses when they result from cash transactions with a provision for depreciation. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Financial Statement Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No 958. Under ASC 958, the School is required to report information regarding its financial position and activities according to two classes on net assets: unrestricted net assets, and permanently restricted net assets. In addition, the School is required to present a statement of cash flows.

Capital Assets: All property and equipment are valued at historical cost. A capitalization threshold of \$5,000 is used to report capital assets. Depreciation is provided over the assets estimated useful lives by use of the straight-line method of depreciation. The range of useful lives by type of assets is as follows:

Building Improvements	20 years
Equipment	5-7 years

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

Income Taxes: Tolbert Educational Services, the operator of, is exempt from Federal Income Tax under 501(c) (3) of the Internal Revenue Code (IRC) and has been classified as an organization that is not a private foundation under IRC Section 509(a) (2).

Cash and Cash Equivalents: For the purpose of cash flows, the School considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents, unless there is a restriction on the School's use of the cash.

NOTE 3-CASH

At June 30, 2018 the bank balances and cash equivalents of the School totaled \$1,512,644. The bank deposit funds are above the FDIC insurance limit of \$250,000.

LEE A. TOLBERT COMMUNITY ACADEMY
Notes to Financial Statements
June 30, 2018

NOTE 4 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 13, 2018 which is the date the financial statements were available to be issued.

NOTE 5 -RETIREMENT PLAN

The School contributes to the Public School Retirement System of the School District of Kansas City, Missouri a cost-sharing multiple - employer defined pension plan. Participation is mandatory for employees of the Kansas City, Missouri Public School District, the Kansas City Public Library, and the Public School Retirement System. The Retirement System is administered by a twelve member Board of Trustees. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of the School District of Kansas City, Missouri, 3100 Broadway St. Suite 1211, Kansas City, Missouri, 64111 or by calling 1-816-472-5800.

The Retirement System members are required to contribute 8.5% of their annual covered salary and the School is required to contribute a matching amount. The contribution requirements of members and the School are established, and may be amended, by the Board of Trustees. During the fiscal year ended June 30, 2018, the School remitted all payments in a timely manner.

NOTE 6 - OCCUPANCY LEASE

The School entered into a lease for office space during 2004, with an original term of five years, and two five year extensions. The lease is cancellable by giving the lessor a 180 day written notice to cancel. The lease is for approximately 95,400 square feet of classroom and office space. Future minimum rental commitments under this operating lease for the years ended June 30 are as follows:

2018	\$ 667,035
2019	\$ 667,035
2020	\$ 667,035
2021	\$ 667,035
2022	\$ 667,035

Lease expenses for the year ended June 30, 2018 approximated \$ 700,381.

NOTE 7 - UNCERTAIN TAX POSITIONS

Financial accounting standards govern how uncertain tax positions should be recognized, measured, presented, and disclosed in financial statements. These standards require the evaluation of tax positions taken or expected to be taken in the course of preparing an entity's tax returns to determine whether the tax positions are 'more-likely-than-not' to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would not be recognized in the financial statements of the current year.

The Federal Income Tax Form 990 for the years ended June 30, 2018, 2017, 2016 and 2015 are subject to examination by the Internal Revenue Service (IRS) and Missouri Department of Revenue, generally, for three years after they were filed. As of December 13, 2018, no returns have been selected for examination by the IRS.

LEE A. TOLBERT COMMUNITY ACADEMY
Notes to Financial Statements
June 30, 2018

NOTE 8 - RELATED PARTIES

The School leases its classroom and office space from Christ Temple Pentecostal Church One, Inc. d/b/a Victorious Life Church (VLC). Victorious Life Church and Tolbert Educational Services each have separate governing boards. During the year ended June 30, 2018 the School paid \$710,255 in lease and general expenses to VLC.

NOTE 9 - INSURANCE

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. **LEE A. TOLBERT COMMUNITY ACADEMY** maintains commercial insurance to protect the School from such risks.

