



Center City Public Charter Schools

Character, Excellence, Service

**SINGLE AUDIT FINANCIAL REPORT
UNDER UNIFORM GUIDANCE**

JUNE 30, 2022 AND 2021

CENTER CITY PUBLIC CHARTER SCHOOLS

TABLE OF CONTENTS
JUNE 30, 2022 AND 2021

	<u>Pages</u>
Independent Auditor’s Report	3-5
Financial Statements	
Statements of Financial Position.....	6
Statements of Activities	7
Statements of Functional Expenses.....	8-9
Statements of Cash Flows.....	10
Notes to Financial Statements	11-19
Supplementary and Additional Information	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	23-25
Schedule of Expenditures of Federal Awards	26
Notes to Schedule of Expenditures of Federal Awards	27
Schedule of Findings and Questioned Costs.....	28-29
Supplemental Schedule of Vendors Awarded Contracts Equal to or Greater Than \$25,000....	30-31



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Independent Auditor's Report

Board of Directors
Center City Public Charter Schools
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Center City Public Charter Schools (CCPCS), a nonprofit organization, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CCPCS as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CCPCS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CCPCS's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations,

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CCPCS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CCPCS's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of vendors awarded contracts equal to or greater than \$25,000, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and vendors awarded contracts equal to or greater than \$25,000 are fairly stated, in all material respects, in relation to the financial statements as a whole.

Board of Directors
Center City Public Charter Schools

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of CCPCS'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 CCPCS'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 CCPCS's internal control over financial reporting and compliance.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
December 14, 2022

Certified Public Accountants

CENTER CITY PUBLIC CHARTER SCHOOLS

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

	2022	2021
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 8,660,806	\$ 14,726,433
Investments	3,447,494	1,264,456
Federal Grants and Entitlements Receivable	2,949,476	1,478,567
Other Accounts Receivable	43,361	14,768
Prepaid Expenses and Other Assets	736,827	799,179
Total Current Assets	15,837,964	18,283,403
Fixed Assets		
Land	2,814,383	-
Building	1,324,415	-
Furniture and Equipment	3,054,912	2,842,137
Vehicles	124,730	124,730
Construction in Progress	5,250	42,862
Leasehold Improvements	7,475,698	7,410,009
	14,799,388	10,419,738
Less Accumulated Depreciation and Amortization	(9,222,217)	(8,183,933)
Total Fixed Assets	5,577,171	2,235,805
Investments, Non-Current	479,106	460,560
Deferred Compensation	101,068	83,560
Total Assets	\$ 21,995,309	\$ 21,063,328
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 214,691	\$ 155,054
Accrued Expenses	82,684	53,233
Accrued Payroll and Benefits	1,338,857	1,275,053
Deferred Rent	151,621	69,071
Deferred Revenue	-	1,138
Total Current Liabilities	1,787,853	1,553,549
Deferred Compensation Payable	101,068	83,560
Deferred Rent, Non-Current	87,722	158,064
Total Liabilities	1,976,643	1,795,173
Net Assets		
Without Donor Restrictions - Undesignated	16,991,691	16,195,748
Without Donor Restrictions - Board Designated	3,000,000	3,000,000
Total Net Assets Without Donor Restrictions	19,991,691	19,195,748
With Donor Restrictions	26,975	72,407
Total Net Assets	20,018,666	19,268,155
Total Liabilities and Net Assets	\$ 21,995,309	\$ 21,063,328

See accompanying Notes to Financial Statements.

CENTER CITY PUBLIC CHARTER SCHOOLS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	June 30, 2022			June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Per Pupil Allocation						
General Education	\$ 18,534,288	\$ -	\$ 18,534,288	\$ 17,943,089	\$ -	\$ 17,943,089
Categorical Enhancements	6,317,369	-	6,317,369	6,317,369	-	6,317,369
Facilities Fees	4,726,894	-	4,726,894	4,941,600	-	4,941,600
	<u>29,578,551</u>	<u>-</u>	<u>29,578,551</u>	<u>29,202,058</u>	<u>-</u>	<u>29,202,058</u>
Federal Grants and Entitlements	3,207,795	-	3,207,795	2,582,871	128,559	2,711,430
OSSE COVID-19 Relief Grants	3,983,475	-	3,983,475	572,310	-	572,310
Extended Care and Student Fees	426,961	-	426,961	15,612	-	15,612
PPP Loan Proceeds	-	-	-	3,412,000	-	3,412,000
Contributions	13,839	5,000	18,839	80,996	13,188	94,184
Other Grants and Awards	69,811	-	69,811	24,899	-	24,899
Investment (Loss) Income	(40,153)	-	(40,153)	49,191	-	49,191
Other Income	5,728	-	5,728	23,949	-	23,949
Net Assets Released from Restrictions	50,432	(50,432)	-	104,776	(104,776)	-
Total Revenue	<u>37,296,439</u>	<u>(45,432)</u>	<u>37,251,007</u>	<u>36,068,662</u>	<u>36,971</u>	<u>36,105,633</u>
Expenses						
Program Services	32,659,764	-	32,659,764	28,495,235	-	28,495,235
Management and General	3,838,384	-	3,838,384	2,889,117	-	2,889,117
Fundraising	2,348	-	2,348	5,040	-	5,040
Total Expenses	<u>36,500,496</u>	<u>-</u>	<u>36,500,496</u>	<u>31,389,392</u>	<u>-</u>	<u>31,389,392</u>
Change in Net Assets	795,943	(45,432)	750,511	4,679,270	36,971	4,716,241
Net Assets, Beginning of Year	19,195,748	72,407	19,268,155	14,516,478	35,436	14,551,914
Net Assets, End of Year	<u><u>\$ 19,991,691</u></u>	<u><u>\$ 26,975</u></u>	<u><u>\$ 20,018,666</u></u>	<u><u>\$ 19,195,748</u></u>	<u><u>\$ 72,407</u></u>	<u><u>\$ 19,268,155</u></u>

