

**ST. COLETTA SPECIAL EDUCATION
PUBLIC CHARTER SCHOOL, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2021 AND 2020



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ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
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YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
St. Coletta Special Education Public Charter School, Inc.
Washington, DC

Report on the Financial Statements

We have audited the accompanying financial statements of St. Coletta Special Education Public Charter School, Inc. (a nonprofit organization), which comprises the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2021 financial statements referred to above present fairly, in all material respects, the financial position of St. Coletta Special Education Public Charter School, Inc., as of June 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules on pages 15 and 16, as required by D.C. Public Charter School Board, are presented for purposes of additional analysis. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on these supplementary schedules.

Report on the 2020 Financial Statements

The 2020 financial statements of St. Coletta Special Education Public Charter School, Inc. were audited by other auditors whose report dated November 20, 2020, expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of St. Coletta Special Education Public Charter School, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Coletta Special Education Public Charter School, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenbelt, Maryland
November 30, 2021

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 3,000,000	\$ 3,500,000
Accounts Receivable	<u>2,593,916</u>	<u>2,767,564</u>
Total Current Assets	<u>5,593,916</u>	<u>6,267,564</u>
 Total Assets	 <u><u>\$ 5,593,916</u></u>	 <u><u>\$ 6,267,564</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Due to Related Party	<u>\$ 5,593,916</u>	<u>\$ 6,267,564</u>
Total Current Liabilities	<u>5,593,916</u>	<u>6,267,564</u>
 Total Liabilities	 5,593,916	 6,267,564
NET ASSETS		
Without Donor Restrictions	<u>-</u>	<u>-</u>
 Total Liabilities and Net Assets	 <u><u>\$ 5,593,916</u></u>	 <u><u>\$ 6,267,564</u></u>

See accompanying Notes to Financial Statements.

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUE AND OTHER SUPPORT		
Per Pupil Allocation	\$ 14,284,466	\$ 15,365,969
Per Pupil Facilities Allowance	828,144	833,750
DCPS Supplemental Funding	-	1,800,000
Medicaid Program Revenue	739,159	856,083
Federal Entitlements and Grants	314,072	50,131
St. Coletta of Greater Washington Contribution	<u>2,081,956</u>	<u>-</u>
Total Revenue and Other Support	18,247,797	18,905,933
EXPENSES		
Program Services:		
Educational Services	16,275,649	16,662,587
Support Services:		
Management and General	1,574,318	1,783,110
Fundraising	<u>397,830</u>	<u>460,236</u>
Total Expenses	<u>18,247,797</u>	<u>18,905,933</u>
CHANGE IN NET ASSETS	-	-
Net Assets without Donor Restrictions - Beginning of Year	<u>-</u>	<u>-</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Educational Services	Management and General	Fundraising	Total
Personnel, Salaries, and Benefits:				
Salaries	\$ 9,429,604	\$ 788,281	\$ 309,252	\$ 10,527,137
Employee Benefits	1,215,679	126,089	35,245	1,377,013
Payroll Taxes	827,597	62,981	19,469	910,047
Professional Development	42,066	2,333	-	44,399
Other Staff Related Expenses	9,455	-	-	9,455
Total Personnel, Salaries and Benefits	11,524,401	979,684	363,966	12,868,051
Direct Student Costs:				
Supplies and Materials	538,605	-	490	539,095
Transportation-Community Integration	2,354	-	-	2,354
Contracted Instruction Fees	1,536,650	-	-	1,536,650
Printed Materials	35,066	-	-	35,066
Student Food Service	254,657	-	-	254,657
Total Direct Student Costs	2,367,332	-	490	2,367,822
Occupancy Expenses:				
Maintenance and Repairs	373,650	19,666	-	393,316
Utilities and Trash Removal	255,258	13,435	-	268,693
Contracted Building Services	220,203	11,590	-	231,793
Supplies	49,977	2,630	-	52,607
Total Occupancy Expenses	899,088	47,320	-	946,408
Office Expenses:				
Office Supplies and Materials	-	72,011	-	72,011
Equipment Rent and Maintenance	-	1,819	-	1,819
Telecommunications	64,003	3,276	1,400	68,679
Postage	8,093	673	1,535	10,301
Printing and Copying	-	183	1,366	1,549
Offsite Storage	21,268	1,119	-	22,387
Total Office Expenses	93,364	79,081	4,301	176,746
General Expenses:				
Insurance	88,856	37,778	-	126,634
Administration Fee	158,051	-	-	158,051
Accounting, Auditing, Payroll, and Legal	2,140	86,903	-	89,043
Other Professional Fees	15,229	245,967	-	261,196
Depreciation	1,088,321	57,280	-	1,145,601
Fundraising Fees	-	-	27,365	27,365
Dues, Fees, Licenses, and Subscriptions	19,890	2,177	1,708	23,775
Bank Fees	-	38,002	-	38,002
Interest	2,376	125	-	2,501
Other General Expenses	16,601	-	-	16,601
Total General Expenses	1,391,464	468,232	29,073	1,888,769
Total Expenses	<u>\$ 16,275,649</u>	<u>\$ 1,574,318</u>	<u>\$ 397,830</u>	<u>\$ 18,247,797</u>

