

DON BOSCO EDUCATIONAL CENTER, INC.

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2009

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Don Bosco Educational Center, Inc.
Kansas City, Missouri

We have audited the accompanying statements of financial position of Don Bosco Educational Center, Inc. (a nonprofit organization) (the "Center") as of June 30, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Don Bosco Educational Center, Inc. as of June 30, 2009 and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2009 on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Directors
Don Bosco Educational Center, Inc.

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

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
November 30, 2009

DON BOSCO EDUCATIONAL CENTER, INC.

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009**

ASSETS	
Cash and cash equivalents	\$370,730
Accounts receivable, net	76,344
Prepaid expenses	15,400
Property and equipment, net	<u>234,664</u>
TOTAL ASSETS	<u>\$697,138</u>

LIABILITIES AND NET ASSETS	
<u>Liabilities:</u>	
Accounts payable	\$138,405
Accrued personnel costs	<u>90,471</u>
Total Liabilities	<u>228,876</u>
Net assets, unrestricted	<u>468,262</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$697,138</u>

See Accompanying Notes to these Financial Statements.

DON BOSCO EDUCATIONAL CENTER, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

SUPPORT AND REVENUE:	
Local	\$ 360,953
State	1,479,088
Federal	<u>355,212</u>
Total Revenues	2,195,253
EXPENSES:	
Instruction	1,269,219
Student services	78,777
Professional Development	8,625
General administration and central services	280,540
Building level administration	360,100
Operation of plant	389,204
Pupil transportation	146,428
Food service	<u>99,889</u>
Total Expenses	<u>2,632,782</u>
Change in unrestricted net assets	(437,529)
Adjustment to Prior Year	(5,308)
NET ASSETS, BEGINNING OF YEAR	<u>911,099</u>
NET ASSETS, END OF YEAR	<u>\$ 468,262</u>

See Accompanying Notes to these Financial Statements.

DON BOSCO EDUCATIONAL CENTER, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Decrease in net assets	\$(437,529)
Adjustment to prior year net assets	(5,308)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	38,428
(Increase) Decrease in:	
Accounts receivable	21,949
Prepaid expenses	182,952
Increase (Decrease) in:	
Accounts payable	112,913
Advance state government	(16,092)
Accrued personnel costs	<u>(29,146)</u>
Net Cash Used by Operating Activities	(131,833)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of property and equipment	<u>(160,193)</u>
Net Cash Used by Investing Activities	<u>(160,193)</u>
Net Decrease in Cash	(292,026)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>662,756</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 370,730</u>

See Accompanying Notes to these Financial Statements.

DON BOSCO EDUCATIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

NOTE 1: ENTITY

The Don Bosco Educational Center, Inc. (the "Center") is a Missouri not-for-profit corporation. The Center is affiliated with the Don Bosco Community Center, Inc. (see Note 9). The Center is governed by Senate Bill No. 781 of the 89th General Assembly of the Missouri legislature and is sponsored by the University of Central Missouri. The Center is exempt from most other Missouri laws and statutes governing educational institutions.

The Center's charter provides for the education of low income, disadvantaged, at-risk students in grades nine through twelve.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Center has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 117 requires that all not-for-profit organizations provide a statement of financial position, a statement of activities and a statement of cash flows. SFAS No. 117 also requires reporting amounts for the organization's total assets, liabilities and net assets in a statement of financial position and reporting the change in a Center's net assets in a statement of activities.

The Statement requires classification of an organization's net assets and its revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets: 1) permanently restricted; 2) temporarily restricted; and 3) unrestricted, be displayed in a statement of financial position and that the amounts of change in each of these classes of net assets be displayed in a statement of activities.

At June 30, 2009, the Center's net assets were all unrestricted.

Unrestricted net assets are those currently available at the discretion of the Board for use in the organization's operations and those resources invested in land, buildings and equipment.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The statements of financial position, activities and cash flows are reported using the accrual basis of accounting. The accrual basis of accounting recognizes revenues and assets when earned and liabilities and expenses when incurred.

The government funds statements, located in the accompanying supplementary information, use the accrual basis of accounting modified by the non-recording of capital assets and depreciation expense. Capital assets are recorded as expenditures when purchased.

