

DC WILDFLOWER PUBLIC CHARTER SCHOOL

**Financial Statements and Supplemental Schedules Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2023

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Financial Statements and Supplemental Schedules Together with Reports of Independent Public Accountants

JUNE 30, 2023

CONTENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS	1
Statement of Financial Position	4
Statement of Activities and Change in Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
SUPPLEMENTAL SCHEDULES (UNAUDITED)	
Schedule of Vendors Contracted for Services in Excess of \$25,000	16
Schedule of Facilities Usage	17
Schedule of Income Not Subjected to DC PCSB Administrative Fees	18
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS 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>	19



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of the
DC Wildflower Public Charter School

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DC Wildflower Public Charter School (the School), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the School as of June 30, 2023, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the auditing standards established pursuant to the District of Columbia School Reform Act, Public Law No. 104-134, 110 Stat. 1321-121, 2204(c)(11)(B)(ix)(1996); D.C. Official Code 38-1802.04(ii)(B) (2001, as amended). 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 the School and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal controls 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 the School's ability to continue as a going concern for 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 GAAS 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, or the override of internal controls. 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 GAAS 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 controls 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 the School’s internal controls. 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 the School’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 controls-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financials statements as a whole. The unaudited schedules of vendors contracted for services in excess of \$25,000, facility usage, and income not subject to the District of Columbia Public Charter School Board (DC PCSB) administrative fees are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, although not a part of the basic financial statements, are required by the DC PCSB and has not been subjected to the auditing



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, on our consideration of the School's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal controls 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 School's internal controls over financial reporting and compliance.

Washington, D.C.
December 11, 2023

SB & Company, LLC

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Statement of Financial Position As of June 30, 2023

ASSETS

Current Assets

Cash	\$	404,357
Accounts receivable		64,538
Federal grants receivable		56,415
Prepaid expense and other assets		5,674
Total Current Assets		<u>530,984</u>

Right of use asset - financing		7,387
Property and equipment, net		1,731,441
Total Assets	\$	<u><u>2,269,812</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$	58,057
Accrued salaries and payroll withholdings		25,434
Lease liabilities - financing		2,016
Loan payable		30,945
Total Current Liabilities		<u>116,452</u>

Lease liabilities- financing		5,530
Loan payable, net		1,941,814
Total Liabilities		<u>2,063,796</u>

Net Assets

Net assets without donor restrictions		206,016
Total Net Assets		<u>206,016</u>
Total Liabilities and Net Assets	\$	<u><u>2,269,812</u></u>

The accompanying notes are an integral part of this financial statement.

DC WILDFLOWER PUBLIC CHARTER SCHOOL

**Statement of Activities and Change in Net Assets
For the Year Ended June 30, 2023**

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue and Support

Per pupil allocation - general education	\$	264,773
Per pupil allocation - categorical enhancements		101,415
Per pupil allocation - facilities allowance		56,208
Federal entitlements		534,350
Federal grants		8,278
Private foundation grants and donations		315,118
Total Revenue and Support		<u>1,280,142</u>

Expenses

Educational programs		893,959
General and administrative		259,652
Fundraising		26,816
Total Expenses		<u>1,180,427</u>

Change in net assets		99,715
Net assets, beginning of year		106,301
Net Assets, End of Year	\$	<u>206,016</u>

The accompanying notes are an integral part of this financial statement.

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Statement of Functional Expenses For the Year Ended June 30, 2023

