



June 2, 2021

Mr. Raymond A. Pescatore  
Board Chairman  
Christopher Columbus Charter School  
1242 South 13<sup>th</sup> Street  
Philadelphia, PA 19147-3808

Dear Mr. Pescatore:

The following represents our understanding of the services we will provide the Christopher Columbus Charter School.

You have requested that we audit the governmental activities and major fund of the Christopher Columbus Charter School, as of June 30, 2021, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Christopher Columbus Charter School's basic financial statements as listed in the table of contents.

We will also audit the Christopher Columbus Charter School's compliance over major federal award programs for the period ended June 30, 2021.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs.

Accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB) require that the included supplementary information, such as management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of the School's Proportionate Share of the Net Pension Liability
3. Schedule of the School Pension Contributions
4. Schedule of the School's Proportionate Share of the Net OPEB Liability
5. Schedule of the School OPEB Contributions

### **Audit of the Financial Statements**

We will conduct our audit 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 of America; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and, if applicable, in accordance with any state or regulatory audit requirements. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* of the Comptroller General of the United States of America and, if applicable, in accordance with any state or regulatory audit requirements. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

### **Audit of Major Program Compliance**

Our audit of the Christopher Columbus Charter School's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* for the types of compliance requirements that could have a direct and material

effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

#### **Schedule of Expenditures of Federal Awards**

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

#### **Data Collection Form**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts, and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditor's reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

#### **Other Services**

With respect to any nonattest services we perform, we will assist in preparing the basic financial statements and related notes of the Christopher Columbus Charter School, and the schedule of expenditures of federal awards in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. We will also prepare the data collection form, propose adjusting journal entries (if necessary) based on the School's general ledger, and prepare the IRS Form 990 (see separate engagement letter).

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement, journal entries, and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

### Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. 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;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For the design, implementation, and maintenance of internal control over federal awards;
7. For establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the nonfederal entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
8. For identifying and ensuring that the entity complies with federal statutes, regulations, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
9. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods, and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and Data Collection Form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs, such as records, documentation, and other matters;

- b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
  18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
  19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
  20. For informing us of any unknown or suspected fraud affecting the entity involving management, employees with significant role in internal control, and others where fraud could have a material effect on compliance;
  21. For the accuracy and completeness of all information provided;
  22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
  23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

The Christopher Columbus Charter School's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. *Government Auditing Standards* require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a nonaudit service.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards.

- This engagement is limited the services previously outlined in this letter. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit. You agree that we shall not be responsible for any claim that may arise out of or relate to any of the written or oral representations relied upon by us in issuing our report to you.

In addition, you further agree to indemnify and hold us harmless from any claim, demand, or potential liability; and you agree to tender a defense (including providing counsel) on our behalf, reasonably acceptable to us, to defend against any claim, demand, or potential liability arising out of our services performed under this engagement asserted, brought, or commenced against us by any third party relating to or pertaining to any false or misleading representations by any officer, director, or member of your management team. It is expressly understood that your indemnification and duty to defend obligations apply even if such claim, demand, or potential liability asserts that we were negligent in any way or that the claimed negligence was our own negligence. If you fail to tender a defense, you agree to pay all of our costs and attorneys' fees incurred by us incident to defending against any such claim, demand, or potential liability asserted, brought, or commenced against us by any third party. Additionally, you agree to reimburse us for any settlement reached by us or any monetary award paid by us (unless you have tendered the defense required herein) in the event any such claim, demand, or potential liability is asserted, brought, or commenced against us by any third party.

You agree that any claim, dispute, or cause of action that may arise out of this engagement or relate, in any way, to this engagement, prior to any claim or cause of action being brought in any court or in any other proceeding, must first be brought to the attention of our Managing Partner by written notice ("Informal Dispute Notice"), and you agree to give the Managing Partner at least twenty (20) days after receipt of your Informal Dispute Notice to resolve any such claim or dispute ("Informal Dispute Procedure").

After the expiration of the Informal Dispute Procedure, you agree that any dispute not resolved must be submitted to mandatory mediation and that the parties will engage in the mediation process in good faith. The mandatory mediation process shall be initiated by a written demand given by either party to the other party in the engagement which describes the nature and basis of the dispute or disputes to be mediated and what relief and/or damages are sought. A mediation demand must be made within one hundred eighty (180) days after the date of the Informal Dispute Notice. Mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association existing as of the date of the mediation demand ("Mediation Rules"). The parties may agree to the selection of a mediator. However, if the parties are unable to agree to the selection of a mediator within twenty (20) days of the mediation demand (or such later time as the parties may mutually agree), such mediator shall be selected in accordance with the Mediation Rules. The Mediator selected must have a minimum of ten (10) years related experience. You shall advance the costs of the mediation, and we agree to reimburse you for one-half of such costs at the conclusion of the mediation process or as may otherwise be mutually agreed during the mediation process. The mediation shall be confidential.