Cash and Cash Equivalents

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

DON BOSCO EDUCATIONAL CENTER, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

All of accounts receivable are due from state and federal agencies and are considered fully collectible. Accordingly, no allowance for doubtful accounts is required. If accounts become uncollectible, they are charged to operations when that determination is made.

Property and Equipment

All property and equipment are valued at historical cost. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$500 is used to report capital assets.

Income Taxes

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

Donor-restricted contributions are reported as unrestricted support when the restrictions are met in the same reporting period. This policy is consistently followed.

Personal Time Off

Personal time off is considered to be an expenditure in the year payable. Personal time off is forfeited by the employee upon termination.

NOTE 3: CASH AND CASH EQUIVALENTS

At June 30, 2009, the Center had bank balances totaling \$372,370. The entire amount was covered by FDIC insurance.

NOTE 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2009 consist of the following:

Federal Programs	\$71,002
Sprint ERate	<u>5,342</u>
	<u>\$76,344</u>

DON BOSCO EDUCATIONAL CENTER

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 5: PROPERTY AND EQUIPMENT

Equipment	\$389,868
Leasehold improvements	<u>79,505</u>
	469,373
Accumulated depreciation	<u>234,709</u>
	<u>\$234,664</u>

Depreciation expense for the year ended June 30, 2009 was \$38,428. The depreciation expense was allocated to the related functions as follows:

Operation of plant	\$13,470
Instruction	15,073
Food service	2,800
Student services	1,042
Central service	6,043

NOTE 6: ACCRUED PERSONNEL COSTS

Accrued personnel costs at June 30, 2009, consisted of the following:

Accrued salaries - certified summer	\$62,025
Accrued vacation - principal	6,000
Payroll taxes	15,269
Benefits	<u>7,177</u>
	<u>\$90,471</u>

Certified personnel are hired for the school term which lasts nine and a half months but are paid by contract which calls for twenty-four equal bi-monthly payments extended to July and August after year ended June 30, 2009. Therefore, these two payments are considered salaries as of June 30, 2009. This practice has been consistently followed in previous years.

NOTE 7: RETIREMENT PLAN

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

DON BOSCO EDUCATIONAL CENTER

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

NOTE 7: RETIREMENT PLAN (continued)

The Retirement System members are required to contribute 7.5% of their annual covered salary and the Center is required to contribute a matching amount. The contribution requirements of members and the Center are established, and may be amended, by the Board of Trustees. The Center's contributions to the system for the year ended June 30, 2009 was \$87,178, equal to the required contributions.

NOTE 8: RISK MANAGEMENT

The Center is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, natural disasters, and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settle claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE 9: RELATED PARTY TRANSACTIONS

The Center is affiliated with the Don Bosco Community Center, Inc. (DBCC) through common board members. By-laws require that 60% of the Education Center Board must be common with the Community Center Board. DBCC provides management, administrative and support services to the Center. In addition, DBCC leases to the Center the facilities used to operate the Charter School. Contracts are entered into annually for the facility lease and services provided by DBCC. Also, common revenue sources such as United Way are deposited in DBCC accounts with corresponding transfers made to the Center. Common expenditures such as insurance and utilities are handled using a due to/from account on both entities' respective books.

The following are contracted lease and service expenditures relating to DBCC in the year ended June 30, 2009.

Facilities lease	\$184,800
Management services	32,652
Human resources service	31,764
Development/marketing services	20,964
Financial administrative services	78,036
Information technology services	38,520
Facilities maintenance	<u>55,092</u>
	<u>\$441,828</u>

The DBCC also prepares and serves lunches at the Education Center. Approximately 21,700 lunches were served at a cost of \$67,754 at the agreed upon cost of \$3.12 per lunch.

The net amount due to the DBCC as of June 30, 2009, was \$8,627 and is recorded in accounts payable.

DON BOSCO EDUCATIONAL CENTER

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

NOTE 10: DONATED SERVICES

Contributions of services are recognized for financial statement purposes if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Center received such services from the Mark One Electric Company, Inc. during 2008-2009 relating to the library upgrade. These services were recorded as in-kind revenue and expenses were valued at \$11,084.