See accompanying Notes to Financial Statements.

CENTER CITY PUBLIC CHARTER SCHOOLS

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program	Management and General	Fundraising	Total
Personnel, Salaries, and Benefits				
Salaries	\$ 19,583,568	\$ 1,702,432	\$ 2,348	\$ 21,288,348
Employee Benefits	2,603,213	217,451	-	2,820,664
Payroll Taxes	1,498,958	86,265	-	1,585,223
Contracted Staff	261,691	2,948	-	264,639
Professional Development	147,958	6,143	-	154,101
Other Staff Costs	54,353	30,653	-	85,006
Total Personnel, Salaries, and Benefits	24,149,741	2,045,892	2,348	26,197,981
Direct Student Costs				
Contracted Instruction Fees	595,614	-	-	595,614
Supplies and Materials	115,615	-	-	115,615
Other Student Costs	370,008	-	-	370,008
Student Assessments	200,672	-	-	200,672
Textbooks	160,089	-	-	160,089
Food Service/Catering	1,154,094	-	-	1,154,094
Total Direct Student Costs	2,596,092	-	-	2,596,092
Occupancy Expense				
Rent	2,590,114	258,935	-	2,849,049
Maintenance and Repairs	354,978	5,987	-	360,965
Utilities	396,906	-	-	396,906
Furniture, Fixtures, and Equipment	59,762	33,616	-	93,378
Contracted Building Services	1,031,328	-	-	1,031,328
Total Occupancy Expense	4,433,088	298,538	-	4,731,626
Office Expense				
Professional Fees	51,405	336,325	-	387,730
Computer and Related	202,449	109,868	-	312,317
Equipment Rental	76,128	3,331	-	79,459
Office Supplies and Materials	45,032	402,508	-	447,540
Memberships and Subscriptions	15,766	35,360	-	51,126
Other Office Expense	15,452	39,167	-	54,619
Telecommunications	110,582	16,205	-	126,787
Postage and Shipping	4,376	2,632	-	7,008
Total Office Expense	521,190	945,396	-	1,466,586
General Expense				
Depreciation and Amortization				
Facility	929,117	-	-	929,117
Non-Facility	-	109,167	-	109,167
DCPCSB Administration Fee	-	298,137	-	298,137
Recruiting and Advertising	4,373	42,118	-	46,491
Insurance	25,818	86,464	-	112,282
Fees and Licenses	345	12,672	-	13,017
Total General Expense	959,653	548,558	-	1,508,211
Total	\$ 32,659,764	\$ 3,838,384	\$ 2,348	\$ 36,500,496

See accompanying Notes to Financial Statements.

CENTER CITY PUBLIC CHARTER SCHOOLS

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program	Management and General	Fundraising	Total
Personnel, Salaries, and Benefits				
Salaries	\$ 17,151,028	\$ 1,281,772	\$ 3,818	\$ 18,436,618
Employee Benefits	2,384,378	138,101	-	2,522,479
Payroll Taxes	1,328,357	119,392	-	1,447,749
Contracted Staff	89,096	87,244	-	176,340
Professional Development	56,663	4,256	-	60,919
Other Staff Costs	44,765	12,308	-	57,073
Total Personnel, Salaries, and Benefits	21,054,287	1,643,073	3,818	22,701,178
Direct Student Costs				
Contracted Instruction Fees	205,463	-	-	205,463
Supplies and Materials	214,449	-	-	214,449
Other Student Costs	133,717	-	-	133,717
Student Assessments	154,798	-	-	154,798
Textbooks	360,958	-	-	360,958
Food Service/Catering	185,314	-	-	185,314
Total Direct Student Costs	1,254,699	-	-	1,254,699
Occupancy Expense				
Rent	2,573,788	260,997	-	2,834,785
Maintenance and Repairs	460,624	-	-	460,624
Utilities	267,661	-	-	267,661
Furniture, Fixtures, and Equipment	238,500	3,913	-	242,413
Contracted Building Services	843,259	-	-	843,259
Total Occupancy Expense	4,383,832	264,910	-	4,648,742
Office Expense				
Professional Fees	21,972	198,878	-	220,850
Computer and Related	588,939	117,074	1,200	707,213
Equipment Rental	45,840	2,836	-	48,676
Office Supplies and Materials	18,106	2,308	-	20,414
Memberships and Subscriptions	8,090	25,920	-	34,010
Other Office Expense	30,250	51,175	22	81,447
Telecommunications	62,454	77,564	-	140,018
Postage and Shipping	1,064	3,145	-	4,209
Total Office Expense	776,715	478,900	1,222	1,256,837
General Expense				
Depreciation and Amortization				
Facility	962,092	-	-	962,092
Non-Facility	-	111,496	-	111,496
DCPCSB Administration Fee	-	282,808	-	282,808
Recruiting and Advertising	15,676	21,104	-	36,780
Insurance	47,586	85,931	-	133,517
Fees and Licenses	348	895	-	1,243
Total General Expense	1,025,702	502,234	-	1,527,936
Total	\$ 28,495,235	\$ 2,889,117	\$ 5,040	\$ 31,389,392