Any court action or other litigation shall be conducted only within the County of New Castle, Delaware. Delaware law shall apply irrespective of any conflicts of laws rules. You agree and consent to personal jurisdiction in the federal and state courts located in New Castle County, Delaware. The parties both agree to waive any right to a trial by jury in any dispute.

Any claim or litigation arising out of this engagement, except solely for any claims by us for payment of amounts due to us under our invoices, must be commenced within the earlier of (i) one (1) year from the accrual of such claim or cause of action; or (ii) one (1) year from the completion of the engagement, notwithstanding any statute of limitations or other statutory provision to the contrary. It is expressly understood that the completion of the engagement contemplated herein shall be deemed to have occurred upon delivery of our audit report to you. However, this period shall be deemed extended for ninety (90) days after the conclusion of the mediation process if the parties were engaged in the mediation process on the date that the period to commence any claim or litigation expires.

We shall not be liable for any incidental, consequential, punitive, exemplary, or noneconomic damages of any sort. In addition, any damages shall be limited to the amount of professional fees paid by you to us in connection

with this engagement and shall not exceed such amount. Additionally, such damages shall only be required to be paid once; and upon paying such damages, we shall have no further or other liability for any damages. Further, we may refund to you the amount you paid for our services in connection with this engagement and fully discharge any and all liability to you for damages whatsoever without admitting any fault or liability.

An auditor is required to be "independent" under applicable professional guidelines. If, at any time, our independence is questioned, challenged, or otherwise at risk, we reserve the right to immediately discontinue any further services until such time as such independence issue is resolved to our satisfaction. You agree that you shall have no claim against us for any breach of this agreement if we, in good faith, cease performing work under this engagement due to any issue of independence.

You agree, during the term of this engagement and for a period of six (6) months following the conclusion of this engagement, not to discuss with or otherwise solicit for employment, hire, and/or appoint any person employed by us without our prior written consent. This prohibition shall apply to each and all entities controlled by you or any of your management team. If we give permission for you to engage in any act that you would otherwise be in violation of this prohibition, you agree to pay for all additional services that we reasonably deem to be necessary in order to maintain our independence. If you engage in any act that would be in violation of this prohibition, any reports issued by us shall be automatically deemed withdrawn and void.

The parties agree that no third-party beneficiaries are intended to be created by this engagement or by the work performed by us in connection with this engagement. However, without limiting the applicability of the foregoing, it is expressly understood that any person or entity claiming to be a third-party beneficiary of our services under this engagement shall be bound by all of the provisions of this engagement.

In the event we are required to respond to any subpoena, court order, or other legal process directing us to produce documents and/or testimony (deposition, grand jury, trial, or otherwise) related to knowledge or information we obtained and/or prepared related to, out of, or during the course of this engagement, you agree to compensate us for all time expended by us, in the same manner as set forth above in connection with such response and to reimburse us all costs incurred in connection with such response at our usual rates in effect at such time. We will notify you of the receipt of any such subpoena, court order, or other legal process, unless prohibited by law, by forwarding same to your last known address in our billing records. Unless we receive from you, at least a week before the response deadline in any such subpoena, court order, or other legal process, a court order quashing or other evidence satisfactory to us in our sole discretion that such response deadline is extended, we will respond to such subpoena, court order, or other legal process.

#### **Reporting**

We will issue a written report upon completion of our audit of the Christopher Columbus Charter School's basic financial statements. Our report will be addressed to the governing body of the Christopher Columbus Charter School. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

#### **Other**

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

**Provisions of Engagement Administration, Timing, and Price**

During the course of the engagement, we may communicate with you or your personnel via e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Edmund Fosu-Laryea, CPA is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Barbacane, Thornton & Company LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that Barbacane, Thornton & Company LLP's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussion with any of our personnel.

