

**ST. LOUIS CHARTER SCHOOL
D/B/A PREMIER CHARTER SCHOOL**

**FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION,
AND INDEPENDENT AUDITORS' REPORT
WITH ACCOMPANYING SINGLE AUDIT
AND UNIFORM GUIDANCE REPORTS**

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

St. Louis Charter School d/b/a Premier Charter School

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS	
Statements of Financial Position.....	4
Statements of Activities	5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9 - 18
SUPPLEMENTAL INFORMATION	
Schedule of Assets, Liabilities and Fund Balances	19
Schedule of Revenues, Expenditures, and Changes in Fund Balances	20
Schedule of Revenues Collected by Source.....	21
Schedule of Expenditures Paid by Object.....	22
Schedule of Expenditures of Federal Awards.....	23
Notes to Schedule of Expenditures of Federal Awards	24
ADDITIONAL INDEPENDENT AUDITORS' REPORTS	
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 <i>Government Auditing Standards</i>	25 - 26
Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	27 - 29
Schedule of Findings and Questioned Costs.....	30 - 32
Corrective Action Plan.....	33



Independent Auditors' Report

Board of Directors
St. Louis Charter School d/b/a Premier Charter School
St. Louis, Missouri

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Louis Charter School d/b/a Premier Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 St. Louis Charter School d/b/a Premier Charter School as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. 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 St. Louis Charter School d/b/a Premier Charter 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Louis Charter School d/b/a Premier Charter 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 Audits 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 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 St. Louis Charter School d/b/a Premier Charter 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 St. Louis Charter School d/b/a Premier Charter 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information listed on the contents page is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplemental information presented on pages 19 through 24, is presented for purposes of complying with the requirements of the Missouri Department of Education and Secondary Education and is not a required part of the financial statements. The accompanying 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 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 November 3, 2022, on our consideration of St. Louis Charter School d/b/a Premier Charter 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 St. Louis Charter School d/b/a Premier Charter 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 St. Louis Charter School d/b/a Premier Charter School's internal control over financial reporting and compliance.

Schmersahl Treloar & Co.

St. Louis, Missouri
November 3, 2022

FINANCIAL STATEMENTS

St. Louis Charter School d/b/a Premier Charter School
STATEMENTS OF FINANCIAL POSITION

ASSETS		June 30,	
		2022	2021
CURRENT ASSETS			
Cash and cash equivalents, non-interest bearing	\$	3,929,789	\$ 3,453,680
Accounts receivable		1,827,339	296,798
Prepaid expenses and other current assets		<u>162,476</u>	<u>277,113</u>
Total Current Assets		<u>5,919,604</u>	<u>4,027,591</u>
PROPERTY AND EQUIPMENT, NET		<u>10,314,266</u>	<u>10,825,516</u>
INVESTMENTS		<u>2,943,503</u>	<u>3,114,061</u>
OTHER ASSETS			
Debt issuance costs, net		<u>47,336</u>	<u>75,907</u>
Total Assets	\$	<u><u>19,224,709</u></u>	<u><u>\$ 18,043,075</u></u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	\$	658,412	\$ 99,003
Accrued interest		24,897	25,846
Accrued payroll and payroll taxes		685,240	590,330
Current portion of long-term debt		<u>339,996</u>	<u>330,000</u>
Total Current Liabilities		1,708,545	1,045,179
LONG-TERM DEBT		<u>8,320,000</u>	<u>8,659,996</u>
Total Liabilities		<u>10,028,545</u>	<u>9,705,175</u>
NET ASSETS			
Without donor restriction		<u>9,196,164</u>	<u>8,337,900</u>
Total Liabilities and Net Assets	\$	<u><u>19,224,709</u></u>	<u><u>\$ 18,043,075</u></u>