OTHER REQUIRED INFORMATION

LEE A. TOLBERT COMMUNITY ACADEMY
SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
ASSETS				
Current Assets				
Cash	\$ 1,628,080	\$ 20,248	\$ -	\$ 1,648,328
Capital Assets				
Property and Equipment	1,151,145	-	-	1,151,145
Less: Accumulated Depreciation	815,025	-	-	815,025
	<u>336,120</u>	<u>-</u>	<u>-</u>	<u>336,120</u>
Total Assets	<u>\$ 1,964,200</u>	<u>\$ 20,248</u>	<u>\$ -</u>	<u>\$ 1,984,448</u>
LIABILITIES AND NET ASSETS				
Total Current Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unrestricted Net Assets	1,964,200	20,248	-	1,984,448
Temporarily Restricted Net Assets	-	-	-	-
Permanently Restricted Net Assets	-	-	-	-
Total Net Assets	<u>1,964,200</u>	<u>20,248</u>	<u>-</u>	<u>1,984,448</u>
Total Liabilities and Net Assets	<u>\$ 1,964,200</u>	<u>\$ 20,248</u>	<u>\$ -</u>	<u>\$ 1,984,448</u>

LEE A. TOLBERT COMMUNITY ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Revenues				
Basic Formula	\$ 1,157,088	\$ 3,471,264	\$ -	\$ 4,628,352
Food Service - State	2,897	-	-	2,897
Transportation	50,275	-	-	50,275
Classroom Trust Fund	222,897	-	-	222,897
Federal Allocations	886,501	-	-	886,501
Prop C	375,584	225,351	-	600,935
Other Revenue	218,867	-	-	218,867
Total Revenues	2,914,109	3,696,615	-	6,610,724
Expenses				
Instruction	594,560	3,331,628	-	3,926,188
Administrative and Support Services	564,268	-	-	564,268
Operation and Facilities	1,083,604	-	-	1,083,604
Food Service	384,926	-	-	384,926
Pupil Transportation	323,941	-	-	323,941
Depreciation	143,451	-	-	143,451
Total Expenses	3,094,750	3,331,628	-	6,426,378
Revenue Over (Under) Expenses	(180,641)	364,987	-	184,346
Fund Balances, Beginning of Year	1,800,102	-	-	1,800,102
Fund Balances, End of Year	\$ 1,619,461	\$ 364,987	\$ -	\$ 1,984,448

LEE A. TOLBERT COMMUNITY ACADEMY
SCHEDULE OF REVENUE COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Revenues				
Local:				
Prop C	\$ 375,584	\$ 225,351	\$ -	\$ 600,935
General Income	38,038	-	-	38,038
Other Income	180,829	-	-	180,829
Subtotal	594,451	225,351	-	819,802
State:				
Basic Formula	1,157,088	3,471,264	-	4,628,352
Transportation	50,275	-	-	50,275
Basic Formula - Classroom Trust	222,897	-	-	222,897
School Food Services	2,897	-	-	2,897
Other State	-	-	-	-
Subtotal	1,433,157	3,471,264	-	4,904,421
Federal Allocations:				
National School Lunch Program	220,691	-	-	220,691
School Breakfast Program	116,214	-	-	116,214
Summer Food Service Program for Children	34,951	-	-	34,951
Title I Grants to Local Educational Agencies	331,366	-	-	331,366
Special Education Grants to States	68,315	-	-	68,315
Title II - Part A ESEA - Teacher Quality	30,559	-	-	30,559
Title IV.A Student Support and Academic Enrichment	8,367	-	-	8,367
Social Security Disability Insurance Program	278	-	-	278
Medical Assistance Program	75,760	-	-	75,760
Subtotal	886,501	-	-	886,501
Total Revenues	\$ 2,914,109	\$ 3,696,615	\$ -	\$ 6,610,724

**LEE A. TOLBERT COMMUNITY ACADEMY
SCHEDULE OF EXPENSES BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Expenses				
Instruction				
Salaries	\$ 185,963	\$ 2,356,276	\$ -	\$ 2,542,239
Employee Benefits	61,367	793,644	-	855,011
Purchased Services	165,108	281,236	-	446,344
Other	82,594	-	-	82,594
Subtotal	495,032	3,431,156	-	3,926,188
Administration and Support Services				
Professional Services	60,550	-	-	60,550
Staff Development	9,276	-	-	9,276
Communication	19,733	-	-	19,733
Advertising	30,658	-	-	30,658
Printing	7,214	-	-	7,214
Classroom Supplies	48,429	-	-	48,429
General Supplies	45,092	-	-	45,092
Guidance Services	60,961	-	-	60,961
Health Services	34,898	-	-	34,898
Media Services	45,092	-	-	45,092
Health Services	8,502	-	-	8,502
Other	193,863	-	-	193,863
Subtotal	564,268	-	-	564,268
Operation of Plant				
Repairs and Maintenance	49,591	-	-	49,591
Rent	653,210	-	-	653,210
Utilities	53,603	-	-	53,603
Insurance	48,308	-	-	48,308
Other	278,892	-	-	278,892
Subtotal	1,083,604	-	-	1,083,604
Transportation				
Contracted Transportation	323,941	-	-	323,941
Other Transportation Costs	-	-	-	-
Subtotal	323,941	-	-	323,941
Food Services				
Contracted Food Services	384,926	-	-	384,926
Subtotal	384,926	-	-	384,926
Subtotal	2,851,771	3,431,156	-	6,282,927
Depreciation	143,451	-	-	143,451
Total Expenses	\$ 2,995,222	\$ 3,431,156	\$ -	\$ 6,426,378