Our price for these services will be at our standard hourly rates plus out-of-pocket expenses. We estimate that our price for the above services will be \$22,800. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these services will be rendered each month as work progresses and are payable on presentation. Interest is charged at the rate of 1½ percent per month on past due invoices. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. The suspension or termination of our work may result in adverse consequences to you including your failure to meet deadlines imposed by governments, lenders, or other third parties. You agree that we will not be responsible for your failure to meet such deadlines, or for penalties or interest that may be assessed against you resulting from such failure. The above price is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If additional time is necessary, we will discuss it with you and arrive at a new price estimate.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated price. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

At the conclusion of our audit engagement, we will communicate to the board the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;



- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Barbacane, Thornton & Company LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to a regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Barbacane, Thornton & Company LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Very truly yours,

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP

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RESPONSE:

This letter correctly sets forth the understanding of the Christopher Columbus Charter School.

Approved by Raymond A. Pescatore  
Raymond A. Pescatore, Board Chairman

Date 06/28/2021



June 2, 2021

Mr. Raymond A. Pescatore  
Board Chairman  
Christopher Columbus Charter School  
1242 South 13<sup>th</sup> Street  
Philadelphia, PA 19147-3808

Dear Mr. Pescatore:

This letter is to confirm and specify the terms of our tax engagement with the Christopher Columbus Charter School for the years ended June 30, 2021, 2020, and 2019 and clarify the nature and extent of the tax services we will provide.

Our engagement is designed to perform the following services:

1. Prepare Form 990 with supporting schedules.
2. Prepare any other state return as requested by you in writing at an additional price. A separate engagement letter will be issued for the additional services. None have been requested as of the date of this letter.

This engagement letter does not cover preparation of any financial statements, which, if we are to provide, will be covered under a separate engagement letter.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the return(s) to us. You also have final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it.

You are responsible for assuming all management responsibilities and overseeing any services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable price. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. We will not verify the information you give us; however, we may ask for additional clarification of some information.

If during our work we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

The firm may, from time to time and depending on the circumstances, use third-party service providers to assist in preparing your return, but these preparers will not make substantive decisions concerning your return. We may share your tax return information with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information, and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, the firm will remain responsible for the work provided by any such third-party service providers.

In accordance with federal law and under no circumstances will we disclose your tax information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The Internal Revenue Service permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the due date of the return. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the Internal Revenue Service to discuss your return with us.

It is our policy to keep records related to this engagement for seven (7) years. However, we do not keep any of your original records and will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven (7) year period, we may destroy or otherwise dispose of all of our records related to this engagement.

Certain communications involving tax advice are privileged and not subject to disclosure to the Internal Revenue Service. By disclosing the contents of those communications to anyone or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written advance authority to make that disclosure.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the price for the preparation of the tax return(s).

You agree that we shall not be responsible for any claim that may arise out of or relate to any of the written or oral representations relied upon by us.

In addition, you further agree to indemnify and hold us harmless from any claim, demand, or potential liability; and you agree to tender a defense (including providing counsel) on our behalf, reasonably acceptable to us, to defend against any claim, demand, or potential liability arising out of our services performed under this engagement asserted, brought, or commenced against us by any third party relating to or pertaining to any false or misleading representations by any officer, director, or member of your management team. It is expressly understood that your indemnification and duty to defend obligations apply even if such claim, demand, or potential liability asserts that we are negligent in any way or that the claimed negligence was our own negligence. If you fail to tender a defense, you agree to pay all of our costs and attorneys' fees incurred by us incident to defending against any such claim, demand, or potential liability asserted, brought, or commenced

against us by any third party. Additionally, you agree to reimburse us for any settlement reached by us or any monetary award paid by us (unless you have tendered the defense required herein) in the event any such claim, demand, or potential liability is asserted, brought, or commenced against us by any third party.

You agree that any claim, dispute, or cause of action that may arise out of this engagement or relate, in any way, to this engagement, prior to any claim or cause of action being brought in any court or in any other proceeding, must first be brought to the attention of our Managing Partner by written notice ("Informal Dispute Notice") and you agree to give the Managing Partner at least twenty (20) days after receipt of your Informal Dispute Notice to resolve any such claim or dispute ("Informal Dispute Procedure").

After the expiration of the Informal Dispute Procedure, you agree that any dispute not resolved must be submitted to mandatory mediation and that the parties will engage in the mediation process in good faith. The mandatory mediation process shall be initiated by a written demand given by either party to the other party in the engagement which describes the nature and basis of the dispute or disputes to be mediated and what relief and/or damages are sought. A mediation demand must be made within one hundred eighty (180) days after the date of the Informal Dispute Notice. Mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association existing as of the date of the mediation demand ("Mediation Rules"). The parties may agree to the selection of a mediator. However, if the parties are unable to agree to the selection of a mediator within twenty (20) days of the mediation demand (or such later time as the parties may mutually agree), such mediator shall be selected in accordance with the Mediation Rules. The Mediator selected must have a minimum of ten (10) years related experience. You shall advance the costs of the mediation, and we agree to reimburse you for one-half of such costs at the conclusion of the mediation process or as may otherwise be mutually agreed during the mediation process. The mediation shall be confidential.

