

Staff No.	Name of Employee	PA Certified Yes/No	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assignment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignmmt	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
1	ALEXIS, MARIA	YES	Instructional II Biology 7-12 (8405) Instructional II Environmental Educ PK-12 (4820)	6-12	Science 7, Fundamentals of Science	1463	100	0
2	ALGEO, REBECCA	YES	Instructional I Health & Physical Educ PK-12 (4805)	6-8	Health/PE	473	100	0
3	BLOOMER, MEGHAN	YES	Instructional I Mathematics 7-12 (6800)	6-12	Adjunct Teacher, Mathematics Support	100	100	0
4	BOATWRIGHT, RACHEL	YES	Instructional I Social Studies 7-12 (8875) Instructional I English 7-12 (3230) Instructional I Library Science PK-12 (6420)	9-12	AP US History, World Geography, Creative Writing, Holocaust & Genocide Literature Seminar	900	100	0
5	BOOTH, TIMOTHY	YES	Instructional I English 7-12 (3230) Instructional I Mathematics 7-12 (6800)	9-12	Adjunct Teacher, Mathematics Support	100	100	0
6	BUGAY, JOHN	YES	Instructional I Physics 7-12 (8470) Instructional I General Science 7-12 (8450) Instructional I Mathematics 7-12 (6800) Instructional I Biology 7-12 (8405)	9-12	Forensic Science, Physical Science, Physics, Course Development	1706	100	0
7	BURPOE, JENNIFER	YES	Instructional II Elementary K-6 (2810) Instructional II English 7-12 (3230) Instructional II Social Studies 7-12 (8875)	6-12	American Heritage, Ancient History, American History, Course	1463	100	0
8	CAMPBELL, NICHOLAS	YES	Instructional II Elementary K-6 (2810) Instructional II Mid-Level English 6-9 (2850) Instructional II Special Education PK-12 (9225) Program Specialist English as a Second Language (ESL) PK-12 (4499) Instructional II English 7-12 (3230) Endorsement Autism PK-12 (1180)	9-12	Special Education Teacher	1463	100	0
9	CHAMBERLAIN, SUSAN	YES	Instructional I English 7-12 (3230)	9-12	Elements of Drama & Theatre, Elements of Language, AP English Literature & Composition	1463	100	0
10	CHU, PEICHENG	YES	Instructional II Mid-Level Mathematics 6-9 (2860) Instructional II Chinese PK-12 (4405) Instructional II German PK-12 (4420)	9-12	Driver's Ed., German, Keyboarding, Mandarin Chinese, Study Skills,	1950	100	0

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			Instructional II Safety Ed/Driver Ed 7-12 (5215)		Course Development			
11	COOKE, ASHLEY	YES	Educational Specialist I Elementary School Counselor K-6 (1836) Educational Specialist I Secondary School Counselor 7-12 (1837)	6-8	School Counselor	1950	100	0
12	COPENHAVER, ALEX	YES	Instructional I Mathematics 7-12 (6800)	9-12	Adjunct Teacher, Mathematics Support	100	100	0
13	CRONIN, ROBERT	YES	Instructional I Biology 7-12 (8405) Instructional I Environmental Educ PK-12 (4820)	9-12	Biology	1463	100	0
14	DALY, ANNE	YES	Instructional II Elementary K-6 (2810) Instructional II Special Education PK-12 (9225)	9-12	Special Education Teacher	1463	100	0
15	DICKINSON, MARK	YES	Instructional I Social Studies 7-12 (8875)	7-12	American History, Sociology, World Cultures, Course Development	1706	100	0
16	DOUGLAS, LAUREN	YES	Instructional II Biology 7-12 (8405)	9-12	Fundamentals of Science, Genetics, Intro to Scientific Principles, Intro to Forensic Science,	293	100	0
17	DRISCOLL, JAMES	YES	Instructional I Social Studies 7-12 (8875)	10-12	Economics, US Govt.,	1463	100	0
18	DULANEY, MELISSA	YES	Instructional I Communications 7-12 (3200) Instructional I English 7-12 (3230)	7-12	Adjunct Teacher, American Literature, English Literature	100	100	0
19	ELDER, LAURA	YES	Supervisory Supvr Curriculum & Inst PK-12 (2915) Instructional II Citizenship 7-12 (8825) Instructional II Mid-Level Citiz. Ed 6-9 (2870) Instructional II Social Studies 7-12 (8875) Instructional II English 7-12 (3230)	9-12	American History, AP US History	1463	100	0
20	ELLSWORTH, AMY	YES	Instructional I Mathematics 7-12 (6800)	9-12	Ap Calculus, Calculus, Geometry	1463	100	0
21	ENGEL, MEREDITH	YES	Instructional II English 7-12 (3230)	7-12	Course Development	1875	100	0

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22	FARRELL, KRISTI	YES	Instructional I Mathematics 7-12 (6800)	7-12	Algebra Concepts, Algebra I, Computer Science Essentials, Intro to Accounting, Pre-Algebra	1463	100	0
23	FAUST, CORY	YES	Educational Specialist II Secondary School Counselor 7-12 (1837)	9-12	School Counselor	518	100	0
24	FIOLO-MILLER, JENNIFER	YES	Instructional II English 7-12 (3230) Instructional II Reading Specialist PK-12 (7650)	9-12	Journalism, American Literature, Elements of Language	1463	100	0
25	FRANK, MONICA	YES	Instructional I Elementary K-6 (2810) Instructional I Mid-Level Citiz. Ed 6-9 (2870) Instructional I Mid-Level Mathematics 6-9 (2860) Instructional I Mid-Level Science 6-9 (2880) Instructional I Family-Consumer Sci PK-12 (5600) Administrative I Principal PK-12 (1115)	9-12	HS Principal	1950	100	0
26	FREETH, JENA	YES	Instructional I Grades 4-8 (All subjects 4-6 English Language Arts and Reading 7-8) (3100) Instructional I Grades 4-8 (All subjects 4-6 Mathematics 7-8) (3100)	6-8	Algebra I, MS Algebra, Pre-Algebra	1463	100	0
27	FRIEDMAN, AMANDA	YES	Instructional II Spanish PK-12 (4490)	9-12	Adjunct Teacher, Spanish II & III	100	100	0
28	GALETTE, STEVEN	YES	Instructional II Health & Physical Educ PK-12 (4805)	6-12	Independent Study, Off Campus PE, PE/Health	1463	100	0
29	GALICZYNSKI, SEAN	YES	Educational Specialist I Elementary & Secondary School Counselor PK-12 (1839)	9-12	School Counselor	803	100	0
30	GELLER, KIMBERLY	YES	Instructional I Art PK-12 (1405) Instructional I Mid-Level Mathematics 6-9 (2860)	6-12	Art Appreciation, Art I, II & III, Digital Photography, Drawing	1463	100	0
31	GIAGNACOVA, NANCY	YES	Instructional I Elementary K-6 (2810) Supervisory Supvr Special Education PK-12 (9215) Supervisory Supvr Curriculum & Inst PK-12 (2915)	6-12	Director of Special Education	1463	100	0
			Instructional II Communications 7-12 (3200)		Business			

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32	GIBSON, EMILY	YES	Instructional II English 7-12 (3230) Instructional II Family-Consumer Sci PK-12 (5600)	9-12	Communications, English Composition, Fashion & Textiles	1013	100	0
33	GOWTON, HEATHER	YES	Instructional II Biology 7-12 (8405) Instructional II Chemistry 7-12 (8420) Instructional II Environmental Educ PK-12 (4820) Instructional II General Science 7-12 (8450) Instructional II Mid-Level Mathematics 6-9 (2860) Instructional II Special Education PK-12 (9225)	6-12	Instructional Systems Design Technology Developer	1950	100	0
34	GRECO, ESTELLA	YES	Exceptional Case Special Education 7-12 (9227) Private School - Teacher Nursery/Kindergarten N-K (12833) Instructional I Grades 4-8 (All subjects 4-6 English Language Arts and Reading 7-8) (3100) Instructional I Special Education PK-8 (9226)	9-12	Special Education Teacher	1463	100	0
35	GRIFFIN, KATELYN	YES	Instructional I English 7-12 (3230) Instructional I Grades 4-8 (All subjects 4-6 English Language Arts and Reading 7-8) (3100)	6-8	Language Arts	1463	100	0
36	GROBMAN, JODI	YES	Instructional II Mathematics 7-12 (6800) Instructional II Social Studies 7-12 (8875)	9-12	Algebra I & II, Integrated Math	1463	100	0
37	GROFF, KATHLEEN	YES	Supervisory Supvr Curriculum & Inst PK-12 (2915) Instructional II English 7-12 (3230) Instructional II Social Studies 7-12 (8875)	6-12	Lead Teacher - Curriculum Development	1140	100	0
38	HAMMOND, JESSICA	YES	Instructional II English 7-12 (3230)	9-12	English Literature	1463	100	0
39	HARMER, KELLEY	YES	Instructional II Elementary K-6 (2810) Administrative Principal PK-12 (1115)	6-8	MS Principal	945	100	0
40	HARTMANN, JESSIE	YES	Instructional I English 7-12 (3230) Instructional I Social Studies 7-12 (8875)	9-12	Business Communications, Elements of Language	1463	100	0
41	HELENIAK, DANA	YES	Instructional I Mathematics 7-12 (6800)	9-12	Algebra Concepts, Algebra I & II, AP Statistics, Intro to Statistics	1463	100	0

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42	HEVENER, VICTORIA	YES	Emergency Permit: LT Sub with Educational Obligation English 7-12 (3230) Instructional I English 7-12 (3230)	7-12	American Literature, Creative Writing, English Literature, Fundamentals of English, Graphic Novel Seminar, Language Arts	1463	100	0
43	HOYT, TRISHA	YES	Instructional II Elementary K-6 (2810) Instructional II Mid-Level Mathematics 6-9 (2860)	6-8	MS Algebra, Course Development	1463	100	0
44	HUGGINS, MICHAEL	YES	Instructional I Mathematics 7-12 (6800)	9-12	Algebra I, Fundamentals of Math	1463	100	0
45	HUGHES, LAUREN	YES	Instructional I Social Studies 7-12 (8875)	9-12	AP Human Geography, World Geography, World History	1463	100	0
46	IOVINE, HEATHER	YES	Instructional II Biology 7-12 (8405) Instructional II Earth and Space Science 7-12 (8440) Instructional II General Science 7-12 (8450)	7-12	Lead Teacher	1613	100	0
47	JEFFERIS, SARAH	YES	Instructional I Family-Consumer Sci PK-12 (5600) Instructional I Art PK-12 (1405)	6-12	Art I, II & III, Digital Photography, Film Appreciation	1463	100	0
48	KEMMERER, SARAH	YES	Instructional I Elementary K-6 (2810) Instructional I Mid-Level Mathematics 6-9 (2860) Instructional I Mid-Level Science 6-9 (2880)	6-8	Science 6 & 8	1463	100	0
49	KERESTES, CAROLINE	YES	Instructional I Grades PK-4 (2825) Instructional I Special Education PK-8 (9226) Instructional I Grades 5-6 (2826)	6-8	Special Education Teacher	555	100	0
50	KINSCH, MATTHEW	YES	Instructional II English 7-12 (3230) Instructional II Mid-Level English 6-9 (2850) Instructional II Social Studies 7-12 (8875) Instructional I Mid-Level Mathematics 6-9 (2860)	6-12	Philosophy, World Religions, Language Arts	1463	100	0
51	KREISER, GALEN	YES	HOUSSE Designation - Charters Only Chemistry 7-12 (8420) Instructional II Technology Education PK-12 (6075) Instructional II Earth and Space Science 7-12 (8440) Instructional II Environmental Educ PK-12 (4820)	9-12	Environmental Science, Earth & Space Science	1463	100	0

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			Instructional II General Science 7-12 (8450) Instructional II Mid-Level Science 6-9 (2880) Instructional II Mid-Level Mathematics 6-9 (2860)					
52	LAIDLAW, ERIKA	YES	Administrative Principal PK-12 (1115) Instructional II Health & Physical Educ PK-12 (4805) Instructional II Library Science PK-12 (6420)	9-12	Assistant Principal	1950	100	0
53	LESKINEN, STEPHANIE	YES	Instructional II Biology 7-12 (8405) Instructional II Chemistry 7-12 (8420) Instructional II General Science 7-12 (8450)	9-12	Biology, Chemistry, Concepts of Science. Earth & Space Science, Environmental Science, Course Development	1706	100	0
54	LION, JUDITH	YES	Program Specialist English as a Second Language (ESL) PK-12 (4499) Instructional II English 7-12 (3230) Instructional II Family-Consumer Sci PK-12 (5600)	6-12	EL Support, Family & Consumer Science, Parenting & Child Development, Study	1418	100	0
55	LIVESEY, RACHEL	YES	Instructional II Communications 7-12 (3200) Instructional II English 7-12 (3230)	6-12	English Literature & Composition, Holocaust & Genocide Literature Seminar, Language Arts	1463	100	0
56	MALONEY, JULIE	YES	Instructional I Mathematics 7-12 (6800)	9-12	Algebra II, Consumer Math, Geometry	470	100	0
57	MCCOY, ANN	YES	Educational Specialist II Secondary School Counselor 7-12 (1837)	7-12	School Counselor	1950	100	0
58	MESLENER, MARCUS	YES	Instructional I Social Studies 7-12 (8875)	7-12	Sociology, US Govet & Economics, US Govet., World Cultures, World Geography	368	100	0
59	MESSENGER, HEATHER	YES	Administrative I Principal PK-12 (1115) Educational Specialist II Secondary School Counselor 7-12 (1837)	6-8	MS Principal	548	100	0
			Instructional II Mid-Level Mathematics 6-9 (2860)		History of Rock & Roll,			

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60	MEYER, MICHAEL	YES	Instructional II Music PK-12 (7205)	6-12	Music Appreciation, Music I, II & III, Off Campus Music	1463	100	0
61	MICHENER, LAUREN	YES	Instructional II English 7-12 (3230) Instructional II Mid-Level Mathematics 6-9 (2860)	6-12	Learning Coach	1950	100	0
62	MICHENER, JOSEPH	YES	Instructional II Bus-Computer-Info Tech PK-12 (1603) Instructional II Social Studies 7-12 (8875)	9-12	Business Law, Business Marketing, American History	1463	100	0
63	MOYER, LAURIE	YES	Instructional II Spanish PK-12 (4490)	6-12	Adjunct Teacher, Intro to Spanish, Spanish I, Study Skills	100	100	0
64	MOYNIHAN, LISA	YES	Educational Specialist II Secondary School Counselor 7-12 (1837)	9-12	School Counselor	1950	100	0
65	MULLINS, COLLEEN	YES	Instructional II Biology 7-12 (8405) Instructional II Chemistry 7-12 (8420) Instructional II Mid-Level Mathematics 6-9 (2860) Instructional II Family-Consumer Sci PK-12 (5600) Instructional II Mid-Level Science 6-9 (2880)	6-12	Intro to Scientific Principles, Science	1463	100	0
66	MURRAY, ALLAN	YES	Instructional II Health & Physical Educ PK-12 (4805)	9-12	First Aid & Emergency Care, Health	1463	100	0
67	NEWSTED, NATHANIEL	YES	Instructional I Technology Education PK-12 (6075)	6-8	Tech Ed.	1463	100	0
68	PARKER, CARLY	YES	HOUSSE Designation English 7-12 (3230) Instructional II Ment and/or Phys Handicapped K-12 (9235) Instructional II Mid-Level English 6-9 (2850) Instructional II Family-Consumer Sci PK-12 (5600) Supervisory Supvr Special Education PK-12 (9215)	6-12	Special Ed. Transition Coordinator	1613	100	0
69	PARVIN, DEBORAH	YES	Program Specialist English as a Second Language (ESL) PK-12 (4499) Instructional II English 7-12 (3230) Instructional II Mid-Level Citiz. Ed 6-9 (2870) Instructional II Mid-Level Mathematics 6-9 (2860) Instructional II Social Studies 7-12 (8875) Instructional II Spanish PK-12 (4490)	6-12	EI Support, EL Monitor, Spanish I & II	1463	100	0