NOTE 11: PRIOR YEAR ADJUSTMENT

Due to the timing of the prior year's audit, expenses incurred by the Education Center paid by the Community Center were not recorded on the June 30, 2008 financial records. Therefore, the current year's records had to be adjusted as a prior year expense in the current year.

SUPPLEMENTARY INFORMATION

DON BOSCO EDUCATIONAL CENTER, INC.

BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2009

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$369,730	0	\$1,000	\$370,730
Accounts receivable, net	76,344	0	0	76,344
Prepaid rent	<u>15,400</u>	<u>0</u>	<u>0</u>	<u>15,400</u>
TOTAL ASSETS	<u>\$461,474</u>	<u>0</u>	<u>\$1,000</u>	<u>\$462,474</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$138,405	0	\$ 0	\$138,405
Accrued personnel costs	<u>90,471</u>	<u>0</u>	<u>0</u>	<u>90,417</u>
Total Liabilities	228,876	0	0	228,876
Fund Balances:				
Unreserved	<u>232,598</u>	<u>0</u>	<u>1,000</u>	<u>233,598</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$461,474</u>	<u>0</u>	<u>\$1,000</u>	<u>\$462,474</u>

See Accompanying Notes to these Financial Statements.

DON BOSCO EDUCATIONAL CENTER, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 JUNE 30, 2009

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
REVENUES:				
Local	\$ 184,906	\$ 59,463	\$116,584	\$ 360,953
State	450,388	1,028,700	0	1,479,088
Federal	<u>355,212</u>	<u>0</u>	<u>0</u>	<u>355,212</u>
Total Revenues	990,506	1,088,163	116,584	2,195,253
EXPENDITURES:				
Instruction	392,103	862,043	39,670	1,293,816
Student services	77,735	0	56,973	134,708
General administration & central services	274,497	0	2,337	276,834
Building level administration	133,980	226,120	0	360,100
Operation of plant	375,734	0	2,602	378,336
Pupil transportation	146,428	0	0	146,428
Food service	97,089	0	0	97,089
Facilities	0	0	58,611	58,611
Professional development	<u>8,625</u>	<u>0</u>	<u>0</u>	<u>8,625</u>
Total Expenditures	<u>1,506,191</u>	<u>1,088,163</u>	<u>160,193</u>	<u>2,754,547</u>
Revenue over/(under) expenditures	(515,685)	0	(43,609)	(559,294)
Other Financing Sources/(Uses): Transfers	<u>(44,609)</u>	<u>0</u>	<u>44,609</u>	<u>0</u>
Net change in fund balance	(560,294)	0	1,000	(559,294)
Adjustment to Prior Year	(5,308)	0	0	(5,308)
FUND BALANCE, BEGINNING OF	<u>798,200</u>	<u>0</u>	<u>0</u>	<u>798,200</u>
FUND BALANCE, END OF YEAR	<u>\$ 232,598</u>	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 233,598</u>

See Accompanying Notes to the Financial Statements.

DON BOSCO EDUCATIONAL CENTER, INC.

**SCHEDULE OF REVENUES BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
LOCAL:				
Sales tax	\$ 99,106	\$ 59,463	\$ 0	\$ 158,569
Earnings on investments	7,922	0	0	7,922
Student activities	18,345	0	0	18,345
Donations	45,206	0	116,584	161,790
Other	<u>14,327</u>	<u>0</u>	<u>0</u>	<u>14,327</u>
Total Local	184,906	59,463	116,584	360,953
STATE:				
Basic formula	342,900	1,028,700	0	1,371,600
Transportation aid	50,009	0	0	50,009
Basic formula - classroom trust fund	56,501	0	0	56,501
Other	<u>978</u>	<u>0</u>	<u>0</u>	<u>978</u>
Total State	450,388	1,028,700	0	1,479,088
FEDERAL:				
Title I	205,788	0	0	205,788
Title IIA	37,055	0	0	37,055
Title IV	3,286	0	0	3,286
Title V	43	0	0	43
Food service	64,166	0	0	64,166
Individuals with disabilities	<u>44,874</u>	<u>0</u>	<u>0</u>	<u>44,874</u>
Total Federal	<u>355,212</u>	<u>0</u>	<u>0</u>	<u>355,212</u>
TOTAL REVENUES	<u><u>\$990,506</u></u>	<u><u>\$1,088,163</u></u>	<u><u>\$116,584</u></u>	<u><u>\$2,195,253</u></u>

See Accompanying Notes to these Financial Statements.

