# Crossroads Charter Schools

## Financial Statements Together with Auditors' Report for the Year Ended June 30, 2025

KPM
CPAS & ADVISORS

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# Independent Auditors' Report

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

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying financial statements of Crossroads Charter Schools (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Crossroads Charter Schools as of June 30, 2025, and the changes in net assets, cash flows, and statement of functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as identified in the table of contents, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, on our consideration of Crossroads Charter Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Crossroads Charter Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crossroads Charter Schools' internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 8, 2025

# Crossroads Charter Schools

Statement of Financial Position

June 30, 2025

| | |
|---|---|
| **Assets** | |
| Current Assets | |
| Cash and cash equivalents | $ 2,908,321 |
| Grants receivable | 194,187 |
| **Total Current Assets** | 3,102,508 |
| | |
| Noncurrent Assets | |
| Property and equipment, net of accumulated depreciation | 18,842,431 |
| Right-to-use asset, net of accumulated amortization | 341,200 |
| **Total Noncurrent Assets** | 19,183,631 |
| **Total Assets** | $ 22,286,139 |
| | |
| **Liabilities and Net Assets** | |
| Current Liabilities | |
| Accrued expenses | $ 1,363,096 |
| Current portion of lease liability | 79,026 |
| Loans payable, current portion | 219,424 |
| **Total Current Liabilities** | 1,661,546 |
| | |
| Noncurrent Liabilities | |
| Compensated absences | 41,914 |
| Long-term lease liability | 262,174 |
| Loans payable, long-term portion | 7,006,266 |
| **Total Noncurrent Liabilities** | 7,310,354 |
| **Total Liabilities** | 8,971,900 |
| | |
| Net Assets | |
| Without donor restrictions | 13,314,239 |
| **Total Net Assets** | 13,314,239 |
| **Total Liabilities and Net Assets** | $ 22,286,139 |

See accompanying Notes to the Financial Statements.

# Crossroads Charter Schools

Statement of Activities

Year Ended June 30, 2025

| | | Without Donor Restrictions |
|---|---|---|
| **Revenues and Other Support** | | |
| Government grants and contracts | $ | 24,361,877 |
| Contributions and non-governmental grants | | 930,321 |
| Fees and services | | 41,321 |
| Investment income | | 23,517 |
| Miscellaneous | | 70,348 |
| **Total Revenues and Other Support** | | 25,427,384 |
| | | |
| **Expenses** | | |
| Program | | |
| Instruction | | 12,726,696 |
| Student services | | 1,436,001 |
| Instructional staff support | | 685,080 |
| Building level administration | | 1,122,397 |
| Operation of plant | | 1,924,807 |
| Transportation | | 1,775,660 |
| Food service | | 460,830 |
| Community services | | 210,007 |
| Facilities acquisition and construction | | 9,275 |
| Depreciation and amortization | | 450,807 |
| Debt service | | |
| Interest and fees | | 261,262 |
| Management and general | | |
| General administration and central services | | 3,021,020 |
| **Total Expenses** | | 24,083,842 |
| | | |
| *Change in Net Assets* | | 1,343,542 |
| | | |
| Net Assets, Beginning of Year | | 11,970,697 |
| **Net Assets, End of Year** | $ | 13,314,239 |

See accompanying Notes to the Financial Statements.

# Crossroads Charter Schools

Statement of Cash Flows

Year Ended June 30, 2025

| | | |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Increase in net assets | $ | 1,343,542 |
| Item not requiring operating activities cash flows | | |
| Depreciation and amortization | | 450,807 |
| Changes in | | |
| Grants receivable | | (81,632) |
| Accounts payable | | (206,501) |
| Accrued expenses | | 68,710 |
| Compensated absences | | 33,115 |
| **Net Cash Provided by Operating Activities** | | 1,608,041 |
| | | |
| **Cash Flows from Investing Activities** | | |
| Purchase of property and equipment | | (47,150) |
| **Net Cash (Used) by Investing Activities** | | (47,150) |
| | | |
| **Cash Flows from Financing Activities** | | |
| Payment of loan principal | | (211,764) |
| **Net Cash (Used) by Financing Activities** | | (211,764) |
| | | |
| *Net Increase in Cash* | | 1,349,127 |
| | | |
| Cash and Cash Equivalents, Beginning | | 1,559,194 |
| **Cash and Cash Equivalents, Ending** | $ | 2,908,321 |

See accompanying Notes to the Financial Statements.

