

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, 2024 AND 2023

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 - 20
SUPPLEMENTAL INFORMATION	
Schedule of Assets, Liabilities and Fund Balances	21
Schedule of Revenues, Expenditures, and Changes in Fund Balances	22
Schedule of Revenues Collected by Source.....	23
Schedule of Expenditures Paid by Object.....	24
Schedule of Expenditures of Federal Awards.....	25
Notes to Schedule of Expenditures of Federal Awards	26
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>	27 - 28
Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	29 - 31
Schedule of Findings and Questioned Costs.....	32 - 34
Corrective Action Plan.....	35



Independent Auditors' Report

Board of Directors
Premier Charter School
St. Louis, Missouri

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of Premier Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 Premier Charter School as of June 30, 2024 and 2023, 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 Opinions

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 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, which raises substantial doubt about 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 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, which raise substantial doubt about 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 20 through 25, 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 October 15, 2024, on our consideration of 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 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 Premier Charter School's internal control over financial reporting and compliance.

Schmersahl Treloar & Co.

St. Louis, Missouri
October 15, 2024

FINANCIAL STATEMENTS

Premier Charter School
STATEMENTS OF FINANCIAL POSITION

ASSETS		June 30,	
		2024	2023
CURRENT ASSETS			
Cash and cash equivalents	\$	4,331,848	\$ 6,873,421
Accounts receivable		652,323	190,268
Prepaid expenses and other current assets		227,679	276,678
Total Current Assets		5,211,850	7,340,367
PROPERTY AND EQUIPMENT, NET		9,416,854	9,663,971
INVESTMENTS		5,419,272	2,934,514
OTHER ASSETS			
Debt issuance costs, net		125,117	145,980
Total Assets	\$	20,173,093	\$ 20,084,832
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	\$	196,545	\$ 292,695
Accrued interest		-	2,523
Accrued payroll and payroll taxes		776,299	756,245
Other accrued liabilities		207,154	-
Current portion of long-term debt		247,500	238,333
Total Current Liabilities		1,427,498	1,289,796
LONG-TERM DEBT		7,925,934	8,195,101
Total Liabilities		9,353,432	9,484,897
NET ASSETS			
Without donor restriction		10,819,661	10,599,935
Total Liabilities and Net Assets	\$	20,173,093	\$ 20,084,832

See accompanying notes to financial statements

Premier Charter School
STATEMENTS OF ACTIVITIES

	Years Ended June 30,	
	2024	2023
UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Federal program revenue	\$ 2,413,323	\$ 2,977,350
State program revenue	12,363,118	12,465,443
Local program revenue	<u>2,546,894</u>	<u>1,991,307</u>
Total Support and Revenue	<u>17,323,335</u>	<u>17,434,100</u>
EXPENSES		
Program services		
Academic programs	15,083,833	14,183,368
Supporting services		
Management and general	<u>2,212,558</u>	<u>1,893,571</u>
Total Expenses	<u>17,296,391</u>	<u>16,076,939</u>
Change in Net Assets, from Operations	<u>26,944</u>	<u>1,357,161</u>
OTHER INCOME (LOSS)		
Investment gain (loss), net of fees	<u>192,782</u>	<u>46,610</u>
Change in Net Assets	219,726	1,403,771
NET ASSETS, Beginning of year	<u>10,599,935</u>	<u>9,196,164</u>
NET ASSETS, End of year	<u>\$ 10,819,661</u>	<u>\$ 10,599,935</u>

See accompanying notes to financial statements

Premier Charter School
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Academic Programs	Management and General	Total Expenses
Academic instruction	\$ 6,116,402	\$ -	\$ 6,116,402
Attendance	-	68,242	68,242
Other support services	904,295	8,310	912,605
Special education	1,923,813	154,399	2,078,212
Instruction and curriculum development services	1,228,180	-	1,228,180
Professional development	265,771	936	266,707
Technology	228,949	36,616	265,565
Executive administration	-	772,093	772,093
Office of the principal services	524,237	131,059	655,296
Care and upkeep of building services	969,283	111,962	1,081,245
Pupil transportation	74,781	-	74,781
Food services	457,849	-	457,849
Central office and support services	387,068	385,493	772,561
Early childhood instruction	314,888	-	314,888
Custody and care of children services	266,108	-	266,108
Before and afterschool program	245,229	-	245,229
Business support services	-	412,672	412,672
Interest	409,715	45,524	455,239
Depreciation and amortization	767,265	85,252	852,517
	<u>\$ 15,083,833</u>	<u>\$ 2,212,558</u>	<u>\$ 17,296,391</u>