	Educational Programs	General and Administrative	Fundraising	Total
Personnel, Salaries and Benefits				
Salaries	\$ 364,139	\$ 134,474	\$ 20,047	\$ 518,660
Employee benefits	27,386	10,071	1,501	38,958
Payroll taxes	28,681	10,547	1,572	40,800
Professional development	9,054	3,343	-	12,397
Other staff salaries	1,525	-	-	1,525
Other staff expense	83	31	-	114
Total personnel, salaries and benefits	<u>430,868</u>	<u>158,466</u>	<u>23,120</u>	<u>612,454</u>
Direct Student Costs				
Supplies and materials	27,331	-	-	27,331
Contracted instruction fees	45,109	-	-	45,109
Food service/catering	12,220	-	-	12,220
Transportation	1,106	-	-	1,106
Other student costs	41,615	-	-	41,615
Depreciation - FF&E	2,522	-	-	2,522
Total direct student costs	<u>129,903</u>	<u>-</u>	<u>-</u>	<u>129,903</u>
Occupancy Expenses				
Rent	710	-	-	710
Maintenance and repairs	30,231	-	-	30,231
Janitorial supplies	1,828	-	-	1,828
Contracted building services	131,080	-	-	131,080
Utilities	11,862	-	-	11,862
Total occupancy expenses	<u>175,711</u>	<u>-</u>	<u>-</u>	<u>175,711</u>
Office Expenses				
Office supplies and materials	5,807	2,135	318	8,260
Equipment rental	418	154	23	595
Telecommunications	9,364	3,444	513	13,321
Computer and related expenses	6,291	2,314	345	8,950
Professional fees	22,781	8,378	1,249	32,408
Total office expenses	<u>44,661</u>	<u>16,425</u>	<u>2,448</u>	<u>63,534</u>
General Expenses				
Insurance	12,115	4,455	664	17,234
Authorizer fee	4,666	3,918	584	9,168
Depreciation and amortization	55,108	-	-	55,108
Interest	26,669	-	-	26,669
Other general expenses	-	-	-	-
Licenses, fees, and fines	14,258	76,388	-	90,646
Total general expenses	<u>112,816</u>	<u>84,761</u>	<u>1,248</u>	<u>198,825</u>
Total Expenses	<u>\$ 893,959</u>	<u>\$ 259,652</u>	<u>\$ 26,816</u>	<u>\$ 1,180,427</u>

The accompanying notes are an integral part of this financial statement.

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Statement of Cash Flows For the Year Ended June 30, 2023

Cash Flows from Operating Activities

Changes in net assets	\$	99,715
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense		53,804
Amortization of debt issuance costs		7,163
Right of use assets amortization		1,303
Effect of changes in non-cash assets and liabilities:		
Accounts receivable		307,580
Federal grants receivable		(56,415)
Prepaid expenses and other assets		(1,528)
Accounts payable and accrued expenses		344
Accrued salaries and payroll withholdings		(20,579)
Net Cash Flows from Operating Activities		<u>391,387</u>

Cash Flows from Investing Activities

Purchases of property and equipment		<u>(969,975)</u>
-------------------------------------	--	------------------

Cash Flows from Financing Activities

Proceeds from loan		493,001
Principal payments on lease liabilities		(1,144)
		<u>491,857</u>

Net change in cash		(86,731)
Cash, beginning of year		491,088
Cash, End of Year	\$	<u>404,357</u>

Supplemental Information

Cash paid for interest	\$	<u>22,848</u>
------------------------	----	---------------

The accompanying notes are an integral part of this financial statement.

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

1. ORGANIZATION

DC Wildflower Public Charter School (the School) was incorporated in the District of Columbia (DC) and opened its doors in October 2022 to students. The School is a public charter school, free of charge to students who reside in the District of Columbia. The School's mission is to serve a larger, universal purpose in eliminating racial and social discrimination and hierarchy – and offer an intimate liberatory educational experience.

On July 1, 2022, the School entered into a five-year contract with the District of Columbia Public Charter School Board (the Board), granting the School a charter for the establishment of a public charter school in Washington, DC. The Board has the authority to revoke the charter for violations of applicable laws and conditions, terms and procedures set forth in the charter. The School's current charter provides for enrollment of up to 225 students. Under the provisions of the contract, the Board is to make annual payments to the School for services provided to the students based on the number of students attending the School each year.

The School exists to create individual Wildflower sites in Washington DC that legally operate as charter school under the School's charter contract with the Board. The School has a services and charter affiliation agreement with The Wildflower Foundation (TWF). TWF exists to support the entire Wildflower community in creating nonprofit Montessori schools as spaces for learning that support children, families, and teachers.

The School began operations on July 1, 2021, which was considered the School's planning year prior to opening in Fall 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the School are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts and Federal Grants Receivables

Accounts and Federal grants receivables consist primarily of amounts due from governmental agencies and are recorded at their net realizable value. The School records an allowance for doubtful accounts equal to estimated losses that will be incurred in the collection of receivables. The estimated losses are based on historical collection experience and the review of the current status of existing receivables. Management believes that all receivables are fully collectible as of June 30, 2023, therefore an allowance was not booked.

