

North Side Community School

Board Meeting

Tuesday, February 14th,
2023

12:30pm

Location:

Third Baptist Church
Library - 4th Floor



3033 N. Euclid Ave. St. Louis, MO 63115 | 314.385.9502 | www.northsidecommunityschool.org

**Board of Directors Meeting
February 14, 2023
Noon**

Location:
Third Baptist Church
Library - 4th Floor

Board and Student Council Lunch

Call to Order	Kathy Anderson
Student Council Presentation	Kathy Anderson
8th Grade Poetry	Kathy Anderson
Approval of January 10, 2023 Minutes	Kathy Anderson
Period for Public Comment*	Kathy Anderson
Executive Director's Report	Doug Thaman
Finance Report	Carlton Brooks/Will Randall
● Financials:	
○ October 2022	
○ November 2022	
○ December 2022	
○ January 2023	
Committee Reports	
● Development Committee	Tracee Holmes
● Young Friends	Josiah Longenecker
● Governance Committee	Byron Francis
● Facilities Committee	Ross Woolsey



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- Community Engagement Committee Alison Nash

Old Business

None

New Business

- Academic Programming & Support Team Introductions
- 2021 Audit
- New Required Policies by the Missouri State Legislature
- Employee Tuition Reimbursement Policy
- Venmo/Cash App Payment Policy
- Venmo/Cash App Payment Account

Attachments:

- Minutes for January 10, 2023
- Executive Director's Report
- Financials:
 - October 2022
 - November 2022
 - December 2022
 - January 2023
- 2021 Audit
- New Required Policies by the Missouri State Legislature
- Faculty Tuition Reimbursement Policy
- Venmo/Cash App Payment App Policy

*Those who wish to provide public comment to the Board must sign up in advance and are limited to 3 minutes.

NORTH SIDE COMMUNITY SCHOOL

Board Meeting Minutes

January 10, 2023

Present: Board Members: Mike Carpenter, Lindsay Combs, Carlton Brooks, Fred Falker, Crystal Fowler, Byron Francis, Tracee Holmes, Michael Quinlan, Ross Woolsey, Ken Rinderknecht.

School Staff: Doug Thaman, William Randall, Ginger Lockett.

Others: Tad Hartmann, UMSL.

4:36 PM - Meeting was officially called to order by Mike Carpenter at the Middle School.

Approval of Minutes: The minutes of the November 8, 2022 Board Meeting were reviewed and approved by unanimous vote of the Board, with no corrections.

Public Comment Period: No one was present to offer public comment.

Executive Director/Administration Report: Doug Thaman reported enrollment figures by grade level for the 2022-23 school year, with the current total enrollment at 475 students. Weekly attendance figures for the year-to-date were provided. Doug indicated giving students a full week off during Thanksgiving week next year is under consideration.

Regarding personnel matters, hiring for the 2022-23 year continues, with a process in place to aid in recruiting and bringing in quality candidates. Doug reviewed some recent new hires, and a potential candidate for the open Development Director position has been interviewed and offered the position. Doug will be meeting with him tomorrow to hopefully finalize the hire.

A new Student Behavior Management System has been developed and rolled out - with expectations, management and reinforcements to be aligned across all three campuses. Much time has been spent reviewing safety considerations and procedures. Training with Navigate 360 has included a virtual course for all staff on safety procedures geared for each individual position at the school, and onsite training for all staff took place on December 5. A comprehensive report is awaited from school safety assessments conducted on all three campuses by the National School Safety Advocacy

Council on December 5, 6 and 7.

The Toys for Tots Winter Celebration on December 20 was very successful, with every student being provided a toy of their choice. Information was also shared concerning upcoming school activities scheduled and calendar events.

Development Committee Report: Tracee Holmes reiterated the Magic of Childhood Gala is set for May 5, 2023 at Third Degree Glass. Save the Date cards have been mailed. The Gala committee will be meeting again later this month. A Master of Ceremonies for the event has been secured - Monica Adams, a former Channel 5 on-air personality. Board members are encouraged to recommend any potential Gala Sponsorship prospects. The goal for Sponsorships is \$95,000 total. Board members are also encouraged to attend and consider purchasing a table for the event.

Governance: Byron Francis reiterated that there are Board member spots to be filled. Members are encouraged to recommend any potential candidates to the Governance committee.

Finance Committee Report: Carlton Brooks and Will Randall reviewed elements of the December Financial Report, noting current total assets are just over \$3 million and North Side's loan liability is now \$838,894. The November Financial Report will be provided later. Funds placed in the recently created Schwab account are doing well.

The current per diem rate being received is at \$9,900 per student annually. It was also noted the expense side of the financials includes some additions/adjustments made to teachers' salaries.

North Side will be receiving additional ESSER payments.

The October, November and December 2022 check registers and checks written for over \$10,000 during those 3 months were reviewed. The October, November and December check registers were approved by unanimous Board vote.

Old Business: Doug gave a brief review of new policies to be required by the State. Some tweaks in the language will be made and the policies presented for further review and Board approval at the next meeting.

New Business: Doug presented a detailed outline of the current faculty salary increases and detailed information regarding pathways for educational growth developed for all teachers. The plan is designed to strengthen North Side faculty, and to incentivize teachers to enhance their expertise and to remain with North Side. The plan provides tuition aide and the potential for salary increases resulting from teachers' educational advancement and acquiring advanced degrees. All teachers are already receiving a substantial pay increase. North Side teacher salaries are now about \$5,000 higher than teacher equivalent level SLPS salaries.

Doug noted North Side already has a Policy regarding the treatment of homeless students, which has been altered to add 2 sentences to better conform to McKinney-

Vento Act requirements. Missouri has standards in place to define homeless student status. Currently North Side has about 15 students who are homeless.

The Board Meeting was adjourned at 5:20 PM.

Respectfully submitted,

Ken Rinderknecht, Secretary



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Executive Director Report February 2023

Recruitment and Enrollment

Grade	# of Classrooms	Full Enrollment - Prior to Start of Year (10/Class)	Full Enrollment - Throughout the Year (Based on 15 per room)	Enrolled (in Tyler)	Available Seats 22-23 (15/Class)	Waiting List
PreK	3	30	30	35	0	6
Kindergarten	3	54	45	51	0	0
First Grade	4	72	60	61	0	0
Second Grade	3	54	45	52	0	0
Third Grade	4	72	60	60	0	0
Fourth Grade	4	72	60	47	12	0
Fifth Grade	3	54	45	52	0	0
Sixth Grade	3	54	45	43	2	0
Seventh Grade	3	54	45	37	8	0
Eighth Grade	2	36	30	31	0	0
TOTAL	32	552	465	475	22	6

Student Attendance

SCHOOL	ATTENDANCE % 8/17-8/19	ATTENDANCE % 8/22-8/26	ATTENDANCE % 8/29-9/2	ATTENDANCE % 9/6-9/9
NSCS	92%	93%	92%	91%
NSGC	85%	91%	90%	94%



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SCHOOL	ATTENDANCE % 9/12-9/16	ATTENDANCE % 9/19-9/23	ATTENDANCE % 9/26-9/30	ATTENDANCE % 10/3-10/7
NSCS	94%	93%	92%	92%
NSGC	94%	93%	94%	93%

SCHOOL	ATTENDANCE % 10/10-10/14	ATTENDANCE % 10/17- 10/21	ATTENDANCE % 10/24-10/28	ATTENDANCE % 10/31-11/4
NSCS	90%	92%	82%	91%
NSGC	89%	90%	79%	91%

SCHOOL	ATTENDANCE % 11/8-11/11	ATTENDANCE % 11/14- 11/18	ATTENDANCE % 11/21-11/23	ATTENDANCE % 11/28-12/02
NSCS	89%	90%	75%	85%
NSGC	86%	88%	73%	85%