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70	PATEL, PRAKASH	YES	Instructional II Mathematics 7-12 (6800) Supervisory Supvr Curriculum & Inst PK-12 (2915)	6-12	IT Director	1950	100	0
71	PERRUPATO-SCARPIGNATO, HA	YES	Instructional II Early Childhood N-3 (2840) Instructional II Elementary K-6 (2810) Instructional II English 7-12 (3230) Instructional II Mid-Level English 6-9 (2850) Instructional II Special Education PK-12 (9225)	6-9	Special Education Teacher	1463	100	0
72	PROVASNIK III, JOHN	YES	Instructional I Elementary K-6 (2810) Instructional I Mid-Level Mathematics 6-9 (2860)	6-12	Instructional Systems Design Coordinator	1950	100	0
73	PUGLIESE, TRACY	YES	Instructional II Biology 7-12 (8405) Instructional II Chemistry 7-12 (8420) Instructional II General Science 7-12 (8450) Instructional II Mid-Level Citiz. Ed 6-9 (2870) Instructional II Mid-Level English 6-9 (2850)	9-12	Biology, Independent Study, Intro to Scientific Principles	1463	100	0
74	RAPP, TERRI	YES	Instructional II Mathematics 7-12 (6800)	9-12	Course Development	731	100	0
75	REGINA, CASEY	YES	Instructional I Mid-Level Science 6-9 (2880) Instructional I Mathematics 7-12 (6800)	9-12	Consumer Math, Pre-Calculus, Algebra I	1463	100	0
76	REPKO, NANCY	YES	Instructional I Reading Specialist PK-12 (7650) Instructional I English 7-12 (3230) Instructional I French PK-12 (4410)	9-12	French I & II, English Composition	1463	100	0
77	ROMERO, KERA	YES	Instructional II Elementary K-6 (2810) Instructional II English 7-12 (3230) Instructional II Mid-Level English 6-9 (2850) Instructional II Special Education PK-12 (9225)	9-12	Special Education Teacher	1463	100	0
78	RUBY, BENJAMIN	YES	Letter of Equivalency Master's Equivalency - (1185) Instructional II Social Studies 7-12 (8875) Administrative Principal PK-12 (1115) Administrative II Secondary Principal 7-12 (1105) Letter of Eligibility Superintendent PK-12 (1150)	6-12	Director of Education	930	100	0
79	SHANK, EMILY	YES	Instructional II Mathematics 7-12 (6800)	6-12	Content Developer	1950	100	0
80	SIMPSON, ALICIA	YES	Instructional II Bus-Computer-Info Tech PK-12 (1603) Instructional II Music PK-12 (7205)	6-12	Instructional Systems Design technology Developer	1590	100	0
			Instructional I Mathematics 7-12 (6800)					

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81	SMITH, LINDSAY	YES	Instructional I Special Education 7-12 (9227) Instructional I Grades 4-8 (All subjects 4-6 Science 7-8) (3100) Instructional I Grades PK-4 (2825) Instructional I Special Education PK-8 (9226) Instructional I Grades 4-8 (All subjects 4-6 Mathematics 7-8) (3100)	8	Special Education Teacher	1463	100	0
82	SMITH, MATTHEW S	YES	Instructional I Health & Physical Educ PK-12 (4805) Instructional I Safety Ed/Driver Ed 7-12 (5215)	9-12	Intro to Fitness, Nutrition	1463	100	0
83	STANLEY, STEPHANIE	YES	Instructional I Health & Physical Educ PK-12 (4805)	9-12	Health, Applied PE	1463	100	0
84	TALLEY, DANIEL	YES	Instructional I Social Studies 7-12 (8875) Instructional I Special Education PK-12 (9225) Instructional I Mid-Level Mathematics 6-9 (2860) Instructional I Elementary K-6 (2810)	6-12	Special Education Teacher	1463	100	0
85	TARR, MEGAN	YES	Educational Specialist I School Nurse PK-12 (1890)	6-12	School Nurse	1463	100	0
86	TOBIN, PATRICK	YES	Instructional I Social Studies 7-12 (8875)	6-8	American History, World Cultures, Ancient History	1463	100	0
87	TROTTER, BRITTANY	YES	Instructional I Social Studies 7-12 (8875)	7-12	Economics, US Govt. & Economics, US Govt., Course Development	1706	100	0
88	VALENTINI, KELLY	YES	Instructional I Grades 5-6 (2826) Instructional I Grades PK-4 (2825)	6	Math Principles	1463	100	0
89	VANDERLAAG, LISA	YES	Instructional II Elementary K-6 (2810) Instructional II English 7-12 (3230) Instructional II Special Education PK-12 (9225)	6-12	Special Education Teacher	1463	100	0
90	WARK, KATHERINE	YES	Educational Specialist II Elementary & Secondary School Counselor PK-12 (1839)	6-12	School Counselor	270	100	0
91	WELLER, ABIGAIL	YES	Instructional II English 7-12 (3230)	9-12	British Literature, Business Communications	1463	100	0
92	WILSON JR, JOHN	YES	Instructional II Bus-Computer-Info Tech PK-12 (1603) Instructional II Mathematics 7-12 (6800) Instructional II Physics 7-12 (8470)	9-12	Algera III, EL Support, Personal Finance, Phvsics.	1463	100	0

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			Program Specialist English as a Second Language (ESL) PK-12 (4499) Instructional II English 7-12 (3230)		Pre-Calculus			
93	WINTERODE, MIKE	YES	Instructional II Mid-Level Mathematics 6-9 (2860) Instructional II Social Studies 7-12 (8875) Instructional II Special Education PK-12 (9225)	9-12	AP Microeconomics, Psychology, World History	1463	100	0
94	ZAAAYENGA, DIANNE	YES	Instructional I Chemistry 7-12 (8420) Instructional I Biology 7-12 (8405)	9-12	Chemistry, Instro to Scientific Principles, Intro to Anatomy & Physiology	1463	100	0



Book	Policy Manual
Section	4000 Finances
Title	Budget Planning
Code	4001
Status	Active

Authority

The Board of Trustees (Board) recognizes its responsibility for oversight and operation of the Charter School, including the budgeting process, and considers preparation of an annual budget to be one of its most important responsibilities, because the budget is the financial reflection of the Charter School's educational program. The budget shall be designed to support the educational program in a comprehensive and efficient manner, and to reflect the Board's goals and objectives concerning the education of Charter School students.[\[1\]](#)

Therefore, the budget shall be organized and planned to ensure adequate understanding of the financial needs associated with program support and development. The financial requirements of Charter School programs shall be reviewed on a continual basis.

Delegation of Responsibility

To meet the objectives of this policy, the Board directs the Chief Executive Officer or designee to:

1. Prepare an estimated annual cost for implementation of the Charter School's educational program, including projected staffing and curriculum expenses.
2. Establish a projected budget of expenditures and income for the current year and ensuing year.
3. Prepare an annual estimate of anticipated Charter School enrollment, including any marketing strategies.
4. Prepare a long-range plan for annual maintenance of the administrative facility.
5. Prepare a plan for current and future technology needs.
6. Maintain an inventory and replacement schedule of all Charter School equipment.
7. Report to the Board any serious financial implications arising from the budget plan.

The Chief Executive Officer or designee shall present a proposed budget to the Board for review by the Board of Trustees.

When presented for review, the proposed budget shall contain:

1. Estimated revenue and expenditures in each financial category for the previous fiscal year.

2. Estimated revenue and expenditures in each financial category for the upcoming fiscal year.
3. Projected student enrollment for the upcoming school year.
4. Explanation of each item of expense proposed, upon request.

Legal

1. 24 P.S. 1716-A

24 P.S. 1725-A

Pol. 4004

Last Modified by Lisa Iozzi on March 13, 2019



Book	Policy Manual
Section	4000 Finances
Title	Budget Adoption
Code	4004
Status	Active

Purpose

It is the philosophy of the Board of Trustees (Board) that the annual budget represents the position of the Board, and all reasonable means shall be employed to present and explain the proposed budget to all members of the Charter School community.

Delegation of Responsibility

Each Trustee and the Chief Executive Officer shall be thoroughly familiar with and understand the need for each proposed expenditure so that they can answer any question directed to them.

Authority

At least 30 days prior to final adoption of the budget, the Board shall review a proposed budget, which shall be set forth in detail using the forms required by the Pennsylvania Department of Education.[1]

The proposed budget shall be available for public inspection and duplication at the Charter School administrative office at least 30 days prior to the Board's final adoption of the budget.

The Board shall give public notice of its intent to adopt the budget at least 10 days prior to the meeting at which the Board shall adopt the final budget.[2]

The Board shall adopt the budget and the necessary appropriation measures required to put it into effect [2][3] by an affirmative vote of a majority of the quorum of the Board of Trustees then in office.

The Board shall vote to adopt the final budget by June 30, and the Charter School shall submit the budget in the form required by the Pennsylvania Department of Education within fifteen (15) days of the Board's official adoption.

Legal

1. Pol. 4001
2. Pol. 0006
3. 24 P.S. 1716-A
- 24 P.S. 1714-A
- 24 P.S. 1725-A
- PA Dept. of Education Guidance on General Fund Budget
- Pol. 0005

Last Modified by Lisa Iozzi on March 13, 2019



Book	Policy Manual
Section	4000 Finances
Title	Bank Accounts
Code	4008
Status	Active

Authority

The Board of Trustees (Board) shall designate one or more banks or bank and trust companies as depositories for the safeguarding of Charter School funds.[1][2]

Each depository shall be required to report monthly to the Treasurer on the status of funds by a majority vote of the Board in accordance with the Bylaws.

Each designated depository shall furnish proper security for deposits in the amount designated by the Board. Each designated depository shall be federally secured and insured by the FDIC and such deposits shall also be so secured and insured in accordance with law.

Guidelines

Each designated depository shall be advised not to cash checks payable to the Charter School, but to deposit said checks to the Charter School accounts. The Business Administrator or his/her designee shall review the monthly bank statements and report to the CEO on effectiveness and recommended improvements, and prepare administrative regulations and procedures for sound banking operations.

Legal	1. Pol. 0005
	2. Pol. 0006
	24 P.S. 1714-A
	24 P.S. 1716-A

Last Modified by Lisa Iozzi on March 13, 2019



Book	Policy Manual
Section	4000 Finances
Title	Investment of Funds
Code	4009
Status	Active

Purpose

It shall be the policy of the Board of Trustees (Board) to optimize its return on funds available for investment through investment of cash balances in such a way as to minimize non-invested balances and to maximize return on investments consistent with the following principles:

Legality - All investments shall be made in accordance with applicable laws.

Safety - Preservation of principal shall be of highest priority. Preservation of principal in the portfolio of investments shall be ensured by diversification and other means of minimizing credit risk, including avoidance of concentration of credit risk, market risk and interest rate risk, and by thoroughly investigating and reviewing the performance of all investment providers and professionals.

Liquidity - Investments shall remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. A fiscal year operations anticipated cash flow shall be developed so that investments can be made as early as possible, with maturities consistent with anticipated cash demands.

Yield - Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, taking into account investment risk constraints and liquidity needs.

Authority

The Board shall annually approve an investment plan for Charter School investments in accordance with this policy and applicable laws.

Definitions

Short-term – Any period thirteen (13) months or less.

Long-term – Any period exceeding forty-eight (48) months.

Mid-range – Any period between short-term and long-term.

Collateral – Security pledged by a financial institution to an entity for its deposit.

Concentration of credit risk – The risk of loss attributed to the magnitude of an entity's investment in a single issuer, pool, institution, or instrument.

Counterparty – Another party to a transaction. In the case of deposits and investments made by entities, a counterparty could be the issuer of a security, a financial institution holding a deposit, a broker-dealer selling securities, or a third party holding securities or collateral.

Credit risk – The risk that a counterparty to an investment transaction will not fulfill its obligations. Overall credit risk can be associated with the issuer of a security, with a financial institution holding deposits, or with a party holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments in any one (1) investment type or with any one (1) counterparty.

Custodial credit risk – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an entity will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, an entity will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Foreign currency risk – The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Investments depending on substantial overseas activities or markets may present related foreign currency risk.

Interest rate risk – The risk that changes in interest rates will adversely affect the fair value of an investment.

Issuer – The entity that has the authority to distribute a security or other investment. A bond issuer is the entity that is legally obligated to make principal and interest payments to bond holders. In the case of mutual funds, external investment pools, and other pooled investments, issuer refers to the entity invested in, not the investment company-manager or pool sponsor.

Investment plan – The Charter School's specifically enumerated investment strategy approved annually by the Board.

Market risk – The risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline. Market risk is affected by the length to maturity of a security, the need to liquidate a security before maturity, the extent that collateral exceeds the amount invested, and the frequency at which the amount of collateral is adjusted for changing market values.

Repurchase agreement –

- a. An agreement in which an entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities.
- b. A generic term for an agreement in which an entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities (as in definition (a) above) or for different securities.

Weighted average maturity – A weighted average maturity measure expresses investment time horizons—the time when investments become due and payable—in years or months, weighted to reflect the dollar size of individual investments within an investment type.

Delegation of Responsibility

The Board shall designate an Investment Officer, who shall implement the Charter School's investment program in accordance with this policy, related procedures, applicable laws and the annual investment plan approved by the Board.

The Investment Officer shall prepare, for approval of the Board, an annual investment plan for all general and segregated/designated funds of the Charter School, taking into account the anticipated liquidity needs of each fund.

The plan may provide for moneys from more than one (1) fund under Charter School control for the purchase of any single investment, provided that each of the funds combined for the purpose shall be accounted for separately in all respects and that the earnings from the investment are separately and individually computed and recorded, and credited to the accounts from which the investment was purchased.

The plan shall not encompass the investment of any student activity or class-related funds separately managed.[1]

The annual investment plan shall be submitted to the Board for review and approval during the month of May.

The Investment Officer shall report at each Board Meeting to the Board the following:

1. Amount of funds invested.
2. Interest earned and received to date.
3. Types and amounts of each investment and the interest rate on each.
4. Names of the institutions where investments are placed.
5. The means by which any deposits exceeding insurance limits are collateralized.

This report may, but is not required to, include the information regarding depository balances, earnings and transactions required to be reported to the Board as set forth in Policy 4008.[2]

The Board directs the Chief Executive Officer and Investment Officer to develop, for approval by the Board as an appendix to this policy, specific due diligence and risk mitigation measures for:

1. Evaluating and mitigating the risks associated with each investment;
2. Investigating, selecting and evaluating the performance of investment advisors and investment professionals;
3. Specifying standards for audits of investment transactions; and
4. Determining the qualifications, training, standards and disclosures required for Charter School staff performing functions relating to the Charter School's investment program.

Guidelines

Investments permitted by this policy are those permitted by law and enumerated in this policy that are appropriately collateralized in accordance with this policy and applicable laws.

Permissible Investments

1. United States Treasury bills.
2. Short-term obligations of the United States Government or its agencies or instrumentalities.
3. Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) or the National Credit Union Share Insurance Fund (NCUSIF) to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided

that approved collateral as provided by law therefore shall be pledged by the depository.

4. Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
5. Shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. Sec. 80a-1 et seq.), whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. Sec. 77a et seq.). Provided, that the following are met:[\[3\]](#)
 - a. The only investments of that company are in the authorized investments for school entity funds listed in items 1 through 4 above and repurchase agreements fully collateralized by such investments.
 - b. The investment company is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR Sec. 270 2a-7 (relating to money market funds).
 - c. The investment company is rated in the highest category by a nationally recognized statistical rating organization.

Management of Investments and Collateral

All securities or other investments in which the Charter School invests or that collateralize Charter School investments shall be managed as provided in this policy and in the Charter School's investment plan annually approved by the Board.

The plan shall require that securities purchased as investments be purchased in the name of the Charter School and held in custody for the benefit of the Charter School as provided in the investment plan and authorized custodian agreements. The plan may make exceptions to such requirements as defined in this policy, or for the purchase of shares of an investment company.

If, after purchase, the rating of any instrument is reduced and no longer in compliance with Board policy, the individual responsible for Charter School replace the investment immediately upon receipt of notice of the rating change and notify the Board of the rating change, action taken and replacement investment.

For purposes of interest rate disclosure in the annual financial report, the method of determining interest rate risk shall be based on weighted average maturity.

Foreign Currency and Related Risk

Charter School funds shall not be invested in foreign currency. To the extent other permissible investments are exposed to related foreign currency risk, they shall be disclosed as required by GASB Statement 40.

Protection of Savings Accounts, Time Deposits, Share Accounts or Other Depository Balances in Excess of FDIC Insurance Limits

When Charter School funds are deposited in any savings account, time deposit, share account or other authorized depository account, if the cash balance exceeds FDIC insurance limits, Charter School funds shall be collateralized in accordance with law and sound accounting practices.

It shall be the responsibility of the Investment Officer to verify with the depository the value of the collateral instrument(s) based on the instrument being "marked to market." This valuation shall occur at least monthly.