See accompanying notes to financial statements

St. Louis Charter School d/b/a Premier Charter School
STATEMENTS OF ACTIVITIES

	Years Ended June 30,	
	2022	2021
UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Federal program revenue	\$ 3,885,927	\$ 1,690,322
State program revenue	10,446,830	10,621,991
Local program revenue	<u>1,900,799</u>	<u>1,509,765</u>
Total Support and Revenue	<u>16,233,556</u>	<u>13,822,078</u>
EXPENSES		
Program services		
Academic programs	13,300,155	10,891,918
Supporting services		
Management and general	<u>1,975,652</u>	<u>1,618,359</u>
Total Expenses	<u>15,275,807</u>	<u>12,510,277</u>
Change in Net Assets, from Operations	<u>957,749</u>	<u>1,311,801</u>
OTHER (LOSS) INCOME		
Investment (loss) gain, net of fees	(99,485)	9,028
Debt forgiveness PPP loan (Note G)	<u>-</u>	<u>1,803,300</u>
Total Other (Loss) Income	<u>(99,485)</u>	<u>1,812,328</u>
Change in Net Assets	858,264	3,124,129
NET ASSETS, Beginning of year	<u>8,337,900</u>	<u>5,213,771</u>
NET ASSETS, End of year	<u>\$ 9,196,164</u>	<u>\$ 8,337,900</u>

See accompanying notes to financial statements

St. Louis Charter School d/b/a Premier Charter School
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	Academic Programs	Management and General	Total Expenses
Academic instruction	\$ 6,912,359	\$ -	\$ 6,912,359
Attendance	-	76,593	76,593
Other support services	584,501	4,345	588,846
Special education	1,535,469	133,296	1,668,765
Instruction and curriculum development services	507,465	-	507,465
Professional development	10,164	96,399	106,563
Technology	251,005	35,171	286,176
Executive administration	-	187,112	187,112
Office of the principal services	187,550	750,199	937,749
Care and upkeep of building services	690,382	122,165	812,547
Pupil transportation	46,124	-	46,124
Food services	412,845	4,091	416,936
Central office and support services	297,812	74,453	372,265
Early childhood instruction	282,344	-	282,344
Custody and care of children services	235,198	-	235,198
Before and afterschool program	197,357	-	197,357
Business support services	72,063	372,103	444,166
Interest	275,297	30,589	305,886
Depreciation and amortization	802,220	89,136	891,356
	<u>\$ 13,300,155</u>	<u>\$ 1,975,652</u>	<u>\$ 15,275,807</u>

See accompanying notes to financial statements

St. Louis Charter School d/b/a Premier Charter School
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	Academic Programs	Management and General	Total Expenses
Academic instruction	\$ 5,490,796	\$ -	\$ 5,490,796
Attendance	-	60,265	60,265
Other support services	54,166	13,327	67,493
Special education	1,545,009	-	1,545,009
Instruction and curriculum development services	465,919	-	465,919
Professional development	9,858	146,532	156,390
Technology	266,406	66,605	333,011
Executive administration	38,122	118,250	156,372
Office of the principal services	138,604	554,416	693,020
Care and upkeep of building services	644,575	131,121	775,696
Pupil transportation	5,628	-	5,628
Food services	105,390	-	105,390
Central Office and support services	179,964	68,203	248,167
Early childhood instruction	242,499	-	242,499
Custody and care of children services	179,736	-	179,736
Before and afterschool program	94,432	-	94,432
Speech pathology services	402,705	-	402,705
Business support services	72,944	353,510	426,454
Interest	283,693	31,522	315,215
Depreciation and amortization	671,472	74,608	746,080
	<u>\$ 10,891,918</u>	<u>\$ 1,618,359</u>	<u>\$ 12,510,277</u>