# Crossroads Charter Schools

Statement of Functional Expenses

Year Ended June 30, 2025

| | Program Services | Support Services | |
|---|---|---|---|
| | **Charter School** | **Management and General** | **Total** |
| Salaries | $ 7,533,978 | $ 1,502,160 | $ 9,036,138 |
| Employee benefits | 2,291,223 | 504,167 | 2,795,390 |
| Purchased services | 9,777,543 | 891,051 | 10,668,594 |
| Supplies | 707,135 | 123,642 | 830,777 |
| Capital outlay | 40,874 | - | 40,874 |
| Debt service | 261,262 | - | 261,262 |
| Depreciation and amortization | 450,807 | - | 450,807 |
| **Total Functional Expenses** | $ 21,062,822 | $ 3,021,020 | $ 24,083,842 |

See accompanying Notes to the Financial Statements.

## 1. Business Activity

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

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

## 2. Summary of Significant Accounting Policies

**Basis of Accounting**

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

**Basis of Presentation**

The School is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

> *Net assets without donor restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the School. These net assets may be used at the discretion of the School's management and the board.
>
> *Net assets with donor restrictions*: Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the School pursuant to those stipulations, that expire by the passage of time, or that include funds of perpetual donation.

Donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

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

**Right-to-use Asset and Lease Liability**

FASB ASC 842 establishes a ROU asset model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than twelve months. Leases with a term of less than 12 months will not record an ROU asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term. Leases are classified as either operating or financing, based on criteria established in FASB ASC 842. ROU assets resulting from leases represent the School's right to use an underlying asset and are based upon the determination of the related lease liability. Lease liabilities represent the present value of the lease payments not yet paid. Operating leases result in lease expense being recognized as the ROU asset and lease liability are reduced. Financing leases result in amortization expense related to the ROU asset and interest expense related to the lease liability being recognized as separate components in the financial statements.

**Property and Equipment**

Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful lives of the assets. These assets have been recorded at historical cost. It is the policy of the School to capitalize expenditures for equipment, furniture and fixtures in excess of $5,000 per item and useful life over a year. Interest costs are capitalized when incurred on debt where the proceeds were used to finance the construction of assets. No interest was capitalized in the current year.

**Recognition of Donor Restrictions**

Contributions are recognized when they are unconditionally received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions support that increases that net asset class. Contributions restricted for the acquisition of property and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from these estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

**Cash and Cash Equivalents**

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

**Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise was received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

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

**Revenue Recognition**

The School recognizes revenue using the following methods:

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

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

**Functional Expense Allocation**

The cost of providing the program and supporting services have been summarized on the statement of activities on a functional basis. Most expenses can be directly allocated to the program or supporting functions. Certain categories of expenses are attributed to both program and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied and determined by management.

The expenses that are allocated include the following:

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

**Income Taxes**

The School is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(2).

**Accounting for Uncertainty in Income Taxes**

The School complies with the provisions of FASB ASC 740-10-25. Under this standard, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of FASB ASC 740-10-25 had no impact on the School's financial statements. The School does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. No interest or penalties were accrued as of June 30, 2025.

**Compensated Absences**

Staff are awarded personal time of 66 hours per contract year which can be converted to sick time. Staff are awarded 66 hours of sick time each contract year. Once 270 hours of sick time are accrued, staff may cash out at $10 per hour, but no more than 60 hours at a time. Staff may continue to accrue sick time up to 540 hours. Any hours over 540 will be automatically cashed out at the end of the contract year at $10 per hour. Employees earn vacation time based on the number of years' service to the School and can accrue a maximum of 20 days. Outstanding vacation leave is payable upon termination of employment. Compensated absences are recorded as a noncurrent liability in the Statement of Financial Position as it is not probable that these will come due in the next twelve months.

