

February 5, 2024

Board and Management
SciTech Academy
Richfield, Minnesota

Dear Board and Management :

We have audited the financial statements of the governmental activities and each major fund of SciTech Academy (the "Academy") for the year ended June 30, 2023. Professional standards require that we provide you with the following information related to the audit:

Our Responsibility Under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and the Uniform Guidance

As stated in our engagement letter dated August 8, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered SciTech Academy's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether SciTech Academy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about SciTech Academy's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on SciTech Academy's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on SciTech Academy's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope, timing, and with respect to significant risks identified by us, all of which were previously communicated to your representative, in our meeting about such matters on November 1, 2023, in addition to our engagement letter dated August 8, 2023, accepted by management.

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 SciTech Academy are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the SciTech Academy changed accounting policies related to SBITA's by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, Subscription Based Information Technology Arrangements (SBITAs), in 2023. Accordingly, there was no cumulative effect of the accounting change as of the beginning of the year.

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 financial statements were

- 1) Value of and depreciable lives of fixed assets
- 2) Net pension liability, deferred outflow of resources and deferred inflow of resources.

Management's estimate of the value of depreciable lives of fixed assets is based on generally accepted accounting principles. We evaluated the key factors and assumptions used to develop the value of depreciable lives of fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and the related deferred outflow of resources and deferred inflow of resources are dependent on actuarial assumptions used by the Public Employees Retirement Association of Minnesota's (PERA) and the Teachers Retirement Association (TRA) to determine the collective pension liabilities of PERA and TRA and the allocations to the individual employers. We verified and recalculated amounts specific to the Academy, including the employer amount used in the allocation percentage, the allocation percentage of the employer, and the pension amount allocated to the employer based on the allocation percentage.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was:

The disclosure of Employee Benefit Plans in Note 7 to the financial statements .

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 known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgement, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 February 1, 2024, a copy of which accompanies this letter.

Management Consultations with Other 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 Academy'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 Academy'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

Required Supplementary Information Accompanying Audited Financial Statements

We applied certain limited procedures to the public employees retirement association (PERA) pension benefits plan schedule of Academy's and Nonemployer proportionate share of net pension liability and the PERA schedule of Academy contributions; and the teacher's retirement association (TRA) pension benefits plan schedule of Academy's and nonemployer proportionate share of net pension liability and schedule of Academy contributions, which are required supplementary information (RSI) that supplements 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.

Supplementary Information Accompanying Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements.

We are not aware of any documents or other information containing audited financial statements and, furthermore, management has not requested us to devote attention to any documents containing audited financial statements.

This communication is intended solely for the information and use of Board and Management and, if appropriate, management of SciTech Academy, and , and is not intended to be, and should not be used by anyone other than these specified parties.

We appreciate the opportunity to be of service to SciTech Academy.

Sincerely,

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

Wipfli LLP

Enc.

To the School Board of
SciTech Academy

SCHEDULE 1

Effect of Misstatement and Classification Errors on Statement of Activities

Debit (Credit)

Fund	Description	Assets	Liabilities	Equity Before Income	Income
Current Year Misstatements					
Known Misstatement					
Gov-wide					
	Accelerated depreciation in prior year	16,338	-	(591)	16,929
Projected Misstatement					
None					
		-	-	-	-
<hr/>					
	Total Effect in CY	16,338	-	(591)	16,929
<hr/>					
	Financial Statement Caption Totals:	4,479,773	(4,464,869)	14,904	404,329
	Difference as a % of F/S Caption totals	0.36%	0.00%	-3.97%	4.19%

Wipfli LLP
4890 Owen Ayres Ct., Suite 200
Eau Claire, WI 54701

This representation letter is provided in connection with your audit of the financial statements of the governmental activities and each major fund of the SciTech Academy (the "Academy") as of June 30, 2023 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP).

This representation letter is also provided in connection with your audit of the federal award programs of the Academy as of and for the year ended June 30, 2023, which was performed in accordance with auditing standards generally accepted in the United States and 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 the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We understand that the purpose of your testing of transactions and records of the Academy's federal programs was to obtain reasonable assurance that the Academy had complied, in all material respects, with the compliance requirements that could have a direct and material effect on each of its major programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, 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. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date this letter is signed, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 8, 2023.
2. The financial statements referred to above are fairly presented in conformity with GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
3. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
4. We acknowledge our responsibility 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.

5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
6. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
7. There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with GAAP.
8. All events subsequent to the date of the financial statements and for which GAAP requires adjustment or disclosure have been adjusted or disclosed.
9. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to this letter. In addition, you have proposed adjusting journal entries that have been posted to our accounts. We are in agreement with those entries.
10. Guarantees, whether written or oral, under which the Academy is contingently liable, if any, have been properly recorded or disclosed in accordance with GAAP.

Information Provided

11. We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Academy from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the Academy and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Academy's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
 - a We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP or which would affect federal programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.

Government—specific

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that you have reported to us.
20. We have a process to track the status of audit findings and recommendations.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
23. The Academy has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
24. We are responsible for compliance with the laws, regulations, and provisions of contract and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
25. We have no knowledge of any instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
26. We have no knowledge of any instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
28. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contract and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
29. For leases under the GASB 87 standard, we have provided a copy of all new and continuing agreements to you, and we have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.
30. We are aware of the requirements for the GASB 96 standard and have no material SBITA contracts

needing to be included in our financial statements.

31. The methods we used in developing accounting estimates are applied consistently, data is accurate and complete, and the assumptions are reasonable.
32. We accept responsibility for and have designated an individual with suitable skill, knowledge, or experience to oversee the following nonattest services:
 - ◆ Financial statement preparation
 - ◆ Data collection form preparation
 - ◆ Miscellaneous accounting and operational consulting
33. The Academy has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
34. The Academy has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
35. The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
36. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
37. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
38. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
39. Provisions for uncollectible receivables have been properly identified and recorded.
40. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
41. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
42. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
43. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
44. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
45. We have appropriately disclosed the Academy's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
46. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

47. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
48. With respect to the schedule of expenditures of federal awards:
 - a. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards in accordance with GAAP. The methods of measurement and presentation of the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
49. With respect to federal award programs:
 - a. We are responsible for understanding and complying with and have complied with the 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), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program.
 - c. We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
 - d. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs and related activities.
 - e. We have received no requests from a federal agency to audit one or more specific programs as a major program.
 - f. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and [have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards OR confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards].
 - g. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

- h. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- i. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2CFR Part 200, Subpart E).
- j. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- k. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- l. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- m. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- n. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- o. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- p. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- q. We have charged costs to federal awards in accordance with applicable cost principles.
- r. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- s. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- t. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- u. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- v. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

To the School Board of
SciTech Academy

SCHEDULE 1

Effect of Misstatement and Classification Errors on Statement of Activities

Debit (Credit)

Fund	Description	Assets	Liabilities	Equity Before Income	Income
Current Year Misstatements					
Known Misstatement					
Gov-wide					
	Accelerated depreciation in prior year	16,338	-	(591)	16,929
Projected Misstatement					
	None	-	-	-	-
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	Total Effect in CY	16,338	-	(591)	16,929
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	Financial Statement Caption Totals:	4,479,773	(4,464,869)	14,904	404,329
	Difference as a % of F/S Caption totals	0.36%	0.00%	-3.97%	4.19%

Signature: Abdi Abdulle
Abdi Abdulle (Feb 1, 2024 10:23 CST)

Email: aabdulle@scitechacademymn.org

Signature: Joe Aliperto
Joe Aliperto (Feb 1, 2024 14:30 CST)

Email: joe@diecisf.com