Premier Charter School
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	Academic Programs	Management and General	Total Expenses
Academic instruction	\$ 6,888,974	\$ -	\$ 6,888,974
Attendance	-	63,497	63,497
Other support services	773,336	25,938	799,274
Special education	1,595,177	147,137	1,742,314
Instruction and curriculum development services	549,939	-	549,939
Professional development	194,074	26,071	220,145
Technology	179,244	34,116	213,360
Executive administration	-	731,142	731,142
Office of the principal services	437,658	109,415	547,073
Care and upkeep of building services	860,471	110,892	971,363
Pupil transportation	13,805	-	13,805
Food services	423,133	5,949	429,082
Central Office and support services	478,493	119,623	598,116
Early childhood instruction	296,245	-	296,245
Custody and care of children services	245,224	-	245,224
Before and afterschool program	144,234	-	144,234
Business support services	-	397,196	397,196
Interest	264,054	29,339	293,393
Depreciation and amortization	839,307	93,256	932,563
	<u>\$ 14,183,368</u>	<u>\$ 1,893,571</u>	<u>\$ 16,076,939</u>

See accompanying notes to financial statements

Premier Charter School
STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 219,726	\$ 1,403,771
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	831,654	885,227
Amortization of debt issuance costs	20,863	47,336
Unrealized loss on investments	13,817	53,157
(Increase) decrease in assets:		
Accounts receivable	(462,055)	1,637,071
Prepaid expenses and other current assets	48,999	(114,202)
Increase (decrease) in liabilities:		
Accounts payable	(96,150)	(365,717)
Accrued payroll and payroll taxes	20,054	71,005
Accrued interest	(2,523)	(22,374)
Other accrued liabilities	207,154	-
Net Change in Cash from Operating Activities	<u>801,539</u>	<u>3,595,274</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	252,945	53,230
Purchases of property and equipment	(584,537)	(234,932)
Purchase of investments	(2,751,520)	(97,398)
Net Change in Cash from Investing Activities	<u>(3,083,112)</u>	<u>(279,100)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bond refunding	-	8,433,435
Payments on long-term debt	(260,000)	(8,659,997)
Debt issuance costs	-	(145,980)
Net Change in Cash from Financing Activities	<u>(260,000)</u>	<u>(372,542)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(2,541,573)</u>	<u>2,943,632</u>
CASH AND CASH EQUIVALENTS, Beginning of year	<u>6,873,421</u>	<u>3,929,789</u>
CASH AND CASH EQUIVALENTS, End of year	<u><u>\$ 4,331,848</u></u>	<u><u>\$ 6,873,421</u></u>

See accompanying notes to financial statements

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

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.

Effective September 11, 2023, the School changed its corporate name from St. Louis Charter School d/b/a Premier Charter School to Premier Charter School for clarity and efficiency.

Change in Accounting Principle

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. The School adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements.

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, 2024 and 2023.

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Continued)

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

Concentration of Credit Risk

Financial instruments, which potentially subject the School to concentration of credit risk, consist principally of cash, investments and accounts receivable. The School places its cash and investments with high credit quality financial institutions and, by policy, limits the amount of credit exposure to any one financial institution or investment type. Accounts receivable consists primarily of amounts owed from the State of Missouri.

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.

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, 2024, 2023, and 2022 no allowance for credit losses was deemed necessary. Accounts receivable totaled \$652,323, \$190,268 and \$1,827,339 at June 30, 2024, June 30, 2023 and June 30, 2022, respectively.

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

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Continued)

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

Investments

The School's investments are stated at fair value in the Statements of Financial Position, with all gains and losses included in the Statements of Activities. Donated investments are recorded at their fair value at the date of the gift. Investments are made according to the investment policies adopted by the School's Board of Directors. Investment return is reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized gains and losses less external and direct internal investment expenses.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

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.