Following a review of valuation, the Investment Officer may request an additional review by the Charter School's investment advisors or financial consultant, and shall require additional collateral if the existing collateral has declined in value and exposes the Charter School to potential loss of principal. The status of the valuation review and any additional collateral shall be included in the periodic reports to the Board regarding the investment program.

Audit

The Board directs that all investment records be subject to annual audit by the Charter School's independent auditors.[4]

The audit shall include but not be limited to independent verification of amounts and records of all transactions, as deemed necessary by the independent auditors.

Conflict of Interest Avoidance and Disclosure

The Investment Officer and any other Charter School employee performing functions related to the investment program shall disclose in writing to the Board any material conflict of interest or material potential conflict of interest which exists because of personal relationships or personal business activity between the Investment Officer or other employees and any depository institution, broker, dealer, investment advisor, or other investment provider or professional serving the Charter School. The Investment Officer or other employees shall refrain from any personal business activity that could impair ability to make impartial decisions in managing the annual investment plan.[5]

All depository institutions, repurchase agreement providers, brokers, and investment advisors and managers shall disclose in writing to the Charter School:

1. Any fees or other compensation paid to or received from a third party with respect to any Charter School investment; and
2. Any ownership of or by a parent corporation which owns any other depository institution, broker, dealer, investment advisor, or other investment provider or professional which does business with the Charter School.

All investment advisors shall verify in writing that they have received and reviewed a copy of this Board policy and agree to comply with this policy and all applicable laws related to Charter School investments.

Legal	<ol style="list-style-type: none"> 1. Pol. 4018 2. Pol. 4008 3. 17 CFR Part 270 4. Pol. 4019 5. 65 Pa. C.S.A. 1101 et seq <p>24 P.S. 218 24 P.S. 440.1 24 P.S. 1716-A 72 P.S. 3836-1 et seq 15 U.S.C. 77a et seq 15 U.S.C. 80a-1 et seq</p> <p>Governmental Accounting Standards Board, Statement No. 3 (amended by Statement 40) Pol. 0005</p>
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Last Modified by Lisa Iozzi on March 13, 2019



Book	Policy Manual
Section	4000 Finances
Title	Purchases Subject to Bid/Quotation
Code	4010
Status	Active

Authority

It is the policy of the Board of Trustees (Board) to obtain competitive bids and price quotations for products and services where such bids or quotations are required by law or may result in monetary savings to the Charter School.[1][2]

Guidelines

The amounts contained in this policy regarding competitive bid and price quotation requirements are subject to adjustments based on the Consumer Price Index.[2][3]

Competitive Bids

When seeking competitive bids, the Board shall advertise once a week for three (3) weeks in not less than two (2) newspapers of general circulation.[2]

After due public notice advertising for competitive bids, the Board shall be authorized to contract for construction, reconstruction, repairs, maintenance or work on any Charter School building or property having a total cost or value of more than what is permissible under Pennsylvania Statute Title 24 P.S. Education §7-751. Work to be done under contract let on bids, unless exempt by law.[2][4]

The Board prohibits the practice of splitting purchases to avoid advertising and bidding requirements.[2]

With kind, quality and material being equal, the bid of the lowest responsible bidder meeting bid specifications shall be accepted upon resolution of the Board, unless the Board chooses to reject all bids.[2]

The Board recognizes that emergencies may occur when imminent danger exists to persons or property or continuance of existing classes is threatened, and time for bidding cannot be provided because of the need for immediate action. Bidding decisions in the event of such emergencies shall be made in accordance with existing legal requirements.[2]

Price Quotations

Unless exempt by law, at least three (3) written or telephonic price quotations shall be requested by the Board for:[2]

All contracts for construction, reconstruction, repairs, maintenance or work on any Charter School building or property, having a total cost or value of more than what is permissible under Pennsylvania Statutes Title 24 P.S. Education §7-751. Work to be done under contract let on bids.[\[2\]](#)

If it is not possible to obtain three (3) quotations, a memorandum must be kept on file showing that fewer than three (3) qualified vendors exist in the market area. The written price quotations, written records of telephonic price quotations and memoranda shall be kept on file for three (3) years.

Work Performed by Charter School Maintenance Personnel

The Board may authorize Charter School maintenance personnel to perform construction, reconstruction, repairs or work having a total cost or value of less than what is permissible under Pennsylvania Statutes Title 24 P.S. Education §7-751 Work to be done under contract let on bids; exception and/or Pennsylvania Statutes Title 24 P.S. Education §8-807.1 Purchase of supplies.[\[2\]](#)

Bid Protest

An individual or company may protest a bid award if s/he believes that the award was inconsistent with Board policy or administrative procedures, the bid's specifications, or was not done in compliance with law.

The bidder must file a written protest with the Chief Executive Officer or designee within five (5) working days after receipt of notification of the bid award. The bidder must submit with the protest, all documents supporting or justifying the protest.

A bidder's failure to file the protest documents in the given time period will constitute a waiver of his/her right to protest the award of a bid.

The Chief Executive Officer or designee shall review the protest and supporting documents and render a written decision within thirty (30) working days. The Chief Executive Officer or designee may arrange a meeting with the protester to attempt to resolve the issue.

The bidder may submit a written appeal of the Chief Executive Officer's or designee's decision to the Board. The Board shall provide reasonable notice to the bidder of the Board's timeline for consideration of the appeal.

The decision of the Board shall be final.

Delegation of Responsibility

The Board may grant the Chief Executive Officer, Board Treasurer or Purchasing Agent the authority to purchase supplies and award contracts in the amount and manner designated by applicable law.[\[2\]](#)

Legal	1. Pol. 4026
	2. 24 P.S. 751
	3. 24 P.S. 120
	4. 24 P.S. 1715-A
	24 P.S. 1714-A
	24 P.S. 1716-A

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Book	Policy Manual
Section	4000 Finances
Title	Purchases Budgeted
Code	4011
Status	Active

Authority

It is the policy of the Board of Trustees (Board) that when funds are available, all purchases contemplated within the current budget and not subject to bid shall be made in a manner that ensures the best interests of the Charter School.[\[1\]](#)[\[2\]](#)

Delegation of Responsibility

All purchases that are within budgetary limits may be made upon authorization of the Chief Executive Officer, unless the contemplated purchase is for more than what is permissible under Pennsylvania Statute Title 24 P.S. Education §7-751 Work to be done under contract let on bids in which case prior approval by the Board is required, in accordance with Board policy.[\[1\]](#)[\[2\]](#)

All purchase order requests must be referred to the department head, Chief Executive Officer, or designee who shall check whether the proposed purchase is subject to bid, and whether sufficient funds exist in the budget.[\[1\]](#)[\[2\]](#)

Legal	1. 24 P.S. 751
	2. Pol. 4010
	24 P.S. 1714-A
	24 P.S. 1715-A
	24 P.S. 1716-A

Last Modified by Lisa Iozzi on March 13, 2019



Book	Policy Manual
Section	4000 Finances
Title	Purchases Not Budgeted
Code	4012
Status	Active

Purpose

The interests of the students and Charter School community require fiscal responsibility by the Board of Trustees (Board) in the disbursement of public funds and operation of the Charter School. The Board shall adopt appropriate fiscal controls for purchases made by the Charter School.

Guidelines

In the event of emergency, which exists whenever the time required for the Board to act in accordance with regular procedures would endanger life or property or threaten continuance of existing classes, a purchase order up to the amount of \$50,000.00 may be authorized by the Chief Executive Officer.

When budgeted funds are allocated, the total amount budgeted may not be exceeded without prior approval by the Chief Executive Officer.

Any expenditures in excess of appropriation made in conformance with this policy shall be reported to the Board at the next meeting, with a recommendation of funds to be transferred to cover said purchase.

Legal	1. Pol. 4011
	24 P.S. 1714-A
	24 P.S. 1716-A

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Book	Policy Manual
Section	4000 Finances
Title	Payroll Authorization
Code	4014
Status	Active

Authority

Employment of all permanent, temporary and part-time Charter School staff must be approved by the Board of Trustees (Board). The Board shall authorize payment of salaries to employees. Actions by the Board to employ ore re-employ staff on a contractual basis (i.e., for a fixed period of time) may include:[1][2][3][4]

1. Name of the individual.
2. Position title.
3. Salary or rate of pay.
4. Period of employment.
5. Position classification (and whether such employment is "at will").

Actions by the Board to employ temporary or part-time personnel (i.e., by the hour or day) shall include the name of the individual, the position title and the rate of pay.

The minutes of Board meetings shall record all actions with regard to resignation, retirement, death or discharge of all employees. Each action shall include the name or identification number of the employee, date upon which salary or wages will terminate, and position formerly held.

Guidelines

Daily sign-in and sign-out procedures adequate to meet wage and hour requirements and Board policy [5][6] may be required of all employees.

Salary or wages are withheld for unapproved time off, in accordance with established Board policy and/or administrative procedures, by the Chief Executive Officer.

Overtime can be scheduled and paid only when authorized in advance, in accordance with Board policy, by the [6] Chief Executive Officer or designee.

The payroll shall be certified by the Business Manager.

Legal

1. Pol. 3002
2. Pol. 3004
3. Pol. 3005
4. Pol. 3028
5. 29 U.S.C. 201 et seq
6. Pol. 3030
- 24 P.S. 1716-A
- 24 P.S. 1724-A

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Book	Policy Manual
Section	4000 Finances
Title	Payment of Bills
Code	4016
Status	Active

Purpose

It is the intent of the Board of Trustees (Board) to direct prompt payment of bills, but at the same time ensure that due care has been taken in the review of Charter School bills.

Authority

The Board directs that each bill or obligation of the Charter School shall be fully itemized, verified by the Business Manager and approved by the Board.

1. The prompt payment of amounts owing under any contracts previously approved by the Board that will accrue to the Charter School's advantage.
2. Progress payments to contractors specified in a contract approved by the Board.
3. Orders to cover approved payrolls and agency account deposits.
4. Utility bills in months the Board does not meet.

Delegation of Responsibility

It shall be the responsibility of the Chief Executive Officer, the Business Manager or designee upon receipt of an invoice to verify that the purchase invoice is in order, goods were received in acceptable condition or services were satisfactorily rendered, funds are available to cover the payment, the Board had budgeted for the item, and the invoice is for the amount contracted.

Should the invoice vary from the acknowledged purchase order, the Business Manager or designee shall document on the invoice the reason for such variance.

Should funds not be available in the account to which a proposed purchase will be charged, the Business Manager or designee shall determine the overage and request the Board make a legal transfer to cover it, in accordance with Board policy.[1]

All claims for payment shall be submitted to the Board and recorded in the minutes of the Board meeting.

The list of bills shall include for each:

1. Check number.

2. Check date.
3. Vendor.
4. Amount of remittance.
5. Reason for remittance.
6. Account charged.

Prior to the Board's consideration of the bills for payment, each invoice shall be reviewed by the Business Manager.

Upon approval of an order, the Board Treasurer shall prepare a check for payment and cancel the commitment placed against the appropriate account.

All checks approved by the Board shall be signed by the President. Those individuals signing checks should also initial the relevant invoice to indicate review of the invoice. Two signatures are required for all checks above the amount approved by the Board for Chief Executive Officer signature alone. These two signatures shall consist of the Chief Executive Officer and his/her designee, if applicable, and an authorized Board Trustee.

Signed checks shall be handed over to the Secretary and/or administrative assistant to be mailed out. Such checks are to be mailed without allowing them to be returned to the employee(s) responsible for accounts payable.

Guidelines

Signatures of the President, Board Secretary, and Board Treasurer may be engraved on a signature plate or stamp.[\[2\]](#)

No check shall be made out to cash and all checks shall be executed in accordance with the Bylaws and Internal Controls Policy.

Sales Tax

The Charter School is exempt from Pennsylvania sales tax on the purchase of tangible, personal property or services that are sold or used by the Charter School. The Charter School shall control use of its sales tax exemption number issued by the Department of Revenue, in compliance with established regulations. The exemption number shall be used only when buying property or services for Charter School use.[\[3\]](#)[\[4\]](#)

The Charter School shall obtain a sales tax license number for school organizations who sell any items subject to taxation.[\[4\]](#)[\[5\]](#)[\[6\]](#)

In order to monitor these activities, the Chief Executive Officer, the Business Manager, or designee shall develop administrative procedures to assure coordination and accumulation of information and proper reporting and remittance to the Department of Revenue.

Legal

1. Pol. 4012
2. 65 P.S. 302
3. 72 P.S. 7204
4. 61 PA Code 32.21
5. 72 P.S. 7208
6. Pol. 4018
- 24 P.S. 1714-A
- 24 P.S. 1716-A
- 61 PA Code 32.1

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Book	Policy Manual
Section	4000 Finances
Title	Audit
Code	4019
Status	Active

Authority

The Board of Trustees (Board) shall employ an independent, certified public accountant to conduct an annual financial audit of the Charter School in conformance with prescribed and legal standards. The completed audit shall be presented to the Board for its examination and approval.[\[1\]](#)[\[2\]](#)

The Board recognizes the importance of the public's right to have access to the public records of the Charter School, including public financial records. The public has the right under law to inspect and procure copies of the annual financial audit conducted by the Charter School's accountants and the audit conducted by the Auditor General's office.[\[3\]](#)[\[4\]](#)

Delegation of Responsibility

The Chief Executive Officer and Board Secretary shall annually, by December 31, submit a signed statement to the Pennsylvania Department of Education certifying that the financial statements of the Charter School have been properly audited pursuant to law and that in the independent auditor's opinion, the financial information submitted in the annual financial report is materially consistent with the audited financial statements. If the financial information is not deemed materially consistent, the Charter School shall submit a revised annual financial report no later than December 31.[\[5\]](#)

Legal	1. 24 P.S. 1719-A
	2. 24 P.S. 437
	3. 65 P.S. 67.701
	4. Pol. 6001
	5. 24 P.S. 218
	24 P.S. 1716-A
	24 P.S. 2401 et seq
	65 P.S. 67.101 et seq

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Book	Policy Manual
Section	4000 Finances
Title	GASB Statement 34
Code	4022
Status	Active

Purpose

The Board of Trustees (Board) recognizes the need to implement the required accounting and financial reporting standards stipulated by the Pennsylvania Department of Education.

The primary objectives of implementing the Governmental Accounting Standards Board (GASB) Statement 34 are to assure compliance with state requirements, and properly account for both the financial and economic resources of the Charter School.

Authority

Participation of the Charter School in any such activity shall be in accordance with Board policy.[\[1\]](#)[\[2\]](#)

Delegation of Responsibility

The responsibility to coordinate the compilation and preparation of all information necessary to implement this policy is delegated to the Business Manager.

The designated individual shall be responsible for implementing the necessary procedures to establish and maintain a fixed asset inventory, including depreciation schedules. Depreciation shall be computed on a straight-line basis over the useful lives of the assets, using an averaging convention. Normal maintenance and repairs shall be charged to expense as incurred; major renewals and betterments that materially extend the life or increase the value of the asset shall be capitalized. A schedule of accumulated depreciation shall be consistent from year to year. The basis for depreciation, including groups of assets and useful lives, shall be in writing and submitted for review to the independent auditors.

The Business Manager shall prepare the required Management Discussion and Analysis (MD&A). The MD&A shall be in the form required by GASB Statement 34 and shall be submitted to the Board for approval, prior to publication.

Prior to submission of the MD&A for Board approval, the Charter School's independent auditors shall review the MD&A, in accordance with SAS No. 52, "Required Supplementary Information."

Legal	1. 24 P.S. 218
	2. 24 P.S. 613
	Governmental Accounting Standards Board, Statement No. 34

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Book	Policy Manual
Section	4000 Finances
Title	Taxable Fringe Benefits
Code	4024
Status	Active

Authority

It shall be the policy of the Board of Trustees (Board) to comply with regulations of the Internal Revenue Service (IRS) regarding taxability of employee fringe benefits.

Definitions

Taxable fringe benefit - a form of pay, in addition to salary, for the performance of duties; taxable wages unless excluded by the Internal Revenue Code.

Convenience of the Charter School - where the personal use was in the best interest of the Charter School.

De minimis - an amount where either the cost of determining specific value exceeds the value of the use, or the actual cost of the use was negligible at the organizational level.

Delegation of Responsibility

The Business Manager shall be responsible to ensure that employees verify the use of Charter School equipment for business purposes and report any use or fringe benefits that may be taxable as compensation.

The employee verification process shall occur monthly prior to payment of bills.

The Business Manager shall report the value of taxable fringe benefits with the regular payroll for the payroll immediately following the determination of taxable fringe benefits.