See accompanying Notes to Financial Statements.

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Educational Services	Management and General	Fundraising	Total
Personnel, Salaries, and Benefits:				
Salaries	\$ 9,389,949	\$ 874,084	\$ 304,527	\$ 10,568,560
Employee Benefits	1,043,096	97,099	33,829	1,174,024
Payroll Taxes	769,493	71,630	24,956	866,079
Professional Development	45,846	2,920	1,243	50,009
Other Staff Related Expenses	20,089	-	-	20,089
Total Personnel, Salaries and Benefits	11,268,473	1,045,733	364,555	12,678,761
Direct Student Costs:				
Supplies and Materials	321,461	-	-	321,461
Transportation-Community Integration	13,119	-	-	13,119
Contracted Student Services	1,079,667	-	-	1,079,667
Food Service/Catering	505,095	-	-	505,095
Printed Materials	67,138	-	-	67,138
Other Student Costs	4,476	-	-	4,476
Total Direct Student Costs	1,990,956	-	-	1,990,956
Occupancy Expenses:				
Maintenance and Repairs	526,956	27,735	-	554,691
Utilities	272,164	14,324	-	286,488
Contracted Building Services	228,198	12,010	-	240,208
Supplies	76,699	4,037	-	80,736
Total Occupancy Expenses	1,104,017	58,106	-	1,162,123
Office Expenses:				
Office Supplies and Materials	274	84,569	1,870	86,713
Equipment Rental	-	3,507	-	3,507
Telecommunications	60,105	2,666	-	62,771
Postage	16,679	850	-	17,529
Printing	15	556	482	1,053
Offsite Storage	23,101	1,216	-	24,317
Total Office Expenses	100,174	93,364	2,352	195,890
General Expenses:				
Insurance	39,375	40,835	-	80,210
Administration Fee	165,328	-	-	165,328
Accounting, Auditing, and Payroll	7,418	73,469	-	80,887
Other Professional Fees	6,880	369,337	-	376,217
Depreciation	1,100,748	57,934	-	1,158,682
Fundraising	-	-	92,967	92,967
Dues, Fees, and Fines	16,832	39,810	301	56,943
Interest	44,963	2,366	-	47,329
Other General Expenses	40,473	2,156	61	42,690
Management Fee	776,950	-	-	776,950
Total General Expenses	2,198,967	585,907	93,329	2,878,203
Total Expenses	<u>\$ 16,662,587</u>	<u>\$ 1,783,110</u>	<u>\$ 460,236</u>	<u>\$ 18,905,933</u>

See accompanying Notes to Financial Statements.

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grantors	\$ 15,373,189	\$ 17,010,379
Cash Paid to Management Company	<u>(15,373,189)</u>	<u>(17,010,379)</u>
Net Cash Provided by Operating Activities	-	-
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	-	-
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
(Increase) Decrease in Assets:		
Accounts Receivable	173,648	(1,895,554)
Increase (Decrease) in Liabilities:		
Due to Related Party	<u>(673,648)</u>	<u>1,895,554</u>
Net Cash Used by Operating Activities	<u>(500,000)</u>	<u>-</u>
NET CHANGE IN CASH	(500,000)	-
Cash - Beginning of Year	<u>3,500,000</u>	<u>3,500,000</u>
CASH - END OF YEAR	<u><u>\$ 3,000,000</u></u>	<u><u>\$ 3,500,000</u></u>

See accompanying Notes to Financial Statements.