DON BOSCO EDUCATIONAL CENTER, INC.

**SCHEDULE OF EXPENDITURES PAID BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Salaries	\$ 357,873	\$ 871,249	\$ 0	\$1,229,122
Employee benefits	122,607	216,914	0	339,521
Purchase services	761,569	0	0	761,569
Supplies	264,142	0	0	264,142
Capital outlay	<u>0</u>	<u>0</u>	<u>160,193</u>	<u>160,193</u>
	<u>\$1,506,191</u>	<u>\$1,088,163</u>	<u>\$160,193</u>	<u>\$2,754,547</u>

See Accompanying Notes to these Financial Statements.

STATE COMPLIANCE SECTION

Marr and Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

1401 East 104th Street, Suite 100, Kansas City, MO 64131
Voice (816) 363-8700 Fax (816) 363-7117

INDEPENDENT AUDITORS' REPORT ON MANAGEMENT'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

Board of Directors
Don Bosco Educational Center, Inc.
Kansas City, Missouri

We have audited the modified cash basis financial statements of the Don Bosco Educational Center as of and for the year ended June 30, 2009, and have issued our report, which was unqualified, on November 30, 2009.

As required by the Revised Statutes of the State of Missouri, we have performed auditing procedures to test compliance with the requirements governing budgets (Chapter 67 RSMo) and the methods of maintaining pupil attendance and pupil transportation records (Chapter 165.121.3(7) RSMo). The management of the Center is responsible for the Center's compliance with those requirements and have so acknowledged in a representation letter dated November 30, 2009. Our responsibility is to express an opinion on the Center's compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Center's budgetary and disbursement procedures were in compliance with the budgetary statute (Chapter 67 RSMo). It is further our opinion that the pupil attendance and pupil transportation records are so maintained as to accurately disclose, in all material respects, the average daily attendance, resident membership on the last Wednesday of September, average daily transportation of pupils and mileage and allowable cost for pupil transportation in compliance with state and administrative rules.

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



Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
November 30, 2009

DON BOSCO EDUCATIONAL CENTER, INC.

**SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2009**

Type of Audit Performed: Yellow Book: N/A Single Audit: N/A

1. Calendar (Sections 160.41 and 171.031, RSMo)

- A. The number of actual calendar hours classes were in session and pupils were under the direction of teachers during this school year was 1057.60 for grades 9-12.
- B. The number of days classes were in session and pupils were under the direction of teachers during this school year was 174 days.

2. Average Daily Attendance (ADA)

	<u>Full time & Part time</u>	<u>Remedial</u>	<u>Total</u>
Grades 9-12	151.24	0.00	151.24
Summer School			<u>4.58</u>
Total Regular Term Plus Summer School ADA			<u>155.82</u>

3. September Membership

	<u>Full Time & Part Time</u>
September Membership FTE Count	233.0

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

State FTE Total	
Free	157.76
Reduced	<u>3.00</u>
Total	<u>160.76</u>

5. Finance

- A. A bond is not required by Section 162.401, RSMo. Since the Center is organized under Section 160.405 RSMo, it is required to either a bond purchased for the chief financial officer as determined by the sponsor or an insurance policy of \$500,000 with coverage for employee theft. True
(insurance policy)
- B. The Center's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. True
- C. The Center maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. N/A
- D. The Center issued the following types of general obligation refunding bonds in the current year.

Current	<u>N/A</u>
Advanced-Defeased	<u>N/A</u>
Advances-Crossover	<u>N/A</u>
- E. The Center has appropriately included all current and prior year crossover refunding bonds in the financial statements. N/A

DON BOSCO EDUCATIONAL CENTER, INC.