The Business Manager shall annually review the determinations of convenience of the Charter School and de minimis amount to ensure compliance with federal regulations. The review may include discussions with the Charter School auditor.

Legal	26 U.S.C. 1 et seq
	Pol. 3031
	Pol. 6013
	Pol. 6015

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Book	Policy Manual
Section	4000 Finances
Title	Credit Cards
Code	4025
Status	Active

Authority

The Board of Trustees (Board) approves the use of credit cards for permissible purchases by designated employees to improve the efficiency of purchasing activities, reduce processing expenses, improve controls for small-dollar purchases, and streamline vendor payment. The Board directs the administration to establish safeguards to prevent misuse of such cards.[\[1\]](#)[\[2\]](#)

The CEO shall approve the list of employees authorized to use Charter School credit cards.

The Board shall purchase adequate insurance coverage for credit card misuse.

Definition

Credit card - a corporate charge card designed to reduce the cost and bureaucracy of small-dollar purchases.

Delegation of Responsibility

A list of authorized users of credit cards shall be maintained in the Charter School's administrative office and shall include employees in designated positions.

All use of credit cards shall be supervised and monitored on a regular basis by the Business Manager who shall ensure the use of such cards is in accordance with the funds budgeted for this purpose.

Proper accounting procedures for the use of credit cards shall be developed, distributed, implemented, and monitored by the Business Manager.

An employee authorized to use a credit card shall maintain adequate security of the card while it is in his/her possession. Under no circumstances may the card be used by another individual.

Guidelines

Each employee using a Charter School credit card shall sign a card usage agreement and receive training on applicable policies and administrative procedures.

Procurement cards shall be used only for authorized Charter School purchases and shall not be used for personal purchases. The Charter School retains the authority to revoke any credit card used for unauthorized or personal purposes.

Violations of this policy by an employee shall result in disciplinary action, in accordance with Board policy.[3]

The established procedure for processing purchases by employees using credit cards shall be as follows:

1. Employee deals directly with the vendor.
2. Employee complies with all applicable laws, regulations, Board policies and administrative procedures related to purchasing for the Charter School program.[4][5][6][7]
3. Charter School administrative office receives the consolidated invoice for payment.
4. Cardholder verifies receipt of purchased items, reconciles the billing statement with purchases, and attaches receipts.
5. Business administrator reviews statement and signs approval.

Purchases on his/her assigned credit card by an individual employee shall not exceed the amount set by the Board of Trustees on a yearly basis.

Legal	1. 24 P.S. 1714-A
	2. 24 P.S. 1716-A
	3. Pol. 3017
	4. Pol. 4010
	5. Pol. 4011
	6. Pol. 4026
	7. Pol. 4026.1

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Book	Policy Manual
Section	4000 Finances
Title	Travel Reimbursement
Code	4026.1
Status	Active

Authority

The Board of Trustees (Board) shall reimburse Charter School employees, and Charter School officials, for travel costs incurred in the course of performing services related to official business.[1]

Definition

For purposes of this policy, **travel costs** shall mean the expenses for transportation, lodging, subsistence, and related items incurred by employees and Charter School officials who are in travel status on official business.[1]

Delegation of Responsibility

Charter School officials and employees shall comply with applicable Board policies and administrative procedures established for reimbursement of travel and other expenses.[2][3]

The validity of payments for travel costs for all Charter School employees and Charter School officials in accordance with this policy shall be determined by the Chief Executive Officer or designee or Business Administrator.

Guidelines

Travel costs shall be reimbursed on a mileage basis for travel using an employee's personal vehicle and on an actual cost basis for meals, lodging and other allowable expenses, consistent with those normally allowed in like circumstances in the Charter School's non-federally funded activities, and in accordance with the Charter School's travel reimbursement policies and administrative procedures. [1][2][3]

Mileage reimbursements shall be at the IRS mileage rate. Actual costs for meals will be within the General Service Administration (GSA) per diem. Lodging and other allowable expenses shall be reimbursed only to the extent they are reasonable and with supervisor approval.[2][3]

All travel costs must be presented with an itemized, verified statement prior to reimbursement.

Legal

1. 2 CFR 200.474

2. Pol. 0004

3. Pol. 3031

24 P.S. 1716-A

24 P.S. 1724-A

Pol. 4026

Last Modified by Lisa Iozzi on March 13, 2019

21st Century Cyber Charter School
Cash Disbursements – Controls and Procedures
June 30, 2018

Purchase Orders

Purchase orders are prepared and signed by the requisitioner, then given to the department supervisor for review. The Department Supervisor signs the purchase order as proof of review and approval to pay; then forwards it to the Business Administrator, who reviews and signs the purchase order. Once signed by the Business Administrator, AR Fiscal Assistant releases the PO within CSIU.

Signed purchase orders are given to the A/P Fiscal Assistant so that they can be matched to invoices when received.

Expenses Not Requiring a Purchase Order

Certain recurring monthly expenses do not require a purchase order. These are expenses such as utilities, expense reimbursements, and certain benefit payments. Utilities invoices are reviewed by the Facilities Manager and Business Administrator than initialed and dated once reviewed. They are then forwarded to the A/P Fiscal Assistant. Expense reimbursements are reviewed by the employee's direct supervisor, before being forwarded to the A/P Fiscal Assistant.

Internet Reimbursements

Students enrolled in 21CCCS are eligible for a monthly internet reimbursement. Parents complete request forms and mail the forms along with invoices for their home internet to 21CCCS. The receptionist opens the mail and verifies that the student is enrolled and also verifies attendance records to be sure he/she is not out on medical leave, etc. There is no physical signoff to document this review, but the receptionist notes calculations on the form, which serves as documentation of her review. Once reviewed, she forwards the requests to the A/P Fiscal Assistant so payment can be processed.

Processing Checks

The A/P Fiscal Assistant matches purchase orders, receiving documentation, and invoices prior to entering checks into CSIU. She then runs a pre-processing check register. This report and all of the support for every check included is given to Business Administrator, for review. Business Administrator compares support to the check report, then signs the pre-processing check register as the approval to process the checks. The A/P Fiscal Assistant prepares the checks and a final check register is given back to Business Administrator. Business Administrator reviews once again and signs the check register as approval to release the checks. A check summary report is given to the Board for approval at every meeting.

Checks contain 3 printed signatures – the Board Chairperson, Board Treasurer, and Board Secretary. Unused checks are kept in a locked closet. Business Administrator and A/R Fiscal Assistant are the only individuals with access to create a vendor in CSIU.

Bank Reconciliation

The checking bank account is reconciled monthly by AR Fiscal Assistant and reviewed by Business Administrator.

21st Century Cyber Charter School
Cash Receipts Procedures and Controls

June 30, 2018

All mail is opened by the receptionist. She enters all cash and checks received on a spreadsheet, then gives the spreadsheet and cash/checks to Payroll Fiscal Assistant. Payroll Fiscal Assistant prepares and submits the deposit to the bank. 21CCCS uses a remote deposit function, so checks are deposited via the remote deposit, and cash is taken to the bank. The spreadsheet is then given to A/R Fiscal Assistant, who records the activity in the cash receipt module of CSIU. Support for the deposit is filed.

Districts that choose to have their payment taken from the Basic Ed Subsidy pay via wires from PDE. A/R Fiscal Assistant records these receipts in the cash receipt module of CSIU when they come in.

All deposits are made to the general checking account and logged by the Payroll Fiscal Assistant. The bank reconciliation for the general checking account is completed by the A/R Fiscal Assistant. Payroll Fiscal Assistant submits daily bank activity reports to the Business Administrator. The Business Administrator also logs onto online banking periodically to monitor activity.

21st Century Cyber Charter School
Financial Close Procedures and Controls
June 30, 2018

Journal Entries:

Business Administrator and A/R Fiscal Assistant are the only two employees with access to post journal entries in the software. Business Administrator and A/R Fiscal Assistant prepare the journal entries and all journal entries are posted by the A/R Fiscal Assistant, after being approved and initialed by Business Administrator.

Bank & Account Reconciliations:

A/R Fiscal Assistant reconciles all bank accounts monthly. All other balance sheet accounts are also reconciled monthly by various individuals in the business office, with the Business Administrator reviewing all reconciliations before monthly board reports are run. Bank reconciliations are reviewed by the Business Administrator, who initials the reconciliations as proof of her review.

Board Reports:

At each board meeting the Board receives a treasurer's report (cash roll forward), a board summary report (budget v. actual reports for revenue and expenditures), and a detailed check register for review and approval.

21CCCS

Other Significant Areas Memo

6/30/18

Governmental Receivables

The Business Administrator reviews receipts 60 days after yearend for need to accrue back to the current fiscal year. These accruals are made via a journal entry.

Capital Assets

The Charter School has a capitalization policy that is utilized as a guide to determine what assets will be reported as capital assets. Any significant capital projects that go through the bid process are approved by the board of directors through a board motion. Construction projects are monitored for progress by the construction manager and/or architect. All invoices are approved for payment based on their recommendation after assessing adequate progress is made. Final projects costs are capitalized upon completion separating the building from movable furniture and fixtures. As assets are purchased throughout the year, the Facilities Coordinator/Fiscal Assistant reviews potential capital asset additions and maintains a list in excel of asset additions. Additionally, at year end, management will review expenses charged to the 700 object codes in the general fund trial balance expenditures to determine that all eligible activity has been accounted for. Capital asset disposals are determined at the time of the sales or loss of capital assets whose proceeds are charged to the 9400 function. All additions and disposals are sent to AssetWorks who maintains the schedules.

Liabilities

Accounts Payable

At the time requisitions are entered into the accounting system, a determination is made as to what fiscal year the purchase relates to and what budget line items to relieve. When invoices are received for payment, the Fiscal Assistant/AP Coordinator will review the invoice with the PO to verify proper account coding. This includes determining what fiscal year the purchase should be included in accounts payable for those invoices received after the fiscal year end when recording into the accounting system. Once the fiscal year is entered into the system, an accounts payable detail is created. Note that the Business Administrator also reviews for proper cutoff during the review of invoices/POs.

Accrued Payroll and Benefits

Accrued payroll and related benefits and EE withholdings liabilities are generated by the accounting system based on paychecks outstanding that run through the payroll cycle as documented at wp 4205c. Accrued retirement is reconciled to the PSERS account summary statement by the Business Administrator. Year-end liability recorded is based on April – June PSERS work reports submitted and other unpaid adjustments by PSERS.

Pension - GASB 68

GASB 68 Reports from PSERS (which are audited by another entity) are received by the Charter School directly from PSERS. They are then forwarded to Herbein + Company who utilize their internal

schedules to develop the journal entries needed to properly record the liability and related deferred inflows and outflows of resources. The information is then reviewed with the Business Administrator for proposed entries and proper understanding of the determination process.

Fund Balance

The Business Administrator will periodically review fund balance to discuss with the board. Any commitments and assignments will be determined and approved by the board.

21st Century Cyber Charter School
Payroll Controls and Procedures

June 30, 2018

Key controls are numbered below and tested at WP 4542a.

Employees are paid semi-monthly – on the 15th and last day of each month. A majority of employees are salaried teachers or administrators, but there are hourly employees who work as tutors or curriculum developers.

Annually, the board approves all salaries, including a base salary and merit pay, and hourly rates for hourly employees **(6)**. Any new hires or resignations/terminations are also approved by the Board **(4,5)**. These rates are updated by HR within CSIU, and then exported from the HR module into the payroll module by Business Administrator after the entry is reviewed. Human Resources, Payroll Fiscal Assistant and Business Administrator all have access to add employees and change rates within CSIU. Business Administrator reviews any changes that are made.

Employees who are hourly submit timecards weekly to their supervisors. Supervisors review and approve the timecard, either with a manual signature, through the employee portal, or via email to the payroll fiscal assistant **(1)**. Ronnie then inputs the hours into CSIU. Salary pay is automatically calculated by the software.

The following procedures are in place for each pay run:

1 – A folder dated for each payroll date is created. Information applicable to a specific payroll date is put into the corresponding folder. Items to be included are:

- Initial forms for direct deposit, W4, EIT, PSERS status are submitted by HR; the employee submits changes to the above.
- Time sheets approved by the employee's supervisors
- Stipend payments approved by supervisors
- Final pay calculations approved by Business Administrator
- Tuition reimbursements approved by Business Administrator
- Reduction of wages due to leave without pay approved by Business Administrator
- Changes to voluntary deductions such as medical, auto and life, 403b or Roth, fraternity

2 – A control sheet is developed for each payroll date. This Excel spreadsheet includes:

- The semi-monthly salary for salaried employees – will remain constant from payroll to payroll
- The hourly salary for our temp and hourly workers
- All changes/additions that are contained in the folder for the specific payroll period

This control sheet is used to verify that the input of information into the CSIU accounting software for the specific payroll date is accurate.

3 – After the information is entered, reports are run to verify semi-monthly salaries, voluntary deductions, LWP deductions, tuition reimbursements, opt out, stipend payments and hourly employee payments match the control sheet.

4 – The payroll is submitted in the CSIU software and the detailed payroll reports are printed to check for accuracy: check summaries, direct deposit reports, voluntary deduction reports.

5 – The original control sheet and the detailed payroll reports are given to the Business Administrator to review (2). The Business Administrator will alert the payroll accountant to changes that need to be made. The payroll accountant then restores the payroll for the given payroll date, makes the changes, resubmits the payroll, and reprints the reports for the Business Administrator to review again.

6 – Once correct, the direct deposit report and check summary report is given to A/R Fiscal Assistant to transfer the needed funds for the specific payroll date to the payroll bank account.

The payroll bank account is reconciled monthly by A/R Fiscal Assistant and reviewed by Business Administrator (3).

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2019

Name of School 21st Century Cyber Charter School

Address of School 126 Wallace Avenue Downingtown, PA 19335

CEO Signature 

REVENUES

6000		REVENUE FROM LOCAL SOURCES	
6500		EARNINGS ON INVESTMENTS	
	6510	Interest on Investments and Interest-Bearing Checking Accounts	113,545.74
	6520	Dividends on Investments	-
	6530	Gains or Losses on Sale of Investments	-
	6540	Earnings on Investments in Real Property	-
	6590	Other Earnings on Investments	-
6600		FOOD SERVICE REVENUE	
	6610	Daily Sales - Reimbursable Programs	
	6620	Daily Sales - Non-Reimbursable Programs	
	6630	Special Functions	
	6640	Non-Cash Contributions	
	6650	Price Reduction for Reduced Price and Free Meals (Debit)	
	6690	Other Food Service Revenues	
6700		REVENUES FROM STUDENT ACTIVITIES	
	6710	Admissions	
	6720	Bookstore Sales	
	6730	Student Organization Membership Dues and Fees	
	6740	Fees	
	6750	Student Activity - Special Events	
	6790	Other Student Activity Income	
6800		REVENUES FROM INTERMEDIARY SOURCES / PASS THROUGH	
	6810	Revenue from Local Governmental Units	
	6820	Revenue from Intermediary Sources - Commonwealth Funds	
	6830	Revenues from Intermediary Sources - Federal Funds	127,166.00
	6890	Other Revenues from Intermediary Sources	
6900		OTHER REVENUE FROM LOCAL SOURCES	
	6910	Rentals	
	6920	Contributions & Donations from Private Sources / Capital Contributions	
	6930	Gains or Losses on Sale of Fixed Assets (Economic Resource Measurement Focus Only)	
	6940	Tuition from Patrons	
	6941	Regular Day School Tuition	
	6942	Summer School Tuition	