Property and Equipment, Net

Property and equipment valued in excess of \$1,000 with an estimated useful life of more than one year are capitalized and recorded at cost. Bulk purchases of property and equipment with unit costs less than \$1,000 and total monetary group value acquisitions exceeding \$5,000, with an estimated useful of more than one year, are capitalized. Depreciation of property and equipment is computed using the straight-line method over the estimated useful life of the asset. Replacements, maintenance, and repairs that do not improve the useful life of an asset are expensed as incurred.

Right of Use Assets and Lease Liabilities

The School records right of use assets related to the office equipment. The right of use assets are being amortized over the term of the leases. As of June 30, 2023, the carrying value of the right of use assets was \$7,387.

The lease liability represents the future commitments for the School's office equipment leases. The term of a lease is assessed as the non-cancellable period of the lease, plus any extension options that the School is reasonably certain to exercise. The lease liabilities are discounted using the School's estimated borrowing rate.

Debt Issuance Costs

Debt issuance costs consist of costs associated with obtaining the loan payable. The debt financing costs of \$35,817 are being amortized using the effective interest rate method over the life of the debt. Accumulated amortization was \$8,576 for the year ended June 30, 2023. Amortization expense was recorded in interest expense in the statement of functional expenses.

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired.

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued)

Net assets with donor restrictions are those whose use by the School has been restricted by donors primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions. As of June 30, 2023, there were no net assets with donor restrictions for a specific time period or purpose.

Restricted and Unrestricted Support and Revenue

The School receives a student allocation from the District of Columbia as well as Federal funding to cover the cost of academic expenses. The student allocation is on a per pupil basis and includes the academic year funding and a facilities allotment. The School recognizes this funding in the year in which the school term is conducted. Funding received in advance of the school term is recorded as deferred revenue in the accompanying statement of financial position. Revenue from other government sources are recognized as earned. It is considered earned once all conditions are met.

Grants and contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted support is reported as an increase in net assets, depending on the nature of the restriction.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets 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 statement of activities and change in net assets and in the statement of functional expenses. Expenses are charged directly to program services, general and fundraising based on specific identification, when determinable. Direct student costs are 100% attributed to educational programs. Salaries and benefits are charged to programs based on time and effort. General and administrative expenses include those expenses that are not directly identified with any other specific function but provide for the overall support and direction of the School. The basis of the allocation for most general and administrative costs is direct salaries.

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity and Availability of Resources

The table below presents financial assets available to be used within one year as of June 30, 2023:

Liquidity and Availability of Resources	2023
Cash	\$ 404,357
Accounts receivable	64,538
Federal grants receivable	56,415
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 525,310

The School has a policy to structure its financial assets to be available for its general expenses, liabilities, and other obligations as they come due. The School has a goal to maintain financial assets on hand to meet at least 45 days of operating expenses.

Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The School performed an evaluation of uncertain tax positions as of June 30, 2023 and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of June 30, 2023, the statute of limitations for fiscal years 2022 and 2023 remain open with the U.S. Federal jurisdiction and local jurisdictions in which the School files tax returns. It is the School's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

Subsequent Events

The School's management evaluated the accompanying financial statements for subsequent events and transactions through December 11, 2023, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2023

3. PROPERTY AND EQUIPMENT, NET

In October 2021, the School entered into an agreement for the purchase of property at 913 55th Street, NE in Washington, D.C., where the School conducts its operations. The property was purchased for \$630,000. The School renovated the building and made certain additions which were completed in fiscal year 2022.

As of June 30, 2023, property and equipment consisted of the following:

	<u>Amounts</u>	<u>Estimated Useful Lives</u>
Building and building improvements	\$ 1,758,221	27.5 years
Computer equipment	4,500	3 years
Furniture and equipment	22,872	7 years
Total	1,785,593	
Less: accumulated depreciation	54,152	
Property and Equipment, Net	\$ 1,731,441	

Depreciation expense was \$53,804, for the year ended June 30, 2023.

4. COMMITMENTS AND CONTINGENCIES

Grants

The School receives financial assistance from Federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the School. The School's management believes such disallowance, if any, would be immaterial.

Concentration of Revenue

The School receives a substantial portion of its revenue from the District of Columbia. If a significant reduction in this revenue should occur, it may have a material effect on the School's programs.

During the year ended June 30, 2023, the School earned revenue of \$965,024, from the District of Columbia, which was approximately 69% of the total revenue and support. This amount is reflected as per pupil allocation, Federal entitlement and Federal grants in the accompanying statement of activities and change in net assets.