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.

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Continued)

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

Revenue Sources (Continued)

Funding for the School is based upon Weighted Average Daily Attendance (WADA). The funding formula uses the highest WADA from the current year estimated WADA or the first or second preceding year's WADA. Funding can be adjusted during the year to reflect revised calculations by DESE and or the school under the Missouri Education Finance Program and actual WADA data reported by the School during designated data submission 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, 2024, and 2023. 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 2020 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 report certain categories of expenses directly traceable to certain programs and expenses allocable to one or more programs 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.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 15, 2024, the date the financial statements were available to be issued.

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Continued)

B. PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following:

	June 30,	
	2024	2023
Land	\$ 3,720,860	\$ 3,720,860
Buildings	13,511,238	13,117,802
Construction in progress	36,189	-
Furniture, fixtures, and equipment	1,952,239	1,797,780
	19,220,526	18,636,442
Less accumulated depreciation	9,803,672	8,972,471
Total Property and Equipment, Net	<u>\$ 9,416,854</u>	<u>\$ 9,663,971</u>

Depreciation expense was \$831,654 and \$885,227 for the years ended June 30, 2024 and 2023, respectively.

The School has a signed contract related to significant building repairs to be performed by an outside contractor. Management has estimated the total cost of the project to be approximately \$500,000 and anticipates the project to be completed in October 2024. At June 30, 2024, \$36,189 is owed to the contractor and is reflected in other accrued liabilities on the Statements of Financial Position.

C. DEBT ISSUANCE COST

On June 29, 2023, the School issued Educational Facilities Refunding Revenue Bonds (St. Louis Charter School Project Series 2023) to refund the St. Louis Charter School Project Series 2017 Bonds. Legal fees, printing costs, and other expenses associated with the issuance of the refunding 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 refunding revenue bonds is \$145,980. Amortization expense was \$20,863 for the year ended June 30, 2024. Amortization expense was \$47,336 for the year ended June 30, 2023 and pertained to the bond issuance costs associated with the St. Louis Charter School Project Series 2017 and 2023 Bonds.

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Continued)

D. INVESTMENTS

Investments consist of the following at June 30:

	June 30,	
	2024	2023
Money Market Mutual Funds	\$ 870,994	\$ 882,452
Certificates of Deposit	2,466,752	485,857
Agency Bonds	2,081,526	1,566,205
Total Investments	<u>\$ 5,419,272</u>	<u>\$ 2,934,514</u>

Investment (loss) gain for the years ended June 30, 2024 and 2023 is summarized as follows:

	June 30,	
	2024	2023
Investment income, net of fees	\$ 206,599	\$ 99,767
Unrealized loss	<u>(13,817)</u>	<u>(53,157)</u>
Investment Gain, Net of Fees	<u>\$ 192,782</u>	<u>\$ 46,610</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.

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(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, 2024 and 2023.

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, 2024 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	\$ 870,994	\$ 870,994	\$ -	\$ -
Certificates of Deposit	2,466,752	2,466,752	-	-
Agency Bonds	2,081,526	-	2,081,526	-
Total	<u>\$ 5,419,272</u>	<u>\$ 3,337,746</u>	<u>\$ 2,081,526</u>	<u>\$ -</u>

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Continued)

E. FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured on a recurring basis for the year ended June 30, 2023 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	\$ 882,452	\$ 882,452	\$ -	\$ -
Certificates of Deposit	485,857	485,857	-	-
Agency Bonds	1,566,205	-	1,566,205	-
Total	<u>\$ 2,934,514</u>	<u>\$ 1,368,309</u>	<u>\$ 1,566,205</u>	<u>\$ -</u>

F. LONG-TERM DEBT

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

	2024	2023
St. Louis Charter School Project Series 2023 Refunding Revenue Bonds: \$8,173,434 refunding revenue bonds due in monthly principal installments of \$21,667 to \$27,500 from 2023 through 2030 with a balloon payment of \$6,383,538 due June 30, 2030. Interest is at 5.46%, secured by property.	\$8,173,434	\$8,433,434
Less: current portion	247,500	238,333
Total Long-Term Debt	<u>\$7,925,934</u>	<u>\$8,195,101</u>

Total interest expense for the years ended June 30, 2024 and 2023 was \$455,239 and \$293,393, respectively.