	6943	Adult Education Tuition	
	6944	Receipts From Other LEAs in Pennsylvania - Education	18,851,091.76
	6945	Receipts from Out-of-State LEAs	
	6946	Receipts from Member Districts - AVTS / Special Program Jointure only	
	6947	Receipts from Members of Intermediate Units for Education by	
	6948	Receipts from Members of Intermediate Units for Direct Contributions	
	6949	Other Tuition from Patrons	
	6950	Unassigned	
	6960	Services Provide Other Local Governmental Units / LEAs	
	6961	Transportation Services Provided Other Pennsylvania LEAs	
	6969	All Other Services Provided Other Governments and LEAs Not Specified Above	
	6970	Services Provided Other Funds	
	6980	Revenue from Community Service Activities	
	6990	Refunds and Other Miscellaneous Revenue	
	6991	Refunds of a Prior Year Expenditure	
	6999	Other Revenues Not Specified Above	
7000		REVENUE FROM STATE SOURCES	
7100		BASIC INSTRUCTIONAL AND OPERATING SUBSIDIES	
	7150	Unassigned	
	7160	Tuition for Orphans and Children Placed in Private Homes	
	7180	Staff and Program Development	
7200		REVENUE FOR SPECIFIC EDUCATIONAL PROGRAMS	
	7210	Homebound Instruction	
	7220	Vocational Education	
	7230	Alternative Education	
	7240	Driver Education - Student	
	7250	Migratory Children	
	7260	Workforce Investment Act (WIA)	
	7270	Specialized Education of Exceptional Pupils	
	7280	Adult Literacy	
	7290	Additional Educational Program Revenues	
7300		REVENUES FOR NON-EDUCATIONAL PROGRAMS	
	7310	Transportation (Regular and Additional)	
	7320	Rental and Sinking Fund Payments / Building Reimbursement Subsidy	
	7330	Health Services (Medical, Dental, Nurse, Act 25)	
	7340	Unassigned	
	7350	Sewage Treatment Operations / Environmental Subsidies	
	7360	Safe Schools	
7400		VOCATIONAL TRAINING OF THE UNEMPLOYED	
7500		STATE REVENUE NOT LISTED ELSEWHERE IN THE 7000 SERIES OF ACCOUNTS	
	7502	Dual Enrollment Grants	
	7503	Project 720/High School Reform	
	7599	Other State Revenue Not Listed Elsewhere in the 7000 Series	25,746.00

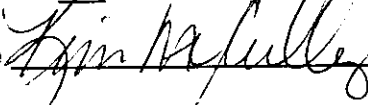
7600		REVENUE FOR MILK, LUNCH AND BREAKFAST PROGRAMS
7800		REVENUE FOR THE COMMONWEALTH'S SHARE OF PAID BENEFITS
	7810	State Share of Social Security and Medicare Taxes
	7820	State Share of Retirement Contributions
7900		REVENUE FOR TECHNOLOGY
	7910	Educational Technology
	7990	Other Technology Grants
8000		REVENUE FROM FEDERAL SOURCES
8100		UNRESTRICTED GRANTS-IN-AID DIRECT FROM THE FEDERAL GOVERNMENT
	8110	Payments for Federally Impacted Areas - P.L. 81-874
	8190	Other Unrestricted Federal Grants-in-Aid Direct from the Federal Government
8200		UNRESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH
8300		RESTRICTED GRANTS-IN-AID DIRECTLY FROM THE FEDERAL GOVERNMENT
	8310	Payments for Federally Impacted Areas - P.L. 81-815
	8320	Energy Conservation Grants - TA and ECM
	8390	Other Restricted Federal Grants-in-Aid Directly from the Federal Government
8500		RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA), NO CHILD LEFT BEHIND (NCLB), VOCATIONAL EDUCATION, CHILD NUTRITION AND CAREER EDUCATION PROGRAMS
	8510	Individuals with Disabilities Education Act (IDEA) and No Child Left Behind (NCLB)
	8520	Vocational Education
	8530	Child Nutrition Program
	8540	Nutrition Education and Training
	8560	Federal Block Grants
	8570	Unassigned
	8580	Child Care and Development Block Grants
	8590	Unassigned
8600		RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH FOR DRIVER EDUCATION, ADULT EDUCATION, CETA, HEADSTART, ENERGY CONSERVATION, WORKFORCE INVESTMENT ACT AND OTHER PROGRAMS
	8610	Homeless Assistance Act
	8620	Adult Basic Education
	8640	Headstart
	8650	Unassigned
	8660	Workforce Investment Act (WIA)
	8670	Unassigned

	8680	Unassigned	
	8690	Other Restricted Federal Grants-in-Aid through the Commonwealth	
8800		MEDICAL ASSISTANCE REIMBURSEMENTS	
9000		OTHER FINANCING SOURCES	
9100		SALE OF BONDS	
	9110	Bond Issue Proceeds (Gross)	
	9120	Proceeds from Refunding of Bonds	
9200		PROCEEDS FROM EXTENDED TERM FINANCING	
9300		INTERFUND TRANSFERS	
	9310	General Fund Transfers	
	9320	Special Revenue Fund Transfers	
	9330	Capital Projects Funds Transfers	
	9340	Debt Service Fund Transfers	
	9350	Enterprise Fund Transfers	
	9360	Internal Service Fund Transfers	
	9370	Trust and Agency Fund	
	9380	Activity Fund Transfers	
	9390	Permanent Fund Transfers	
9400		SALE OF OR COMPENSATION FOR LOSS OF FIXED ASSETS	
9500		Unassigned	
9600		Unassigned	
9700		TRANSFERS INVOLVING COMPONENT UNITS AND PRIMARY GOVERNMENTS	
	9710	Transfers from Component Units	
	9720	Transfers from Primary Governments	
9800		INTRAFUND TRANSFERS IN	
	9810	General Fund Intrafund Transfers	
	9820	Special Revenue Intrafund Transfers	
	9840	Debt Service Intrafund Transfers	
	9850	Enterprise Intrafund Transfers	
	9860	Internal Service Intrafund Transfers	
	9870	Trust and Agency Intrafund Transfers	
	9880	Activity Interfund Transfers	
TOTAL REVENUES			19,117,549.50

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2019

Name of School 21st Century Cyber Charter School

Address of School 126 Wallace Avenue Downingtown, PA 19335

CEO Signature 

Note-Expenditures may be submitted EITHER as accrual or cash basis

EXPENDITURES

1000		INSTRUCTION	
1100		REGULAR PROGRAMS - ELEMENTARY / SECONDARY	6,664,953.68
1200		SPECIAL PROGRAMS - ELEMENTARY / SECONDARY	1,569,095.61
1300		VOCATIONAL EDUCATION	-
1400		OTHER INSTRUCTIONAL PROGRAMS - ELEMENTARY / SECONDARY	151,015.05
1600		ADULT EDUCATION PROGRAMS	-
1700		HIGHER EDUCATION PROGRAMS	-
1800		PRE-KINDERGARTEN	-
2000		SUPPORT SERVICES	
2100		SUPPORT SERVICES - PUPIL PERSONNEL	
	2110	Supervision of Pupil Personnel Services	-
	2120	Guidance Services	500,280.75
	2130	Attendance Services	-
	2140	Psychological Services	-
	2150	Speech Pathology and Audiology Services	-
	2160	Social Work Services	-
	2170	Student Accounting Services	405,243.08
	2190	Other Pupil Personnel Services	-
2200		SUPPORT SERVICES - INSTRUCTIONAL STAFF	
	2210	Supervision of Educational Media Services	-
	2220	Technology Support Services	631,473.41
	2230	Educational Television Services	-
	2240	Computer-Assisted Instruction Support Services	530,608.94
	2250	School Library Services	-
	2260	Instruction and Curriculum Development Services	474,856.77
	2270	Instructional Staff Professional Development Services	107,454.38
	2280	Nonpublic Support Services	-
2300		SUPPORT SERVICES - ADMINISTRATION	
	2310	Board Services	43,520.32

	2320	Board Treasurer Services	-
	2340	Staff Relations and Negotiations Services	138,308.63
	2350	Legal Services	136,030.35
	2360	Office of the Superintendent (Executive Director) Services	427,069.29
	2370	Community Relations Services	-
	2380	Office of the Principal Services	400,771.78
	2390	Other Administration Services	1,129,987.31
2400		SUPPORT SERVICES - PUPIL HEALTH	146,715.91
2500		SUPPORT SERVICES - BUSINESS	
	2510	Fiscal Services	482,626.17
	2520	Purchasing Services	-
	2530	Warehousing and Distributing Services	161,850.49
	2540	Printing, Publishing and Duplicating Services	-
	2590	Other Support Services - Business	-
2600		OPERATION AND MAINTENANCE OF PLANT SERVICES	
	2610	Supervision of Operation and Maintenance of Plant Services	882,161.26
	2620	Operation of Buildings Services	-
	2630	Care and Upkeep of Grounds Services	-
	2640	Care and Upkeep of Equipment Services	-
	2650	Vehicle Operations and Maintenance Services (Other than Student Transportation Vehicles)	-
	2660	Security Services	-
	2690	Other Operation and Maintenance of Plant Services	-
2700		STUDENT TRANSPORTATION SERVICES	-
	2710	Supervision of Student Transportation Services	-
	2720	Vehicle Operation Services	-
	2730	Monitoring Services	-
	2740	Vehicle Servicing and Maintenance Services	-
	2750	Nonpublic Transportation	-
	2790	Other Student Transportation Services	-
2800		SUPPORT SERVICES - CENTRAL	
	2810	Planning, Research, Development and Evaluation Services	813,411.53
	2820	Information Services	-
	2830	Staff Services	-
	2840	Data Processing Services	210,446.07
	2850	State and Federal Agency Liaison Services	-
	2860	Management Services	-
	2890	Other Support Services Central	-
2900		OTHER SUPPORT SERVICES - CENTRAL	-
	2990	Pass-Thru Funds	-
3000		OPERATION OF NON-INSTRUCTIONAL SERVICES	-
3100		FOOD SERVICES	-
3200		STUDENT ACTIVITIES	

	3210	School Sponsored Student Activities	81,155.64
	3250	School Sponsored Athletics	-
3300		COMMUNITY SERVICES	-
	3310	Community Recreation	-
	3320	Civic Services	-
	3330	Public Library Services	-
	3340	Custody and Child Care	-
	3350	Welfare Activities	-
	3390	Other Community Services	-
3400		SCHOLARSHIPS AND AWARDS	-
4000		FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT SERVICES	
4100		SITE ACQUISITION SERVICES - ORIGINAL AND ADDITIONAL	-
4200		EXISTING SITE IMPROVEMENT SERVICES	-
4300		ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS DEVELOPMENT - ORIGINAL AND ADDITIONAL	-
4400		ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS - IMPROVEMENTS	-
4500		BUILDING ACQUISITION AND CONSTRUCTION SERVICES - ORIGINAL AND ADDITIONAL	4,213,400.85
4600		EXISTING BUILDING IMPROVEMENT SERVICES	-
5000		OTHER EXPENDITURES AND FINANCING USES	
5100		DEBT SERVICE / OTHER EXPENDITURES AND FINANCING USES	33,081.34
5200		FUND TRANSFERS	-
5300		TRANSFERS INVOLVING COMPONENT UNITS	-
5400		INTRAFUND TRANSFERS OUT	-
5800		SUSPENSE ACCOUNT	-
5900		BUDGETARY RESERVE	-
TOTAL EXPENDITURES			20,335,518.61

**TOTAL REVENUES MINUS TOTAL EXPENDITURES = CURRENT FUND
BALANCE AS OF JUNE 30, 2019**

(1,217,969.11)



21ST CENTURY CYBER CHARTER SCHOOL

FINANCIAL AND COMPLIANCE REPORT

Year Ended June 30, 2018



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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*.....**



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INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
21st Century Cyber Charter School
Downingtown, Pennsylvania**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the 21st Century Cyber Charter School, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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. Accordingly, we express no such opinion. 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the 21st Century Cyber Charter School, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 12 to the financial statements, effective July 1, 2017, the 21st Century Cyber Charter School adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the general fund, and pension and other postemployment benefit information on pages 58 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2018, on our consideration of the 21st Century Cyber Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.

Herbein + Company, Inc.

**Reading, Pennsylvania
November 13, 2018**



21ST CENTURY CYBER CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information

June 30, 2018

The discussion and analysis of 21st Century Cyber Charter School's (Charter School) financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the Charter School's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

The 21st Century Cyber Charter School's financial results for the 2017-2018 school year resulted in a total net position of \$(4,675,818) and a Governmental Fund balance of \$5,266,452 at June 30, 2018. The June 30, 2016-17 restated net position was \$(3,742,302) and fund balance was \$4,922,888.

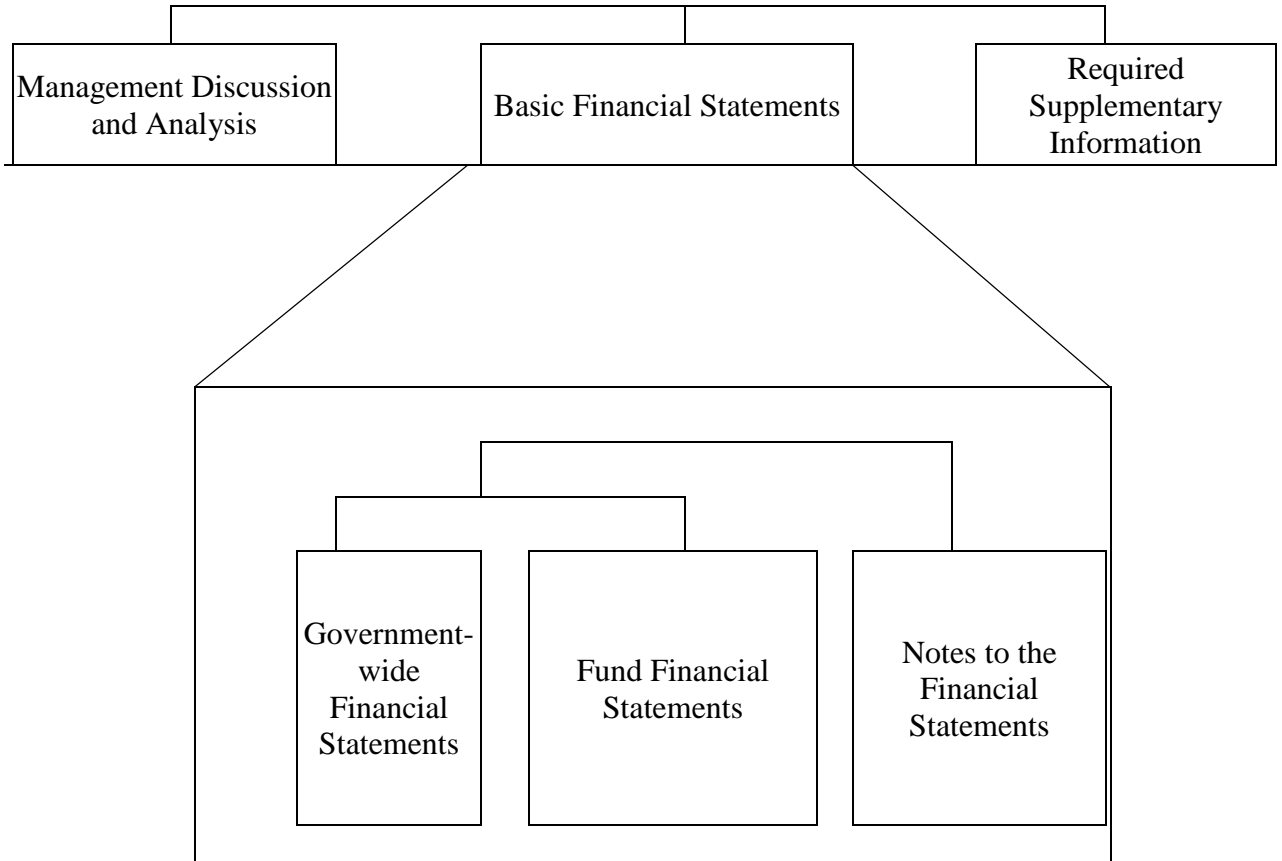
Governmental fund total assets at June 30, 2018 were \$6,719,827 compared to the June 30, 2017 balance of \$6,404,914.

The primary source of revenue for the Charter School is tuition charged to school districts at rates determined by the completion of PDE Form 363.

The Charter School implemented Government Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions effective July 1, 2017. Statement No. 75 establishes standards for measuring and recognizing liabilities, expenses, deferred outflows of resources and deferred inflows of resources in order to improve financial reporting for postemployment benefits other than pension. The implementation of this standard resulted in a restatement to net position at July 1, 2017 of \$(593,247).

Figure 1 shows how the required parts of the financial statements are arranged and relate to one another.

Figure 1
Required Components of 21st Century Cyber Charter School's Financial Report



OVERVIEW OF FINANCIAL STATEMENTS

Figure 2 summarizes the major features of the Charter School's financial statements. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Figure 2
21st Century Cyber Charter School's
Government-wide and Fund Financial Statements

		Fund Statements
	Government-wide Statements	Governmental Funds
Scope	Entire 21st Century Cyber Charter School (except fiduciary funds)	The activities of the Charter School that are not proprietary or fiduciary, such as education, administration and community services
Required financial statements	Statement of net position Statement of activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, current and noncurrent, and deferred inflows and outflows of resources	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or noncurrent liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-wide Statements

The government-wide statements report information about the Charter School as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all governmental assets and liabilities as well as deferred outflows and inflows of resources. Current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Charter School's net position and how it has changed. Net position, the difference between assets and liabilities as well as deferred outflows and inflows of resources, is one way to measure the Charter School's financial health or position. Over time, increases or decreases in net position are an indication of whether the Charter School's financial health is improving or deteriorating.