**Subsequent Events**

Management has evaluated subsequent events through December 8, 2025, the date the financial statements were available to be issued.

## 3. Cash & Cash Equivalents

State statutes require that the School's deposits be collateralized in the name of the School by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2025, all bank balances on deposit are entirely insured or collateralized with securities in the name of the School by the trust department of a bank that does not hold the collateralized deposits.

## 4. Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

## 5. Loans Payable

**Busey Bank Loan**

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

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

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 219,424 | $ 253,601 | $ 473,025 |
| 2027 | 227,361 | 245,664 | 473,025 |
| 2028 | 234,935 | 238,091 | 473,026 |
| 2029 | 244,085 | 228,941 | 473,026 |
| 2030 | 252,914 | 220,112 | 473,026 |
| 2031 | 262,063 | 210,963 | 473,026 |
| 2032 | 270,991 | 202,034 | 473,025 |
| 2033 | 5,513,917 | 16,128 | 5,530,045 |
| | $ 7,225,690 | $ 1,615,534 | $ 8,841,224 |

The following is a summary of the changes in loan payable for the year ended June 30, 2025:

| | Balance June 30, 2024 | Additions | Retired | Balance June 30, 2025 | Amount Due Within One Year |
|---|---|---|---|---|---|
| Crossroads Charter Schools | | | | | |
| Busey Bank Loan | $ 7,437,454 | $ - | $ 211,764 | $ 7,225,690 | $ 219,424 |

## 6. Operating Lease

The School reviews all leases and determines renewals that are reasonably certain to be renewed and include those renewals in determination of lease liabilities and lease assets. The right-to-use asset related to the lease of copiers is amortized on a straight-line bases over the remaining lease terms.

On July 1, 2024, the School entered into a financing agreement with GFI Digital for the lease of copiers. The School makes monthly payments through June 2029.

| | | Year Ending June 30, 2025 |
|---|---|---|
| **Lease Expense** | | |
| Purchased services - operating lease expense | $ | 93,812 |
| | | |
| **Other Information** | | |
| Cash paid for amounts included in the measurement of lease liabilities | | |
| Operating cash flows from operating leases | $ | 93,460 |
| ROU assets obtained in exchange for new operating lease liabilities | $ | 415,943 |
| Weighted-average remaining lease term in years for operating leases | | 4 |
| Weighted-average discount rate for operating leases | | 5.00% |

| Year Ending June 30, | | Operating |
|---|---|---|
| 2026 | $ | 93,900 |
| 2027 | | 93,900 |
| 2028 | | 93,900 |
| 2029 | | 93,900 |
| Total undiscounted cash flows | | 375,600 |
| Less: present value discount | | (34,400) |
| Total lease liabilities | $ | 341,200 |

## 7. Property & Equipment

Property and equipment at June 30, 2025, consisted of the following:

| | | |
|---|---|---|
| **Depreciable** | | |
| Buildings and improvements | $ | 21,353,697 |
| Equipment and furniture | | 378,080 |
| | | 21,731,777 |
| Accumulated depreciation | | (2,889,346) |
| **Total Depreciable Assets, Net** | | 18,842,431 |
| | | |
| **Right-to-Use Assets** | | |
| Copiers | | 415,943 |
| Accumulated amortization | | (74,743) |
| **Total Right-to-Use Assets, Net** | | 341,200 |
| **Total Property and Equipment, Net** | $ | 19,183,631 |

## 8. Retirement Plan

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

The Retirement System members are required to contribute 12% of their annual covered salary and the School is required to contribute a matching amount. The contribution requirements of members and the school are established, and may be amended, by the Board of Trustees. The School's contributions to the system for the year ended June 30, 2025, was $1,048,801.