The School's Project Series 2023 Refunding Revenue Bonds agreement contains various covenants. These covenants pertain to minimum debt services coverage and liquidity. At June 30, 2024 and 2023, the School was in compliance with these covenants.

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Continued)

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

Future maturities of long-term debt at June 30, 2024 are as follows:

Year Ending June 30,	Total
2025	\$ 247,500
2026	283,750
2027	298,750
2028	313,750
2029	328,750
Thereafter	6,700,934
	<u>\$ 8,173,434</u>

G. **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.

H. **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, 2024 and 2023, subject to eligibility requirements.

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.

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Continued)

H. MULTI-EMPLOYER PENSION PLAN (Continued)

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 8.5% and 8.0% of their annual covered salary for the calendar years ending December 31, 2024 and 2023, respectively. The Retirement System non-members are required to contribute 9.0% for the plan years ending December 31, 2024 and 2023. The School was required to contribute 13.0% and 13.5% for the plan calendar years ending December 31, 2024 and 2023, 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, 2023 and 2022.

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	2024	2023	2023	2022
Public School Retirement System of St. Louis	N/A	\$ 849,019,915	\$ 1,283,551,323	\$ 1,302,851	\$ 1,342,933	\$ 62,547,610	\$ 63,828,456

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 7.0%, an expected rate of investment return of 7.0%, 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, 2023. Funded status information is not available as of June 30, 2024 as actuarial valuations were not performed as of that date. At December 31, 2023, the plan was 66.15% funded.

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Continued)

I. 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.

J. HEALTH INSURANCE PLAN

Effective September 1, 2023, the School joined the Independent School Benefits Consortium (“ISBC”). The ISBC is a Captive Health Insurance Plan comprised of independent schools whose aim is to reduce the cost of employee medical insurance.

The School is self-funded up to \$50,000 per employee. Claims exceeding \$50,000 but less than \$500,000 are covered by the group captive. Claims exceeding \$500,000 are reinsured.

For the year ended June 30, 2024, the School is required to fund the maximum cost each month. At June 30, 2024, the School has estimated and recorded a liability for claims incurred but not yet processed by the insurance third party administrator. The liability totals \$170,965 and is reflected in other accrued liabilities on the Statements of Financial Position.

The School utilizes a claims funding account to fund the plan and cover the cost of health insurance claims. The balance of the claims funding account at June 30, 2024 totals \$170,965 and is reflected in cash and cash equivalents on the Statements of Financial Position.

K. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for interest during the year ended June 30, 2024 and 2023 was \$457,762 and \$315,768 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.

Premier Charter School
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Continued)

L. **LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS** (Continued)

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,331,848	\$ 6,873,421
Accounts receivable	652,323	190,268
Investments	<u>5,419,272</u>	<u>2,934,514</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,403,443</u>	<u>\$ 9,998,203</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**

Premier Charter School
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
For the Year Ended June 30, 2024

ASSETS

	Governmental Funds			Total
	General Fund	Special Revenue Fund	Capital Projects Fund	
ASSETS				
Cash and cash equivalents	\$ 4,331,848	\$ -	\$ -	\$ 4,331,848
Accounts receivable	652,323	-	-	652,323
Prepaid expenses and other assets	128,322	-	-	128,322
Investments	<u>5,547,631</u>	<u>-</u>	<u>-</u>	<u>5,547,631</u>
Total Assets	<u>\$ 10,660,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,660,124</u>

LIABILITIES AND FUND BALANCES

LIABILITIES				
Accounts payable	\$ 196,545	\$ -	\$ -	\$ 196,545
Other accrued liabilities	207,154	-	-	207,154
Accrued payroll and payroll taxes	<u>776,299</u>	<u>-</u>	<u>-</u>	<u>776,299</u>
Total Liabilities	<u>1,179,998</u>	<u>-</u>	<u>-</u>	<u>1,179,998</u>
FUND BALANCES				
Unreserved	<u>9,480,126</u>	<u>-</u>	<u>-</u>	<u>9,480,126</u>
Total Liabilities and Fund Balances	<u>\$ 10,660,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,660,124</u>

