



Cornerstone Classical Academy
Sep 20, 2021, 4:00pm
Audit and Financial Oversight Committee
Meeting Minutes
Hybrid Meeting held at 2360 St. Johns Bluff Road, Jacksonville, FL 32246
AND
Virtual Location: [Click here to join Microsoft Teams Meeting](#)
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Call to Order: Hybrid meeting (physical + virtual) called to order at 4:01pm

	Present	Absent	Late
Mr. Christopher Engl, Treasurer	X		
Mrs. Sally Lutz, Director	X		
Mrs. Lauren Wilder	X		
Mrs. Pam Pepper	X		

Roll Call: A quorum was established.

Guests: Edi Wohlgemuth, Executive Director, ~~Dawn Oehmann, Principal~~, Kelly Goddin, SFS, Bob Walker, Partner, King & Walker

Mission Statement, read by Mrs. Wilder: The mission of Cornerstone Classical Academy is to sharpen the minds and cultivate the hearts of students through a content-rich classical education in the liberal arts and sciences, with instruction in the principles of moral character, civic virtue, and knowledge of truth.

Agenda: Motion to approve agenda by Sally, seconded by Pam. Motion unanimously approved.

Public Comments: None

Presentations: Bob Walker (“Bob”) presented the findings of the external audit report by a rough page-by-page analysis. Bob noted that this was about as good of a report as the school could obtain with a clean opinion. Bob spoke until 4:18pm and Q&A followed. Lauren asked

whether this is the main opportunity for members of the Audit committee to speak with the auditor or if there will be another opportunity away from other members of the school. Bob was willing to engage in follow-up. Lauren asked who prepared the external audit. Bob noted that an accountant with his firm completed the audit. Lauren asked were there any adjustments? Bob said there were adjustments. Kelly noted the school received Esser 2 funding, the books closed in June, but did not receive Esser 2 until August and so there was an adjustment for that and this was the most significant adjustment. Lauren asked what were some of the biggest usages of estimates in the audit? Bob noted there were estimates around depreciation (asset life). Lauren asked if the auditor spoke with the school's attorneys about any potential pending cases? Bob stated they did not speak with CCA's attorneys. Lauren asked about what process was done to review CCA's internal control. Bob stated that K&W did not discover any material or significant deficiencies but also did not do any internal control reviews and therefore didn't have an opinion—simply that the K&W did not come across any in their financial audit. Lauren asked if there were any management letter comments. Bob noted that CCA did not receive any comments and this is apparently unusual for a first year school. Lauren asked if there were there any disagreements during the audit? Bob's Answer: No. Are you independent from the school? Bob's Answer: Yes. A lengthy discussion ensued about a management representation letter about who should attest to the letter's contents. Kelly shared a draft copy of the management rep letter during the discussion, though participants did not have a chance to review. The debate mainly centered on whether only management (ie Executive Director) and agents of CCA management (ie SFS) should sign the letter or if a board member (ie President). At one point, Pam, Lauren and Chris agreed that this was a representation from management to the auditor (and also the board) and the board would not need to sign. Others noted the Board is ultimately responsible for the school and should sign the rep letter. Ultimately, the conversation concluded when Kelly noted that the auditor confirmed that a Board member is required to signed the document. The letter will have a signature block for SFS, for the Executive Director, and for the Board President.

Meeting Minutes: Motion to approve minutes from August 2021 regular Audit + Financial Oversight meeting by Sally, seconded by Pam, motion approved unanimously

Committee Reports:

Discussion about pace of payment processing ensued, led by Sally. Kelly noted that it would be on a case by case basis and that she'd be willing to look into any matters. Kelly also noted a situation where a vendor was looking for payment (Smart Choice?) and described the conditions

around that issue. Kelly and Edi agreed to discuss any current concerns or challenges around payment processing at their already scheduled meeting this week.

Unfinished Business:

Motion by Dir. Engl, seconded by Dir. Lutz to table Discussion of Internal Controls till the next A+FO meeting. Motion unanimously approved.

New Business:

1. **Motion by Sally, seconded by Lauren to recommend the Board approve the August 2021 Monthly Financial Report.** Motion approved unanimously
2. **Motion by Chris, seconded by Sally to recommend to the Board to approve the draft External Audit Report dated Sept 17th from King & Walker, with the amendments to the Debt Service Coverage Ratio of 1.29 and the Days Cash On Hand of 49 days.** Motion unanimously approved.

Committee Development:

- a. Chris reminded everyone to keep an eye out for possible committee members in future and the intent to recruit more members, particularly now that the committee has recommended the board approved the function descriptions.
- b. Chris reminded the group of committee training opportunities.

Next Committee Meetings & Locations:

- Tuesday, October 26, 4:00pm, hybrid (in person at school + virtual meeting)
- Monday, November 22, 5:30pm, virtual meeting
- Monday, December 20, 5:30pm, virtual meeting

Adjournment: Motion to adjourn by Chris, seconded by Sally. Approved unanimously.

Meeting adjourned at 5:43pm.