See accompanying Notes to Financial Statements.

CENTER CITY PUBLIC CHARTER SCHOOLS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 750,511	\$ 4,716,241
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	1,038,284	1,073,588
Net Loss (Gain) on Investments	69,646	(28,325)
<u>(Increase) Decrease in Assets</u>		
Federal Grants and Entitlements Receivable	(1,470,909)	(1,240,523)
Other Accounts Receivable	(28,593)	1,879
Prepaid Expenses and Other Assets	62,352	(391,038)
Deferred Compensation	(17,508)	(48,325)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	59,637	106,568
Accrued Expenses	29,451	(2,940)
Accrued Payroll and Benefits	63,804	(585,340)
PPP Refundable Advance	-	(3,412,000)
Deferred Rent	12,208	332
Deferred Revenue	(1,138)	1,138
Deferred Compensation Payable	17,508	48,325
Net Cash Provided by Operating Activities	<u>585,253</u>	<u>239,580</u>
Cash Flows from Investing Activities		
Purchases of Investments	(3,991,730)	(1,698,000)
Redemptions of Investments	1,720,500	2,500,752
Purchases of Fixed Assets	<u>(4,379,650)</u>	<u>(473,081)</u>
Net Cash (Used in) Provided by Investing Activities	<u>(6,650,880)</u>	<u>329,671</u>
Net (Decrease) Increase in Cash and Cash Equivalents	<u>(6,065,627)</u>	<u>569,251</u>
Cash and Cash Equivalents, Beginning of Year	<u>14,726,433</u>	<u>14,157,182</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 8,660,806</u></u>	<u><u>\$ 14,726,433</u></u>

See accompanying Notes to Financial Statements.

CENTER CITY PUBLIC CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

On October 11, 2007, Center City Public Charter Schools (CCPCS), was organized as a nonprofit corporation under the District of Columbia Nonprofit Corporation Act. The principal activity of CCPCS is to operate a community-based public charter school with multiple campuses. The schools are child- and family-centered and offer a comprehensive liberal arts education. CCPCS's mission is to enable a diverse group of students to meet high expectations, develop creativity, critical thinking and problem-solving skills, achieve a deep understanding of complex subjects and acquire a love of learning along with a strong sense of community and character.

CCPCS served 1,430 and 1,450 students during the years ended June 30, 2022 and 2021, respectively.

Income Taxes

CCPCS is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and did not conduct unrelated business activities. In addition, CCPCS has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code.

CCPCS requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. CCPCS does not believe its financial statements include, or reflect, any uncertain tax positions.

CCPCS's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the taxing authorities generally for three years after filing.

Basis of Accounting

CCPCS's financial statements are presented on the accrual basis of accounting. Consequently, revenues are recognized when earned and expenses when incurred.

Cash and Cash Equivalents

CCPCS considers all demand deposits, money market funds, and short-term investments with an original maturity of three months or less to be cash equivalents. All cash and cash equivalents are considered unrestricted.

Investments

Investments consist of government and agency bonds and certificates of deposit that are recorded at fair market value. All investments are considered unrestricted, except for the board-designated operating reserve fund in the amount of \$3,000,000.

Federal Grants and Entitlements Receivables

Federal grants and entitlements receivables consist primarily of amounts due from federal grants, receivables from the Office of the State Superintendent of Education of the District of Columbia and other grants. The management of CCPCS reviews the collectability of the receivables on a regular basis. Management believes all amounts are fully collectable and, therefore, no allowance for doubtful accounts is necessary.

CENTER CITY PUBLIC CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Compensation

Investments for deferred compensation are recorded at fair market value based on quoted prices on national exchanges.

Fixed Assets

CCPCS capitalizes all fixed asset acquisitions of \$1,000 and above. Fixed assets are carried at cost, if purchased, or fair market value at date of donation, if contributed. Depreciation is provided using the straight-line method over the estimated useful life of the asset or for leasehold improvements the shorter of the useful life or the remaining lease term. Expenditures for fixed assets and related betterments that extend the useful lives of the assets are capitalized. Expenditures for maintenance and repairs, including planned major maintenance activities, are charged to expense as incurred.