Premier Charter School
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
For the Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
REVENUES				
Federal program	\$ 2,413,323	\$ -	\$ -	\$ 2,413,323
State program	2,103,504	10,259,614	-	12,363,118
Local program	2,207,225	546,268	-	2,753,493
Total Revenues	6,724,052	10,805,882	-	17,529,934
EXPENDITURES				
Academic instruction	561,500	5,665,110	-	6,226,610
Special education	545,089	887,798	-	1,432,887
Attendance	68,236	7	-	68,243
Counseling Services	4,749	496,302	-	501,051
Nursing Services	6,351	185,359	-	191,710
Psychological services	59,760	108,475	-	168,235
Occupational Therapy - Related Services	2,453	265,687	-	268,140
Other support services	787,293	337,862	-	1,125,155
Technology	265,565	-	60,781	326,346
Speech pathology services	-	197,151	-	197,151
Instruction and curriculum development services	4,557	1,223,518	-	1,228,075
Office of the principal services	7,874	521,405	-	529,279
Executive administration	513,088	596,592	-	1,109,680
Care and upkeep of building services	1,081,245	-	523,302	1,604,547
Pupil transportation	62,152	-	-	62,152
Food services	457,850	-	-	457,850
Central office and support services	232,587	-	-	232,587
Early childhood instruction	6,550	308,338	-	314,888
Welfare activities services	14,323	-	-	14,323
Custody and Care of Children Services	266,108	-	-	266,108
Afterschool Program	232,952	12,278	-	245,230
Parental Involvement	2,471	-	-	2,471
Debt service				
Net principal	-	-	260,000	260,000
Interest	-	-	455,239	455,239
Total Expenditures	5,182,753	10,805,882	1,299,322	17,287,957
Net Change in Fund Balance	1,541,299	-	(1,299,322)	241,977
FUND BALANCES, Beginning of Period	9,238,149	-	-	9,238,149
TRANSFER OF FUND BALANCE	(1,299,322)	-	1,299,322	-
FUND BALANCES, End of Period	\$ 9,480,126	\$ -	\$ -	\$ 9,480,126

Premier Charter School
SCHEDULE OF REVENUES COLLECTED BY SOURCE
For the Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
LOCAL				
Food service	\$ 63,672	\$ -	\$ -	\$ 63,672
Admissions - Student Activities	1,532	-	-	1,532
Bookstore Sales	14,268	-	-	14,268
Community Services	94,773	-	-	94,773
School District Trust Fund (Prop C)	910,446	546,268	-	1,456,714
PK tuition from parents	90,833	-	-	90,833
Gifts	561,225	-	-	561,225
Miscellaneous local revenue	241,586	-	-	241,586
Sales to Adults for Adult Meals - Non-Program Food	172	-	-	172
Student Organization Membership Dues and Fees	9,329	-	-	9,329
Other Pupil Activity Income	12,790	-	-	12,790
Temporary Deposits - Investment Income	206,599	-	-	206,599
Total Local	2,207,225	546,268	-	2,753,493
STATE				
Basic formula	1,563,872	10,259,614	-	11,823,486
Classroom trust fund	387,735	-	-	387,735
State food service	2,132	-	-	2,132
School safety grant	100,000	-	-	100,000
Other - state	49,765	-	-	49,765
Total State	2,103,504	10,259,614	-	12,363,118
FEDERAL				
Medicaid	58,717	-	-	58,717
ARP - ESSER III	1,062,397	-	-	1,062,397
CRRSA - ESSER II	1,000	-	-	1,000
ARP - IDEA 611 Entitlement Funds	16,062	-	-	16,062
IDEA Entitlement Funds, Part B IDEA	251,769	-	-	251,769
Early Childhood Special Education	6,911	-	-	6,911
ARP - IDEA Early Childhood Special Education	3,228	-	-	3,228
National School Lunch Program	211,579	-	-	211,579
School Breakfast Program	63,795	-	-	63,795
After School Snack Program	9,824	-	-	9,824
Title I - ESEA	581,378	-	-	581,378
Title IV.A Student Support and Academic Enrichment	46,518	-	-	46,518
Title III, ESEA - English Language Acquisition	47,838	-	-	47,838
Title II, Part A&B, ESEA - Teacher & Principal	51,707	-	-	51,707
Other Federal	600	-	-	600
Total Federal	2,413,323	-	-	2,413,323
TOTAL REVENUES	\$ 6,724,052	\$ 10,805,882	\$ -	\$ 17,529,934