See accompanying notes to financial statements

St. Louis Charter School d/b/a Premier Charter School
STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 858,264	\$ 3,124,129
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation and amortization	891,356	746,080
Unrealized loss on investments	166,402	56,399
Non-cash debt forgiveness PPP loan (Note G)	-	(1,803,300)
(Increase) decrease in assets:		
Accounts receivable	(1,530,541)	(26,798)
Prepaid expenses and other current assets	114,637	(195,086)
Increase (decrease) in liabilities:		
Accounts payable	559,409	(305,367)
Accrued payroll and payroll taxes	94,910	33,812
Accrued interest	(949)	(920)
Net Change in Cash from Operating Activities	<u>1,153,488</u>	<u>1,628,949</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	124,088	53,628
Purchases of property and equipment	(351,535)	(481,984)
Purchase of investments	(119,932)	(189,872)
Net Change in Cash from Investing Activities	<u>(347,379)</u>	<u>(618,228)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(330,000)	(320,004)
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>476,109</u>	<u>690,717</u>
CASH AND CASH EQUIVALENTS, Beginning of year	<u>3,453,680</u>	<u>2,762,963</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 3,929,789</u>	<u>\$ 3,453,680</u>
NON-CASH FINANCING ACTIVITIES		
Non-cash debt forgiveness PPP loan (Note G)	<u>\$ -</u>	<u>\$ 1,803,300</u>

See accompanying notes to financial statements

St. Louis Charter School d/b/a Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

St. Louis Charter School d/b/a Premier Charter School (the “School”) was organized on March 1, 2000, under Chapter 355 of the Missouri Revised Statutes to operate a charter school, which is sponsored by the University of Missouri – St. Louis (the “Charterholder”) and is governed by Senate Bill Number 781 of the 89th General Assembly of the Missouri Legislature. The School is exempt from most Missouri laws and statutes governing educational institutions. The governing body of the School is the Board of Directors, which is composed of eight members.

Basis of Financial Statement Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The School is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets with Donor Restrictions

Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such assets be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no net assets with donor restrictions at June 30, 2022 and 2021.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the School.

The School maintains cash deposits with financial institutions that are insured for all interest-bearing accounts up to \$250,000. Any non-interest-bearing accounts held are fully insured by FDIC. At this time, the School maintains cash deposits in excess of \$250,000. The School has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk on cash.

St. Louis Charter School d/b/a Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Accounts Receivable

Accounts receivable are stated at unpaid balances and consist primarily of fees from program services. Upon reviewing the individual account balances, the School's management has determined that receivables are historically fully collectible. For the years ending June 30, 2022, and 2021, no reserve was deemed necessary.

Property and Equipment

Property and equipment are valued at cost or, if donated, at the approximate fair value at the date of donation. Expenditures for repairs and maintenance are charged to operations while renewals and betterments are capitalized.

Property and equipment of the School is depreciated using the straight-line method over the following estimated useful lives:

Buildings	15 years
Furniture, fixtures, and equipment	3 – 20 years

Investments

For years ending June 30, 2022 and 2021, investments in marketable securities with readily determinable fair values are reported at their fair values based on quoted market prices in active markets. Donated investments are reflected as contributions at their market values at date of receipt.

Long-Term Obligations

Long-term debt is reported as liabilities in the statement of financial position. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

Use of Estimates

The process of preparing financial statements in conformity with U.S. Generally Accepted Accounting Principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Financial Instruments

The carrying amount of cash and cash equivalents, accounts receivable, prepaid expenses, other current assets, accounts payable and accrued expenses approximates fair value due to the short-term maturities of these instruments.

St. Louis Charter School d/b/a Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Revenue Sources

The School is a Local Educational Agency which receives funds directly from the State of Missouri. In accordance with the funding provisions of the charter, the School reports the number of full-time equivalent (FTE) students and related data to the State.

Funding for the School is adjusted during the year to reflect revised calculations by DESE and or the school under the Missouri Education Finance Program and actual weighted Average Daily Attendance (ADA) data reported by the School during designated student survey periods. The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred. Additionally, other revenues may be derived from certain other programs.

Income Taxes

The School qualifies as a nonprofit organization and is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. The School does not have unrelated business income, excise taxes, or activities that would threaten the School's tax-exempt status for the years ending June 30, 2022, and 2021. Accordingly, no provision for federal or state income taxes is provided. The School files an information return, IRS Form 990. The School's tax returns for tax years 2018 and later remain subject to examination by taxing authorities, generally for three years from the date filed. The School is unaware of any pending investigations.

The School adopted the provisions relating to Accounting for Uncertainty in Income Taxes and management is not aware of any uncertain tax positions of the School related to the tax filings.

