



Ryan Brennan <ryan.brennan@cwckansascity.org>

RE: FY18 Audit - Draft/Final Difference

Wahby, Robbyn <Robbyn.Wahby@mcpsc.mo.gov>

Mon, Jan 13, 2020 at 4:25 PM

To: Jon Hile <jon.hile@cwckansascity.org>

Cc: Luke Norris <luke.norris@cwckansascity.org>, Paul Greenwood <paul@ed-ops.com>, Ryan Brennan <ryan.brennan@cwckansascity.org>, "McGeehon, Martha" <Martha.McGeehon@mcpsc.mo.gov>

Glad it is resolved.

1. Have them send you a new copy of the corrected audit.
2. Martha, please reject the old/incorrect copy.
3. Ryan, please upload the new copy and a copy of this email.

There we go!

Thanks all.

Rob

From: Jon Hile [mailto:jon.hile@cwckansascity.org]**Sent:** Monday, January 13, 2020 3:41 PM**To:** Wahby, Robbyn <Robbyn.Wahby@mcpsc.mo.gov>**Cc:** Luke Norris <luke.norris@cwckansascity.org>; Paul Greenwood <paul@ed-ops.com>; Ryan Brennan <ryan.brennan@cwckansascity.org>**Subject:** Fwd: FY18 Audit - Draft/Final Difference

Robbyn,

Thanks for flagging the issue with the audit. As you can see below from our auditor, they made a mistake in submitting the final audit. Please let us know what actions you would like us to take to correct their mistake.

Thanks,

Jon Hile

----- Forwarded message -----

From: **Matt Wallace** <mwallace@kpmcpa.com>

Date: Mon, Jan 13, 2020 at 2:51 PM

Subject: RE: FY18 Audit - Draft/Final Difference

To: Ryan Brennan <ryan.brennan@cwckansascity.org>Cc: Jon Hile <jon.hile@cwckansascity.org>, Luke Norris <luke.norris@cwckansascity.org>, Jeff Phillips <jeff.phillips@cwckansascity.org>, Paul Greenwood <paul@ed-ops.com>

Hello,

I did some research on this and I am sorry to say it does look like there was an error on our end. We have a review copy that is correct, however, our copy that we generate the pdf and printed copies from has a keying error. In review a change was made on page 6 to split the debt into a long term and short term portion. With that correction, there was a formula tied to the cash flow statement that did not get corrected.

So, in short, the amount of cash and cash equivalents on page 8 should be \$193,783, which matches the amount on page 6.

Would you like for me to send a corrected pdf? I also can send paper copies of the corrected page 8 for any physical copies that you have, if you would like.

Let me know how you would like to proceed.

I apologize for the error and am willing to ameliorate any way possible.

Thank you,

Matt Wallace

From: Ryan Brennan <ryan.brennan@cwckansascity.org>
Sent: Monday, January 13, 2020 1:40 PM
To: Matt Wallace <mwallace@kpmcpa.com>
Cc: Jon Hile <jon.hile@cwckansascity.org>; Luke Norris <luke.norris@cwckansascity.org>; Jeff Phillips <jeff.phillips@cwckansascity.org>; Paul Greenwood <paul@ed-ops.com>
Subject: FY18 Audit - Draft/Final Difference

Hi Matt,

I hope you are doing well today and staying warm amidst the snowy weekend.

I wanted to reach out and ask for your perspective on our FY18 audit and see if you can help us either understand or solve a discrepancy that our sponsor discovered.

Our sponsor sent a group email thread to the folks cc'ed here (Jon, Luke, Jeff, and Paul), so I'm continuing to include them so we're all continuing to be aware.

She noticed a difference in the Cash/Cash Equivalent position between EOY-FY18 (\$43,783) and BOY-FY19 (\$193,783) and raised the very fair question of "why?"

We believe the following sequence of events occurred:

- * You sent the school a Draft copy of FY18 audit showing \$150k payment of LT debt and resulting CCE of \$193,783. Our internal finance committee reviewed and gave agreement.
- * You then sent to the school a Final copy of FY18 audit showing \$300k payment of LT debt and resulting CCE of \$43,783. To my knowledge, the school was not aware of this change and presented it unaware to the Board for approval.
- * After Board approval, I submitted the Final copy to our sponsor.
- * You used \$193,783 (which we believe to be correct) as the beginning CCE position for FY19 audit.

So - can you help us understand why there was a \$150k change between the Draft/Final copies of the FY18, then reverted back for the FY19?

We share our sponsor's desire for a quick understanding and resolution, so please let me know if I can provide anything further.

Thank you Matt.

~Ryan

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Ryan Brennan

Director of Operations

Citizens of the World - Kansas City

Regional Office: (816) 872-2944

Email: ryan.brennan@cwckansascity.org

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Jon Hile
Executive Director
Citizens of the World Charter Schools - Kansas City

<http://www.cwckansascity.org>

<https://www.facebook.com/cwckansascity/>

jon.hile@cwckansascity.org

PH: (816) 499-8000

Cell: (816) 509-0449

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