Premier Charter School
SCHEDULE OF EXPENDITURES PAID BY OBJECT
For the Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Salaries	\$ 1,911,097	\$ 8,156,922	\$ -	\$ 10,068,019
Employee benefits	585,627	2,648,960	-	3,234,587
Purchased services	1,762,104	-	-	1,762,104
Supplies	923,925	-	-	923,925
Capital outlay	-	-	584,083	584,083
Other objects	-	-	715,239	715,239
Total Expenditures	<u>\$ 5,182,753</u>	<u>\$ 10,805,882</u>	<u>\$ 1,299,322</u>	<u>\$ 17,287,957</u>

Premier Charter School
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-through Entity Identifying Number Contract Number	Federal Expenditures 2024
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	20221N890343 20232N890343 20232N119943 20242N109943	\$ 211,579
National School Snack Program	10.555	20232N119943 20242N109943	9,824
School Breakfast Program	10.553	20232N119943 20242N109943	63,795
Total Child Nutrition Cluster			285,198
Total U.S. Department of Agriculture			285,198
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	S010A220025	581,378
Title II - Supporting Effective Instruction State Grant	84.367A	S367A220024	51,707
Title III - English Language Acquisition Grant	84.365A	S367A220025	47,838
Title IV - Student support and Academic Enrichment Grants	84.424A	S424A220026	46,518
ARP Elementary and Secondary School Emergency Relief Fund (ESSER) III	84.425U	S425U210021	1,062,397 *
CRRSA Elementary and Secondary School Emergency Relief Fund (ESSER) II	84.425D	S425D210021	1,000 *
Kindergarten Entry Assessment	93.434	90TP0066	600
Special Education Cluster (IDEA)			
Special Education Grants to States (IDEA Part B)	84.027A	H027A220040 H027A230040	251,769
IDEA 611 Entitlement Funds	84.027X	H027X210040	16,062
Early Childhood Special Education	84.173A	H173A230103	6,911
ARP IDEA ECSE 619	84.173X	H173X210103	3,228
Total Special Education Cluster (IDEA)			277,970
Total U.S. Department of Education			2,069,408
Total Expenditures of Federal Awards:			\$ 2,354,606

* Tested as a major program

Premier Charter School
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

A. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards, for the year ended June 30, 2024, includes the federal grant activity of 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 Premier Charter School, it is not intended to and does not present the financial position or changes in net assets of 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, 2024, 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
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 Premier Charter School (a nonprofit organization) (the "School"), which comprise the statement of financial position as of June 30, 2024, 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 October 15, 2024.

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
October 15, 2024



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

To the Board of Directors
Premier Charter School
St. Louis, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited 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, 2024. 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, 2024.

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 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
October 15, 2024

Premier Charter School
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

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	☒ No
Are any significant deficiencies identified?	☐ Yes	☒ None reported
Is any noncompliance material to financial statements noted?	☐ Yes	☒ No

Federal Awards:

Internal control over major federal programs:

Are any material weaknesses identified?	☐ Yes	☒ No
Are any significant deficiencies identified?	☐ Yes	☒ 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	☒ No
Identification of major federal programs:		
<u>Assistance Listing Number(s)</u>	<u>Name of federal program or cluster</u>	
84.425u	ARP Elementary and Secondary School Emergency Relief Fund (ESSER) III	
84.425d	CSSRA Elementary and Secondary School Emergency Relief Fund (ESSER) II	
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as a low-risk auditee?	☒ Yes	☐ No

Premier Charter School
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024
(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

Premier Charter School
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024
(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

Premier Charter School
CORRECTIVE ACTION PLAN
Year Ended June 30, 2024

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