Functional Expense Allocation

The Statements of Functional Expenses reports certain categories of expenses directly traceable to certain programs and expenses allocable to one or more program or supporting functions of the School. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on the basis of square footage include: interest, depreciation, and operation of plant. The remaining expenses are recorded on a direct cost basis to school operations and management and general categories.

St. Louis Charter School d/b/a Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through November 3, 2022 the date the financial statements were available to be issued.

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had not impact on previously reported net assets.

B. **PROPERTY AND EQUIPMENT**

Property and equipment are comprised of the following:

	June 30,	
	2022	2021
Land	\$ 3,720,860	\$ 3,720,860
Buildings	13,065,415	12,995,224
Furniture, fixtures, and equipment	1,894,204	1,612,861
	18,680,479	18,328,945
Less accumulated depreciation	8,366,213	7,503,429
Total Property and Equipment, Net	<u>\$ 10,314,266</u>	<u>\$ 10,825,516</u>

Depreciation expense was \$862,785 and \$717,508 for the years ended June 30, 2022 and 2021, respectively.

C. **DEBT ISSUANCE COST**

Legal fees, printing costs, and other expenses associated with the issuance of the revenue bonds described in Note F will be amortized on the straight-line method over the term of the bonds. The total debt issuance cost to be amortized in association with the bond is \$190,193. Amortization expense was \$28,571 for each of the years ended June 30, 2022 and 2021.

St. Louis Charter School d/b/a Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021
(Continued)

D. INVESTMENTS

Investments consist of the following at June 30:

	June 30,	
	2022	2021
Money Market Mutual Funds	\$ 838,284	\$ 842,440
Certificates of Deposit	492,943	530,523
Agency Bonds	1,612,276	1,741,098
Total Investments	<u>\$ 2,943,503</u>	<u>\$ 3,114,061</u>

Investment (loss) gain for the years ended June 30, 2022 and 2021 is summarized as follows:

	June 30,	
	2022	2021
Investment income, net of fees	\$ 66,917	\$ 65,427
Unrealized loss	<u>(166,402)</u>	<u>(56,399)</u>
Investment (Loss) Gain, Net of Fees	<u>(\$ 99,485)</u>	<u>\$ 9,028</u>

E. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the level 2 input must be observable for substantially the full term of the asset or liability

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

St. Louis Charter School d/b/a Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021
(Continued)

E. FAIR VALUE MEASUREMENTS (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2022 and 2021.

Certificates of deposit: Valued using pricing models maximizing the use of observable inputs for similar securities.

Agency bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the School are deemed to be actively traded.

Fair values of assets measured on a recurring basis for the year ended June 30, 2022 are as follows:

	Fair Value Measurements at Reporting Date Using			
		Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Money Market Mutual Funds	\$ 838,284	\$ 838,284	\$ -	\$ -
Certificates of Deposit	492,943	492,943	-	-
Agency Bonds	1,612,276	-	1,612,276	-
Total	<u>\$ 2,943,503</u>	<u>\$ 1,331,227</u>	<u>\$ 1,612,276</u>	<u>\$ -</u>

St. Louis Charter School d/b/a Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021
(Continued)

E. FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured on a recurring basis for the year ended June 30, 2021 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Mutual Funds	\$ 842,440	\$ 842,440	\$ -	\$ -
Certificates of Deposit	530,523	530,523	-	-
Agency Bonds	1,741,098	-	1,741,098	-
Total	<u>\$ 3,114,061</u>	<u>\$ 1,372,963</u>	<u>\$ 1,741,098</u>	<u>\$ -</u>

F. LONG-TERM DEBT

Long-term debt and obligations payable consist of the following at June 30:

	2022	2021
St. Louis Charter School Project Series 2017 Bonds: \$10,000,000 revenue bonds due in monthly principal installments of \$6,667 to \$31,667 from 2017 through 2024 with a balloon payment of \$7,770,000 due January 1, 2025. Interest is at 3.45%, secured by property and bond reserve funds.	\$8,659,996	\$8,989,996
Less: current portion	<u>339,996</u>	<u>330,000</u>
Total Long-Term Debt	<u>\$8,320,000</u>	<u>\$8,659,996</u>

Total interest expense for the years ended June 30, 2022 and 2021 was \$305,886 and \$315,215, respectively.