Governmental activities – All of the Charter School's basic services are included here, such as instruction, administration and pupil health.

Fund Financial Statements

The fund financial statements provide more detailed information about the Charter School's funds. The Charter School has no non-major governmental, proprietary or fiduciary funds and reports all activity in a single governmental fund.

Governmental Funds – Includes the Charter School's basic services and generally (1) focuses on how cash and other financial assets can readily be converted into cash inflows and outflows and (2) identifies balances left at year-end that are available for spending. Financial results are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets. The governmental fund statements provide a detailed short-term view of the Charter School's operations and the services provided. Governmental fund information helps the reader determine the level of financial resources that can be spent in the near future to finance the Charter School's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

FINANCIAL ANALYSIS OF THE 21ST CENTURY CYBER CHARTER SCHOOL AS A WHOLE

The Charter School's total net position was \$(4,675,818) as of June 30, 2018.

Figure 3		
Condensed Statement of Net Position		
June 30		
	Governmental Activities	
	2017	2018
Current and other assets	\$ 6,404,914	\$ 6,719,827
Capital Assets	<u>\$ 4,238,072</u>	<u>\$ 4,061,860</u>
Total Assets	\$10,642,986	\$10,781,687
Deferred Outflows of Resources	\$ 4,129,189	\$ 6,951,541
Current and other liabilities	\$ 1,482,026	\$ 1,453,375
Long-term liabilities	<u>\$ 15,979,204</u>	<u>\$ 20,581,671</u>
Total Liabilities	\$ 17,461,230	\$ 22,035,046
Deferred Inflows of Resources	\$ 460,000	\$ 374,000
Net Investment in Capital Assets	\$ 4,238,072	\$ 4,061,860
Unrestricted	<u>\$ (7,387,127)</u>	<u>\$ (8,737,678)</u>
Total Net Position	\$ (3,149,055)	\$ (4,675,818)

Current assets at June 30, 2018 included cash of \$5,370,522, intergovernmental and other receivables of \$1,217,162, and prepaid expenses of \$132,143.

Total liabilities increased in 2017-2018. Accounts payable balances were \$331,030, compared to the prior year balance of \$532,192. The decrease of \$201,162 is the result of minimal Building Acquisition and Construction Services during 2017-2018. Accrued salaries and benefits increased from \$940,364 at June 30, 2017 to \$1,113,065 at June 30, 2018, a result of increased staff due to increased enrollment. The compensated absences accrual, which reflects the value of unused vacation time increased from \$125,886 to \$208,850 (which reflects the long-term portion) as of June 30, 2018. The long-term liability related to GASB 75 – Accounting for Other Postemployment Benefits increased by \$76,503 to \$418,821 at the end of the 2017-2018 school year. Also, the long-term liability related to GASB 75 – Accounting for Other Postemployment Benefits – Health Insurance Premium is \$791,000 at the end of the 2017-2018 school year. This liability was not reflected on the Statement of Net Position prior to the implementation of GASB 75. The largest increase in liabilities was the Charter School's proportionate share of the net pension liability, which increased \$3,652,000 from the prior year totaling \$19,163,000 at June 30, 2018.

The results of this year's operations as a whole are reported in the Statement of Activities, and summarized below in Figure 4.

Figure 4		
Condensed Statement of Activities		
June 30		
	Governmental Activities	
Revenues	2017	2018
Program Revenues		
Charges for services	\$ 12,697,811	\$ 14,739,835
Operating grants and contributions	\$ 131,538	\$ 141,531
Capital grants and contributions	\$ 0	\$ 0
Investment Earnings	\$ 18,612	\$ 50,632
Total Revenues	\$ 12,847,961	\$ 14,931,998
Expenses		
Instruction - Regular Programs	\$ 5,470,251	\$ 6,167,632
Instruction - Special Programs	\$ 1,251,161	\$ 1,476,479
Instruction – Other Programs	\$ 142,509	\$ 177,512
Support Services	\$ 5,774,000	\$ 7,954,204
Noninstructional Services	\$ 89,659	\$ 89,687
Total Expenses	\$ 12,727,580	\$ 15,865,514
Increase (Decrease) in Net Position	\$ 120,381	\$ (933,516)
Beginning Net Position	\$ (3,269,436)	\$ (3,742,302)*
Ending Net Position	\$ (3,149,055)	\$ (4,675,818)

**Restated for implementation of GASB Statement No. 75. See Note 12 for further information.*

Increased enrollment in the Charter School generated additional tuition revenue of \$2,042,024 in 2017-2018 compared to the prior school year.

Total expenses in 2017-2018 were \$3,137,934 higher than in 2016-2017. The increase in operating expenses can be explained by increased staff due to enrollment, increased pension expense, and increased special education related services expenditures.

Figure 5 represents the cost of 5 major governmental activities: Regular Programs, Special Programs, Other Programs, Support Services, and Noninstructional Services. The table also shows each activity's net cost (total cost less fees generated by the activities and grants/subsidies provided for specific programs).

Figure 5				
Net Cost of Governmental Activities				
June 30				
	Total Cost of Services		Net Cost of Services	
	2017	2018	2017	2018
Instruction - Regular Programs	\$ 5,470,251	\$ 6,167,632	\$(81,435)	\$(668,968)
Instruction - Special Programs	1,251,161	1,476,479	64,543	(40,576)
Instruction - Other Programs	142,509	177,512	7,725	(7,413)
Support Services	5,774,000	7,954,204	112,905	(263,434)
Noninstructional Services	89,659	89,687	(1,969)	(3,757)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$12,727,580</u>	<u>\$15,865,514</u>	<u>\$101,769</u>	<u>\$(984,148)</u>

BUDGET HIGHLIGHTS

During the fiscal year, the Board authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the 21st Century Cyber Charter School. A schedule showing the Charter School's original and final budget amounts compared with amounts actually paid and received is provided in the financial statements.

The revenue budget projection at the budget adoption was 92% accurate. Out of a \$16,172,497 budget \$14,931,998 was collected. The difference is the budget was based on enrolling 1700 students. Actual enrollment is 1,617 students.

The expenditure budget was in under budget by \$1,525,117. The main reason for this was adjustments to spending based on not reaching projected enrollment numbers.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the Charter School had \$ 4,061,860 invested in building improvements, furniture and computer equipment, net of depreciation.

Figure 6		
Capital Assets (net of depreciation)		
June 30		
	Governmental Activities	
	2017	2018
Construction in Progress	\$ 294,445	\$ 0
Building Improvements	\$ 3,462,793	\$ 3,696,139
Furniture & Computer Equipment	\$ <u>480,834</u>	\$ <u>365,721</u>
Total	\$ 4,238,072	\$ 4,061,860

Debt Administration

The 21st Century Cyber Charter School had no debt for 126 Wallace Avenue building and no debt for the renovations to 221 Blue Spruce Way, Murrysville, PA as of June 30, 2018.

ECONOMIC FACTORS AND THE CHARTER SCHOOL'S FUTURE

The 21st Century Cyber Charter School increased its teaching staff from fifty-five in 2016-2017 to fifty-eight in 2017-2018 as a direct result of a 13.2% increase in enrollment. Management has expanded the role of teaching assistants which allows teachers to service more students. In addition, as enrollments have increased, so has the demand for special education services. Total staff increased from ninety-eight in 2016-2017 to one hundred fourteen in 2017-2018. The trend of increasing enrollment is anticipated to continue into the foreseeable future. A concerted effort by the school to proactively seek increased enrollment has had the desired effect of bringing more students to the school.

A charter renewal for 2021-2022 to 2025-2026 is in process and will be completed in October 2019. A charter amendment was approved on October 26, 2016 to establish a satellite site in Murrysville, PA. This site has been established and is fully staffed.

In 2012-2013 the Pennsylvania changed the measurement for academic achievement from Adequate Yearly Progress to the Student Performance Profile. Each school is rated based on a number of student achievement factors based on a rating from 1 to 100+. In 2013-2014 21CCCS scored a 66.0 on the SPP, 69.2 in 2014-2015, and 61.1 in 2016-2017. The 2017-2018 SPP score will be received in the fall of the 2018-2019 School Year. The shift on the standardized tests to the core standards has raised a challenge to the school. Developers have aligned all of our classes to the standards and continue to adjust classes as the PSSA and Keystone exams change.

The Pennsylvania School Employees Retirement System (PSERS) retirement rate history table is below. These rates were determined by PSERS' actuary and are subject to certification by the PSERS Board of Trustees.

Year	Rate
2015-2016	25.84%
2016-2017	30.03%
<i>2017-2018</i>	<i>32.57%</i>
2018-2019	33.43%
2019-2020	34.79%

As the political climate stabilizes in Pennsylvania, there has seen little movement to seriously pass a charter school reform bill. Any change in the funding formula would likely be a part of that legislation. To date, no legislation has been passed regarding cyber charter school reform. The Board of Trustees has approved a program stabilization fund to provide financial assistance to the Charter School, if needed, should there be changes to the formula.

CONTACTING THE 21ST CENTURY CYBER CHARTER SCHOOL FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the Charter School's finances and to show accountability for the money received. If you have questions about this report or wish to request additional financial information, please contact the Open Records Officer, 21st Century Cyber Charter School, 126 Wallace Avenue, Downingtown, PA 19335, 484-875-5400.

21st CENTURY CYBER CHARTER SCHOOL

STATEMENT OF NET POSITION

June 30, 2018

	Governmental Activities
ASSETS	
Cash and Investments	\$ 5,370,522
Intergovernmental Receivables	1,217,162
Prepaid Expenses	132,143
Capital Assets, Net of Accumulated Depreciation	<u>4,061,860</u>
TOTAL ASSETS	<u>10,781,687</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources for Pension	6,735,579
Deferred Outflows of Resources for Other Postemployment Benefits - Health Insurance Premium Assistance Program	192,419
Deferred Outflows of Resources for Other Postemployment Benefits - Charter School Plan	<u>23,543</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>6,951,541</u>
LIABILITIES	
Accounts Payable	331,030
Accrued Salaries and Benefits	1,113,065
Unearned Revenues	9,280
Noncurrent Liabilities:	
Long-Term Portion of Compensated Absences	208,850
Net Pension Liability	19,163,000
Net Other Postemployment Benefit Obligation - Health Insurance Premium Assistance Program	791,000
Total Other Postemployment Benefit Obligation - Charter School Plan	<u>418,821</u>
TOTAL LIABILITIES	<u>22,035,046</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources for Pension	337,000
Deferred Inflows of Resources for Other Postemployment Benefits - Health Insurance Premium Assistance Program	<u>37,000</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>374,000</u>
NET POSITION	
Investment in Capital Assets	4,061,860
Unrestricted (Deficit)	<u>(8,737,678)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (4,675,818)</u>

See accompanying notes.

21st CENTURY CYBER CHARTER SCHOOL

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenue		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental Activities				
Instructional Services:				
Regular Programs - Elementary/Secondary	\$ 6,167,632	\$ 5,472,918	\$ 25,746	\$ (668,968)
Special Programs - Elementary/Secondary	1,476,479	1,336,146	99,757	(40,576)
Other Instructional Programs - Elementary/Secondary	177,512	170,099	-	(7,413)
Total Instructional Services	<u>7,821,623</u>	<u>6,979,163</u>	<u>125,503</u>	<u>(716,957)</u>
Support Services:				
Students	769,514	680,775	-	(88,739)
Instructional Staff	1,815,787	1,792,099	-	(23,688)
Administration	2,017,529	1,916,959	-	(100,570)
Pupil Health	112,777	95,996	16,028	(753)
Business Services	500,013	493,134	-	(6,879)
Operation and Maintenance of Plant Services	881,317	849,212	-	(32,105)
Central	1,857,267	1,846,567	-	(10,700)
Total Support Services	<u>7,954,204</u>	<u>7,674,742</u>	<u>16,028</u>	<u>(263,434)</u>
Noninstructional Services:				
Student Activities	89,687	85,930	-	(3,757)
Total Noninstructional Services	<u>89,687</u>	<u>85,930</u>	<u>-</u>	<u>(3,757)</u>
Total Governmental Activities	<u>\$ 15,865,514</u>	<u>\$ 14,739,835</u>	<u>\$ 141,531</u>	(984,148)
General Revenues:				
				<u>50,632</u>
				(933,516)
				<u>(3,742,302)</u>
				<u>\$ (4,675,818)</u>

See accompanying notes.

21st CENTURY CYBER CHARTER SCHOOL

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2018

	<u>General Fund</u>
ASSETS	
Cash and Investments	\$ 5,370,522
Intergovernmental Receivables	1,217,162
Prepaid Expenditures	<u>132,143</u>
TOTAL ASSETS	<u>\$ 6,719,827</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$ 331,030
Accrued Salaries and Benefits	1,113,065
Unearned Revenues	<u>9,280</u>
TOTAL LIABILITIES	1,453,375
 FUND BALANCE	
Nonspendable:	
Prepaid Expenditures	132,143
Committed:	
Future Building Fund	3,500,000
Future Capital Equipment/Software/Furniture Purchases	327,453
New Initiatives Fund	177,857
Program Contingency Fund	1,000,000
Assigned:	
PSERS Retirement Rate Increases	35,000
Health Insurance Rate Increases	31,697
Unassigned	<u>62,302</u>
TOTAL FUND BALANCE	<u>5,266,452</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,719,827</u>

21st CENTURY CYBER CHARTER SCHOOL

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2018

Amounts reported for governmental activities on the statement of net position are different because:

TOTAL FUND BALANCE - GOVERNMENTAL FUND	\$ 5,266,452
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$5,201,020 and the accumulated depreciation is \$1,139,160.	4,061,860
The net pension liability and related deferred outflows and inflows of resources for pensions are not reflected on the fund financial statements.	(12,764,421)
The other postemployment benefit obligations and related deferred outflows and inflows of resources for other postemployment benefits are not reflected on the fund financial statements.	(1,030,859)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Long-Term Portion of Compensated Absences	<u>(208,850)</u>
TOTAL NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES	<u><u>\$ (4,675,818)</u></u>

21st CENTURY CYBER CHARTER SCHOOL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND

For the Year Ended June 30, 2018

	<u>General Fund</u>
REVENUES	
Local Sources	\$ 14,890,224
State Sources	<u>41,774</u>
TOTAL REVENUES	14,931,998
EXPENDITURES	
Current:	
Instructional Services	6,907,477
Support Services	7,566,153
Operation of Noninstructional Services	85,046
Capital Outlay	<u>29,758</u>
TOTAL EXPENDITURES	<u>14,588,434</u>
CHANGE IN FUND BALANCE	343,564
FUND BALANCE - BEGINNING OF YEAR	<u>4,922,888</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 5,266,452</u></u>

21st CENTURY CYBER CHARTER SCHOOL

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	\$	343,564
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital Outlays	\$	22,195
Less: Depreciation Expense		(198,242)
Less: Loss on Disposals		<u>(165)</u>
		(176,212)
<p>In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year.</p>		
		(82,964)
<p>The change in net pension liability and related deferred outflows and inflows of resources for pension are reflected as an adjustment to expense on the statement of activities, but not included in the fund statements.</p>		
		(922,610)
<p>The change in other postemployment benefit obligations and related deferred outflows and inflows of resources for other postemployment benefits are reflected as an adjustment to expense on the statement of activities, but not included in the fund statements.</p>		
		<u>(95,294)</u>
CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	\$	<u>(933,516)</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

The 21st Century Cyber Charter School (the "Charter School") was originally chartered through West Chester Area School District. The Charter School was established in April 2001 and began operations in July 2001. Effective July 1, 2006, the Charter School became chartered directly through the Pennsylvania Department of Education. The current charter expired June 30, 2016; the renewal is currently being processed by the Pennsylvania Department of Education.

The Charter School is located in Downingtown, Pennsylvania, and was established to provide services to students located in Pennsylvania. The Charter School is governed by a board consisting of the executive directors of the Bucks, Chester, Delaware, and Montgomery County Intermediate Units, two school district superintendents from each of those counties, and three parent members.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 21st Century Cyber Charter School have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting principles are as follows:

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Charter School and its component units.

The Charter School used guidance contained in generally accepted accounting principles to evaluate the possible inclusion of related entities (authorities, boards, councils, etc.) within its reporting entity. Accounting principles generally accepted in the United States of America require that the reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit if the nature and significance of their relationship with the primary government or other component units are such that the exclusion from the financial reporting entity would render the financial reporting entity's financial statements incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units.

