



NOTICE OF THE **ANNUAL MEETING** OF
THE WOODSTOCK ACADEMY **CORPORATORS**

AGENDA

Date: Tuesday, August 18, 2020
Time: **6:30 p.m.**
Location: Loos Center - South Campus **MASKS REQUIRED**

CORPORATION:

Section 5: Membership

The members of said Corporation shall consist, first, of all persons now living who are so called stockholders of record of said Corporation, and second, of all persons twenty-one years of age or over who shall have attended The Academy conducted by said Corporation the equivalent of one school year, and shall have completed thereby with credit, the equivalent of one school year's work.

1. Call to Order
2. Nominating Committee Recommendation
 - a. Term Renewals – Alumni Trustees
3. Secretary's Report—Minutes of the Annual Meeting on August 20, 2019
4. Alumni Report
5. Auditor's Report – FY 2018-2019
6. Head of School's Annual Report
7. Other Items
8. Corporator's Participation
9. Adjournment

The Woodstock Academy prepares all students by providing diverse opportunities through a rigorous curriculum and a variety of programs in order to cultivate the necessary skills to become lifelong learners and global citizens.

MOTIONS
FOUNDATION, CORPORATORS, AND BOARD OF TRUSTEES
ANNUAL MEETINGS
AUGUST 18, 2020

CORPORATORS

- TERM APPOINTMENT - TRUSTEE OF THE CORPORATION

Motion: I move to appoint Samantha Asikainen as a Trustee of the Corporation to a six-year term which ends in 2026.

Motion: I move to appoint Scott Young as a Trustee of the Corporation to a six-year term which ends in 2026.

- ACCEPT 2018-2019 AUDIT

Motion: I move to accept the 2018-2019 Audit, which was reviewed by the full Board and the Finance Committee.

**MINUTES OF THE ANNUAL MEETING
THE WOODSTOCK ACADEMY
CORPORATION
Student Commons, North Campus
August 20, 2019
6:30 p.m.**



These minutes are for
informational purposes only.

CORPORATORS: Beckwith, Martha; Child, Barbara; Favreau, Brad; Favreau, Amy; Fredrickson, Sandra; Hughes, Karin; Kelly, Paul; Larrow, Jeff; Livernois, Jay (Ex-Officio); Lynn, Paul; Morse, Seth; Musumeci, Joseph; Rhynhart, Hans; Singleton, Holly; Walker Sr., Alan

TRUSTEES: Bellerose, James; Higgins, Edwin; Johnston, Kevin; McGinn, Walter; Swenson, Christine; Trivella, Joan

ADMINISTRATION: Guillot, William; Harten, Michael; Rigney, John; Sandford, Chris; Sturdevant, Jon; Woodland, Julie

GUESTS: Bard Morse, Megan

1. Call to Order

The meeting was called to order by President Swenson at 6:35 p.m.

2. Nominating Committee Recommendation

a. Term Renewals – Alumni Trustees

There were no term renewals of Alumni Trustees

b. Term Appointments – Alumni Trustees

MOTION: (Kelly/Larrow) To appoint Hans Rhynhart as a Trustee of the Corporation to serve a six-year term which ends in 2025.

Unanimous

3. Secretary's Report—Minutes of the Annual Meeting on August 21, 2018

MOTION: (Singleton/Musumeci) To approve the August 21, 2018 Minutes.

Unanimous

4. Alumni Association Report

President of the Alumni Association, Jay Livernois shared his enthusiasm for the upcoming 150th anniversary of the Academy building and other upcoming initiatives from the Alumni Association. He praised the strong staff and faculty.

5. Auditor's Report—FY 2017-2018

President Swenson summarized the management letter included with the 2017-2018 Auditor's Report.

MOTION: (Kelly/Beckwith) To accept the 2017-2018 Audit which was previously approved by the full Board at the January 15, 2019 meeting.

Unanimous

6. Head of School's Annual Report

Head of School Sandford summarized the past year's events to the members of the Corporation. He celebrated the diversity of the student body and talented faculty and staff. Summer projects such as the CLAB (classroom/lab), the main hallway in Bowen, and the Loos Center were described. The group was reminded about the upcoming NEASC visit in October and were reminded to read the latest Annual Report. Other discussion topics included the

Foundation's successful fundraising efforts and the accomplishments of the Class of 2019 which had 100% graduation rate and an excellent quality and quantity of college acceptances. He expressed optimism for the future of The Academy and said The Academy remains a strong and viable institution. No questions were asked.

7. Other Items – None.

8. Corporator's Participation – Corporators Alan Walker Sr. and Paul Lynn were both disappointed with the color choice and number of stripes painted on the walls in the Student Commons.

MOTION: (Lynn/Livernois) To change the navy paint to "Woodstock Academy blue" and add another gold stripe to the walls in the student commons. Mr. Lynn agreed to donate the supplies or funds necessary. Eight Corporators voted Yes; three voted No. Motion carries.

9. Adjournment

MOTION: (Singleton/Musumeci) To adjourn the meeting at 6:56 p.m.
Unanimous

Respectfully submitted,

Julie Woodland

Julie Woodland
Board Clerk

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CERTIFIED PUBLIC ACCOUNTANTS

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October 31, 2019

Board of Trustees
Woodstock Academy
Woodstock, Connecticut

In planning and performing our audit of the consolidated financial statements of Woodstock Academy (the Academy) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing auditing 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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated October 31, 2019, on the financial statements of the Academy.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Accounting System

During fiscal year 2018-2019 Woodstock Academy redesigned the accounting system from fund accounting to a GAAP basis structured chart of accounts and financial reporting accounting system and replaced the no longer supported Fundware accounting software with AccuFund accounting software. The new accounting system streamlines and provides substantial improvements in reconciling balance sheet activity and determining financial operating results.