The School's Project Series 2017 Bonds agreement contains various covenants. These covenants pertain to minimum debt services coverage and liquidity. At June 30, 2022, the School was in compliance with these covenants.

St. Louis Charter School d/b/a Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021
(Continued)

F. **LONG-TERM DEBT** (Continued)

Future maturities of long-term debt at June 30, 2022 are as follows:

Year Ending June 30,	Total
2023	\$ 339,996
2024	360,000
2025	7,960,000
	<u>\$ 8,659,996</u>

G. **FORGIVEN LOAN RECEIVED UNDER THE SMALL BUSINESS ADMINISTRATION PAYCHECK PROTECTION PROGRAM**

In response to the COVID-19 pandemic in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic measures, established the Paycheck Protection Program (PPP) to provide small business loans. In April 2020, the School obtained a PPP loan for \$1,803,300, which was included in the School's note payable balance at June 30, 2020. The School spent PPP funds on eligible expenses. The loan was forgiven in April 2021 and is reflected on the Statement of Activities for the year ended June 30, 2021.

H. **CONCENTRATIONS**

Funding

The School receives a substantial portion of its revenue from the State of Missouri. A significant reduction in the level of this support or any recoupment of previous funds received, if it were to occur, could have a significant effect on the School's programs and activities. However, the School has not received any indication from the State of Missouri of a planned decrease in future state government support.

I. **MULTI-EMPLOYER PENSION PLAN**

The School contributes to a multi-employer defined benefit pension plan, the Public School Retirement System of the City of St. Louis. The School does not directly manage this multiemployer plan, which is managed by a board of trustees. A majority of the School's employees are participants in the multiemployer plan as of June 30, 2022 and 2021, subject to eligibility requirements.

St. Louis Charter School d/b/a Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021
(Continued)

I. MULTI-EMPLOYER PENSION PLAN (Continued)

This plan is organized as a governmental employer sponsored multiemployer retirement plan, and therefore the plan is not subject to certain reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The plan's certified zone status is not available since the plans are not subject to ERISA reporting requirements.

The School contributes to a multi-employer pension plan under the agreement terms that covers its employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- a.) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- b.) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c.) If the School chooses to stop participating in some of its multi-employer plans, the School may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Retirement System has members and non-members. Members are employees who were part of the Retirement system on December 31, 2017, and non-members are employees hired on or after January 1, 2018. The Retirement System members are required to contribute 7.5% and 7.0% of their annual covered salary for the calendar years ending December 31, 2022 and 2021, respectively. The Retirement System non-members are required to contribute 9.0% for the plan years ending December 31, 2022 and 2021. The School was required to contribute 14.0% and 14.5% for the plan calendar years ending December 31, 2022 and 2021, respectively. The contribution requirements of members, non-members, and the School are established and may be amended by the Public School Retirement System Board of Trustees. The School did not contribute more than 5% of total contributions to the plan for the years ended December 31, 2021 and 2020.

The plan's status and the School's participation in the plan are as follows:

Name of Pension Fund	EIN, if Available	Plan Funded Status December 31, 2021		Contributions for the Year Ended June 30,		Total Plan Contributions for the Year Ended December 31,	
		Assets	Accumulated Benefit Obligation	2022	2021	2021	2020
Public School Retirement System of St. Louis	N/A	\$ 972,827,656	\$ 1,269,440,124	\$ 1,262,955	\$ 1,089,537	\$ 62,107,170	\$ 59,429,613

The plan's accumulated benefit obligations are determined annually by the plans' actuary. Significant actuarial assumptions utilized for the Lay Plan include a discount rate of 7.5%, an expected rate of investment return of 7.5%, and an expected rate of salary increase of 5.0% for the first five years of employment and 3.5% per year thereafter for the year ended December 31, 2021. Funded status information is not available as of June 30, 2022 as actuarial valuations were not performed as of that date. At December 31, 2021, the plan was 78.7% funded.