Based on the foregoing criteria, the Charter School has determined it has no component units.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Basis of Presentation - Government-Wide Financial Statements

Government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting entity, except for its fiduciary activities. All fiduciary activities are reported only in the fund financial statements. The government-wide statements include separate columns for the governmental and business-type activities of the primary government, as well as any discretely presented component units. Governmental activities, which normally are supported by intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable. The Charter School presently only has governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function to the Charter School are offset by the program revenues related to that function. Direct expenses are those that are directly related to and clearly identified with a function. Program revenues include 1) charges to customers or others who purchase, use or directly benefit from services or goods provided by a given function, or 2) grants and contributions that are restricted to meet the operational or capital requirements of a function. Other items properly not included in program revenues are reported as general revenues.

C. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Charter School Reports the Following Major Governmental Fund:

General Fund: The general fund is the general operating fund of the Charter School. It is used to account for all financial resources. All activities of the Charter School are accounted for through this fund.

The Charter School does not currently have any enterprise or fiduciary funds.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. If time eligibility requirements are not met, deferred inflows of resources would be recorded. All other revenue items are considered to be measurable and available only when cash is received by the Charter School.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Budgetary Information

1. Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations, except unexpended grant appropriations and encumbrances, lapse at fiscal year end. The Charter School's 2017-2018 budget was prepared and approved by the board of directors prior to submitting the budget to the Pennsylvania Department of Education.

All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budget during the year.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position

1. Cash and Cash Equivalents

The Charter School's reporting entity considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

2. Investments

Investments are stated at fair value in accordance with Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application, except for investments in external investment pools, which are valued at amortized costs if required criteria are met as outlined in Governmental Accounting Standards Board Statement No. 79, Certain External Investment Pools and Pool Participant.

The Charter School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

3. Receivables

The intergovernmental receivables are amounts due from local school districts and the Pennsylvania Department of Education (PDE).

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The costs of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital Assets, Depreciation, and Amortization

The Charter School's capital assets with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the Charter School values these capital assets at the estimated fair value of the item at the date of its donation.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position - continued

5. Capital Assets, Depreciation, and Amortization - continued

The Charter School generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. Assets purchased or constructed with long-term debt may be capitalized regardless of the threshold established. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Assets	Years
Building and building improvements	20 - 50
Furniture and computer equipment	5 - 20

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses) until then. The Charter School has two items that qualify for reporting in this category:

Deferred outflows of resources for pension relates to the Charter School's net pension liability and pension expense and arises from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, or differences between employer contributions and the proportionate share of total contributions reported by the pension plan. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow. Also included are contributions made to the pension plan subsequent to the measurement date and prior to the Charter School's year end. The contributions will be recognized as a reduction in net pension liability in the following year.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position - continued

6. Deferred Outflows/Inflows of Resources - continued

Deferred outflows of resources for other postemployment benefit obligations relates to the Charter School's obligation for postemployment benefits other than pensions and related expenses and arises from the changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, or differences between employer contributions and the proportionate share of total contributions reported by the plan. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow. Also included are contributions or benefit payments made subsequent to the measurement date and prior to the Charter School's year end. These payments will be recognized as a reduction to the net other postemployment benefit obligation in the following year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Charter School has two types of items that qualify for reporting in this category.

Deferred inflows of resources for pensions relates to the Charter School's net pension liability and pension expense and arises from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, or differences between employer contributions and the proportionate share of total contributions reported by the pension plan. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred inflow.

Deferred inflows of resources for other postemployment benefit obligations relates to the Charter School's obligation for postemployment benefits other than pensions and related expenses and arises from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, or differences between employer contributions and the proportionate share of total contributions reported by the plan. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred inflow.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position - continued

7. Unearned Revenues

Revenues that are received but not earned are reported as unearned revenues in the government-wide and governmental fund financial statements. Unearned revenues arise when resources are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Charter School has legal claim to the resources, the liability for unearned revenue is removed from the respective financial statements and revenue is recognized.

8. Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in the capital assets component of net position is comprised of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. In addition, any deferred outflows of resources and/or deferred inflows of resources related to such capital assets or liabilities associated with the capital assets should also be added to or deducted from the overall net investment in capital assets. The restricted component of net position is used when there are limitations imposed on their use either through the enabling legislation adopted by a higher governmental authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining component of net position is unrestricted.

The Charter School applies restricted resources first when an expense is incurred for purposes for which both the restricted and unrestricted components of net position are available.

9. Fund Balance Policies and Flow Assumptions

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Charter School itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The restricted fund balance classification represents funds that are limited in use due to constraints for a specific purpose through restrictions by external parties, grant agreements, or enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Charter School's highest level of decision-making authority. The board of directors is the highest level of decision-making authority for the Charter School that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position - continued

9. Fund Balance Policies and Flow Assumptions - continued

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The director/CEO or designee may assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Charter School does not have a minimum fund balance policy.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The Charter School's policy states there are no restrictions placed on the order of the unrestricted fund balances used when an expenditure is incurred for a purpose in which unrestricted fund balance amounts are available under committed, assigned, or unassigned fund balance. The decision will be made at the discretion of the director/CEO.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions (including special assessments) that are restricted to meeting the operations or capital requirements of a particular function or segment. Other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Resident School District Payments

Local sources revenue includes amounts paid by various school districts for the students enrolled in the Charter School who reside within that particular school district. Payment charges per student enrolled vary by district and are calculated annually under Section 1725-A of the Pennsylvania Public School Code. This revenue is earned and recognized during the applicable school year, net of any refunds.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. Revenues/Expenditures/Expenses - continued

3. Compensated Absences

The Charter School allows employees to accumulate sick and vacation leave based on contractual agreements. An employee must be with the Charter School for 10 years before they are eligible for a pay-out of sick days. Once eligible, employees are paid at 50% of their per diem rate, up to a maximum of \$7,500.

H. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Compliance with Finance Related Legal and Contractual Provisions

The Charter School has no material violations of finance related legal and contractual provisions.

B. Deficit Fund Balance or Net Position of Individual Funds

For the year ended June 30, 2018, no individual funds had a deficit fund balance or net position.

C. Excess of Expenditures Over Appropriations in Individual Funds

No individual fund, which had a legally adopted budget, had an excess of expenditures over appropriations.

D. Budgetary Compliance

The Charter School's only legally adopted budget is for the General Fund. All budgetary transfers were made within the last nine months of the fiscal year. The Charter School cancels all purchase orders open at year end; therefore, it does not have any outstanding encumbrances at June 30, 2018. In addition, the Charter School includes a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior period's excess of revenues over expenditures.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 3 - CASH AND INVESTMENTS

Under Section 440.1 of the Public School Code of 1949, as amended, the Charter School is permitted to invest funds in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits in savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and for any amounts above the insured maximum, provided that approved collateral as provided by law, therefore, shall be pledged by the depository.

Pennsylvania Act 10 of 2016 became effective May 25, 2016, and expanded the permitted investment types to include commercial paper, bankers' acceptances, negotiable certificates of deposit, and insured bank deposit reciprocals as long as certain safeguards related to credit quality and maturity are met.

The deposit and investment policy of the Charter School adheres to state statutes. There were no deposits or investment transactions during the year that were in violation of either the state statutes or the policy of the Charter School.

The breakdown of total cash and investments on the financial statements are as follows at June 30, 2018:

Petty cash	\$ 75
Demand deposits	1,333,552
Pooled cash and investments	<u>4,036,895</u>
	<u>\$ 5,370,522</u>

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Charter School does not have a policy for custodial credit risk. As of June 30, 2018, the carrying amount of the Charter School's deposits was \$1,333,552 and the bank balance was \$1,480,242. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,230,242 of the Charter School's bank balance was exposed to custodial credit risk but covered by collateralization requirements in accordance with Act 72 of the 1971 Session of the General Assembly.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Investments

As of June 30, 2018, the Charter School had the following pooled cash and investments:

	<u>Fair Value</u>	<u>Carrying Value</u>
PA School District Liquid Asset Fund:		
Collateralized Pool	\$ 2,000,000	\$ 2,000,000
Full Flex Pool	1,000,000	1,000,000
MAX Account Balance	<u>1,036,895</u>	<u>1,036,895</u>
 Total Pooled Cash and Investments		 <u><u>\$ 4,036,895</u></u>

Certain external investments held by the Charter School, based on portfolio maturity, quality, diversification, and liquidity measures, qualify for measurement at amortized cost at both the pool and participating government level consistent with GASB Statement No. 79. The Charter School measures those investments, which include \$4,036,895 (PSDLAF) at amortized cost. All investments in external investment pools that are not registered with the Securities and Exchange Commission are subject to oversight by the Commonwealth of Pennsylvania.

A portion of the Charter School's deposits were in the Pennsylvania School District Liquid Asset Fund. PSDLAF acts like a money market mutual fund in that the objective is to maintain a stable net asset value of \$1 per share, is rated by nationally recognized statistical rating organization, and is subject to an independent annual audit.

The PSDLAF Full Flex Pool and Collateralized Pool, as part of the Fixed-Term Series at PSDLAF, are fixed-term investments collateralized in accordance with Act 72 and invests in assets listed above as permitted under Section 440.1 of the Public School Code of 1949. The Fixed-Term Series are fixed-term investment vehicles with maturities depending upon the maturity date of each particular Fixed-Term Series. All investments in a Fixed-Term Series by a Settlor are intended to be deposited for the full term of the particular Fixed-Term Series; however, participants in the full flex pool may remove funds without early withdrawal penalty. Whether a Fixed-Term Series has only one Settlor or more than one Settlor participating in it, each certificate of deposit in which the monies in such Fixed-Term Series are invested is registered in the name of that particular Fixed-Term Series.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Investments - continued

The PSDMAX fund invests in U.S. treasury securities, U.S. government securities, its agencies and instrumentalities, and repurchase agreements, collateralized by such securities and contracted with highly-rated counterparties. Weighted average portfolio maturity for the fund is expected to be kept at or below 60 days. PSDMAX does not have limitations or restrictions on withdrawals.

As of June 30, 2018, the entire PSDLAF book balance of \$4,036,895 is considered to be a cash equivalent for presentation on the government-wide and fund financial statements.

Interest Rate Risk

The Charter School does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Charter School has no investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2018, the Charter School's investments were rated as:

<u>Investment</u>	<u>Standard & Poor's</u>
Pennsylvania School District Liquid Asset Fund	AAA

Concentration of Credit Risk

The Charter School places no limit on the amount the Charter School may invest in any one issuer. As of June 30, 2018, the Charter School did not have any investments subject to concentration of credit risk.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Charter School will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Charter School has no investment subject to custodial credit risk.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

The intergovernmental and state receivables are due from local school districts and the Pennsylvania Department of Education (PDE); therefore, management believes that they are fully collectible. Thus, no allowance has been deemed necessary or recorded in the accompanying financial statements. The intergovernmental receivables balance totals \$1,217,162 as of June 30, 2018.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2018, were as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease/ Transfers</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 294,445	\$ 5,972	\$ (300,417)	\$ -
Capital Assets Being Depreciated:				
Building and Building Improvements	3,686,693	10,586	300,417	3,997,696
Furniture and Computer Equipment	1,205,250	5,637	(7,563)	1,203,324
Total Assets Being Depreciated	<u>4,891,943</u>	<u>16,223</u>	<u>292,854</u>	<u>5,201,020</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	223,900	77,657	-	301,557
Furniture and Computer Equipment	724,416	120,585	(7,398)	837,603
Total Accumulated Depreciation	<u>948,316</u>	<u>198,242</u>	<u>(7,398)</u>	<u>1,139,160</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>3,943,627</u>	<u>214,465</u>	<u>285,456</u>	<u>4,061,860</u>
GOVERNMENTAL ACTIVITIES, CAPITAL ASSETS, NET	<u>\$ 4,238,072</u>	<u>\$ (176,047)</u>	<u>\$ (165)</u>	<u>\$ 4,061,860</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - CAPITAL ASSETS - CONTINUED

Depreciation expense was charged to functions/programs of the governmental activities of the primary government as follows:

Instructional Services:		
Regular Education - Elementary/Secondary	\$	73,608
Special Education - Elementary/Secondary		17,970
Other Instructional Programs - Elementary/Secondary		2,288
Support Services:		
Students		9,156
Instructional Staff		24,103
Administration		25,782
Pupil Health		1,291
Business Services		6,632
Operation and Maintenance of Plant Services		11,421
Central		24,835
Noninstructional Services		<u>1,156</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES		<u>\$ 198,242</u>

NOTE 6 - COMPENSATED ABSENCES

Long-term liability balance and activity, except for the net pension liability and other postemployment benefit obligation, for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	<u>\$ 125,886</u>	<u>\$ 93,124</u>	<u>\$ 10,160</u>	<u>\$ 208,850</u>	<u>\$ -</u>

The compensated absence liability will be liquidated by the general fund.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 7 - EMPLOYEE RETIREMENT PLAN

Employee Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the Pension Plan

Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2.0% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of 5 years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after 10 years of service.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Employee Defined Benefit Pension Plan - continued

General Information About the Pension Plan - continued

Benefits Provided - continued

Participants are eligible for disability retirement benefits after completion of 5 years of credited service. Such benefits are generally equal to 2.0% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least 1 year of credited service (age 65 with at least 3 years of credited service for Class T-E and Class T-F members) or who has at least 5 years of credited service (10 years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

The contribution policy is set by State Statute and requires contributions by active members and employers.

Member Contributions:

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class TC) or at 6.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.50% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Employee Defined Benefit Pension Plan - continued

General Information About the Pension Plan - continued

Contributions - continued

Employer Contributions:

The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2018 was 31.74% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Charter School were \$2,042,783 for the year ended June 30, 2018.

The Charter School is also required to contribute a percentage of covered payroll to PSERS for healthcare insurance premium assistance. See Note 8.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Charter School reported a liability of \$19,163,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2016 to June 30, 2017. The Charter School's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2018, the Charter School's proportion was 0.0388%, which was an increase of 0.0075% from its proportion measured as of June 30, 2017. The net pension liability will be liquidated through future contributions to PSERS at the statutory rates. Contributions will be made from the general fund.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Employee Defined Benefit Pension Plan - continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - continued

For the year ended June 30, 2018, the Charter School recognized pension expense of \$2,965,393. At June 30, 2018, the Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 200,000	\$ 116,000
Changes in assumptions	521,000	-
Net difference between projected and actual investment earnings	444,000	-
Changes in proportion - plan level	3,444,000	221,000
Difference between employer contributions and proportionate share of total contributions	83,796	-
Contributions made subsequent to the measurement date	<u>2,042,783</u>	<u>-</u>
	<u>\$ 6,735,579</u>	<u>\$ 337,000</u>

The \$2,042,783 reported as deferred outflows of resources related to pensions resulting from Charter School contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

2019	\$ 1,236,394
2020	1,305,478
2021	1,187,459
2022	<u>626,465</u>
	<u>\$ 4,355,796</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Employee Defined Benefit Pension Plan - continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - continued

Actuarial Assumptions

The total pension liability at June 30, 2017 was determined by rolling forward the System's total pension liability at June 30, 2016 to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.25%, includes inflation at 2.75%.
- Salary growth - Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Employee Defined Benefit Pension Plan - continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - continued

The pension plan’s policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	20.0%	5.1%
Fixed income	36.0%	2.6%
Commodities	8.0%	3.0%
Absolute return	10.0%	3.4%
Risk parity	10.0%	3.8%
Infrastructure/MLPs	8.0%	4.8%
Real estate	10.0%	3.6%
Alternative investments	15.0%	6.2%
Cash	3.0%	0.6%
Financing (LIBOR)	(20.0%)	1.1%
	<u>100.0%</u>	

The above was the PSERS Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Employee Defined Benefit Pension Plan - continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - continued

Sensitivity of the Charter School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Charter School's proportionate share of the net pension liability	\$ 23,588,000	\$ 19,163,000	\$ 15,427,000

Pension Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.state.pa.us.

Payables to the Pension Plan

At June 30, 2018, the Charter School had an accrued balance due to PSERS, including contributions related to pension and OPEB of \$565,652. This amount represents the Charter School's contractually obligated contributions for wages earned in April 2018 through June 2018. The balance was paid in September 2018.

403(b) Tax Shelter Plan

The Charter School has established a 403(b) tax shelter plan permitting the establishment of accounts for school employees to voluntarily set aside monies to supplement their retirement income. All school employees are eligible to participate. The Charter School contributes to the plan for certain employees based on employment agreements.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 8 - HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM

Employee Defined Benefit Other Postemployment Benefits Plan

The Health Insurance Premium Assistance Program (HIPAP) is a cost-sharing, multiple-employer, employee defined benefit other postemployment benefits plan administered by PSERS.