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

St. Coletta Special Education Public Charter School, Inc. (the School) was incorporated as a nonstock and nonprofit organization on July 14, 2004, under the laws of the District of Columbia. The School was chartered by the District of Columbia Board of Education and began operations on July 1, 2006. During the years ended June 30, 2021 and 2020, the School served 250 charter students.

The mission of the School is to serve children and adults with cognitive disabilities and to support their families. The School believes in the immeasurable value of the individual human spirit and the right of each individual to live as full an independent a life as possible. The School respects the dignity of all persons entrusted to its care and its goal is to serve them in an atmosphere that encourages their talents, celebrates their successes, and builds their self-esteem. The School serves children and young adults living in the District of Columbia between the ages of 3 and 22.

Basis of Accounting

The School's financial statements are prepared on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

Financial Statement Presentation

Financial statement presentation follows FASB Accounting Standards Codification (ASC) *Financial Statements of Not-For-Profit Organizations*. In accordance with the topic, net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the School and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the School and/or the passage of time or that must be maintained permanently by the School. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Cash

Cash includes any cash on hand and checking account balances. The School maintains its cash in bank deposit accounts which may, at times, exceed federally insured limits. The School believes it is not exposed to any significant credit risk on cash or cash equivalents.

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable related to program service fees and public funding sources are recognized on the accrual basis of accounting, therefore at the time the service was provided. Accounts receivable are reported net of allowance for doubtful accounts, if any. The allowance for doubtful accounts, if any, is estimated based on historical collection trends, the age of the outstanding receivable, and existing economic conditions. If actual experience changes, revisions to the allowance may be necessary. Past-due accounts receivable are written off when internal collection efforts have been unsuccessful in collecting the amount due. Due to the nature of funding from government agencies, management believes all accounts receivable will be collected. Therefore, no allowance for doubtful accounts has been provided as of June 30, 2021 and 2020.

Revenue Recognition

Grants and Contributions

The School recognizes grants and contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as contributions without donor restrictions support. Conditional contributions awarded to the school for year ended June 30, 2021 and 2020 were \$1,160,369 and \$101,094, respectively. These amounts are not recorded on the books of the School because conditions for recognizing this revenue have not been met.

Per Pupil Appropriations, Facilities Allowance, Federal Entitlements, and Other Government Grants

Revenues are received primarily from state and federal government agencies, including the District of Columbia Office of the State Superintendent of Education, District of Columbia Public Charter School Board, the U.S. Department of Education, Medicaid, and other agencies.

These revenues are considered conditional grants with a measurable performance or other barrier and a right of return and are not recognized until the conditions on which they depend have been substantially met. These grants are also subject to audit by the grantor agencies, which could result in a request for reimbursement by the agency for expenditures disallowed under the terms and conditions of the appropriate grantor. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position.

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Per Pupil Appropriations, Facilities Allowance, Federal Entitlements, and Other Government Grants (Continued)

Per pupil appropriated revenue is recognized during the period for which the associated education services are provided. Revenue and enrollment numbers are as follows:

	<u>2021</u>	<u>2020</u>
Revenue:		
General Education	\$ 3,215,546	\$ 4,105,105
Special Education	9,433,784	9,526,400
Special Education - Compliance	508,181	513,996
English Language Learners	127,464	150,646
At Risk	346,942	316,135
Extended School Year	652,549	753,687
Total Per Pupil Appropriations	<u>14,284,466</u>	<u>15,365,969</u>
Per Pupil Facility Allowance	<u>828,144</u>	<u>833,750</u>
Total Per Pupil Payments	<u><u>\$ 15,112,610</u></u>	<u><u>\$ 16,199,719</u></u>
	<u>2021</u>	<u>2020</u>
Enrollment:		
General Education	243	250
Special Education	239	249
Special Education - Compliance	239	249
English Language Learners	23	28
At Risk	117	108
Extended School Year	250	250

Method Used for Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributable to more than one program or a supporting function as management and general activities. Expenses of this nature are allocated on a reasonable basis that is consistently applied. Allocated expenses include depreciation, office and occupancy costs, salaries and benefits, and other general organizational costs, which are allocated on the basis of time and effort expended.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts for the year ended June 30, 2020, have been reclassified to conform to the current year presentation. The reclassifications have no effect on previously reported net assets or change in net assets.