St. Louis Charter School d/b/a Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021
(Continued)

J. RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. Settled claims resulting from the risks described above have not exceeded the insurance coverage for the current fiscal year-end.

K. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for interest during the year ended June 30, 2022 and 2021 was \$304,972 and \$316,135, respectively.

L. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The School regularly monitors liquidity required to meet its operating needs and other contractual commitments. The School maintains financial assets consisting of cash, accounts receivable, and investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary.

The School's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,929,789	\$ 3,453,680
Accounts receivable	1,827,339	296,798
Investments	<u>2,943,503</u>	<u>3,114,061</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 8,700,631</u></u>	<u><u>\$ 6,864,539</u></u>

The School has a contractual agreement related to its debt covenant that requires a minimum amount of cash on hand to be in compliance.

**SUPPLEMENTAL
INFORMATION**

St. Louis Charter School d/b/a Premier Charter School
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
For the Year Ended June 30, 2022

ASSETS

	Governmental Funds			Total
	General Fund	Special Revenue Fund	Capital Projects Fund	
ASSETS				
Cash and cash equivalents	\$ 3,929,789	\$ -	\$ -	\$ 3,929,789
Accounts receivable	1,827,339	-	-	1,827,339
Prepaid expenses and other assets	162,476	-	-	162,476
Investments	<u>2,920,408</u>	<u>-</u>	<u>-</u>	<u>2,920,408</u>
Total Assets	<u>\$ 8,840,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,840,012</u>

LIABILITIES AND FUND BALANCES

LIABILITIES				
Accounts payable	\$ 658,412	\$ -	\$ -	\$ 658,412
Accrued interest	24,897			24,897
Accrued payroll and payroll taxes	<u>685,240</u>	<u>-</u>	<u>-</u>	<u>685,240</u>
Total Liabilities	<u>1,368,549</u>	<u>-</u>	<u>-</u>	<u>1,368,549</u>
FUND BALANCES				
Unreserved	<u>7,471,463</u>	<u>-</u>	<u>-</u>	<u>7,471,463</u>
Total Liabilities and Fund Balances	<u>\$ 8,840,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,840,012</u>

St. Louis Charter School d/b/a Premier Charter School
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
REVENUES				
Federal program	\$ 2,273,164	\$ 1,612,763	\$ -	\$ 3,885,927
State program	2,598,871	7,847,959	-	10,446,830
Local program	<u>1,446,723</u>	<u>520,989</u>	<u>-</u>	<u>1,967,712</u>
Total Revenues	<u>6,318,758</u>	<u>9,981,711</u>	<u>-</u>	<u>16,300,469</u>
EXPENDITURES				
Academic instruction	437,254	6,386,159	49,685	6,873,098
Special education	445,126	1,321,214	-	1,766,340
Attendance	64,590	-	-	64,590
Other support services	321,583	551,452	-	873,035
Technology	286,176	-	210,020	496,196
Speech pathology services	2,926	-	-	2,926
Instruction and curriculum development services	584	506,881	-	507,465
Office of the principal services	6,526	927,657	-	934,183
Executive administration	544,980	-	3,466	548,446
Care and upkeep of building services	812,548	-	71,991	884,539
Pupil transportation	46,123	-	-	46,123
Food services	416,936	-	-	416,936
Central office and support services	281,655	-	-	281,655
Early childhood instruction	7,409	274,936	-	282,345
Welfare activities services	1,264	-	-	1,264
Custody and Care of Children Services	235,198	-	-	235,198
Afterschool Program	183,944	13,412	-	197,356
Parental Involvement	2,032	-	-	2,032
Building Acquisition and Construction Services	-	-	16,372	16,372
Debt service				-
Net principal	-	-	330,000	330,000
Interest	<u>-</u>	<u>-</u>	<u>305,886</u>	<u>305,886</u>
Total Expenditures	<u>4,096,854</u>	<u>9,981,711</u>	<u>987,420</u>	<u>15,065,985</u>
Net Change in Fund Balance	2,221,904	-	(987,420)	1,234,484
FUND BALANCES, Beginning of Period	<u>6,236,979</u>	<u>-</u>	<u>-</u>	<u>6,236,979</u>
TRANSFER OF FUND BALANCE	<u>(987,420)</u>	<u>-</u>	<u>987,420</u>	<u>-</u>
FUND BALANCES, End of Period	<u>\$ 7,471,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,471,463</u>