## 9. Claims & Adjustments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. As of June 30, 2025, significant amounts of grant disbursements have not been audited by grantor governments, but the School believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

## 10. Liquidity & Availability

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

| | | |
|---|---|---|
| Financial assets at year end | | |
| Cash and cash equivalents | $ | 2,908,321 |
| Grants receivable | | 194,187 |
| **Financial assets available to meet general expenditures over the next twelve months** | $ | 3,102,508 |

The School does not have a policy to maintain a particular amount of days of operating expenses as liquid assets. The School is substantially supported by grant revenues that are based on formulas enacted by legislation in the State of Missouri. The School also participates in various state and federally funded programs. As such, the future cash needs of the School are substantially met by these revenues, which are primarily received during the period in which expenses are incurred.

## 11. Open Tax Years

The School's informational and tax returns are subject to examination by taxing authorities for a period of 3 years from the date they are filed. As of June 30, 2025, the following tax years are subject to examination:

| Jurisdiction | Open Year for Filed Returns | Return to be filed in 2025 |
|---|---|---|
| Federal | 2021, 2022 and 2023 | 2024 |
| Missouri | 2021, 2022 and 2023 | 2024 |

## 12. Funding Agreement with Kansas City Public Schools

On April 8, 2025, voters in the Kansas City Public School (KCPS) District approved a bond issue in the amount of $474,000,000. As part of the issuance, funds are set aside for area charter schools. KCPS has agreed to provide the School $10,370,756 (less an allocable portion of the costs of issuing the Bonds incurred by KCPS and the 1.5% administration fee) in order to help finance various capital projects. As of December 8, 2025, the School has not received any funds from KCPS.

# Supplementary Information

## Crossroads Charter Schools

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

June 30, 2025

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | $ 2,908,321 | $ - | $ - | $ 2,908,321 |
| **Total Assets** | $ 2,908,321 | $ - | $ - | $ 2,908,321 |
| **Fund Balances** | | | | |
| Unassigned | $ 2,908,321 | $ - | $ - | $ 2,908,321 |
| **Total Fund Balances** | $ 2,908,321 | $ - | $ - | $ 2,908,321 |

| | |
|---|---|
| Total fund balance | $ 2,908,321 |
| Total assets on the Statement of Financial Position, less cash and cash equivalents | 19,377,818 |
| Total liabilities on the Statement of Financial Position | (8,971,900) |
| **Net Assets on the Statement of Financial Position** | $ 13,314,239 |

The supplementary financial statement above has been provided for purposes of reporting to the State of Missouri Department of Elementary and Secondary Education. This statement conforms to the presentation of the Annual Secretary of the Board Report.

# Crossroads Charter Schools

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

Year Ended June 30, 2025

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total |
|---|---|---|---|---|
| **Receipts** | | | | |
| Local | $ 2,358,412 | $ 775,743 | $ - | $ 3,134,155 |
| State | 12,309,230 | 8,429,926 | - | 20,739,156 |
| Federal | 1,472,441 | - | - | 1,472,441 |
| **Total Receipts** | 16,140,083 | 9,205,669 | - | 25,345,752 |
| **Disbursements** | | | | |
| Instruction | 6,736,489 | 6,094,883 | - | 12,831,372 |
| Student services | 678,939 | 757,062 | - | 1,436,001 |
| Instructional staff support | 194,423 | 490,657 | - | 685,080 |
| Building level administration | 27,743 | 1,094,654 | - | 1,122,397 |
| General administration and central services | 2,252,607 | 768,413 | - | 3,021,020 |
| Operation of plant | 1,893,208 | - | 44,399 | 1,937,607 |
| Transportation | 1,775,660 | - | - | 1,775,660 |
| Food service | 460,830 | - | - | 460,830 |
| Community services | 210,007 | - | - | 210,007 |
| Facility acquisition and construction | - | - | 43,625 | 43,625 |
| Debt service | - | - | 473,026 | 473,026 |
| **Total Disbursements** | 14,229,906 | 9,205,669 | 561,050 | 23,996,625 |
| *Excess (Deficit) of Receipts over Disbursements* | 1,910,177 | - | (561,050) | 1,349,127 |
| **Other Financing Sources (Uses)** | | | | |
| Operating transfers in (out) | (546,692) | - | 546,692 | - |
| *Net Change in Fund Balances* | 1,363,485 | - | (14,358) | 1,349,127 |
| Fund Balance, Beginning | 1,544,836 | - | 14,358 | 1,559,194 |
| **Fund Balance, Ending** | $ 2,908,321 | $ - | $ - | $ 2,908,321 |
| *Net Change in Fund Balances per ASBR* | | | | $ 1,349,127 |
| Changes in | | | | |
| Grants receivable | | | | 81,632 |
| Capital assets | | | | 47,150 |
| Accumulated depreciation and amortization | | | | (450,807) |
| Accounts payable | | | | 206,501 |
| Accrued expenses | | | | (68,710) |
| Compensated absences | | | | (33,115) |
| Loans principal | | | | 211,764 |
| **Change in Net Assets per Statement of Activities** | | | | $ 1,343,542 |