NOTE 2 INCOME TAXES

The School is exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code. In addition, the School is classified as an entity that is not a private foundation under Section 509(a)(1).

The School has adopted the accounting of uncertainty in income taxes as required by the *Income Taxes* topic of the FASB ASC. The topic requires the School to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position.

The School has analyzed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to any uncertain tax positions taken on returns filed for the years ended June 30, 2018 to 2020. The School is not aware of any tax positions for which it believes that there is a reasonable possibility that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

NOTE 3 AVAILABLE RESOURCES AND LIQUIDITY

The School regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to prudently invest available funds. The School's sources of liquidity at its disposal include cash and accounts receivable.

In addition to financial assets available to meet general expenditures over the next 12 months, the School operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The following reflects the School's financial assets as of June 30:

	<u>2021</u>	<u>2020</u>
Cash	\$ 3,000,000	\$ 3,500,000
Accounts Receivable	<u>2,593,916</u>	<u>2,767,564</u>
Total Financial Assets Available to Meet Cash		
Cash Needs for General Expenditures Within		
One Year	<u>\$ 5,593,916</u>	<u>\$ 6,267,564</u>

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4 RELATED PARTY TRANSACTIONS

Pursuant to the management agreement between the School and St. Coletta of Greater Washington (SCGW), which manages the program and provides operational assistance to the School. As such, SCGW has exclusive authority over the management responsibilities, accounting, bank accounts, financial reporting, and recordkeeping of the School.

Under the management agreement, SCGW provides facilities, equipment, personnel, financial management, operating services and supplies to the School for a monthly fee equal to the revenue and support of the School. The initial term of the agreement was from May 22, 2006 until June 30, 2008, and renewed automatically for successive terms of one year unless either party provides notice of at least 90 days prior to the next anniversary date. The School anticipates the agreement to be continued for the upcoming term. During the years ended June 30, 2021 and 2020, the School incurred \$18,247,800 and \$18,905,933 in total management fees, respectively, of which \$5,593,916 and \$6,267,564 was due from the School at June 30, 2021 and 2020, respectively.

NOTE 5 CONCENTRATIONS

The School places its cash with financial institutions, which at times may exceed the Federal Deposit Insurance Corporation's insurance limit of \$250,000. As of June 30, 2021 and 2020, the School held cash totaling \$3,000,000 and \$3,500,000, respectively, that exceeded the federal insured limit of up to \$250,000 per institution. However, the School has not experienced, nor does it anticipate, any loss of funds.

The School is supported primarily through local and federal appropriations and grants. For the years ended June 30, 2021 and 2020, 83% and 86%, respectively, of total revenue was provided by per pupil funding.

During the years ended June 30, 2021 and 2020, 100% of the School expenses were paid to SCGW as management fees.

NOTE 6 SUBSEQUENT EVENTS

In preparing these financial statements, the School's management has evaluated events and transactions for potential recognition or disclosure through November 30, 2021, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure or recognition.



**INDEPENDENT AUDITORS' 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 Trustees
St. Coletta Special Education Public Charter School, Inc.
Washington, DC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St. Coletta Special Education Public Charter School, Inc. (a nonprofit organization) (the School), which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Coletta Special Education Public Charter School, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Greenbelt, Maryland
November 30, 2021

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
SCHEDULE OF VENDORS PAID OVER \$25,000
YEAR ENDED JUNE 30, 2021

<u>Vendor Name</u>	<u>Services Provided</u>	<u>Amount Paid</u>
St. Coletta of Greater Washington, Inc.	Management Services	\$ 15,373,189

Note: The above schedule includes all vendors/contractors paid greater than or \$25,000 for which either a formal contract was executed or no formal contract was entered into, executed, or negotiated.

ST. COLETTA SPECIAL EDUCATION PUBLIC CHARTER SCHOOL, INC.
SCHEDULE OF AWARDED VENDOR CONTRACTS OVER \$25,000
YEAR ENDED JUNE 30, 2021

<u>Vendor Name</u>	<u>Services Provided</u>	<u>Approximate</u>
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None

Note: The above schedule includes only those contracts entered into by the School as of June 30, 2021, for services that will amount to more than \$25,000 over the term of the contract, services have not begun, nor had anything been paid as of June 30, 2021.