



December 7, 2020

To the Board of Trustees  
of Pennsylvania Distance Learning Charter School  
Sewickley, Pennsylvania

We have audited the financial statements of the governmental activities of the General Fund of Pennsylvania Distance Learning Charter School (the School) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 8, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2020. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the School's financial statements were:

Management's estimate of the allowance for doubtful accounts is based on past experience, aging of the receivables, adverse situations that may affect a district's or grantor's ability to pay, current economic conditions, and other relevant factors. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that they were reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension and other postemployment benefits other than pension liabilities is based on the independently audited schedules of the Commonwealth of Pennsylvania Public School Employees' Retirement System (PSERS) as of and for the year ended June 30, 2019. We evaluated the key factors and assumptions used to develop the net liabilities in determining that they were reasonable in relation to the financial statements taken as a whole.

Management's allocation of expenses to functional classifications is based on specific identification, estimates of square footage or through informal allocations of employee time. We evaluated the key factors and assumptions used to develop the functional expense allocations in determining that they were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, the attached schedule summarizes material misstatements detected as a result of audit procedures that were corrected by management.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 7, 2020.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Proportionate Share of Net Pension Liability, Schedule of Proportionate Share of Net OPEB Liability, and Schedule of School's Contributions that are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of Pennsylvania Distance Learning Charter School and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Hill, Barth & King LLC*  
Certified Public Accountants

**Pennsylvania Distance Learning Charter School  
Schedule of Corrected Misstatements  
Year ended June 30, 2020**

Description (Nature) of Audit Difference (AD)	Factual (F), Judgmental (J), or Projected (P)	Over (Under) Statement					
		Total Assets & Deferred Outflows	Total Liabilities & Deferred Inflows	Net Position	Revenues	Expenses	Change in Net Position
To reclassify depreciation & PPE additions from investment in fixed asset accounts, and to reclassify GASB 68 & 75 expense out of Net Assets.	F	\$ -	\$ -	\$ 123,982	\$ -	\$ 123,982	\$ 123,982
To record deferred rent related to new building lease	F	\$ -	\$ (82,970)	\$ -	\$ -	\$ (82,970)	\$ (82,970)
Total		-	(82,970)	123,982	-	41,012	41,012
Less audit adjustments subsequently booked		-	82,970	(123,982)	-	(41,012)	(41,012)
Net unadjusted AD—current year (iron curtain method)		-	-	-	-	-	-
Effect of unadjusted AD—prior years		-	-	-	-	-	-
Combined current year and prior year AD (rollover method)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Financial statement caption totals		\$ 7,612,252	\$ 9,372,057	\$ (581,142)	\$ 14,782,335	\$ 13,880,108	\$ 902,227
Current year AD as % of F/S captions (iron curtain method)		0.38%	0.00%	0.00%	0.21%	0.00%	0.00%
Current and prior year AD as % of F/S captions (rollover method)		0.38%	0.00%	0.00%	0.21%	0.00%	0.00%