The supplementary financial statement above has been provided for purposes of reporting to the State of Missouri Department of Elementary and Secondary Education. This statement conforms to the presentation of the Annual Secretary of the Board Report.

# Crossroads Charter Schools

Schedule of Receipts by Source

Year Ended June 30, 2025

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total |
|---|---|---|---|---|
| **Local** | | | | |
| School district trust fund (Prop C) | $ 1,292,904 | $ 775,743 | $ - | $ 2,068,647 |
| Earnings from temporary deposits | 23,517 | - | - | 23,517 |
| Sales to pupils - reimbursable school meals | 41,321 | - | - | 41,321 |
| Gifts | 930,321 | - | - | 930,321 |
| Prior period adjustment | 7,400 | - | - | 7,400 |
| Miscellaneous local revenue | 62,949 | - | - | 62,949 |
| **Total Local** | 2,358,412 | 775,743 | - | 3,134,155 |
| **State** | | | | |
| Basic formula - state monies | 10,610,574 | 8,429,926 | - | 19,040,500 |
| Transportation | 760,556 | - | - | 760,556 |
| Early childhood special education | 3,493 | - | - | 3,493 |
| Basic formula - classroom trust fund | 786,721 | - | - | 786,721 |
| Career education | 200 | - | - | 200 |
| Food service - state | 1,495 | - | - | 1,495 |
| Evidence-based reading grant | 1,232 | - | - | 1,232 |
| High need fund - special education | 114,667 | - | - | 114,667 |
| Other - state | 30,292 | - | - | 30,292 |
| **Total State** | 12,309,230 | 8,429,926 | - | 20,739,156 |
| **Federal** | | | | |
| Medicaid | 138,929 | - | - | 138,929 |
| ARP - ESSER III | 27,219 | - | - | 27,219 |
| IDEA grants | 8,542 | - | - | 8,542 |
| IDEA entitlement funds, part B IDEA | 218,650 | - | - | 218,650 |
| Early childhood special education - federal | 6,138 | - | - | 6,138 |
| National school lunch program | 225,507 | - | - | 225,507 |
| School breakfast program | 122,026 | - | - | 122,026 |
| Title I - ESEA | 303,776 | - | - | 303,776 |
| Title IV.A student support and academic enrichment | 98,383 | - | - | 98,383 |
| Title III, ESEA - English language acquisition | 14,207 | - | - | 14,207 |
| Title II, part A&B, ESEA - teacher and principal training | 36,464 | - | - | 36,464 |
| ARP - homeless children and youth I | 2,397 | - | - | 2,397 |
| ARP - homeless children and youth II | 33,478 | - | - | 33,478 |
| Other - federal | 236,725 | - | - | 236,725 |
| **Total Federal** | 1,472,441 | - | - | 1,472,441 |
| **Total Receipts** | $ 16,140,083 | $ 9,205,669 | $ - | $ 25,345,752 |