SCHOOL	ATTENDANCE % 12/6-12/9	ATTENDANCE % 12/12-12/16	ATTENDANCE % 1/4-1/6	ATTENDANCE % 1/9-1/13
NSCS	87%	91%	92%	92%
NSGC	80%	86%	88%	90%

SCHOOL	ATTENDANCE % 1/16-1/20	ATTENDANCE % 1/23-1/27	ATTENDANCE % 1/30-2/3	ATTENDANCE % 2/6-2/10
NSCS	92%	90%	92%	92%
NSGC	89%	88%	87%	91%



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Calendar:

February 14

Board of Directors Meeting

Valentine's Day Celebrations

February 15

MS Boys Basketball, 5pm

February 16

Trimester 2 Ends

February 17

No School - Professional Development

Day

February 18

ES Boys Basketball, 2pm

February 20

No School - Presidents' Day

February 21

Trimester 3 Begins

February 23

MS Black History Program, 5pm

February 24

Bus Safety Drill

PreK/K Black History Program, 10am

1st/2nd Black History Program, 1pm

3rd/4th Black History Program, 2pm

February 25

ES Girls Basketball, Noon

ES Boys Basketball, 1pm



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March 1

Music in Our Schools Month!
National Nutrition Month
National Women's History Month!

March 2

Read Across America Day!
Parent Conferences - Evening

March 3

No School - Parent Conferences
ES Girls Basketball, 6pm

March 6

National School Social Work Week

March 7

ES Math Stories Assessment Begins

Sponsor Reporting

Reports Due February 15, 2023, to the University of Missouri, St. Louis:

Letter Showing December Tiered Monitoring Complete

Dyslexia Screening and Training Process

ECSE

Federal Programs-ELL

Federal Programs-Homeless

Federal Programs-Title I

Literacy Supports

Math Supports

School Health and Nursing

SEB Supports

Seclusion and Restraint

Spec Ed Review



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SPED Compliance Plan

SST

Final Audit

Management Letter

Publication of Audit

990

Financials - 4th Quarter

January 2023 Finances

Cash Balance:

\$2,376,899

Reserve Ratio:

28%

Current P/L YTD:

\$192,848

*Loan Balance
January 31, 2023*

(3.07%):

\$833,262

January WADA:

506 students

*January Amount per
WADA:*

\$11,652

Overview

We remain in a surplus at the end of January in spite of not receiving our state payment due to the delay in audit submission.

Although some expenses are higher and lower than expected at this point in the year, we are within 1% of what we expected to spend in total by this time in the fiscal year.

We have requested and received reimbursement for 60% of our budgeted ESSER III monies.

Our WADA (weighted average daily attendance) funds our largest state revenue source called the basic formula. WADA is based largely on our ADA (average daily attendance) and a few other student-based data points.

We anticipate an increase from our budgeted state formula monies based on an increase in the amount we receive per WADA. We budgeted to receive \$9,500 compared to the January payment of \$11,652 per WADA.



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WADA Calculation January 2023

Regular Term ADA	409
Summer Term ADA (total hours divided by 1,044 hours)	19.2419
Free Reduced Lunch Weighted Calculation	76.5998
IEP Weighted Calculation	0
LEP Calculation	0
PK Regular Term ADA	2
Total WADA	506.8417

North Side Community School			
Balance Sheet - Consolidated w/ FA and Note Payable			
January 2023			
Total Assets			
Current Assets			
1111 CASH IN BANK	\$379,445		
1112 Sweep Account	\$596,804		
1143 US Treasury Bills	\$1,400,000		
1132 PETTY CASH	\$650		
Total Cash	\$2,376,899		
Current Assets	\$2,376,899		
Long-term Assets			
1510 Land	\$450,400	Unaudited	
1511 Improvements Other Than Buildings	\$937,747	Unaudited	
1521 Buildings and Remodeling	\$3,122,811	Unaudited	
1540 Equipment	\$164,344	Unaudited	
1542 Classroom Instructional Apparatus	\$0	Unaudited	
1544 School Buses	\$0	Unaudited	
1549 Other (Accumulated Depreciation)	-\$704,745	FY20FS	
Long-term Assets	\$3,970,557		
Total Assets	\$6,347,456		
Total Liabilities & Net Assets			
Current Liabilities			
2111 ACCOUNTS PAYABLE-			
Long-term Liabilities			
2121 LOAN PAYABLE (3.05% rate)	\$833,262	F34	
General Payable			
Total Liabilities (Current & Long-Term)	\$833,262		
Net Assets - Fund Balance			
Beginning net asset balance - July 1	\$5,280,479	Unaudited PYE net asset	
Change in net assets	136,585.49	P&L Budget to Actual tab	
Add cap expenses YTD	\$56,263	P&L Budget to Actual tab	
Add back YTD principal payments	\$40,866	X	These are added back because we
Payable decreases assets	0.00		Same as above, this is reflected above in
Ending Net Assets	\$5,514,193		
Total Liabilities & Net Assets	\$6,347,455		

Loan/Note Payable Details		2022-2023
Ending June 30, 2022 Balance		874,128
Principal payments YTD	\$ 40,866	X P&L Budget to Actual tab
Ending Principal Balance	\$ 833,262	

**North Side Community School
Cash Flow Monthly Rollforward
January 2023**

		Beginning Cash	Revenues	Expenses	Payables Change	Investment (new)/maturity	Ending Cash	
MTD Jul 2022		2,184,054	668,698	(411,013)	-		2,441,738	A ties to bank rec
MTD August 2022	A	2,441,738	599,543	(708,901)			2,332,380	B ties to bank rec
MTD Sept. 2022	B	2,332,379	679,649	(482,821)			2,529,207	C ties to bank rec
MTD Oct. 2022	C	2,529,207	883,833	(820,461)			2,592,579	D ties to bank rec
MTD Nov. 2022	D	2,592,579	736,111	(805,184)			2,523,506	E ties to bank rec
MTD Dec. 2022	E	2,523,506	1,231,932	(787,754)			2,967,685	F ties to bank rec
MTD Jan. 2023	F	2,967,685	128,036	(718,822)			2,376,899	G ties to bank rec