St. Louis Charter School d/b/a Premier Charter School
SCHEDULE OF REVENUES COLLECTED BY SOURCE
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
LOCAL				
Food service	\$ 759	\$ -	\$ -	\$ 759
Community Services	111,379	-	-	111,379
School District Trust Fund (Prop C)	868,316	520,989	-	1,389,305
PK tuition from parents	37,635	-	-	37,635
Gifts	111,901	-	-	111,901
Miscellaneous local revenue	229,083	-	-	229,083
Student Organization Membership Dues and Fees	7,530	-	-	7,530
Other Pupil Activity Income	13,203	-	-	13,203
Temporary Deposits - Investment Income	66,917	-	-	66,917
Total Local	1,446,723	520,989	-	1,967,712
STATE				
Basic formula	2,146,596	7,847,959	-	9,994,555
Transportation	1,688	-	-	1,688
Classroom trust fund	400,233	-	-	400,233
State food service	2,171	-	-	2,171
Other - state	48,183	-	-	48,183
Total State	2,598,871	7,847,959	-	10,446,830
FEDERAL				
Medicaid	82,113	-	-	82,113
ARP - ESSER III	574,854	475,150	-	1,050,004
CRRSA - ESSER II	585,400	772,067	-	1,357,467
IDEA Grants	1,016	-	-	1,016
IDEA Entitlement Funds, Part B IDEA	258,579	-	-	258,579
Early Childhood Special Education	16,654	-	-	16,654
National School Lunch Program	349,188	-	-	349,188
School Breakfast Program	122,783	-	-	122,783
After School Snack Program	19,883	-	-	19,883
Fresh Fruits and Vegetable Program	42,047	-	-	42,047
Title I - ESEA	133,281	329,757	-	463,038
Title IV.A Student Support and Academic Enrichment	26,990	-	-	26,990
Title III, ESEA - English Language Acquisition	19,896	-	-	19,896
Title II, Part A&B, ESEA - Teacher & Principal	13,840	35,789	-	49,629
Child Nutrition Program EOC Reimbursement	26,640	-	-	26,640
Total Federal	2,273,164	1,612,763	-	3,885,927
TOTAL REVENUES	\$ 6,318,758	\$ 9,981,711	\$ -	\$ 16,300,469

St. Louis Charter School d/b/a Premier Charter School
SCHEDULE OF EXPENDITURES PAID BY OBJECT
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Salaries	\$ 1,482,035	\$ 7,602,033	\$ -	\$ 9,084,068
Employee benefits	452,538	2,372,678	-	2,825,216
Purchased services	1,396,446	7,000	-	1,403,446
Supplies	765,835	-	-	765,835
Capital outlay	-	-	351,534	351,534
Debt service	-	-	635,886	635,886
Total Expenditures	<u>\$ 4,096,854</u>	<u>\$ 9,981,711</u>	<u>\$ 987,420</u>	<u>\$ 15,065,985</u>