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

# Crossroads Charter Schools

Schedule of Disbursements by Object

Year Ended June 30, 2025

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total |
|---|---|---|---|---|
| Salaries | $ 1,891,134 | $ 7,051,893 | $ - | $ 8,943,027 |
| Employee benefits | 632,900 | 2,153,776 | - | 2,786,676 |
| Purchased services | 10,875,095 | - | - | 10,875,095 |
| Supplies | 830,777 | - | - | 830,777 |
| Capital outlay | - | - | 88,024 | 88,024 |
| Debt service | - | - | 473,026 | 473,026 |
| | $ 14,229,906 | $ 9,205,669 | $ 561,050 | $ 23,996,625 |

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

# Crossroads Charter Schools

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2025

| | Contracted | Disabled Contracted | Total |
|---|---|---|---|
| Purchased services | $ 1,298,330 | $ 367,292 | $ 1,665,622 |

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

# Compliance

KPM CPAS & ADVISORS

# Independent Accountants' Report

Board of Directors
Crossroads Charter Schools
Kansas City, Missouri

We have examined Crossroads Charter Schools' compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, accurate disclosure of the School's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September and January, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the Schedule of Selected Statistics during the year ended June 30, 2025. Management of Crossroads Charter Schools is responsible for the School's compliance with the specified requirements. Our responsibility is to express an opinion on Crossroads Charter Schools' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA, and those standards require that we plan and perform the examination to obtain reasonable assurance about whether Crossroads Charter Schools complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Crossroads Charter Schools complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination engagement does not provide a legal determination on Crossroads Charter Schools' compliance with the specified requirements.

In our opinion, Crossroads Charter Schools complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2025.

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 8, 2025

# Crossroads Charter Schools

Schedule of Selected Statistics

Year Ended June 30, 2025

## 1. Calendar (Sections 160.041, 171.029, 171.031, and 171.033 RSMo)

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

| School Code | Begin Grade | End Grade | Half Day Indicator | Standard Day Length | Days | Hours in Session |
|---|---|---|---|---|---|---|
| 6990 | PK | PK | - | 6.50 | 169.00 | 1,095.50 |
| 6990 | K | 6 | - | 6.85 | 152.00 | 1,044.87 |
| 6905 | K | 5 | - | 6.85 | 152.00 | 1,044.87 |
| 1905 | 7 | 12 | - | 6.85 | 152.00 | 1,044.87 |

## 2. Attendance Hours

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

| School Code | Grade Level | Full-Time Hours | Part-Time Hours | Remedial Hours | Other Hours | Summer School Hours | Total Hours |
|---|---|---|---|---|---|---|---|
| 6990 | PK-6 | 344,935.66 | - | - | 168.00 | 296,173.92 | 641,277.58 |
| 6905 | K-5 | 227,384.94 | - | - | - | 18,021.88 | 245,406.82 |
| 1905 | 7-12 | 359,820.46 | - | - | - | 148,185.23 | 508,005.69 |
| **Grand Total** | **PK - 12** | **932,141.06** | **-** | **-** | **168.00** | **462,381.03** | **1,394,690.09** |

## 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 include all PK students. If possible, note the number of PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File (example: 102 (20 claimed for SA)).

| School Code | Grade Level | Full-Time | Part-Time | Other | Total |
|---|---|---|---|---|---|
| 6990 | PK-6 | 356.00 | - | - | 356.00 |
| 6905 | K-5 | 245.00 | - | - | 245.00 |
| 1905 | 7-12 | 419.00 | - | - | 419.00 |
| **Grand Total** | **PK - 12** | **1,020.00** | **-** | **-** | **1,020.00** |

Notes: PK in the table above includes all PK students. The District identified 16 PK students as being eligible to be claimed for state aid in the October MOSIS Student Core Files

## 4. January Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in January 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 include all PK students. If possible, note the number of PK students marked as being eligible to be claimed for stat aid in the February MOSIS Student Core File (example: 102(20 claimed for SA)).