**SCHEDULE OF SELECTED STATISTICS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009**

5. Finance (continued)

F.	The Center has a school improvement plan.	<u>True</u>
G.	The Center has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment.	<u>N/A</u>
H.	The Center did not use state funded grant monies to supplant existing salaries.	<u>True</u>
I.	Salaries reported for educators in the October Core Data Cycle are supported by payroll/contract records.	<u>True</u>
J.	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken.	<u>N/A</u>
K.	The Center took action prior to October 31 to cause the current year's audit to be performed.	<u>True</u>
L.	The Center published a summary of the prior year's audit report within thirty days of the receipts of the audit pursuant to Section 165.121, RSMo.	<u>True</u>
M.	All above "false" answers <u>must</u> be supported by a finding or management letter comment.	
	Finding #	<u>N/A</u>
	Management Letter Comment #	<u>N/A</u>

6. Transportation (Section 163.161, RSMo)

A.	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	<u>True</u>
B.	The Center's transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported.	<u>True</u>
C.	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	<u>124.5</u>
	Ineligible ADT	<u>0.0</u>
D.	The Center's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year.	<u>True</u>

DON BOSCO EDUCATIONAL CENTER, INC.

SCHEDULE OF SELECTED STATISTICS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

6. Transportation (Section 163.161, RSMo) (continued)

E.	Actual odometer records show the total Center-operated and contracted mileage for the year was:	<u>40,589</u>
	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible miles	<u>39,672</u>
	Ineligible miles (non-route/disapproved)	<u>917</u>
F.	Number of days the Center operated the school transportation system during the regular school year.	<u>174</u>
G.	All above “false” answers <u>must</u> be supported by a finding or management letter comment.	
	Finding #	<u>N/A</u>
	Management Letter Comment #	<u>N/A</u>

7. Missouri School Improvement Program (MSIP)

A.	The Center has adequate procedures that allow for the proper recording and reporting of hours of absence.	<u>True</u>
B.	The Center has adequate procedures that allow for the identification and recording of dropouts as defined in the Core Data Manual and the subsequent reporting of those students on the June Cycle of Core Data.	<u>True</u>
C.	The Center has a set of adequate procedures for following up on the college and career placement of all of the previous year’s graduates 180 days after graduation.	<u>True</u>
D.	The Center has a set of procedures that insure advanced courses and career courses (approved by the state) are properly identified and reported according to Core Data Standards.	<u>N/A</u>
E.	All above “false” answers <u>must</u> be supported by a finding or management letter comment.	
	Finding #	<u>N/A</u>
	Management Letter Comment #	<u>N/A</u>

DON BOSCO EDUCATIONAL CENTER, INC.

**SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

ATTENDANCE

None noted.

TRANSPORTATION

During our audit, we noted that the ridership lists did not agree with the Application for State Transportation Aid. Upon further investigation, we determined the count provided by the transportation company to be inadequate to maintain an accurate ridership list. We concur with the School's current attempt to improve the tracking of riders and would recommend a review procedure be implemented to ensure accurate reporting.

As a result of our audit, the Application for State Transportation Aid has been corrected.

DON BOSCO EDUCATIONAL CENTER, INC.

SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
Year Ended June 30, 2009

	<u>Center Owned</u>		<u>Total</u>
	<u>Pupil</u>	<u>Disabled</u>	
Non-certified Salaries	\$ 0	0	\$ 0
Employee Benefits	0	0	0
Purchased Services	146,428	0	146,428
Material and Supplies	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>\$146,428</u>	<u>0</u>	<u>\$146,428</u>

INTERNAL CONTROL AND COMPLIANCE

Marr and Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

1401 East 104th Street, Suite 100, Kansas City, MO 64131
Voice (816) 363-8700 Fax (816) 363-7117

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
Don Bosco Educational Center, Inc.
Kansas City, Missouri

We have audited the financial statements of Don Bosco Educational Center, Inc. as of and for the year ended June 30, 2009, and have issued our report thereon dated November 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures 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 Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Center's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Center's financial statements that is more than inconsequential will not be prevented or detected by the Center's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Center's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts and grant agreements, non compliance 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 that are required to be reported under *Government Auditing Standards*.

We noted other matters involving internal control and compliance that we have reported to the administration.

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

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
November 30, 2009