While this process was time consuming and included significant investments of time by existing financial department personnel there are still some areas that have not been completed or still require conversion in either system or software upgrades. These areas are as follows:

- Financial reporting, while the most important part of any accounting system upgrade or conversion, lags behind transactional implementation. Basic reports are now operational and continued financial reporting design and development are still occurring and will continue throughout FY19-20.
- Budgeting has been improved for FY19-20, and continued improvements in backup documentation, procedural process documentation, and budget to actual reporting are necessary.
- Woodstock Foundation accounting system and software have not been converted to a new database and account structure in the AccuFund software, the Foundation accounting is still in the unsupported Fundware accounting system. This process should occur during FY19-20 and be fully operational for FY20-21. All elements will have a similar format to the Woodstock Academy design and internal control implementation.
- Woodstock Academy Student Activities Fund accounting system design and software still reside in QuickBooks. The Student Activities Funds should be converted to the new AccuFund accounting system design and software as a separate database, to improve internal controls and financial reporting.

- AccuFund user right restrictions should be reviewed and restricted where necessary, particularly with the approval process for addition of vendors, duplicate accounts payable invoice configuration, and overall rights and access to various software modules and functions.
- The bank reconciliation process currently does not include an independent approval process upon completion and a data file from the bank should be obtained to process bank reconciliation transactions electronically through AccuFund which will be more efficient and expedite the process.
- A remote deposit processing machine should be acquired from the bank to process deposits. This will decrease the processing time of bank deposits, reduce travel, and provide additional documentation and controls.
- The annual golf tournament is currently processed through the student activity fund, this should be changed to incorporate the transactional processing and reporting through the entity that is operating the tournament (the Foundation or the Academy). The golf tournament is not a student activity fund.
- Endowment reporting currently does not include deposits or withdrawals of funds from the investment accounts to record or process transactions. Current practice includes a portion of the operating cash account in the endowment, which records and processes necessary transactions. Additions and payments should flow through the endowment and scholarship investment accounts.

Student Activity Funds

The student activity funds are kept separate from the Academy and Foundation's operations and books, and are recognized as agency fund liabilities. However certain operating activity transactions are being recorded with the student activities. We recommend that management review the individual student activities funds and remove any non-student activity funds and record them in the appropriate set of books (the Academy's or the Foundation's). The student activities funds should only include the actual student activities that have been sanctioned by the Academy.

Permanently Restricted Corpus

An effort has been made recently to obtain documentation for permanently restricted endowment assets, including the use of such investment income. This process, while necessary, unfortunately is not uncommon in organization with endowed assets. We recommend that the academy, in concert with the Foundation, continue to research and document endowment gifts for restrictions and ultimately reach and document a conclusion for any undocumented assets.

ATM Machines

During FY17-18 the academy purchased two ATM machines for students to utilize on campus, and improvements have been made during FY18-19 in internal controls for replenishment and reporting, including to report generation from the ATM machines. The ATM software supports remote reporting through online functions, however more knowledge needs to be obtained to complete this process and could be available to support services procured currently.

Campus Store

The campus store currently uses Shopify software to generate financial reporting transactions and provide accounting support to the stores operations. This process should be reviewed for a more structured implementation of operating activity recording into the AccuFund accounting software that the Academy is using. Improvements have been made in physical inventory procedures, however financial results still do not and may never achieve break even status.

Paperless Documentation

Paperless document retention and internal control processing continue to improve and become more affordable for small to midsized operations. Upon the completion of all accounting system design and software upgrades noted, consideration should be given to reviewing documentation flow and retention software that would include the complete purchase request, approval, invoice internal control processing and approval, check production and signing, in addition to paperless document retention. This would also improve the dual signature process that currently requires the time consuming aspect of manually obtaining the second signature for all transactions regardless of amount.

Unemployment Compensation

Woodstock Academy currently elects to self-fund the unemployment compensation liability with the State of Connecticut Department of Labor. This option is available to certain tax exempt organizations and remains popular with entities that have a stable labor force. An additional option for self-funding is available from UST trust, this is an unemployment trust that 501(c)(3) organizations like Woodstock Academy can elect to participate in. A trust is created for Woodstock Academy that maintains funds for the unemployment compensation payments, the trustee, for a small management fee, maintains the trust, examines the payroll, determines potential liability, calculates the payments into the trust, handles the payments out of the trust and provides secured fixed interest investments for the funds on hand. Many of these aspects are similar to the State of Connecticut funding option except once a determined balance is created in the trust, funding is suspended and the trust continues to monitor any increase in potential liability. The trust is secure and the balance is maintained on the books and records of the Academy, therefore the Academy gets the self-funding cost benefit with the funded management to eliminate unforeseen liabilities.

Accounting Procedure Manual

In concert with accounting system design and software completion would be the completion of an accounting system manual with documentation for accounting and financial reporting functions at all Woodstock Academy operations. The manual should include but not be limited to:

- Budgeting
- Tuition billing
- Cash Receipts
- Purchasing including procurement
- Invoice processing
- Cash Disbursements
- Payroll
- General Ledger
- General Journal
- Financial Reporting
- Cash Management

Functional Expense Reporting

With the adoption of ASU 2016-14 nonprofit organizations must disclose information about expenses by both function and natural classification in the GAAP financial statements. This information is also required for IRS Form 990. The AccuFund accounting system has been designed to assist in the preparing this information. We recommend that management periodically review the expense report by function for accuracy and proper application of the Academy's cost allocation plan to ensure accurate financial reporting.

This communication is intended solely for the information and use of management and others within the Academy, and is not intended to be, and should not be, used by anyone other than these specified parties.



Maletta & Company
Certified Public Accountants