North Side Community School
January Check Register

<u>Check Number</u>	<u>Check Date</u>	<u>Entity Name</u>	<u>Check Amount</u>	
11437	01/25/2023	BJC HealthCare AR-Billing	62,512.19	BJC Nursing Grant
944	01/12/2023	UHS Premium Billing	45,909.27	Medical Premiums
11451	01/31/2023	Public School Retirement System	39,621.39	Retirement Contribution
11450	01/31/2023	Public School Retirement System	38,232.15	Retirement Contribution
11400	01/03/2023	The Third Baptist Church of St. Louis	16,666.67	January Lease Payment
907	01/23/2023	AYA Healthcare, Inc	13,138.75	Special Education Contracted Services
909	01/25/2023	Assist Services, LLC	11,446.58	Transportation Services
872	01/16/2023	Martin Brothers	9,902.53	
11414	01/13/2023	St. Louis Protection Security Service	6,675.00	
947	11/29/2022	WEX Bank	6,278.84	
910	01/26/2023	Assist Services, LLC	6,187.50	
945	01/12/2023	First Insurance Funding	6,170.20	
946	01/03/2023	WEX Bank	5,685.94	
871	01/16/2023	Martin Brothers	5,586.31	
873	01/13/2023	Anne Miller Educational Consulting, LLC	5,350.00	
934	01/03/2023	Spire	5,211.88	
11416	01/13/2023	Voyager Sopris	4,295.50	
11417	01/13/2023	Learning A-Z	3,876.00	
11413	01/13/2023	McGraw-Hill LLC	3,826.44	
11445	01/25/2023	St. Louis Protection Security Service	3,575.00	
939	01/03/2023	Delta Dental of Missouri	3,252.80	
11425	01/20/2023	Jostens	3,250.00	
940	01/30/2023	Delta Dental of Missouri	3,144.08	
11426	01/20/2023	St. Louis Protection Security Service	3,125.00	
942	01/24/2023	Mutual of Omaha	3,037.71	
943	01/26/2023	Mutual of Omaha	3,037.71	
938	01/27/2023	Waste Management	2,468.54	
936	01/31/2023	Ameren Missouri	2,459.03	
11430	01/24/2023	Missouri School Board Association	2,129.02	
11428	01/24/2023	CAM Print Incorporated	2,055.30	
11442	01/25/2023	Missouri Baptist University	2,040.00	
11406	01/11/2023	Informed Improvement LLC	1,486.40	
11440	01/25/2023	Central States Bus Sales, Inc.	1,312.55	
11427	01/24/2023	Angad Arts Hotel	1,260.00	
11409	01/11/2023	TalentPlus Entertainment, LLC	1,150.00	
11411	01/13/2023	JAMF	1,080.00	
11432	01/31/2023	Joaquin Gant	919.20	
11412	01/13/2023	Lakeshore Learning Products	884.78	
949	01/05/2023	Wells Fargo	884.04	
11415	01/13/2023	Staples	826.02	
11433	01/31/2023	Augustus E. Brooks	795.27	
911	01/24/2023	Missouri Charter Public School Association	784.08	
11403	01/12/2023	Augustus E. Brooks	727.26	
11436	01/25/2023	A-Affordable Glass Inc.	660.00	
941	01/03/2023	Advantica	546.48	
11439	01/25/2023	Central District Alarm, Inc	500.10	
952	01/30/2023	Advantica	476.32	
11404	01/11/2023	CHADS	450.00	
11447	01/31/2023	Charles R Kleine	420.00	
11424	01/20/2023	Crestside Ballwin Heating & Cooling	406.00	
937	01/20/2023	Charter Communications	342.53	
11418	01/18/2023	Alisa Covington	300.00	
11419	01/18/2023	Angela Brent	300.00	
11420	01/18/2023	Dionne Taylor	300.00	
11421	01/18/2023	Lashawdra Smith	300.00	

11422	01/18/2023	Pamela Hill	300.00
11423	01/18/2023	Takeena Hoskins	300.00
11435	01/25/2023	A Complete Key Service	290.00
951	01/24/2023	Sprint	228.89
935	01/11/2023	Metropolitan St. Louis Sewer District	215.74
11405	01/11/2023	Darla Krause	212.43
11431	01/24/2023	PARALLEL EDUCATION DIVISION	190.40
11446	01/25/2023	Stinson LLP	140.00
11444	01/25/2023	Rahkia Davis	132.59
11429	01/24/2023	Fick, Eggemeyer & Williamson	130.00
913	01/27/2023	GFI Digital	111.46
950	01/26/2023	Wells Fargo	104.92
11434	01/31/2023	John Vance	98.61
11441	01/25/2023	Falcon Technologies	84.66
11410	01/13/2023	Alpha Card	74.24
11438	01/25/2023	Branneky & Sons	64.21
11443	01/25/2023	Missouri School Board Association	57.00
948	01/05/2023	Rottler Pest & Lawn SOLutions	49.00
11407	01/11/2023	Jo Ellyn Courtois	41.75
11408	01/11/2023	Lauren Stewart	41.75

North Side Community School			
Balance Sheet - Consolidated w/ FA and Note Payable			
October 2022			
Total Assets			
Current Assets			
1111 CASH IN BANK	\$1,995,125		
1112 Sweep Account	\$596,804		
1143 US Treasury Bills			
1132 PETTY CASH	\$650		
Total Cash	\$2,592,579		
Current Assets	\$2,592,579		
Long-term Assets			
1510 Land	\$450,400	Unaudited	
1511 Improvements Other Than Buildings	\$937,747	Unaudited	
1521 Buildings and Remodeling	\$3,122,811	Unaudited	
1540 Equipment	\$164,344	Unaudited	
1542 Classroom Instructional Apparatus	\$0	Unaudited	
1544 School Buses	\$0	Unaudited	
1549 Other (Accumulated Depreciation)	-\$704,745	FY20FS	
Long-term Assets	\$3,970,557		
Total Assets	\$6,563,136		
Total Liabilities & Net Assets			
Current Liabilities			
2111 ACCOUNTS PAYABLE-			
Long-term Liabilities			
2121 LOAN PAYABLE	\$851,109	F34	
General Payable			
Total Liabilities (Current & Long-Term)	\$851,109		
Net Assets - Fund Balance			
Beginning net asset balance - July 1	\$5,280,479	Unaudited PYE net asset	
Change in net assets	400,803.39	P&L Budget to Actual tab	
Add cap expenses YTD	\$7,725	P&L Budget to Actual tab	
Add back YTD principal payments	\$23,019	X	These are added back because we
Payable decreases assets	0.00		Same as above, this is reflected above in
Ending Net Assets	\$5,712,027		
Total Liabilities & Net Assets	\$6,563,136		
	\$0		

Loan/Note Payable Details		2022-2023	
Ending June 30, 2022 Balance		874,128	
Principal payments YTD	\$ 23,019	X	P&L Budget to Actual tab
Ending Principal Balance	\$ 851,109		

**North Side Community School
Cash Flow Monthly Rollforward
October 2022**

		Beginning Cash	Revenues	Expenses	Payables Change	Investment (new)/maturity	Ending Cash	
MTD Jul 2022		2,184,054	668,698	(411,013)	-		2,441,738	A ties to bank rec
MTD August 2022	A	2,441,738	599,543	(708,901)			2,332,380	B ties to bank rec
MTD Sept. 2022	B	2,332,379	679,649	(482,821)			2,529,207	C ties to bank rec
MTD Oct. 2022	C	2,529,207	883,833	(820,461)			2,592,579	D ties to bank rec
MTD Nov. 2022	D							E ties to bank rec
MTD Dec. 2022	E							F ties to bank rec
MTD Jan. 2022	F							G ties to bank rec
MTD Feb. 2022	G							H ties to bank rec
MTD Mar 2022	H							I ties to bank rec
MTD Apr 2022	I							J ties to bank rec
MTD May 2022	J							K ties to bank rec
MTD Jun 2022	K							ties to bank rec

North Side Community School			
Balance Sheet - Consolidated w/ FA and Note Payable			
November 2022			
Total Assets			
Current Assets			
1111 CASH IN BANK	\$526,052		
1112 Sweep Account	\$596,804		
1143 US Treasury Bills	\$1,400,000		
1132 PETTY CASH	\$650		
Total Cash	\$2,523,506		
Current Assets	\$2,523,506		
Long-term Assets			
1510 Land	\$450,400	Unaudited	
1511 Improvements Other Than Buildings	\$937,747	Unaudited	
1521 Buildings and Remodeling	\$3,122,811	Unaudited	
1540 Equipment	\$164,344	Unaudited	
1542 Classroom Instructional Apparatus	\$0	Unaudited	
1544 School Buses	\$0	Unaudited	
1549 Other (Accumulated Depreciation)	-\$704,745	FY20FS	
Long-term Assets	\$3,970,557		
Total Assets	\$6,494,063		
Total Liabilities & Net Assets			
Current Liabilities			
2111 ACCOUNTS PAYABLE-			
Long-term Liabilities			
2121 LOAN PAYABLE	\$845,200	F34	
General Payable			
Total Liabilities (Current & Long-Term)	\$845,200		
Net Assets - Fund Balance			
Beginning net asset balance - July 1	\$5,280,479	Unaudited PYE net asset	
Change in net assets	283,192.80	P&L Budget to Actual tab	
Add cap expenses YTD	\$56,263	P&L Budget to Actual tab	
Add back YTD principal payments	\$28,928	X	
Payable decreases assets	0.00		
Ending Net Assets	\$5,648,863		
Total Liabilities & Net Assets	\$6,494,063		
	\$0		

Loan/Note Payable Details		2022-2023	
Ending June 30, 2022 Balance		874,128	
Principal payments YTD	\$ 28,928	X	P&L Budget to Actual tab
Ending Principal Balance	\$ 845,200		

If the public school lawsuit goes through, NSCS could potentially need to pay back as much as \$1.2M. i.e. It would be devastating for us. If it is only applied proactively we would lose \$250k/year going forward.