LEE A. TOLBERT COMMUNITY ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Agency	Pass-Through Entity	Program title	Federal Award Number	Other Identifying Number	CFDA Number	Amount Expended
U. S. Department of Education	Missouri Department of Elementary and Secondary Education	Special Education Part B Entitlement	H027A170040		84.027A	\$ 68,315
		Title I Grants to Local Educational Agencies	S010A160025		84.010A	331,366
		Title II - Part A ESEA - Teacher Quality	S367A160024		84.367A	30,559
		Title IV.A	S424A170026		84.424A	8,367
U. S. Department of Health and Social Services	Missouri Department of Social Services	Medical Assistance Program			93.778	75,760
		Social Security Disability Insurance Program			96.001	278
U. Department of Agriculture	Missouri Department of Elementary and Secondary Education	Child Nutrition Cluster				
		National School Lunch Program	20177N109943		10.555	220,691
		School Breakfast Program	20177N109943		10.553	116,214
	Missouri Department of Health and Senior Services	Summer Food Service Program for Children		17SFSP	10.559	<u>34,951</u>
		Total Child Nutrition Cluster				<u>371,856</u>
		TOTAL				<u>\$ 886,501</u>

Notes to Schedule:

1. This schedule includes the federal awards activity of the Lee A. Tolbert Community Academy and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.
2. The Organization did not provide federal awards to sub recipients during the year ended June 30, 2018.

Ralph C. Johnson & Company, p.c.

Certified Public Accountants
4609 The Paseo, Street-Suite 104
Kansas City, Missouri 64110-1025
(816) 472-8900
Fax (816) 472-4633

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Governing Board
Lee A. Tolbert Community Academy
Kansas City, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **LEE A. TOLBERT COMMUNITY ACADEMY** (the Academy) (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of June 30, 2018, and the related statement of support, revenue and expenses – modified cash basis, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Ralph C. Johnson & Company, p.c.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kansas City
13 December 2018
OUR 48th YEAR

Ralph C. Johnson & Company, P.C.

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Certified Public Accountants
4609 The Paseo, Suite 104
Kansas City, Missouri 64110-1825
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Governing Board
Lee A. Tolbert Community Academy
Kansas City, Missouri

Report on Compliance for Each Major Federal Program

We have audited **LEE A. TOLBERT COMMUNITY ACADEMY's** (the Academy) compliance with the types of compliance requirements described in the *OMB Uniform Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2018. The Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Academy's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Academy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

KANSAS CITY
13 December 2018
OUR 48th YEAR

Ralph C. Johnson & Company, P.C.

Ralph C. Johnson & Company, p.c.

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Certified Public Accountants
4609 The Paseo, Suite 104
Kansas City, Missouri 64110-1825
(816) 472-8900
Fax (816) 472-4633

**REPORT ON THE ADMINISTRATION'S ASSERTIONS
ABOUT COMPLIANCE WITH SPECIFIED
REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

To the Governing Board
Lee A. Tolbert Community Academy
Kansas City, Missouri

We have audited the administration's assertions, included in its representation letter dated December 13, 2018 that Lee A. Tolbert Community Academy school; accurate disclosure by the School's attendance records of average daily attendance, resident membership on the last Wednesday of September 2017 and the number of students eligible to receive free or reduced lunches on the last Wednesday of January 2018; and accurate disclosure by the School's pupil transportation records of the average students scheduled to be transported, eligible and ineligible for State aid, number of miles eligible and ineligible for State aid and the allowable costs for pupil transportation during the year ended June 30, 2018 As discussed in the representation letter, the administration is responsible for the School's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the School's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the School's compliance with specified requirements.

In our opinion, the administration's assertions that the School complied with the aforementioned requirements for the year ended June 30, 2018 are fairly stated in all material respects.

This report is intended solely for the information and use of the Governing Board, Administration, the University of Missouri Kansas City and the Missouri Department of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than these specified parties.

Kansas City
13 December 2018
OUR 48th YEAR

Ralph C. Johnson & Company, P.C.