| School Code | Grade Level | Full-Time | Part-Time | Other | Total |
|---|---|---|---|---|---|
| 6990 | PK-6 | 367.00 | - | - | 367.00 |
| 6905 | K-5 | 244.00 | - | - | 244.00 |
| 1905 | 7-12 | 432.00 | - | - | 432.00 |
| **Grand Total** | **PK - 12** | **1,043.00** | **-** | **-** | **1,043.00** |

| | |
|---|---|
| Notes: | PK in the table above includes all PK students. The District identified 18 PK students as being eligible to be claimed for state aid in the February MOSIS Student Core Files |

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

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

| School Code | Free Lunch | Reduced Lunch | DESEG In Free | DESEG In Reduced | Total |
|---|---|---|---|---|---|
| Resident II | 9.00 | 1.00 | - | - | 10.00 |
| 6990 | 196.00 | 29.00 | - | - | 225.00 |
| 6905 | 164.00 | 16.00 | - | - | 180.00 |
| 1905 | 204.00 | 32.00 | - | - | 236.00 |
| **Grand Total** | **573.00** | **78.00** | **-** | **-** | **651.00** |

## 6. Finance

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

| Section | Question | Answer |
|---|---|---|
| 6.1 | 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 |
| 6.2 | The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation and reporting by category of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories: | |
| | Academic Programs Off-Campus | True |
| | Career Exploration Program – Off Campus | N/A |
| | Cooperative Occupational Education (COE) or Supervised Occupational Experience Program | N/A |
| | Dual enrollment | True |
| | Homebound instruction | N/A |
| | Missouri Options | N/A |
| | Prekindergarten eligible to be claimed for state aid | True |
| | Remediation | N/A |
| | Sheltered Workshop participation | N/A |
| | Students participating in the school flex program | N/A |
| | Traditional instruction (full and part-time students) | True |
| | Virtual instruction (MOCAP or other option) | True |
| | Work Experience for Students with Disabilities | N/A |
| 6.3 | 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 |
| 6.4 | The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations. | True |
| 6.5 | As required by Section 162.401, RSMo, a bond was purchased for the district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of: | $500,000 |
| 6.6 | The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual. | True |

| | | |
|---|---|---|
| 6.7 | 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 |
| 6.8 | Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable. | True |
| 6.9 | If a $162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools) | N/A |
| 6.10 | 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 |
| 6.11 | 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. (Not applicable to charter schools.) | N/A |
| 6.12 | The amount spent for approved professional development committee plan activities was: | N/A |
| 6.13 | 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 |

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

| | |
|---|---|
| Finding: | None |
| | |
| | |
| Management Letter Comment: | N/A |

## 7. 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 |
|---|---|---|
| 7.1 | The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. | True |
| 7.2 | 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 |

# Crossroads Charter Schools

Schedule of Selected Statistics

Year Ended June 30, 2025

| | | |
|---|---|---|
| 7.3 | 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 | 691.0 |
| | Ineligible ADT | 26.0 |
| 7.4 | 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 |
| 7.5 | Actual odometer records show the total district/charter-operated and contracted mileage for the year was: | 304,478 |
| 7.6 | 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 | 271,335 |
| | Ineligible Miles (Non-Route/Disapproved) | 33,143 |
| 7.7 | Number of days the district/charter school operated the school transportation system during the regular school year: | 147 |

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

| | |
|---|---|
| Finding: | None |
| | |
| | |
| Management Letter Comment: | N/A |

# Crossroads Charter Schools

## Single Audit Reports

## Year Ended June 30, 2025

KPM CPAS & ADVISORS

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## Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Crossroads Charter Schools
Kansas City, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Crossroads Charter Schools (a nonprofit organization), as of and for the year ended June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Crossroads Charter Schools' basic financial statements and have issued our report thereon dated December 8, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 8, 2025

# Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Directors
Crossroads Charter Schools
Kansas City, Missouri

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Crossroads Charter Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Crossroads Charter Schools' major federal programs for the year ended June 30, 2025. Crossroads Charter Schools' major federal program is identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Crossroads Charter Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct material effect on each of its major federal program for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

**Report on Internal Control over Compliance**

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

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

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

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited financial statements, which comprise the statement of financial position, the related statement of activities, functional expenses and cash flows as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Crossroads Charter Schools' basic financial statements. We have issued our report thereon dated December 8, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 8, 2025

# Crossroads Charter Schools

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

| Federal Grantor/Pass Through Grantor/Program Title | Assistance Listing Number | Pass-through Grantor's Number/ Other Identifying Number | Federal Expenditures |
|---|---|---|---|
| **U.S. Department of Agriculture** | | | |
| Missouri Department of Elementary and Secondary Education | | | |
| Child Nutrition Cluster | | | |
| School Breakfast Program | 10.553 | 20242N109943 | $ 25,661 |
| | | 20252N109943 | 96,365 |
| | | | 122,026 |
| National School Lunch Program | 10.555 | 20242N109943 | 49,781 |
| | | 20252N109943 | 175,725 |
| National School Lunch Program - Commodities | | 048-926 | 19,691 |
| | | | 245,197 |
| **Total Child Nutrition Cluster** | | | 367,223 |
| **Total U.S. Department of Agriculture** | | | 367,223 |
| **U.S. Department of Education** | | | |
| Missouri Department of Elementary and Secondary Education | | | |
| Title I Grants to Local Educational Agencies | 84.010A | S010A230025 | 388,366 |
| | | S424A230026 | 17,582 |
| | | S424A240026 | 9,396 |
| | | S365A230025 | 8,621 |
| | | S365A240025 | 4,613 |
| | | S367A230024 | 23,161 |
| | | S367A240024 | 25,371 |
| | | | 477,110 |
| Student Support and Academic Enrichment Program | 84.424F | S424F220026 | 99,560 |
| COVID-19 - Education Stabilization Fund | 84.425U | S425U210021 | 27,219 |
| | 84.425W | S425W210026 | 35,049 |
| | | | 62,268 |
| Special Education Cluster (IDEA) | | | |
| Special Education Grants to States | 84.027A | H027A230040 | 192,302 |
| | | H027A240040 | 12,993 |
| | | | 205,295 |
| Special Education Preschool Grants | 84.173A | H173A240103 | 3,041 |
| **Total Special Education Cluster (IDEA)** | | | 208,336 |
| **Total U.S. Department of Education** | | | 847,274 |
| **U.S. Department of Justice** | | | |
| Direct | | | |
| STOP School Violence | 16.839 | N/A | 220,338 |
| **Total U.S. Department of Justice** | | | 220,338 |
| **Total Expenditures of Federal Awards** | | | $ 1,434,835 |

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

## 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the School for the year ended June 30, 2025, and is presented on the accrual basis of accounting as described below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position or cash flows of the School.

## 2. Summary of Significant Accounting Policies

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

## 3. Indirect Cost Rate

The School elected not to use the 10-percent or 15-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

## 4. Noncash Assistance

Commodities received and expended through the Food Distribution Program were valued by the Food Service Section of the Department of Elementary and Secondary Education.

# Crossroads Charter Schools

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

## Section I: Summary of Auditors' Results

| **Financial Statements** | |
|---|---|
| Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| Internal Control over Financial Reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | None Reported |
| Noncompliance material to financial statements noted? | No |
| **Federal Awards** | |
| Internal control over major federal programs: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | None Reported |
| Type of auditors' report issued on compliance for each major federal program: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? | No |
| Identification of major federal programs: | |

| **Assistance Listing Number(s)** | **Name of Federal Program or Cluster** |
|---|---|
| 84.010A | Title I Grants to LEAs |

| | |
|---|---|
| Dollar threshold used to distinguish between type A and type B programs: | $750,000 |
| Auditee qualified as low-risk auditee? | Yes |

## Section II: Financial Statement Findings

None

## Section III: Federal Award Findings and Questioned Costs

None

There were no prior audit findings.