These are added back because we Same as above, this is reflected above in

**North Side Community School
Cash Flow Monthly Rollforward
November 2022**

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MTD Oct. 2022	C	2,529,207	883,833	(820,461)			2,592,579	D ties to bank rec
MTD Nov. 2022	D	2,592,579	736,111	(805,184)			2,523,506	E ties to bank rec

**North Side Community School
Cash Flow Monthly Rollforward
December 2022**

		Beginning Cash	Revenues	Expenses	Payables Change	Investment (new)/maturity	Ending Cash	
MTD Jul 2022		2,184,054	668,698	(411,013)	-		2,441,738	A ties to bank rec
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MTD Nov. 2022	D	2,592,579	736,111	(805,184)			2,523,506	E ties to bank rec
MTD Dec. 2022	E	2,523,506	1,231,932	(787,754)			2,967,685	F ties to bank rec



Development Committee Meeting Agenda 2/14/23

A. GRANT REQUESTS SUBMITTED & PENDING TO DATE:

Grantmaker	Amount Requested	Purpose
Boeing	\$20,000	TA/ interventions
Old Newsboys	\$1,500	Supplies
DESE	\$1,618	Kitchen equipment
Clifford Willard Gaylord Foundation	\$10,000	ALICE Intruder training
Will Flores Fund	\$750	New mural
Alvin Goldfarb Foundation	\$25,000	PreK
Mental Health Grant	\$1,433,000	Increased school mental health providers
Sage Foundation	\$10,000	Library
DESE Mental Health	\$26,000	Increased school mental health providers
St. Louis Philanthropic Organization	\$10,000	PreK
\$1,537,868		

GRANTS AWARDED

Grantmaker	Amount Requested	Amount Awarded	Purpose
DESE PreK StartUp	\$30,000	\$30,000	PreK
Schnucks	\$15,000	\$10,000	Kitchen Supplies
TOTAL	\$45,000	\$40,000	

GRANT REQUESTS IN PROGRESS/ TO BE SUBMITTED

Grantmaker	Amount Requested	Purpose
Jordan Foundation	\$10,000	ALICE training
YEP STL	\$1,500	After school
Bayer	\$10,000	STEM Learning
TOTAL	\$21,500	

B. Development Updates

- Yep STL Presentation - Feb. 19

C. Marketing & Communications

- Thanks to Kathy Anderson for putting together Valentine's Day thank-you gift for our long-term donors.
- Teacher recruitment marketing plan is in development.
- School Yearbook - Process is underway.

D. Events

- Magic of Childhood Gala at Third Degree – 5/5/2023
 - Updates - Tracee



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Employee Tuition Reimbursement Policy

DRAFT

The Tuition Reimbursement Program has been developed to help North Side Community School Employees further their knowledge, skills, and job effectiveness through higher education in fields of interest to the organization.

This program will also cover the American Board for Certification of Teacher Excellence as well as the Missouri Content Assessment Exam.

The goal of the program is to reimburse eligible employees for educational expenses not covered by any other source of educational assistance.

The Executive Director authorizes payment from school funds allotted for tuition reimbursement, and is responsible for administration, interpretation, and approval/disapproval for this program.

Only courses taken at nationally recognized accredited colleges, universities, and technical schools will be approved for reimbursement.

Eligibility

An employee is eligible for this program if:

- They are a regular, active, full-time employee
- They have completed one year of service
- There is a clear alignment between the employee's current position, educational ambitions, and the organization's needs.
- Courses are specific in subject content, methods, and/or pedagogy to the employee's current position or an agreed upon employee potential position advancement.



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Amount of Reimbursement

Reimbursement is capped at six hours per semester.

Eligible employees will be reimbursed up to a maximum of \$7,500 per fiscal year (July 1st to June 30th).

Reimbursement amount is equal to the current per credit hour tuition rate at the University of Missouri, St. Louis.

Based on the amount of reimbursement requests submissions for a specific fiscal year, all or a percentage of the amount will be paid until the amount allotted for the yearly reimbursements is completely spent. Administration is allowed the discretion to limit tuition reimbursement to employees during the year for budgetary considerations. The fiscal year runs from July 1st to June 30th.

Allowable Reimbursement Costs

This program reimburses eligible employees for educational expenses not covered by any other source of educational assistance.

To be reimbursed, the employee must show proof of payment of educational expenses along with proof of satisfactory course completion with a grade of 'B' or above.

To be reimbursed, the employee must sign a commitment to continue their employment with North Side Community School for a minimum of one fiscal year after degree completion.

Reimbursement will be provided for tuition only (books, fees, etc. are not eligible for reimbursement).

Other Educational Assistance Benefits

This program does not duplicate other educational assistance an employee may receive. On the Tuition Assistance Application and on the Request for Reimbursement Form, an employee must report any veterans' education benefits, scholarship or other financial aid received for course or degree program to considered under this program.

If an employee receives education assistance, the amount reimbursable under this program will be based on the amount less all financial aid received as shown in the examples above.



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Acceptable Hours

Approved course(s) and or program(s) are not to be taken during regular working hours. Class attendance may not conflict with your job in any way. Any other arrangements during work hours must be discussed and approved by the employer's immediate supervisor.

All requests for tuition reimbursement must be submitted for approval in advance of the course.

Taxation of Reimbursement

Please check with your tax consultant regarding taxation rules and regulations for tuition reimbursement.

Terminating Employees

If an employee's employment is ended by North Side Community School for any reasons, he/she will only be reimbursed for courses completed while fully employed with the organization.

If an employee elects to end their employment prior to one fiscal year after degree completion, the employee will be responsible for reimbursing the full amount of tuition reimbursement they have received.

To Apply for Tuition Reimbursement

To apply for reimbursement, complete and submit the Tuition Assistance Application PRIOR TO TAKING THE COURSE along with verification of the cost of your tuition to the Executive Director. Pre-approval is required to confirm course eligibility and available funding.

To receive reimbursement, a grade slip or transcript must be submitted along with proof of payment to the Executive Director, and the Request for Reimbursement Form within 45 days of completion of the course.



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Venmo/Cash App Policy Proposed

1. Only one Venmo/Cash App account are allowed.
2. Accounts must be tied to a North Side Community School owned cell phone.
3. The Executive Director, Finance Director, and Board Treasurer must have access to both accounts.
4. Venmo/Cash App may be used to receive money for:
 - a. Gate receipts
 - b. Fundraisers
 - c. Concessions
5. Venmo/Cash App may not be used when goods are sold that could be returned.
6. Venmo/Cash App may not be used to receive money for any transaction where the school should keep a record for the transaction (showing who paid, how much, when, and why).
7. The school's website is the only place where people can go to find:
 - a. The school's Venmo/Cash App account name
 - b. A link to the school's Venmo/Cash App account, or
 - c. A QR code for the school's Venmo/Cash App account.
8. Monthly reconciliation of the Venmo/Cash App account must be conducted and accepted as part of the Board's review of monthly financials.
9. On the same webpage where the school's Venmo/Cash App information is shown, this warning/disclaimer must also be displayed: "To protect yourself from fraud, please be aware that any Venmo/Cash App account, link or QR code that is not on the school or district's website is not affiliated with the school or district in any way."
10. If a group or organization not affiliated with the school accepts payments on school property using Venmo/Cash App they must,
 - a. Have signage notifying customers who they are.
 - b. If they are using a sign or card with a QR code linked to their Venmo/Cash App account, it must include the following statement "This entity and Venmo/Cash App account are not owned or operated by North Side Community School."



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Frequently Asked Questions

Question: Can we display a printed QR code for Venmo/Cash App account at the ticket sales table at our sporting events?

Answer: You may not have a printed QR code that takes the payer directly to the Venmo/Cash App account/app.

However, you are permitted to have a printed QR code that directs the payer to the school's website where they can find the link, along with the warning/disclaimer in #10 above.

Question: Can we set up a laptop at the ticket sales table which shows the Venmo/Cash App QR code on the school's website, so people can quickly scan it and get into the Venmo/Cash App?

Answer: No.

However, schools are permitted to have a printed QR code that directs the payer to the school's website where they can find the link, along with the warning/disclaimer in #10 above.

Question: We are holding a summer program as a fundraiser. The cost is \$40 per child. Since Venmo/Cash App may be used for fundraisers, can people pay for using Venmo/Cash App?

Answer: No. Venmo/Cash App may only be used for small dollar transactions where there is no need for a record of the transaction. \$40 is not a small amount, and the school may need to issue a refund to someone who previously paid but can no longer attend the camp. This type of transaction should be handled by either check or credit card.

Question: A donor would like to give \$200 to the school. Can this be paid via Venmo/Cash App?

Answer: Venmo/Cash App should not be used to collect donations like this because donors may wish to write off the donation as a charitable tax deduction.

Question: Can a school club or parent organization have a Venmo/Cash App account?

Answer: For a school club or parent organization (meaning all of the proceeds are deposited into a school account) then the school's Venmo/Cash App account should be used. The club, parent organization cannot have its own separate Venmo/Cash App account.

February 8, 2023

Doug Thaman, Executive Director
Progress in Education, Inc.
North Side Community School
3033 North Euclid Ave.
St. Louis, Missouri 63115

Dear Mr. Thaman,

Enclosed please find copies of the audited financial statements and required communications letter. Please be sure that copies of the audit report, required communications letter and board minutes or a board resolution indicating approval of the audit report are electronically filed with the Missouri Department of Elementary and Secondary Education as soon as possible.

We have also enclosed "camera ready" copies of a selected statement and auditors' report which should be published in your local paper in accordance with RSMo 165.121.

Thanks to you and your staff for your cooperation and assistance during the audit. We look forward to being of assistance to your school in the upcoming year.

Sincerely,

Westbrook & Co., P.C.

Westbrook & Co., P.C.

**PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
ST. LOUIS, MISSOURI**

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

FOR THE YEAR ENDED JUNE 30, 2022

**PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
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INDEPENDENT AUDITORS' REPORT

To the Governing Board
Progress in Education, Inc.
North Side Community School

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of assets, liabilities and net assets - modified cash basis of Progress in Education, Inc. - North Side Community School (a nonprofit organization) as of June 30, 2022, and the related statements of revenues, expenses and change in net assets, functional expenses and cash flows - modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Progress in Education, Inc. - North Side Community School as of June 30, 2022 and the revenues, expenses and change in its net assets and cash flows for the year then ended, in conformity with the modified cash basis of accounting described in Note B.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13 through 17, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole, on the basis of accounting described in Note B.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Westbrook & Co., P.C.

Richmond, Missouri
February 2, 2023

PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
STATEMENT OF ACTIVITIES, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
JUNE 30, 2022

ASSETS

Cash	\$ 2,184,054
Property and equipment, net	<u>3,808,014</u>
Total Assets	<u><u>\$ 5,992,068</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Notes payable, net	<u>\$ 882,604</u>
Net Assets:	
Without donor restrictions	5,099,464
With donor restrictions	<u>10,000</u>
Total Net Assets	<u>5,109,464</u>
Total Liabilities and Net Assets	<u><u>\$ 5,992,068</u></u>

See accompanying notes.

PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS -
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:			
Government grants and contracts	\$ 7,853,695	\$ -	\$ 7,853,695
Grants and donations	633,428	10,000	643,428
Other revenue	29,840	-	29,840
Investment income	1,555	-	1,555
Total revenues	8,518,518	10,000	8,528,518
EXPENSES:			
Program expenses:			
Charter school	6,668,096	-	6,668,096
Management and general	1,240,370	-	1,240,370
Fundraising	190,755	-	190,755
Total expenses	8,099,221	-	8,099,221
Change in net assets	419,297	10,000	429,297
Net assets, beginning of year	4,680,167	-	4,680,167
Net assets, end of year	\$ 5,099,464	\$ 10,000	\$ 5,109,464

See accompanying notes.

PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Charter School</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 3,535,472	\$ 678,011	\$ 93,936	\$ 4,307,419
Payroll taxes and benefits	1,119,499	177,907	27,179	1,324,585
Building and equipment maintenance	65,972	154	-	66,126
Contract and professional fees	451,662	250,632	66,715	769,009
Depreciation	154,675	-	-	154,675
Student transportation	49,453	-	-	49,453
Food service	293,669	-	-	293,669
Other supplies	241,396	39,892	1,874	283,162
Insurance	88,713	4,177	-	92,890
Interest and fees	52,414	-	-	52,414
Utilities	82,414	-	-	82,414
Printing and publications	1,693	-	1,051	2,744
Textbooks and educational materials	121,494	-	-	121,494
Telephone and communications	-	39,133	-	39,133
Rent expense	367,590	27,871	-	395,461
Building improvements not capitalized	36,812	3,537	-	40,349
Other	5,168	19,056	-	24,224
Total expenses	<u>\$ 6,668,096</u>	<u>\$ 1,240,370</u>	<u>\$ 190,755</u>	<u>\$ 8,099,221</u>

See accompanying notes.

**PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 429,297
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	<u>154,675</u>
Net cash provided by operating activities	<u>583,972</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	<u>(42,023)</u>
------------------------------------	-----------------

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on notes payable	(534,507)
Loan fees	<u>8,476</u>
Net cash used by financing activities	<u>(526,031)</u>

NET INCREASE IN CASH 15,918

CASH AND CASH EQUIVALENTS, beginning 2,168,136

CASH AND CASH EQUIVALENTS, ending \$ 2,184,054

See accompanying notes.

PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A - BUSINESS ACTIVITY

Progress in Education, Inc. - North Side Community School (the School), was incorporated in July 2007 and began operations in August 2009. It is a not-for-profit corporation whose purpose is to serve the neighborhood families to ensure that their children gain the skills, knowledge and personal qualities needed for success in middle and high school and beyond. The School is sponsored by the University of Missouri - St. Louis. The School's charter provides for the education of students in kindergarten through seventh grades. For the year ended June 30, 2022, the School provided services to students in pre-kindergarten through eighth grade.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Cash: For the purpose of the statement of cash flows, the School considers all unrestricted highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment: All purchased 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 using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings	30 years
Building Improvements	30 years
Equipment and Vehicles	5 years

Recognition of Donor Restrictions: Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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

Income Taxes: Progress in Education, Inc. - North Side Community School is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Vacation and Annual Leave: Vacation time and annual leave days are considered as expenditures in the year paid. Annual leave amounts unused may be rolled over from year to the next, with a maximum earned of 20 days. Vacation days cannot rollover from one year to the next. Leave balances are not paid out upon separation of employment or retirement.

Subsequent Events: The School has evaluated subsequent events through February 2, 2023, the date which the financial statements were available to be issued.

PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE C - CASH

The School maintains its cash balances at one financial institution. At June 30, 2022, the bank balances of the School's deposits totaled \$2,316,238. Of the bank balance, \$250,000 was covered by federal depository insurance and \$2,066,238 was guaranteed by the U.S. Government and its agencies under a repurchase agreement.

NOTE D - PROPERTY AND EQUIPMENT

Buildings	\$ 3,092,085
Building Improvements	979,770
Equipment and Vehicles	145,179
Land	<u>450,400</u>
	4,667,434
Accumulated depreciation	<u>(859,420)</u>
	<u>\$ 3,808,014</u>

Depreciation expense for the year ended June 30, 2022 was \$154,675.

NOTE E - RETIREMENT PLAN

The School contributes to the Public School Retirement System of the City of St. Louis, a cost-sharing multiple-employer defined benefit pension plan. Participation is mandatory for employees of the St. Louis Public School District, employees of the Retirement System, employees of Charter Schools located in the St. Louis Public School District, and certain employees of Harris-Stowe State College. The Retirement System provides retirement, disability, death, and survivor benefits for employees. Positions covered by The Public School Retirement System of The City of St. Louis are also covered by Social Security. The Retirement System is administered by an eleven-member Board of Trustees. The Retirement System issues a publicly available financial report that includes financial statements and other required information. That report may be obtained by writing to: The Public School Retirement System of the City of St. Louis, 3641 Olive Street Suite 300, St. Louis, Missouri, 63108, or by calling 1-314-534-7444.

Retirement System members were required to contribute 9.0% for the year ended June 30, 2022, and the School is required to contribute at a rate which changes each calendar year. The contribution rate for the year ended June 30, 2022 was 14%. The contribution requirements of members and the School are established, and may be amended, by the Board of Trustees. The School's contributions to the system for the year ended June 30, 2022 were \$565,633.

NOTE F - INSURANCE

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

PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE G - NOTES PAYABLE

On February 28, 2013, the School entered into a secured promissory note with IFF, a not for profit corporation, in the amount of \$1,441,085. The proceeds of the note were used to acquire the campus facilities located at 3015 North Euclid Avenue, St. Louis, Missouri. The note bears interest at 5.25% and requires monthly payments of \$11,585 through March 1, 2028. On September 8, 2016, this loan was refinanced with Midwest BankCentre. The new secured note bears interest at 3.50% and requires monthly payments of \$10,288 through September 8, 2023. This note was refinanced with the note below on April 15, 2020.

On April 15, 2020, the School entered into a line of credit note payable with Midwest BankCentre in the amount of \$2,776,727 to pay off existing debt mentioned above and to renovate facilities. The note is secured by real estate and assignment of a deposit account. Loan amounts have been advanced to pay off the previous loan balance and to fund renovations as they occur. Beginning May 5, 2020, the note requires six monthly interest payments, then 59 principal and interest payments of \$23,134 beginning November 5, 2020 and then remaining principal and interest due October 5, 2025, with interest at 3.07%.

On June 10, 2021, the above mentioned note payable was modified and renewed with Midwest BankCentre in the amount of \$1,424,935. The note is secured by real estate. The note bears interest at 3.070% and requires monthly payments of \$8,203 through September 5, 2026 and a final balloon payment on October 5, 2026. At June 30, 2022 the outstanding balance was \$890,428.

Unamortized debt issue costs at June 30, 2022 are \$7,824.

Debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 70,725	\$ 27,714	\$ 98,439
2024	73,906	24,533	98,439
2025	76,306	22,133	98,439
2026	78,715	19,724	98,439
2027	590,776	6,042	596,818
Total	890,428	\$ 100,146	\$ 990,574
Less unamortized debt issuance costs	(7,824)		
Note payable, net	<u>\$ 882,604</u>		

PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE H - LEASE COMMITMENTS

On May 27, 2018, the School entered into an agreement to lease a school building from a third party under an operating lease agreement. The lease has an annual base rent that ranges from \$100,000 up to \$200,000 starting July 1, 2018 through June 30, 2024, with an option to renew the lease for an additional six years.

On May 29, 2019, the School entered into an agreement to lease a bus from a third party under an operating lease agreement. The lease requires annual payments for three years starting May 29, 2019 through June 30, 2022 of \$14,656.

On August 1, 2020, the School entered into an agreement to lease three buses from a third party under an operating lease agreement. The lease requires annual payments for three years starting August 1, 2020 through August 1, 2023 of \$43,467.

On October 21, 2020, the School entered into an agreement to lease copier equipment from a third party under a non-cancellable lease agreement. The lease requires 60 monthly payments of \$1,515 starting September 2022 through August 2027.

On July 1, 2021, the School entered into an agreement to lease two buses from a third party under an operating lease agreement. The lease requires annual payments for two years starting July 1, 2021 through June 30, 2023 of \$12,825.

Future lease payments are shown below:

Year ending June 30,	School Buses	Building	Copiers	Total
2023	\$ 56,292	\$ 200,000	\$ 18,180	\$ 274,472
2024	-	200,000	18,180	218,180
2025	-	-	18,180	18,180
2026	-	-	18,180	18,180
2027	-	-	3,030	3,030
Total	<u>\$ 56,292</u>	<u>\$ 400,000</u>	<u>\$ 75,750</u>	<u>\$ 532,042</u>

Lease expense for the year ended June 30, 2022 was \$262,168.

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2022, net assets with donor restrictions consist of \$10,000 restricted for food service.

PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J - LIQUITY AND AVAILABILITY OF FINANCIAL ASSETS

The School strives to maintain liquid financial assets sufficient to cover general expenditures and maintain financial stability.

The following table reflects the School's financial assets as of June 30, 2022, reduced by amounts not available to meet general expenditures within one year of the statement of assets, liabilities and net assets - modified cash basis date because of donor restrictions.

Cash	\$ 2,184,054
Donor restricted assets	<u>(10,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,174,054</u>

NOTE K - LITIGATION

As of June 30, 2022, the School is a defendant in a lawsuit. The School is vigorously defending against the claim which is being handled by their insurance company.

SUPPLEMENTARY INFORMATION

**PROGRESS IN EDUCATION, INC.
 NORTH SIDE COMMUNITY SCHOOL
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
 MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>
ASSETS				
Cash	<u>\$ 2,184,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,184,054</u>
FUND BALANCES				
Fund Balances:				
Unassigned	<u>\$ 2,184,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,184,054</u>

PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
STATEMENT OF REVENUS, EXPENDITURES AND CHANGE IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:				
Local	\$ 828,012	\$ 507,813	\$ -	\$ 1,335,825
State	2,636,001	2,603,412	-	5,239,413
Federal	1,937,198	-	-	1,937,198
Other	16,082	-	-	16,082
Total Revenues	<u>5,417,293</u>	<u>3,111,225</u>	<u>-</u>	<u>8,528,518</u>
EXPENDITURES:				
Instruction	1,012,802	3,018,283	24,579	4,055,664
Student activities	4,718	-	-	4,718
Student services	98,523	-	-	98,523
Instructional staff support	23,035	222,073	-	245,108
General administration and central services	1,048,331	-	3,537	1,051,868
Building administration	121,809	298,523	-	420,332
Operation of plant	866,110	-	54,257	920,367
Transportation	617,114	-	-	617,114
Food service	368,627	-	-	368,627
Community services	151,839	-	-	151,839
Debt service:				
Principal	-	-	534,507	534,507
Interest and fees	-	-	43,933	43,933
Total Expenditures	<u>4,312,908</u>	<u>3,538,879</u>	<u>660,813</u>	<u>8,512,600</u>
Revenues Over (Under) Expenditures	1,104,385	(427,654)	(660,813)	15,918
Other Financing Sources (Uses):				
Transfers	<u>(327,382)</u>	<u>-</u>	<u>327,382</u>	<u>-</u>
Net change in fund balance	777,003	(427,654)	(333,431)	15,918
Fund balance, beginning	<u>1,407,051</u>	<u>427,654</u>	<u>333,431</u>	<u>2,168,136</u>
Fund balance, ending	<u>\$ 2,184,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,184,054</u>

**PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
SCHEDULE OF REVENUES COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>
LOCAL:				
Sales tax	\$ 169,271	\$ 507,813	\$ -	\$ 677,084
Earnings on investments	1,555	-	-	1,555
Donations	643,428	-	-	643,428
Other local revenue	13,758	-	-	13,758
Total Local	<u>828,012</u>	<u>507,813</u>	<u>-</u>	<u>1,335,825</u>
STATE:				
Basic formula	2,349,768	2,603,412	-	4,953,180
Transportation	74,386	-	-	74,386
Basic formula - classroom trust fund	209,016	-	-	209,016
Food service	2,831	-	-	2,831
Total State	<u>2,636,001</u>	<u>2,603,412</u>	<u>-</u>	<u>5,239,413</u>
FEDERAL:				
Title I	476,202	-	-	476,202
Title II	37,749	-	-	37,749
Title IV	30,761	-	-	30,761
Medicaid	31,250	-	-	31,250
Child Nutrition Program	340,574	-	-	340,574
CARES - Child Nutrition Program	9,236	-	-	9,236
Education Stabilization Fund	990,086	-	-	990,086
Other federal revenue	21,340	-	-	21,340
Total Federal	<u>1,937,198</u>	<u>-</u>	<u>-</u>	<u>1,937,198</u>
OTHER:				
Net insurance recovery	16,082	-	-	16,082
Total Revenues	<u><u>\$ 5,417,293</u></u>	<u><u>\$ 3,111,225</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,528,518</u></u>

**PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
COVID-19 - School Breakfast Program	10.553	115-913	\$ 108,166
National School Lunch Program	10.555	115-913	13,432
COVID-19 - National School Lunch Program	10.555	115-913	<u>228,213</u>
Total Child Nutrition Cluster			<u>349,811</u>
<u>Federal Communications Commission</u>			
Direct:			
COVID-19 - Emergency Connectivity Fund	32.009		<u>21,340</u>
<u>U.S. Department of Education</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	115-913	142,170
Special Education - Preschool Grants	84.173	115-913	<u>1,618</u>
Total Special Education Cluster (IDEA)			<u>143,788</u>
Title I - Grants to Local Educational Agencies	84.010	115-913	389,593
Education Stabilization Fund:			
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	115-913	4,083
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	115-913	<u>986,140</u>
Total Education Stabilization Fund			<u>990,223</u>
Total U.S. Department of Education			<u>1,523,604</u>
Total Expenditures of Federal Awards			<u>\$ 1,894,755</u>

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Progress In Education, Inc. - North Side Community School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Progress In Education, Inc. - North Side Community School under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Progress In Education, Inc. - North Side Community School, it is not intended to and does not present the financial position, change in net assets or cash flows of Progress In Education, Inc. - North Side Community School.

INTERNAL CONTROL AND COMPLIANCE

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

To the Governing Board
Progress in Education, Inc.
North Side Community School

We have examined the administration's assertions, included in its representation letter dated February 2, 2023, that Progress in Education, Inc. - North Side Community School complied with the requirements of Missouri Laws and Regulations regarding accurate disclosure by the School's attendance records of average daily attendance, resident membership on the last Wednesday of September, 2021 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2022; and accurate disclosure by the School's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of actual odometer miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2022. As discussed in that representation letter, the administration is responsible for the School's assertion. Our responsibility is to express an opinion on the administration's assertion about the School's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the administration's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether the administration's assertion is fairly stated, in all material respects. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of administration's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the School's compliance with the specified requirements.

In our opinion, the administration's assertion that the School complied with the aforementioned requirements for the year ended June 30, 2022, is 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, St. Louis 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.

Westbrook & Co., P.C.

Richmond, Missouri
February 2, 2023

**PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number 115-913

1. CALENDAR (SECTIONS 160.041, 171.029, 171.031, AND 171.033 RSMO)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
6965	PK	4		6.9000	170	1,175.83
6970	5	8		6.9000	170	1,252.33

2. AVERAGE DAILY ATTENDANCE (ADA)

Report the total number of PK-12 student attendance hours allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
6965	PK-4	334,024	0.00			13,830	347,854
6970	5-8	176,908	0.00			3,306	180,214
Grand Total		510,932	0.00			17,136	528,068

3. SEPTEMBER MEMBERSHIP

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
6965	K-4	296.00	0.00		296.00
6970	5-8	159.00	0.00		159.00
Grand Total		455.00	0.00		455.00

4. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

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

**PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number 115-913

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
6965	283.00	0.00			283.00
6970	156.00	0.00			156.00
Grand Total	439.00	0.00			439.00

5. FINANCE

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

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

**PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number 115-913

	FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$500,000
5.6	The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	N/A
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	N/A
5.12	The amount spent for approved professional development committee plan activities was:	N/A
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

**PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number 115-913

6. TRANSPORTATION (SECTION 163.161, RSMO)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	333.0
	Ineligible ADT	4.0
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	51,638
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	49,187
	Ineligible Miles (Non-Route/Disapproved)	2,451
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	170

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

To the Governing Board
Progress in Education, Inc.
North Side Community School

We have audited, 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, the modified cash basis financial statements of Progress in Education, Inc. - North Side Community School (a nonprofit organization) for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated February 2, 2023.

Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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*.

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 result of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Westbrook & Co., P.C.

Richmond, Missouri
February 2, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Governing Board
Progress in Education, Inc.
North Side Community School

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Progress in Education, Inc. - North Side Community School's compliance with the types of compliance requirements described in the *OMB 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, 2022. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Westbrook & Co., P.C.

Richmond, Missouri
February 2, 2023

**PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with the modified cash basis: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:
Education Stabilization Fund AL No. 84.425

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes X No

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

INDEPENDENT AUDITORS' REPORT

To the Governing Board
Progress in Education, Inc.
North Side Community School

We have audited the financial statements of Progress in Education, Inc. - North Side Community School (a nonprofit organization) for the year ended June 30, 2022. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying statement of revenues, expenditures and changes in fund balance - modified cash basis - governmental funds is supplementary information and is presented for purposes of complying with the requirements of Missouri Department of Elementary and Secondary Education and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied to the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

This report and the accompanying financial statement are in summary form. Our complete report and the School's financial statements are available for public viewing at the School's administrative office.

Westbrook & Co., P.C.

Richmond, Missouri
February 2, 2023

PROGRESS IN EDUCATION, INC.
NORTH SIDE COMMUNITY SCHOOL
STATEMENT OF REVENUS, EXPENDITURES AND CHANGE IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:				
Local	\$ 828,012	\$ 507,813	\$ -	\$ 1,335,825
State	2,636,001	2,603,412	-	5,239,413
Federal	1,937,198	-	-	1,937,198
Other	16,082	-	-	16,082
Total Revenues	<u>5,417,293</u>	<u>3,111,225</u>	<u>-</u>	<u>8,528,518</u>
EXPENDITURES:				
Instruction	1,012,802	3,018,283	24,579	4,055,664
Student activities	4,718	-	-	4,718
Student services	98,523	-	-	98,523
Instructional staff support	23,035	222,073	-	245,108
General administration and central services	1,048,331	-	3,537	1,051,868
Building administration	121,809	298,523	-	420,332
Operation of plant	866,110	-	54,257	920,367
Transportation	617,114	-	-	617,114
Food service	368,627	-	-	368,627
Community services	151,839	-	-	151,839
Debt service:				
Principal	-	-	534,507	534,507
Interest and fees	-	-	43,933	43,933
Total Expenditures	<u>4,312,908</u>	<u>3,538,879</u>	<u>660,813</u>	<u>8,512,600</u>
Revenues Over (Under) Expenditures	1,104,385	(427,654)	(660,813)	15,918
Other Financing Sources (Uses):				
Transfers	<u>(327,382)</u>	<u>-</u>	<u>327,382</u>	<u>-</u>
Net change in fund balance	777,003	(427,654)	(333,431)	15,918
Fund balance, beginning	<u>1,407,051</u>	<u>427,654</u>	<u>333,431</u>	<u>2,168,136</u>
Fund balance, ending	<u>\$ 2,184,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,184,054</u>