St. Louis Charter School d/b/a Premier Charter 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 Entity Identifying Number Contract Number	Federal Expenditures 2022
U.S. Department of Agriculture:			
Passed-through the Missouri Department of Elementary and Secondary Education (DESE):			
Child Nutrition Cluster			
National School Lunch Program	10.555	20210N109943 20221N119943 20221N890343	\$ 349,188
National School Snack Program	10.555	20210N109943 20221N119943	19,883
School Breakfast Program	10.553	20210N109943 20221N119943	122,783
Child Nutrition Program Emergency Operating Cost Reimbursement	10.555	2021H170343	26,640
Fresh Fruits and Vegetables Program	10.582	2022IL160343	<u>42,047</u>
Total Child Nutrition Cluster			<u>560,541</u>
Total U.S. Department of Agriculture			<u>560,541</u>
U.S. Department of Education			
Passed-through the Missouri Department of Elementary and Secondary Education (DESE):			
Title I - Grants to Local Educational Agencies	84.010A	S010A200025 S010A210025	463,038
Title II - Supporting Effective Instruction State Grant	84.367A	S367A200024 S367A210024	49,629
Title III - English Language Acquisition Grant	84.365A	S365A210025	19,896
Title IV - Student support and Academic Enrichment Grants	84.424A	S42A200026 S424A210026	26,990
Special Education Grants to States (IDEA Part B)	84.027A	H027A190040 H027A200040 H027A210040	258,579
CRRSA Elementary and Secondary School Emergency Relief Fund (ESSER) II	84.425D	S425D210021	1,357,467 *
ARP Elementary and Secondary School Emergency Relief Fund (ESSER) III	84.425U	S4250210021	1,050,004 *
Assistive Technology Reimbursement	84.027A	N/A	1,016
Early Childhood Special Education	84.173A	H173A200103 H173A210103	<u>16,654</u>
Total U.S. Department of Education			<u>3,243,273</u>
Total Expenditures of Federal Awards:			<u>\$ 3,803,814</u>

* Tested as a major program

St. Louis Charter School d/b/a Premier Charter School
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

A. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards, for the year ended June 30, 2022, includes the federal grant activity of St. Louis Charter School d/b/a Premier Charter School and is presented on the accrual basis of accounting. 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 operations of St. Louis Charter School d/b/a Premier Charter School, it is not intended to and does not present the financial position or changes in net assets of St. Louis Charter School d/b/a Premier Charter School.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reporting on the accrual 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.

C. OTHER UNIFORM GUIDANCE INFORMATION

For the year ended June 30, 2022, the School had no expenditures in the form of noncash assistance, had no sub recipients, and had no loans or loan guarantees outstanding. The School has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**ADDITIONAL
INDEPENDENT
AUDITORS'
REPORTS**



**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
St. Louis Charter School d/b/a Premier Charter School
St. Louis, 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 St. Louis Charter School d/b/a Premier Charter School (a nonprofit organization) (the "School"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated November 3, 2022.

Report on 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Schools' 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 were not 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 results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schmersahl Treloar & Co.

St. Louis, Missouri
November 3, 2022



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

To the Board of Directors
St. Louis Charter School d/b/a Premier Charter School
St. Louis, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited St. Louis Charter School d/b/a Premier Charter School's ("the School") 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 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; 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 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 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 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 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 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

Schmersahl Treloar & Co.

St. Louis, Missouri
November 3, 2022

St. Louis Charter School d/b/a Premier Charter School
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Section 1 – Summary of Auditors’ Results

Financial Statements:

Type of auditors’ report issued: unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	___ Yes	___X___ No
Are any significant deficiencies identified?	___ Yes	___X___ None reported
Is any noncompliance material to financial statements noted?	___ Yes	___X___ No

Federal Awards:

Internal control over major federal programs:

Are any material weaknesses identified?	___ Yes	___X___ No
Are any significant deficiencies identified?	___ Yes	___X___ None reported
Type of auditor’s 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:		
<u>Assistance Listing Number(s)</u>	<u>Name of federal program or cluster</u>	
84.425d	CSSRA Elementary and Secondary School Emergency Relief Fund (ESSER) II	
84.425u	ARP Elementary and Secondary School Emergency Relief Fund (ESSER) III	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as a low-risk auditee?	___X___ Yes	___ No

St. Louis Charter School d/b/a Premier Charter School
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022
(Continued)

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Summary Schedule of Current Audit Findings:

None

Summary Schedule of Prior Audit Findings:

None

St. Louis Charter School d/b/a Premier Charter School
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022
(Continued)

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Summary Schedule of Current Audit Findings:

None

Summary Schedule of Prior Audit Findings:

None

St. Louis Charter School d/b/a Premier Charter School
CORRECTIVE ACTION PLAN
Year Ended June 30, 2022

Current Finding Number	Comment	Corrective Action Plan	Anticipated Date of Completion
None			