**LEE A. TOLBERT COMMUNITY ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of **LEE A. TOLBERT COMMUNITY ACADEMY**.
2. No material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*".
3. No instances of significant noncompliance which are material to the financial statements of **LEE A. TOLBERT COMMUNITY ACADEMY** were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs of **LEE A. TOLBERT COMMUNITY ACADEMY** expresses an unqualified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for **LEE A. TOLBERT COMMUNITY ACADEMY** are reported in this schedule.
7. The programs tested as major programs include:

School Food Programs Cluster	CFDA 10.555
Title I Cluster	CFDA 84.010A
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. **LEE A. TOLBERT COMMUNITY ACADEMY** did not qualify to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

**LEE A. TOLBERT COMMUNITY ACADEMY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2018

Schedule of Selected Statistics
Year Ended June 30, 2018

1. Calendar (Sections 160.041 and 171.031, RSMo)

A. Standard day length (SDL) - The total number of hours between the starting time of the first class and the dismissal time of the last class, minus the time allowed for lunch and one passing time, and minus Channel One time. Reported with 4 decimal places.

Kindergarten - A.M.	_____	SDL	Grades	<u>1-6</u>	<u>1131</u>	SDL
Kindergarten - P.M.	_____	SDL	Grades	<u>7-8</u>	<u>1131</u>	SDL
Kindergarten - Full-day	<u>1131</u>	SDL	Grades	_____	_____	SDL

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

Kindergarten - A.M.	_____	Hours	Grades	<u>1-6</u>	<u>174</u>	Hours
Kindergarten - P.M.	_____	Hours	Grades	<u>7-8</u>	<u>174</u>	Hours
Kindergarten - Full-day	<u>174</u>	Hours	Grades	_____	_____	Hours

C. The number of days classes were in session and pupils were under the direction of teachers during this school year was as follows:

Kindergarten - A.M.	_____	Days	Grades	<u>1-6</u>	<u>174</u>	Days
Kindergarten - P.M.	_____	Days	Grades	<u>7-8</u>	<u>174</u>	Days
Kindergarten - Full-day	<u>174</u>	Days	Grades	_____	_____	Days

Notes:

2. Average Daily Attendance (ADA)

Regular Term	Full-Time & Part-Time	Remedial	Deseg In	Federal Lands	Total	Deseg Out
Kindergarten - A.M.	_____	_____	_____	_____	_____	_____
Kindergarten - P.M.	_____	_____	_____	_____	_____	_____
Kindergarten - Full-day	<u>53.6444</u>	<u>0.0504</u>	_____	_____	<u>53.6948</u>	_____
Grades 1-6	<u>300.6364</u>	<u>1.1274</u>	_____	_____	<u>301.7368</u>	_____
Grades 7-8	<u>80.3637</u>	<u>0.1273</u>	_____	_____	<u>80.4911</u>	_____
Grades	_____	_____	_____	_____	_____	_____
Subtotal Regular Term	<u>434.644</u>	<u>1.3051</u>	_____	_____	<u>435.9497</u>	_____
		Resident	Deseg In	Federal Lands	Total	
Summer School Subtotal		<u>49.7937</u>	_____	_____	<u>49.7937</u>	_____
Total Regular Term Plus Summer School ADA					<u>485.7434</u>	

Notes:

Schedule of Selected Statistics
Year Ended June 30, 2018

3. September Membership

	Full-Time & Part-Time	Deseg In	Federal Lands	Total	Deseg Out
September Membership FTE Count	487			487	

Notes:

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

	Full-Time & Part-Time	Deseg In	Total
State FTE Total			
	Free	486	486
	Reduced		
	Total	486	486

Notes:

5. Finance

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

- A. As required by Section 162.401, RSMo, a bond was purchased for the district's treasurer in the total amount of: \$ 500,000.00
- B. The district's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. true
- C. The district maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. N/A
- D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. true
- E. If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. N/A
- F. The district published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. true
- G. The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. true

Schedule of Selected Statistics
Year Ended June 30, 2018

H. The amount spent for approved professional development committee plan activities was: \$ 9,275.88

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

Finding #: _____

Management Letter Comment #: _____

Notes:

6. Transportation (Section 163.161, RSMo)

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. true

B. The district's school transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported. true

C. Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:
▪ Eligible ADT # 206
▪ Ineligible ADT # 0

D. The district's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year. true

E. Actual odometer records show the total district-operated and contracted mileage for the year was: # 67,381

Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:

- Eligible Miles # 67,745
- Ineligible Miles (Non-Route/Disapproved) # 0

F. Number of days the district operated the school transportation system during the regular school year: 174

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

Finding #: _____

Management Letter Comment #: _____

Notes: