

APPROVED



## Kairos Academies

### Minutes

#### Kairos Academies- Audit Ad Hoc Meeting

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**Date and Time**

Friday December 22, 2023 at 8:30 AM

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We invite you join us at this Zoom link. This notice was published at [www.kairosacademies.org/board](http://www.kairosacademies.org/board) at least one day prior to the meeting.

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**Directors Present**

A. Jackson (remote), A. Sullivan (remote), H. Eastwood (remote), K. Owen, M. Vachow, N. Plair (remote), W. Young (remote)

**Directors Absent**

*None*

**Ex Officio Members Present**

K. Graham (remote)

**Non Voting Members Present**

K. Graham (remote)

**Guests Present**

B. Jackson (remote), Gina Cochran (remote), Kayla Baumgartner (remote), M. Chavers (remote)

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**I. Opening Items**

**A.**

## **Record Attendance**

### **B. Call the Meeting to Order**

A. Jackson called a meeting to order on Friday Dec 22, 2023 at 8:31 AM.

## **II. Presentation of the Audit**

### **A. Audit Overview**

Reviewed Auditing procedures:

- Auditors responsibility is to possess an opinion on our financial statements and provide uniform guidance
- Unbiased opinion - there are no reservations presenting the financial statements
- Gina reviewed P 16- 19 info from ASBR (Annual secretary of board report ) back to DESE
- Significant Accounting Policies - there were no new Accounting Policies adopted this year
- Modified Cash Bases of Accounting was Followed
- Proper Cut off of all transactions
- Complied with all ethical requirements to be ethical dependent audit
- No consultation with other independent accounting
- Financial Statments have sensitive disclosures (NOTE L) based on Charter School Renewal
  - if charter is not renewed the intent is 2023-2024 will be the final school year for the institution
- Financial statements are prepared on a going prepared bases - prepared as if the school will not shut down
- There were some difficulties in performing audit due to delays and receiving accurate information.
  - There will be additional billings provided
- No uncorrected statements - Adjusted Journal entry was attached
- to covert financial statements to modified cash bases of accounting
- Additional entries added by Audit
- Management overwrite of controls is required and must be considered a required risk on all audits
- Improper revenue recognition is recorded on cash bases due to a significant portion of schools revenue is tied to attendance
- Expansion and cost associated with expansion a Risk has been identified under assets and liabilities
- No action is necessary related to board to the risk
- Some risk identified are the same as previous year (2022-2023)

Unmodified opinion on Financial Statements:

## Review of Independent Auditors Report

- Statement of Assets and Net Assets Modified Cash Basis. 3.3 Million in total assets, made up of cash and cash equivalents. Net depreciation of 1.3 Million
- 71k are with donor restrictions in terms of net assets
  - Note K p 14 breaks it out

## Reviewed Statement of Revenues

- 9.9 M in Total Revenue
- 10.7 M in total expenses
- No efforts specifically allocated to Fundraising
- p 15 Note L - gives details of Going Concerns
- Note M - Commitments and Contingencies on Purchase and Sale Agreement

## Reviewed Federal Report

- P 8. - 1.8 M in Federal Awards
- P. 10 Summarizes Audit Procedures over financial statements and single audit

## Reviewed Audit Findings:

- 1 Material Weakness identified (2023003)
  - Noted Material Non Compliance in Financial Statements ( 2023003) in accordance with governmental audit
- Did not qualify as Low Risk Audittee
- Repeat of 2022003 - school did not have adequate internal controls in place
  - Have talked to management and get responses
  - School should implement internal control policies
- 2023002 - did not get restricted revenue schedule
  - Management needs to do one for next year
- Repeat of 2022004 - Material weakness in terms of uniform guidance
  - Purchases orders not prepared and price
  - recommend procedures be established to monitor compliance with uniform guidance
- Repeat of 2022005 Physical inventory count not completed
- Repeat of 2022006 supporting documentation needs to be maintained to be validated and tested through audit
  - Schools procurement procedures to be reviewed prior to entering

## Reviewed Resolved Findings from previous year:

- Finding 2022001 resolved - Related to PSR and submitting timely payments on all employees
- 2022002 Related to donation software, historical data that is maintained

Board must take action in terms of approving the report

Final version of report will be sent to file with DESE

## **B. Optional Q&A**

No questions on Audit

## **C. Audit Approval (Vote)**

W. Young made a motion to Approve 2023 Audit.

H. Eastwood seconded the motion.

The team **VOTED** to approve the motion.

### **Roll Call**

H. Eastwood Aye

A. Jackson Aye

W. Young Aye

M. Vachow Absent

K. Owen Absent

N. Plair Aye

A. Sullivan Aye

## **III. Closing Items**

### **A. Adjourn Meeting**

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:02 AM.

Respectfully Submitted,

H. Eastwood

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