Any court action or other litigation shall be conducted only within the County of New Castle, Delaware. Delaware law shall apply irrespective of any conflicts of laws rules. You agree and consent to personal jurisdiction in the federal and state courts located in New Castle County, Delaware. The parties both agree to waive any right to a trial by jury in any dispute.

Any claim or litigation arising out of this engagement, except solely for any claims by us for payment of the amounts due to us under our invoices, must be commenced within the earlier of (i) one (1) year from the accrual of such claim or cause of action; or (ii) one (1) year from the completion of the engagement, notwithstanding any statute of limitations or other statutory provision to the contrary. It is expressly understood that the completion of the engagement contemplated herein shall be deemed to have occurred upon filing the tax returns (if filed by us) or upon our providing such tax returns to you for filing. However, this period shall be deemed extended for ninety (90) days after the conclusion of the mediation process if the parties were engaged in the mediation process on the date that the period to commence any claim or litigation expires.

We shall not be liable for any incidental, consequential, punitive, exemplary, or non-economic damages of any sort. In addition, any damages shall be limited to the amount of professional fees paid by you to us in connection with this engagement and shall not exceed such amount. Additionally, such damages shall only be required to be paid once; and upon paying such damages, we shall have no further or other liability for any damages. Further, we may refund to you the amount you paid for our services in connection with this engagement and fully discharge any and all liability to you for damages whatsoever without admitting any fault or liability.

#### **Other Matters**

The parties agree that no third-party beneficiaries are intended to be created by this engagement or by the work performed by us in connection with this engagement. However, without limiting the applicability of the foregoing, it is expressly understood that any person or entity claiming to be a third-party beneficiary of our services under this engagement shall be bound by all of the provisions of this engagement.

In the event we are required to respond to any subpoena, court order, or other legal process directing us to produce documents and/or testimony (deposition, grand jury, trial or otherwise) related to knowledge or information we obtained and/or prepared related to, out of, or during the course of this engagement, you agree to compensate us for all time expended by us, in the same manner as set forth above in connection with such response, and to reimburse us all costs incurred in connection with such response at our usual rates in effect at

such time. We will notify you of the receipt of any such subpoena, court order, or other legal process, unless prohibited by law, by forwarding the same to your last known address in our billing records. Unless we receive from you, at least a week before the response deadline in any such subpoena, court order, or other legal process, a court order quashing or other evidence satisfactory to us in our sole discretion that such response deadline is extended, we will respond to such subpoena, court order, or other legal process.

**Engagement Price, Administration, and Other**

Our price for this engagement is not contingent on the results of our service. Rather, our price for this engagement will be based on a number of factors, including but not limited to, the time spent and the complexity of the services we will perform. In addition, the organization agrees to reimburse us for any out-of-pocket costs incurred in connection with the performance of our services. We estimate that our price for the above services will be \$3,600 (\$1,200 for each year). If significant additional time is necessary, we will discuss it with you and arrive at a new price estimate. Invoices are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1½ percent per month. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due us, the organization agrees to reimburse us for the costs of collection including attorneys' fees.

We have the right to withdraw from this engagement at our discretion if you fail to provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior or contemporaneous oral or written discussions, negotiations, representations, promises, or commitments by or between the parties. Any modifications, changes, or additions to the terms set forth in this letter will only become effective if evidenced by a writing signed or transmitted by the party against whom such amendment or modification is sought to be enforced clearly indicating assent to such amendment or modification.

We want to express our appreciation for this opportunity to work with you. If the foregoing correctly sets forth your understanding of our tax engagement, please sign this letter in the space below and return it to our office. If you have any questions, need any additional information or disagree with any of these terms, please notify us immediately.

Very truly yours,

*Barbacane, Thornton & Company LLP*

BARBACANE, THORNTON & COMPANY LLP

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RESPONSE:

This letter correctly sets forth the understanding of the Christopher Columbus Charter School.

Approved by Raymond A. Pescatore  
Raymond A. Pescatore, Board Chairman

Date 06/28/2021