Revenue Recognition

A substantial portion of CCPCS's revenue is derived from the District of Columbia Public School system based on enrollment (Per Pupil Allocation). The revenue is recognized ratably over the school year. Revenue from extended care and student fees is recognized as services are provided. Revenue from other government sources generally represents various entitlements and is recognized as earned.

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional grants and contributions are not recorded as revenue until the related conditions have been satisfied. Amounts received for conditional grants are recorded as refundable advances until the conditions have been met. Grants and contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Net Assets With Donor Restrictions

CCPCS reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, payroll taxes, and depreciation and amortization, among others. These expenses are allocated on the basis of estimates of time and effort by employees or on the basis of headcount. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

CENTER CITY PUBLIC CHARTER SCHOOLS

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain 2021 amounts have been reclassified for comparative purposes and to comply with DC Public Charter School Board Audit Guidelines.

Reclassifications to the statement of financial position at June 30, 2021, were:

	Reclassified 2021	Original 2021
Assets		
Receivables	\$ -	\$ 1,493,335
Federal Grants and Entitlements Receivable	1,478,567	-
Other Accounts Receivable	14,768	-
Investments	1,264,456	1,725,016
Investments, Non-Current	460,560	-
Total	\$ 3,218,351	\$ 3,218,351
Liabilities		
Accounts Payable and Accrued Expenses	\$ -	\$ 208,287
Accounts Payable	155,054	-
Accrued Expenses	53,233	-
Total	\$ 208,287	\$ 208,287

Reclassifications to the statement of activities for the year ended June 30, 2021, were:

	Reclassified 2021	Original 2021
Revenue		
Federal Grants and Entitlements	\$ 2,711,430	\$ 6,695,740
OSSE COVID-19 Relief Grants	572,310	-
PPP Loan Proceeds	3,412,000	-
Total	\$ 6,695,740	\$ 6,695,740

CENTER CITY PUBLIC CHARTER SCHOOLS

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications (Continued)

Reclassifications to the statement of functional expenses for the year ended June 30, 2021, were:

	Reclassified 2021	Original 2021
Expenses		
Depreciation and Amortization	\$ -	\$ 1,073,588
Facility	962,092	-
Non-Facility	111,496	-
Total	\$ 1,073,588	\$ 1,073,588

Reclassifications to the statement of cash flows activities for the year ended June 30, 2021, were:

	Reclassified 2021	Original 2021
(Increase) Decrease in Assets		
Receivables	\$ -	\$ (1,238,644)
Federal Grants and Entitlements Receivable	(1,240,523)	-
Other Accounts Receivable	1,879	-
Total	\$ (1,238,644)	\$ (1,238,644)
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	\$ -	\$ 103,628
Accounts Payable	106,568	-
Accrued Expenses	(2,940)	-
Total	\$ 103,628	\$ 103,628

New Accounting Pronouncements Not Yet Adopted

Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* supersedes the leasing guidance in *Leases (Topic 840)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. The new standard is effective for fiscal years beginning after December 15, 2021. Management has not evaluated the impact of the pending adoption of the new standard on the financial statements.

2. CONCENTRATIONS AND RISKS

Credit Risk

During the years ended June 30, 2022 and 2021, CCPCS's cash balances at financial institutions exceeded the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

CENTER CITY PUBLIC CHARTER SCHOOLS

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

2. CONCENTRATIONS AND RISKS (CONTINUED)

Per Pupil Allotment

CCPCS receives an annual per pupil allotment from the District of Columbia based on its student enrollment which is a substantial portion of its revenue. If a significant reduction in this revenue should occur, it may have a material effect on CCPCS programs. During the years ended June 30, 2022 and 2021, CCPCS earned revenue of approximately \$24,852,000 and \$24,260,000, respectively, from the District of Columbia, which is approximately 67% and 67% of total revenue, respectively. These amounts are reflected as per pupil allocation in the accompanying statements of activities.

Market Risk

CCPCS maintains various investment securities. Investments are exposed to market and credit risks and may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the investment's value during subsequent periods.

Concentration

As of June 30, 2022 and 2021, substantially all of the total federal grants and entitlements receivables were due from the federal government and District of Columbia Office of the State Superintendent.

3. LIQUIDITY AND AVAILABLE RESOURCES

CCPCS's cash flows have seasonal variations due to the timing of contributions, program revenues, and vendor payments. CCPCS manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due. CCPCS has a board-designated operating reserve fund in the amount of \$3,000,000, which can be used for general operating purposes with board approval in the years ending June 30, 2022 and 2023.

As of June 30, 2022 and 2021, the following financial assets and liquidity sources were available for general operating expenditures in the years ending June 30, 2023 and 2022:

Description	2022	2021
Cash and Cash Equivalents	\$ 8,660,806	\$ 14,726,433
Investments	3,926,600	1,725,016
Federal Grants and Entitlements Receivable	2,949,476	1,478,567
Other Accounts Receivable	43,361	14,768
	15,580,243	17,944,784
Less Amounts Not Available for General Operating Expenditure		
Contributions Restricted for Purpose by Donor	(26,975)	(72,407)
Board Designated Net Assets	(3,000,000)	(3,000,000)
	\$ 12,553,268	\$ 14,872,377
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	\$ 12,553,268	\$ 14,872,377

CENTER CITY PUBLIC CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

4. RETIREMENT PLANS

CCPCS sponsors a 401(k) retirement plan (the 401k Plan) that covers substantially all eligible employees. Employees who are scheduled to work the minimum of 1,000 hours in a 12-month period as defined in the 401k Plan are eligible to participate in the 401k Plan. Eligible employees may elect to defer up to 100% of their annual compensation, not to exceed IRS-imposed limits. Under the 401k Plan, CCPCS matches employees' contributions up to 5% of employees' compensation. Employees are vested in the employer's contribution after one year of employment. CCPCS's contribution under the 401k Plan for the years ended June 30, 2022 and 2021, was approximately \$835,000 and \$743,000, respectively.

During 2018, CCPCS established a supplemental deferred compensation plan (the Plan) for its President and CEO. The Plan requires that CCPCS establish and maintain a book entry account on behalf of the President and CEO for all contributions, deferrals, and investment experience related to the Plan. CCPCS is not liable for any specific investment success, nor is it required to restore any loss of principal that may occur due to market conditions. Under current law, such funds remain the assets of CCPCS and, as such, are subject to the creditors of CCPCS. For the years ended June 30, 2022 and 2021, CCPCS contributed approximately \$20,000 and \$20,000, respectively, to the Plan.

5. LEASING ARRANGEMENTS

CCPCS has lease agreements for its school campus properties. The agreements provide for a rent escalation rate of 3% each year. The leases were renewed and extended to July 2023. The campus leases can be renewed for an additional five-year term at the current annual rate plus 3%. During June 2021, CCPCS entered into a lease for its new central office in Washington, D.C. The expected lease commencement date is December 1, 2021 and expires on April 30, 2027. The agreement provides for a rent escalation each year. Under accounting principles generally accepted in the United States of America (GAAP) all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the leases. The difference between the GAAP rent expense and the required lease payments is reflected as deferred rent liability in the accompanying statements of financial position.

The average usable square footage by combined leased facilities totaled 31,268 for the years ended June 30, 2022 and 2021.

CCPCS has entered into leases of certain office equipment. CCPCS is obligated under the leases through March 2025. Minimum future lease payments under the leases are as follows:

For the Years Ending June 30,

2023	\$ 2,894,425
2024	456,041
2025	226,439
2026	221,050
2027	188,420
Total Minimum Lease Payments	<u>\$ 3,986,375</u>

CENTER CITY PUBLIC CHARTER SCHOOLS

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

6. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2022 and 2021, net assets with donor restrictions consisted of the following:

Purpose	2022	2021
Global Ambassadors	\$ 2,464	\$ 2,464
Cornelia T. Bailey Foundation	18,508	18,508
Child Nutrition Program Emergency Operating Costs During COVID-19	-	49,504
Other	6,003	1,931
Total Net Assets With Donor Restrictions	<u>\$ 26,975</u>	<u>\$ 72,407</u>

For the years ended June 30, 2022 and 2021, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Purpose	2022	2021
COVID Family Relief	\$ -	\$ 14,464
Child Nutrition Program Emergency Operating Costs During COVID-19	49,504	79,055
Other	928	11,257
Total Releases	<u>\$ 50,432</u>	<u>\$ 104,776</u>

7. CONDITIONAL CONTRIBUTIONS

During 2020, CCPCS received a Small Business Administration (SBA) loan under the Paycheck Protection Program (PPP) in the amount of \$3,412,000. PPP provides cash-flow assistance through 100% federally guaranteed loans to eligible recipients to maintain payroll during the COVID-19 public health emergency and cover certain other expenses. If CCPCS maintains its workforce and meets certain requirements, up to 100% of the loan may be forgiven by the SBA. No more than 40% of the forgiven amount may be for non-payroll costs. Loans under PPP have an interest rate of 1% and may negotiate to a five-year maturity date, if not forgiven. The PPP loan was forgiven in full in June 2021 and is included in PPP loan proceeds without donor restrictions on the statements of activities for the year ended June 30, 2021.

CCPCS also receives conditional contributions and grants that are federally funded. The conditional portion has not been recorded as revenue or as a receivable, as the required criteria under generally accepted accounting principles has not been met as of June 30, 2022 and 2021. The conditional portion of the contributions and grants not yet recognized are approximately \$3,399,000 and \$842,000, respectively, and requires certain measurable barriers to be met such as being in compliance with specialized cost principles and allowable costs.

8. FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities);

CENTER CITY PUBLIC CHARTER SCHOOLS

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

8. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment (examples include certain private equity securities and split-interest agreements).

The following presents CCPCS's assets and liabilities measured at fair value as of June 30, 2022:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Government and Agency Bonds	\$ -	\$ 3,228,539	\$ -	\$ 3,228,539
Certificates of Deposit	-	698,061	-	698,061
Total Investments at Fair Value	-	3,926,600	-	3,926,600
Deferred Compensation				
Equity Securities	101,068	-	-	101,068
Total Assets at Fair Value	<u>\$ 101,068</u>	<u>\$ 3,926,600</u>	<u>\$ -</u>	<u>\$ 4,027,668</u>
Deferred Compensation Payable	<u>\$ 101,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,068</u>
Total Liabilities at Fair Value	<u>\$ 101,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,068</u>

The following presents CCPCS's assets and liabilities measured at fair value as of June 30, 2021:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Government and Agency Bonds	\$ -	\$ 1,015,598	\$ -	\$ 1,015,598
Certificates of Deposit	-	709,418	-	709,418
Total Investments at Fair Value	-	1,725,016	-	1,725,016
Deferred Compensation				
Equity Securities	83,560	-	-	83,560
Total Assets at Fair Value	<u>\$ 83,560</u>	<u>\$ 1,725,016</u>	<u>\$ -</u>	<u>\$ 1,808,576</u>
Deferred Compensation Payable	<u>\$ 83,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,560</u>
Total Liabilities at Fair Value	<u>\$ 83,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,560</u>

CCPCS's Level 2 investments are valued based on readily available pricing sources for comparable investments.

CENTER CITY PUBLIC CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

9. COMMITMENTS AND CONTINGENCIES

Government Grants and Contracts

CCPCS receives support and revenues from federal government grants and contracts. The ultimate determination of amounts received under these programs is generally based upon allowable costs, which are subject to audit. CCPCS is of the opinion that adjustments, if any, arising from such audits, will not have a material effect on the financial statements.

Employment Agreement

CCPCS entered into an employment agreement (the Agreement) with its President and CEO that provides for annual salary and fringe benefits. The Agreement commenced on April 15, 2013 and continues until such time as the President and CEO elects to terminate CCPCS employment or CCPCS elects to terminate the President and CEO's employment. If the President and CEO is terminated for any reason other than cause, as defined in the Agreement, CCPCS must continue to pay the President and CEO's salary and all benefits for a period of time as described in the Agreement.

Coronavirus Pandemic

The spread of COVID-19 (coronavirus pandemic) has had a disruptive impact on the daily life and operations of individuals, businesses, and nonprofit organizations around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, management continues to assess how best to adapt to changed circumstances.

10. LAND AND BUILDING PURCHASE

On June 15, 2022, CCPCS purchased land and a building in Washington D.C., to create a maker space. A maker space is a highly collaborative interdisciplinary space that allows hands-on work and high-tech projects. The purchase price was approximately \$4,138,800 and is included in land of approximately \$2,814,400 and building of approximately \$1,324,400 on the statements of financial position for the year ended June 30, 2022.

11. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 14, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTARY AND ADDITIONAL INFORMATION

**Independent Auditor’s 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 Directors
Center City Public Charter Schools
Washington, D.C.

We have audited, in accordance with the 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, the financial statements of Center City Public Charter Schools (CCPCS) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 December 14, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CCPCS’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 CCPCS’s internal control. Accordingly, we do not express an opinion on the effectiveness of CCPCS’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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CCPCS’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 CCPCS's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCPCS's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
December 14, 2022

Certified Public Accountants

Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Center City Public Charter Schools
Washington, D.C.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Center City Public Charter Schools’ (CCPCS) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of CCPCS’s major federal programs for the year ended June 30, 2022. CCPCS’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, CCPCS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CCPCS and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of CCPCS’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CCPCS’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an

Auditor's Responsibilities for the Audit of Compliance (Continued)

opinion on CCPCS's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CCPCS's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding CCPCS's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CCPCS's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of CCPCS's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

Report on Internal Control over Compliance (Continued)

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
December 14, 2022

Certified Public Accountants

CENTER CITY PUBLIC CHARTER SCHOOLS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Agency or Pass-Through Grant Number	Federal Expenditures
<u>U.S. Department of Education</u>			
<i>Pass-Through Programs from the Office of the State Superintendent of Education of the District of Columbia</i>			
Title I Grants to Local Educational Agencies	84.010A	84.010A; Phase 22	\$ 817,111
Supporting Effective Instructions State Grants (Formerly, Improving Teacher Quality State Grants)	84.367A	84.367A; Phase 22	162,085
English Language Acquisition State Grants	84.365A	84.365A; Phase 22	38,747
Student Support and Academic Enrichment Program	84.424A	84.424A, Phase 20 & 21	100,709
Special Education Cluster - Special Education Grants to States	84.027A	B2027A/C2027A, Phase 21 & 22	240,961
Special Education Cluster - Special Education Preschool Grants	84.173A	C2173A, Phase 22	1,671
Total Special Education Cluster			242,632
DC Opportunity Scholarship Program	84.370C	84.370C/CHOICE; Phase 21 & 22	367,611
COVID-19 CARES Act - Education Stabilization Fund	84.425D	A3SERF/B3SERF, Phase 20 & 21	2,538,360
American Rescue Plan Act - Education Stabilization Fund	84.425U	U3SERF, Phase 21	1,445,115
Total Education Stabilization Fund			3,983,475
Total Pass-Through Programs from the Office of the State Superintendent			5,712,370
Total U.S. Department of Education			5,712,370
<u>Department of Agriculture - Food and Nutrition Service</u>			
<i>Pass-Through Programs from the Office of the State Superintendent of Education of the District of Columbia</i>			
Child Nutrition Cluster - National School Lunch Program (NSLP)	10.555	N/A	825,121
Child Nutrition Cluster - School Breakfast Program (SBP)	10.553	N/A	373,014
Child Nutrition Cluster - National School Snack Program	10.555	N/A	55,714
Fresh Fruit and Vegetable Program (Noncash Commodities)	10.555	N/A	115,327
COVID-19 - Child Nutrition Cluster - Program Emergency Operating Costs	10.555	N/A	49,504
Total Child Nutrition Cluster			1,418,680
Total Department of Agriculture			1,418,680
Total Expenditures of Federal Awards			\$ 7,131,050

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CENTER CITY PUBLIC CHARTER SCHOOLS

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Center City Public Charter Schools, under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Center City Public Charter Schools, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Center City Public Charter Schools.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, *Cost Principles for Non-Profit Organization*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

Center City Public Charter Schools has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. PASS-THROUGH TO SUBRECIPIENTS

There were no funds passed through to subrecipients.

5. RECONCILIATION OF EXPENDITURES

The financial statements of Center City Public Charter Schools, are presented in accordance with U.S. generally accepted accounting principles. Expenditures per the schedule of expenditures of federal awards are reported on the statements of activities in the audited financial statements as follows:

Description	Total
Federal Grants and Entitlements	\$ 3,207,795
OSSE COVID-19 Relief Grants	3,983,475
Less Recovery of Prior Year Amounts	(13,136)
Less E-Rate (Not Considered Federal Financial Assistance)	(96,588)
Plus COVID-19 Child Nutrition Funding Released from Restrictions	49,504
Total Schedule of Expenditures of Federal Awards	<u>\$ 7,131,050</u>

CENTER CITY PUBLIC CHARTER SCHOOLS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Type of auditor's report issued on compliance for major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>	
84.010A	Special Education Preschool Grants	Unmodified
84.425D	COVID-19 CARES Act - Education Stabilization Fund	Unmodified
84.425U	America Rescue Plan Act - Education Stabilization Fund	Unmodified
	<u>Child Nutrition Cluster</u>	
10.555	National School Lunch Program (NSLP)	Unmodified
10.553	School Breakfast Program (SBP)	Unmodified
10.555	National School Snack Program	Unmodified
10.555	Fresh Fruit and Vegetable Program (Noncash Commodities)	Unmodified
10.555	COVID-19 - Program Emergency Operating Costs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a). No

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Special Education Preschool Grants
84.425D	COVID-19 CARES Act - Education Stabilization Fund
84.425U	America Rescue Plan Act - Education Stabilization Fund

CENTER CITY PUBLIC CHARTER SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results (Continued)

Identification of major programs (Continued):

<u>AL Number</u>	<u>Child Nutrition Cluster</u>	
10.555	National School Lunch Program (NSLP)	Unmodified
10.553	School Breakfast Program (SBP)	Unmodified
10.555	National School Snack Program	Unmodified
10.555	Fresh Fruit and Vegetable Program (Noncash Commodities)	Unmodified
10.555	COVID-19 - Program Emergency Operating Costs	Unmodified

Dollar threshold used to distinguish between
Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None were reported.

Section III - Federal Award Findings and Questioned Costs

None were reported.

CENTER CITY PUBLIC CHARTER SCHOOLS

**SUPPLEMENTAL SCHEDULE OF VENDORS AWARDED CONTRACTS EQUAL TO OR
GREATER THAN \$25,000
FOR THE YEAR ENDED JUNE 30, 2022**

Award Date	Vendor's Name	Services Provided	Amount	Conflict of Interest
6/15/2022	AppleTree	PreK3 and PreK4 curricula and monthly coaching services and twice annual CLASS observations at each campus	\$ 38,930	No
6/15/2022	Bee Bilingual	Online foreign language programming (Shaw, grades 1-4)	\$ 29,070	No
6/15/2022	Breathing Space	Yoga services for students	\$ 80,212	No
6/15/2022	TheBulkBookStore	Consumable text sets for Wit & Wisdom grades 4-8	\$ 30,000	No
6/15/2022	Busy Bee Janitorial & Environmental Services, Inc.	Janitorial and maintenance services and additional day porters (1 per campus, 6 total)	\$ 851,414	No
6/15/2022	CDW-G	Replace end-of-life access points and extend licensing 5 years across all campuses	\$ 158,400	No
6/15/2022	Conquest Pest Control	Pest control	\$ 42,972	No
6/15/2022	Copier Workshop	Copier/printer maintenance	\$ 31,440	No
6/15/2022	DC Water and Sewer Authority	Utilities - water	\$ 111,925	No
6/15/2022	Do the Math	Math interventions	\$ 54,426	No
6/15/2022	Early Autism Solutions	ABA therapy and teacher training/consult	\$ 25,000	No
6/15/2022	Edmentum	Online intervention in grades K-8 for reading and math	\$ 47,000	No
6/15/2022	Great Minds	Great Minds publishes our K-8 Math, Humanities, and K-4 Science curricula (Eureka Math, Wit & Wisdom, PhD Science)	\$ 24,400	No
6/15/2022	Hertz Furniture	School and office FF&E	\$ 30,000	No
6/15/2022	Lexia Learning Systems	Lexia licenses for all six campuses	\$ 41,000	No
6/15/2022	Paycom	Payroll/HRIS system	\$ 63,400	No
6/15/2022	Pepco	Utilities - electrical	\$ 212,033	No
6/15/2022	Procurify	Purchasing system	\$ 36,000	No
6/15/2022	Psychological Assessment Solutions	Evaluations and Teacher consult/training	\$ 70,000	No
6/15/2022	Recycle Track Systems	Trash and recycling removal	\$ 71,777	No
6/15/2022	Rust/The Hartford	Liability Coverage, Workman's Compensation Coverage, ERISA bond, Automobile/Bus Coverage	\$ 168,472	No
6/15/2022	Staples Business Advantage	Office and student supplies	\$ 37,000	No
6/15/2022	Torsh	Video observation, coaching, and evaluation of all instructional staff	\$ 34,000	No
6/15/2022	Voyager Sopris Learning	LETRS training for additional teachers and leaders	\$ 49,000	No
6/15/2022	Washington Gas	Utilities - gas	\$ 130,173	No
6/15/2022	Wells Fargo Financial Leasing	Copier leases	\$ 28,104	No
6/15/2022	Wilson Language Learners	Foundation materials and PD	\$ 34,750	No
6/15/2022	Zoom	Video Meetings / Webinars	\$ 30,240	No
6/15/2022	Cigna	Medical, Dental, Vision	\$ 1,823,216	No
6/15/2022	Principal Financial Group	Group life, AD&D, STD	\$ 72,229	No
6/15/2022	Goalbook	SpEd online platform	\$ 33,320	No
5/31/2022	Capital Construction Group	General construction/contracting services for all campuses	\$ 900,000	No
5/31/2022	Hep Construction	General construction/contracting services for all campuses	\$ 900,000	No
5/5/2022	Councilor Buchanan & Mitchell, PC (CBM)	Year end and 401k audit services	\$ 47,450	No

CENTER CITY PUBLIC CHARTER SCHOOLS

**SUPPLEMENTAL SCHEDULE OF VENDORS AWARDED CONTRACTS EQUAL TO OR
GREATER THAN \$25,000
FOR THE YEAR ENDED JUNE 30, 2022**

Award Date	Vendor's Name	Services Provided	Amount	Conflict of Interest
3/28/2022	Comcast	Internet access	\$ 264,733	No
10/14/2021	Voyager Sopris Learning	Professional development for 25 total general ed and inclusion teachers across grades 3-5 for foundational literacy and the science of reading	\$ 41,243	No
9/16/2021	Poppin	Furniture purchase and installation services for new Central Office location	\$ 60,000	No
8/31/2021	Breathing Space	Yoga studio to provide classes for students (PreK-8th grades) at our six (6) campuses	\$ 78,000	No
8/26/2021	Zoom	Telecommunications - Virtual Meetings & Instruction	\$ 35,000	No
8/9/2021	Page Southerland Page	Full scope architectural services	\$ 40,000	No
8/9/2021	Unlimited Expressions	Speech language services for 6 campuses (intended on hiring FTE for this role, but no candidates so far). Services had to start first day of school: 8/9/21 hence why this is being submitted as an emergency	\$ 90,000	No
8/2/2021	Lexia Learning Systems	Literacy online licenses for all students - will be reimbursed via ESSER III grant	\$ 30,000	No
8/2/2021	Maryland Teacher Tutors	Math tutoring services for SY21-22 for academic recovery loss due to COVID-19. Need in time before school starts - to be reimbursed via ESSER III grant	\$ 625,000	No
8/2/2021	BookNook	Early literacy tutoring (academic recovery due to COVID-19). Need to start 8/9. To be reimbursed via ESSER III grant	\$ 26,000	No
7/30/2021	Hertz Furniture	As needed furniture and fixtures for 6 campuses	\$ 100,000	No
7/22/2021	Early Autism Solutions	ABA services for students with autism and related consult	\$ 35,000	No
7/1/2021	Torsh	Video observation, coaching, and evaluation of instructional staff	\$ 34,000	No