REQUIRED COMMUNICATIONS

February 2, 2023

To the Governing Board
Progress in Education, Inc.
North Side Community School

We have audited the modified cash basis financial statements of Progress in Education, Inc. - North Side Community School for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 14, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Progress in Education, Inc. - North Side Community School are described in Note B to the financial statements. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

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

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by administration and are based on administration's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements reported on the attached schedule.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter February 2, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

Although not considered material weaknesses or significant deficiencies in internal control over financial reporting, during our audit, we noted the following matters involving internal control, compliance and other operational matters that are presented for your consideration:

SEGREGATION OF DUTIES - During our audit, we noted that the accountant maintains the general ledger, prepares bank reconciliations, performs the reporting function, inputs payroll information, and submits payroll information to the third party processor. Accounting duties should be segregated to provide for adequate internal control. We did note that the School has implemented mitigating controls to have the Executive Director approve the payroll and the Director of Finance review the bank statements and bank reconciliations. We recommend that these procedures continue and that the School documents the review procedures as they are performed (ex: signing of document indicating approval).

FEDERAL PROGRAM EXPENDITURE CODING - During our audit, we noted that the School received funds from the Missouri Department of Elementary and Secondary Education (DESE) for the Title I, CARES Grow Your Own Grant and CARES Teacher Retention Grant programs. For these programs, DESE provided specific project codes that should be used to track the expenditures. We noted that the School did not code the expenses to the specific project codes. We recommend that the School review the information provided by DESE regarding the coding of Federal grant expenditures.

PAYROLL CALCULATIONS - During our audit, we selected five employees for payroll testing. Based on our analysis, we noted that two of the five employees did not have local tax withheld from their paychecks. We recommend the School immediately implement a plan to review all active employees in the payroll system to ensure the proper tax codes are enabled. Further, we recommend the School implement review procedures to ensure payroll withholdings are accurate and calculating properly.

CASH DISBURSEMENTS - During our audit, we noted that some of the purchases submitted for reimbursement by the principal included sales tax. Because the School is a tax-exempt entity, it is not required to pay sales tax on purchases and, therefore, should not pay for sales tax paid on purchases submitted for reimbursements. We recommend that the School implement procedures for all purchases to be excluded from sales tax by providing proper information to the various organizations so that they may provide it to the vendors.

TRANSPORTATION - The School's eligible riders, and riders less than one mile, on the Application for State Transportation Aid did not agree to the summary ridership lists maintained by the School. We recommend that the School implements a review process to ensure accurate reporting on the Application for State Transportation Aid.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, context, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, which is another comprehensive basis of accounting other than generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting record used to prepare the financial statements or to the financial statements themselves.

Restriction of Use

This information is intended solely for the use of the administration and the Governing Board and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co., P.C.

Westbrook & Co., P.C.

Client: **2274 - North Side Community School**
 Engagement: **2274 - NORTH SIDE COMMUNITY SCHOOL**
 Period Ending: **6/30/2022**
 Trial Balance: **350.00 - TB**
 Workpaper: **140.01 - AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
To reclassify expenses to correct Federal program project code				
10 1111 6319 6965 4 42403	Elem Connectivity Grant		4,083.32	
10 1111 6319 6965 4 42800	Elem Connectivity Grant Use			4,083.32
Total			4,083.32	4,083.32
Adjusting Journal Entries JE # 2				
To reclass bus lease payments from Fund 40 to Fund 10				
10 2552 6334 0000 3 00000	RENTALS-EQUIPMENT	450.2	85,006.13	
40-3111	FUND BALANCE		85,006.13	
10-3111	FUND BALANCE			85,006.13
40 2552 6552 0000 3 00000	PUPIL TRANSPORTATION BUSES			85,006.13
Total			170,012.26	170,012.26
Adjusting Journal Entries JE # 3				
To reclassify Title I.A program expenditures to correct account				
10 2552 6349 0000 4 45100	Title 1 Homeless cab	140.01.1	40,000.00	
10 2552 6349 0000 3 00000	OTHER TRANSPORTATION			40,000.00
Total			40,000.00	40,000.00
Adjusting Journal Entries JE # 4				
To reclassify ESSER I expenditures over allowed allocation to correct account				
10 2542 6411 0000 3 00000	Facility Supplies	140.01.1	8,143.56	
10 2542 6411 0000 4 42400	CARES Facility Supplies			8,143.56
Total			8,143.56	8,143.56
Adjusting Journal Entries JE # 5				
To reclassify ESSER II program expenditures over allowed allocation to correct account				
20 1111 6111 6965 3 40001	Teacher	140.01.1	149,863.00	
20 1111 6111 6965 4 42300	Elementary ESSER II Salaries			149,863.00
Total			149,863.00	149,863.00
Adjusting Journal Entries JE # 6				
To reclassify Teacher Retention Grant program expenditures to correct account				
20 1131 6111 6970 4 42404	CERTIFIED REGULAR SALARIES	140.01.1	9,000.00	
20 1131 6111 6970 3 40001	CERTIFIED REGULAR SALARIES			9,000.00
Total			9,000.00	9,000.00
Adjusting Journal Entries JE # 7				
To reclassify Grow Your Own Grant program expenditures to correct account				
10 2529 6161 0000 4 42302	CLASSIFIED SALARIES-PART TIME	140.01.1	6,100.00	
10 2529 6319 0000 4 42302	Grow Your Own Development		3,900.00	
10 2529 6161 0000 3 00000	CLASSIFIED SALARIES-PART TIME			6,100.00
10 2529 6319 0000 3 00000	Development Services			3,900.00
Total			10,000.00	10,000.00
Adjusting Journal Entries JE # 8				
To reclassify School-wide Pool program expenditures to correct account				
10 1111 6311 6965 3 00000	Purchased Instructional Services	140.01.1 & 140.01.2	37,902.99	

Client: **2274 - North Side Community School**
 Engagement: **2274 - NORTH SIDE COMMUNITY SCHOOL**
 Period Ending: **6/30/2022**
 Trial Balance: **350.00 - TB**
 Workpaper: **140.01 - AJE Report**

Account	Description	W/P Ref	Debit	Credit
10 1111 6311 6965 3 40001	Purchased Instructional Services		34,931.92	
10 2126 6241 6970 3 40001	High School Placement Insurance		15,304.15	
10 2126 6319 6970 3 40001	High School Placement		6,035.85	
20 1111 6241 6965 3 40001	Health Insurance		56,624.16	
10 1111 6311 6965 3 00000	Purchased Instructional Services			34,931.92
10 1111 6311 6965 3 40001	Purchased Instructional Services			37,902.99
10 2126 6241 6970 3 00000	High School Placement Insurance			15,304.15
10 2126 6319 6970 3 00000	High School Placement			6,035.85
20 1111 6241 6965 3 00000	Elem teachers health			56,624.16
Total			150,799.07	150,799.07
Adjusting Journal Entries JE # 9		900.52 & 140.01.2		
To reclassify Federal Emergency Connectivity Fund program revenues and expenditures to correct accounts				
10 1111 6412 6965 4 54970	ECF Tech Supplies		21,340.00	
10 5192	Donations		21,340.00	
10 1111 6412 6965 3 40001	SUPPLIES - TECHNOLOGY-			21,340.00
10 5497	SBA Loan			21,340.00
Total			42,680.00	42,680.00
Adjusting Journal Entries JE # 10		700.10		
To reclassify net insurance amount received to correct account				
10 5198	Other Local Revenue		16,082.00	
10 5631	Net Insurance Recovery			16,082.00
Total			16,082.00	16,082.00