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2023

5. LEASE LIABILITIES

During fiscal year 2023, the School entered into a 5-year lease for office equipment. Annual principal and interest payments are approximately \$2,000. As of June 30, 2023, the future minimum payments for the office equipment was as follows:

<u>For the Years Ending June 30,</u>	<u>Amount</u>
2024	\$ 2,016
2025	2,016
2026	2,016
2027	2,016
2028	504
Total	8,568
Less: amounts representing interest	1,022
	\$ 7,546

6. LONG TERM DEBT

On January 19, 2022, the School entered into a five-year loan agreement with the District of Columbia Office of the State Superintendent of Education whereby the School received \$1.5 million to be used in connection with the acquisition, renovation, and launch of the School. The loan bears interest at 1%. The loan shall be repaid through eight quarterly installment interest only payments, followed by three years of principal and interest based on a 25-year amortization schedule. The loan is secured by the interest in the property.

On August 22, 2022, the loan was amended and restated for the principal sum of \$2 million. All other terms of the original agreement remain the same. Interest expense for the year ended June 30, 2023 was \$22,848.

The loan requires the School to maintain a debt service coverage ratio of 1.15 to 1.10 on all indebtedness for the previous 12 months and maintain at least 15 days of cash on hand.

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

6. LONG TERM DEBT (continued)

Loan payable as of June 30, 2023, consisted of the following:

Principal balance	\$	2,000,000
Less: unamortized deferred financing costs		<u>27,241</u>
Total long-term loan payable	\$	<u><u>1,972,759</u></u>

The future minimum loan principal amount years ending are as follows:

<u>June 30,</u>	<u>Amount</u>
2024	\$ 30,945
2025	71,091
2026	71,805
2027	<u>1,826,159</u>
Total	<u><u>\$ 2,000,000</u></u>

SUPPLEMENTAL SCHEDULES (UNAUDITED)

DC WILDFLOWER PUBLIC CHARTER SCHOOL

**Schedule of Vendors Contracted for Services in Excess of \$25,000
For the Year Ended June 30, 2023
(UNAUDITED)**

<u>Award Date</u>	<u>Vendor Name</u>	<u>Goods and/or Services</u>	<u>Minimum Contract Amount</u>	<u>Maximum Contract Amount</u>	<u>Conflict of Interest ("Yes" or "No")</u>
8/24/2023	Ranger	Firewatch services	\$ 25,740	\$ 102,000	No
7/1/2022	EdOps	Finance and accounting services	61,680	61,680	No
3/15/2022	Young & Well	Special education and consultation services	38,977	38,977	No
9/8/2022	FKS/Kidovation Stage	After-care programming and substitute teaching services	37,610	37,610	No

DC WILDFLOWER PUBLIC CHARTER SCHOOL

**Schedule of Facility Usage
For the Year Ended June 30, 2023
(UNAUDITED)**

	<u>Square Feet</u>
Total square footage of leased facilities	-
Total square footage of owned facilities	<u>2,200</u>
Total Square Footage of Combined Facilities	<u><u>2,200</u></u>

DC WILDFLOWER PUBLIC CHARTER SCHOOL

Schedule of Income Not Subject to the DC PCSB Administrative Fees For the Year Ended June 30, 2023 (UNAUDITED)

Total Revenue per the Financial Statements	\$	1,280,142
Income Not Subject to the DC PCSB Administrative Fees		
Private grants/donations		419,500
Private contributions		19,989
Interest income		629
Total Income Not Subject to the DC PCSB Administrative Fee		440,118
Adjusted Revenue Subject to Authorizer Fee	\$	840,024
0.9% of the Adjusted Revenue, Fee to be Paid to the PCSB	\$	7,980
Total Authorizer Fee Paid for the year ended June 30, 2023		8,614
Over/(Under) Paid	\$	634



S B & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL
CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Trustees
DC Wildflower Public Charter School

We have audited 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, the financial statements of the DC Wildflower Public Charter School (the School), which comprise the statement of financial position as of June 30, 2023, the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon date December 11, 2023.

Report on Internal Controls over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal controls over financial reporting (internal controls) to determine the 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 controls. Accordingly, we do not express an opinion on the effectiveness of the School's internal controls.

A deficiency in internal controls 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 controls, 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 controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



S B & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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 controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Washington, DC
December 11, 2023

S B & Company, LLC