Summary of Significant Accounting Policies

Other Postemployment Benefits

For purposes of measuring the net OPEB obligation, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2017, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the HIPAP if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 8 - HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

General Information About the Health Insurance Premium Assistance Program - continued

Pension Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2017, there were no assumed future benefit increases to participating eligible retirees.

Contributions

The contribution policy is set by state statute. A portion of each employer's contribution is set aside for premium assistance. The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2018 was 0.83% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the Charter School were \$53,419 for the year ended June 30, 2018.

HIPAP OPEB Obligation, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Charter School reported an obligation of \$791,000 for its proportionate share of the net OPEB obligation. The net OPEB obligation was measured as of June 30, 2017, and the total OPEB obligation used to calculate the net OPEB obligation was determined by rolling forward the System's total OPEB obligation as of June 30, 2016 to June 30, 2017. The Charter School's proportion of the net OPEB obligation was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2018, the Charter School's proportion was 0.0388%, which was an increase of 0.0075% from its proportion measured as of June 30, 2017. The net OPEB obligation will be liquidated through future contributions to PSERS at statutory rates. Contributions will be made from the general fund.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 8 - HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

HIPAP OPEB Obligation, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - continued

For the year ended June 30, 2018, the Charter School recognized OPEB expense of \$58,243. At June 30, 2018, the Charter School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	37,000
Net difference between projected and actual investment earnings	1,000	-
Changes in proportion	138,000	-
Contributions made subsequent to the measurement date	53,419	-
	<u>\$ 192,419</u>	<u>\$ 37,000</u>

The \$53,419 reported as deferred outflows of resources related to OPEB resulting from Charter School contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB obligation in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

2019	\$ 17,000
2020	17,000
2021	17,000
2022	17,000
2023	17,000
Thereafter	<u>17,000</u>
	<u>\$ 102,000</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 8 - HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

HIPAP OPEB Obligation, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - continued

Actuarial Assumptions

The total OPEB obligation as of June 30, 2017, was determined by rolling forward the System's total OPEB obligation as of June 30, 2016 to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 3.13% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre-age 65 at 50%
 - Eligible retirees will elect to participate Post-age 65 at 70%

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2015 determined the employer contribution rate for fiscal year 2017.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates and retirement ages were based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 Combined Disabled Tables with age set back 7 years for males and 3 years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits.)

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 8 - HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

HIPAP OPEB Obligation, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - continued

Actuarial Assumptions - continued

Investments consist primarily of short term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	76.4%	0.6%
Fixed income	<u>23.6%</u>	1.5%
	<u>100.0%</u>	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2017.

Discount Rate

The discount rate used to measure the total OPEB obligation was 3.13%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 3.13% which represents the S&P 20-year Municipal Bond Rate at June 30, 2017, was applied to all projected benefit payments to measure the total OPEB liability.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 8 - HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

HIPAP OPEB Obligation, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - continued

Sensitivity of the Charter School's Proportionate Share of the Net OPEB Obligation to Changes in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2017, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2016, 91,797 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2016, 1,354 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the Charter School's proportionate share of the net OPEB obligation for the June 30, 2017 measurement date, calculated using current Healthcare cost trends as well as what the Charter School's proportionate share of the net OPEB obligation would be if the health cost trends were one-percentage point lower or one-percentage point higher than the current rate:

	<u>1% Decrease (Between 4% to 7%)</u>	<u>Current Rate (Between 5% to 8%)</u>	<u>1% Increase (Between 6% to 9%)</u>
Charter School's proportionate share of the net OPEB obligation	\$ 790,000	\$ 791,000	\$ 791,000

Sensitivity of the Charter School's Proportionate Share of the Net OPEB Obligation to Changes in the Discount Rate

The following presents the net OPEB obligation, calculated using the discount rate of 3.13%, as well as what the net OPEB obligation would be if it were calculated using a discount rate that is one-percentage point lower (2.13%) or one-percentage-point higher (4.13%) than the current rate:

	<u>1% Decrease 2.13%</u>	<u>Current Discount Rate 3.13%</u>	<u>1% Increase 4.13%</u>
Charter School's proportionate share of the net OPEB obligation	\$ 899,000	\$ 791,000	\$ 701,000

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 8 - HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

HIPAP OPEB Obligation, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - continued

OPEB Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.pa.gov.

Payables Related to the Plan

At June 30, 2018, the Charter School had an accrued balance due to PSERS of \$565,652, including balances related to pension and OPEB. This amount represents the Charter School's contractually obligated contributions for wages earned in April 2018 through June 2018. The balance was paid in September 2018.

NOTE 9 - CHARTER SCHOOL OTHER POSTEMPLOYMENT BENEFITS PLAN

Employee Defined Benefit Other Postemployment Benefits Plan

General Information About the OPEB Plan

Plan Description

21st Century Cyber Charter School administers a single-employer defined benefit healthcare plan (the OPEB Plan). The Charter School OPEB Plan provides medical, prescription drug, dental, vision, and life insurance for eligible retirees through the Charter School's health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiation with the Charter School and the unions representing the Charter School's employees. The OPEB Plan does not issue a publicly available financial report and no assets are accumulated in a trust that meets the criteria in Government Accounting Standards Board Statement No. 75 to pay related benefits.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 - CHARTER SCHOOL OTHER POSTEMPLOYMENT BENEFITS PLAN - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

General Information About the OPEB Plan - continued

Benefits Provided

The Charter School classifies employees in the following categories: Administrators and Project Staffing. Contribution requirements are negotiated between the Charter School and union representatives. Below is a summary of the postemployment benefits provided to each of these groups:

Administrators

<i>ELIGIBILITY</i>	<i>COVERAGE AND PREMIUM SHARING</i>	<i>DURATION</i>
Act 110/43 requirements or PSERS Retirement with 10 to 19 years of service with 21CCCS	<p><u>Coverage</u> Medical, Prescription Drug, Dental, Vision, and Life Insurance</p> <p><u>Premium Sharing</u> The maximum life insurance provided to a retiree is 2.5 times annual base salary prior to retirement up to a maximum coverage amount of \$350,000. The Charter School will pay ½ the cost of premium for the group term life insurance.</p> <p>If the Retiree is eligible for PSERS retirement with at least 10 years of service with the Charter School, the Charter School will provide a subsidy for one year of medical, prescription drug, dental and vision coverage for every 2 years of service with the school, up to a maximum of 7 years. Retiree will provide payment equal to the premium determined for the purpose of COBRA for dental and vision coverage. For medical and prescription drug premiums, the Charter School's contribution level will be the same dollar amount contributed in the retiree's last year of employment. Retiree must pay the active employee cost share amount at retirement as well as any increases in premium.</p> <p><u>Dependents</u> Spouse and Family included</p>	<p>Member coverage is provided until the later of a) the expiration of the Charter School's subsidy or b) Member Medicare age.</p> <p>Spousal coverage is provided until the later of a) expiration of the Charter School's subsidy or b) earlier of Member Medicare age or Spouse Medicare age.</p> <p>Life insurance is provided until the member age 65.</p>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 - CHARTER SCHOOL OTHER POSTEMPLOYMENT BENEFITS PLAN - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

General Information About the OPEB Plan - continued

Benefits Provided - continued

Administrators - continued

<i>ELIGIBILITY</i>	<i>COVERAGE AND PREMIUM SHARING</i>	<i>DURATION</i>
<p>Act 110/43 requirements or PSERS Retirement with 20 or more years of service with 21CCCS</p>	<p><u>Coverage</u> Medical, Prescription Drug, Dental, Vision, and Life Insurance</p> <p><u>Premium Sharing</u> The maximum life insurance provided to a retiree is 2.5 times annual base salary prior to retirement up to a maximum coverage amount of \$350,000. The Charter School will pay ½ the cost of premium for the group term life insurance.</p> <p>If the Retiree is eligible for PSERS retirement with at least 10 years of service with the Charter School, the Charter School will provide a subsidy for one year of medical, prescription drug, dental and vision coverage for every 2 years of service with the school, up to a maximum of 7 years. Retiree will provide payment equal to the premium determined for the purpose of COBRA for dental and vision coverage. For medical and prescription drug premiums, the Retiree must pay the greater of the PSERS Supplement or the active employee cost share amount. Upon the expiration of the subsidy, if the Retiree qualifies for Act 110/43, the Retiree may continue coverage by providing payment equal to the premium determined for the purpose of COBRA until Medicare age. If the Retiree does not qualify for Act 110/43 upon the expiration of the subsidy, the Retiree cannot continue coverage. If a retiree does not qualify for the Charter School subsidy but qualifies for Act 110/43, the Retiree may continue coverage until Medicare age by paying the COBRA premium.</p> <p><u>Dependents</u> Spouse and Family included</p>	<p>Member coverage is provided until the later of a) the expiration of the Charter School's subsidy or b) Member Medicare age.</p> <p>Spousal coverage is provided until the later of a) expiration of the Charter School's subsidy or b) earlier of Member Medicare age or Spouse Medicare age.</p> <p>Life insurance is provided until the member age 65.</p>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 - CHARTER SCHOOL OTHER POSTEMPLOYMENT BENEFITS PLAN - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

General Information About the OPEB Plan - continued

Benefits Provided - continued

Project Staffing

<i>ELIGIBILITY</i>	<i>COVERAGE AND PREMIUM SHARING</i>	<i>DURATION</i>
Act 110/43 requirements or 20 years of service with 21CCCS	Act 110/43	Act 110/43

Act 110/43 Eligibility: All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.

Act 110/43 Coverage and Premium Sharing: Retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA.

PSERS Supplement: A retiree may receive a \$100 monthly medical reimbursement from PSERS if he or she meets one of the following qualifications at retirement:

- 1) 24.5 years of PSERS service.
- 2) Upon superannuation retirement with at least 15 years of PSERS service.

PSERS Retirement:

- 3) For individuals who are members of PSERS prior to July 1, 2011, an employee is eligible for PSERS retirement if he or she is eligible for either: a) PSERS early retirement with under 62 with 5 years of PSERS service or b) PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year of PSERS service or 35 years of PSERS service regardless of age.
- 4) For individuals who became members of PSERS on or after July 1, 2011, an employee is eligible for PSERS retirement if he or she is eligible for either: a) PSERS early retirement while under 65 with 10 years of PSERS service, or b) PSERS superannuation retirement upon reaching age 65 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 92 with a minimum of 35 years of PSERS service.
- 5) All individuals are eligible for a special early retirement upon reaching age 55 with 25 years of PSERS service.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 - CHARTER SCHOOL OTHER POSTEMPLOYMENT BENEFITS PLAN - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

General Information About the OPEB Plan - continued

Employees Covered by Benefit Terms

At July 1, 2016, the date of the most recent actuary valuation, the following employees were covered by the benefit terms:

Active participants	84
Vested former participants	-
Retired participants	-
	<hr/>
Total	<u>84</u>

Actuarial Assumptions and Other Inputs

The total OPEB obligation as of July 1, 2017 was determined by rolling forward the Charter School's total OPEB obligation as of July 1, 2016 to July 1, 2017 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial cost method - Entry Age Normal.
- Salary increases - 2.50% cost of living adjustment, 1% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75% to 0%.
- Discount rate - 3.13% - based on the Standards & Poors Municipal Bond 20 Year High Grade Rate Index at 7/1/17.
- Mortality rates - Separate rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the table are rates projected generationally by the Buck Modified 2016 projection scale to reflect mortality improvement.
- Healthcare cost trend rates - 6.0% in 2017, and 5.5% in 2018 through 2023. Rates gradually decrease from 5.4% in 2024 to 3.9% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Participation rates - 100% of administrators and 40% of project staff are assumed to elect coverage.

The actuarial assumptions were selected using input from the Charter School based on actual experience.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 - CHARTER SCHOOL OTHER POSTEMPLOYMENT BENEFITS PLAN - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

Changes in the Total OPEB Liability

	<u>Total OPEB Obligation</u>
Balance at July 1, 2017	<u>\$ 304,808</u>
Changes for the year:	
Service cost	87,681
Interest	9,773
Changes of assumptions or other inputs	<u>16,559</u>
Net changes	<u>114,013</u>
Balance at June 30, 2018	<u><u>\$ 418,821</u></u>

Changes of assumptions or other inputs reflect the following changes: (1) the discount rate changed from 2.49% to 3.13%; (2) the trend assumption was updated; (3) assumptions for salary, mortality, withdrawal, and retirement were updated based on new PSERS assumptions.

Sensitivity of the Total OPEB Obligation to Changes in the Discount Rate

The following presents the total OPEB obligation of the Charter School, as well as what the Charter School's total OPEB obligation would be if it were calculated using a discount rate that is one-percentage-point lower (2.13%) or one-percentage-point higher (4.13%) than the current discount rate:

	<u>1% Decrease 2.13%</u>	<u>Current Discount Rate 3.13%</u>	<u>1% Increase 4.13%</u>
OPEB Plan - Total OPEB Obligation	\$ 473,076	\$ 418,821	\$ 369,876

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 - CHARTER SCHOOL OTHER POSTEMPLOYMENT BENEFITS PLAN - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

Changes in the Total OPEB Liability - continued

Sensitivity of the Total OPEB Obligation to Changes in the Healthcare Cost Trend Rates

The following presents total OPEB obligation of the Charter School, as well as what the Charter School's total OPEB obligation would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
OPEB Plan - Total OPEB Obligation	\$ 339,923	\$ 418,821	\$ 518,266

At June 30, 2018, the Charter School reported an OPEB obligation of \$418,821 related to the OPEB Plan. The OPEB obligation was measured as of July 1, 2017, and was determined by rolling forward an actuarial valuation performed as of July 1, 2016 to July 1, 2017. The liability will be liquidated through future payments from the general fund.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Charter School recognized OPEB expense of \$98,207. At June 30, 2018, the Charter School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 15,806	\$ -
Benefit payments made subsequent to the measurement date	7,737	-
	<u>\$ 23,543</u>	<u>\$ -</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 - CHARTER SCHOOL OTHER POSTEMPLOYMENT BENEFITS PLAN - CONTINUED

Employee Defined Benefit Other Postemployment Benefits Plan - continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - continued

The \$7,737 reported as deferred outflows of resources related to OPEB liabilities resulting from benefit payments made subsequent to the measurement date will be recognized as a reduction of the OPEB obligation in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

2019	\$	753
2020		753
2021		753
2022		753
2023		753
Thereafter		<u>12,041</u>
Total	\$	<u><u>15,806</u></u>

NOTE 10 - RISK MANAGEMENT

The Charter School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for unemployment compensation, for which the Charter School retains risk of loss. For insured programs, there were no significant reductions in insurance coverages for the 2017/2018 school year. Settlement amounts have not exceeded insurance coverage for the current year.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 11 - COMMITMENTS

Effective December 1, 2016, the Charter School entered into a lease agreement for the rental of classroom and office space for a term of five years. Minimum future rental payments under the operating lease for the years ending June 30 are as follows:

2019	\$ 141,964
2020	144,286
2021	146,654
2022	<u>76,614</u>
Total minimum future rental payments	<u>\$ 509,518</u>

Rent expense for the year ended June 30, 2018, approximated \$149,000.

NOTE 12 - RESTATEMENT OF BEGINNING NET POSITION

Restatement of Beginning Net Position

Effective July 1, 2017, the Charter School adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, to be in conformity with generally accepted accounting principles.

Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures in order to improve accounting and financial reporting by governments for other postemployment benefit plans. The statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to actuarial present value, and attribute that present value to periods of employee service. The statement also enhances note disclosure and required supplementary information for these plans.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 12 - RESTATEMENT OF BEGINNING NET POSITION - CONTINUED

Restatement of Beginning Net Position - continued

The adoption of this standard resulted in the Charter School restating beginning net position as of July 1, 2017 as follows:

	<u>Governmental Activities</u>
Net Position (Deficit) at June 30, 2017	\$ (3,149,055)
Restatement for:	
Deferred Outflow - HIPAP contributions made subsequent to the measurement date	43,243
Other postemployment benefit obligation - HIPAP	(674,000)
Other postemployment benefit obligation - Charter School Plan	<u>37,510</u>
Net Position (Deficit) at July 1, 2017 - restated	<u>\$ (3,742,302)</u>

NOTE 13 - FUND BALANCE

Details of the Charter School's governmental fund balance reporting and policy can be found in Note 1, *Summary of Significant Accounting Policies*. Fund balance classifications for the year ended June 30, 2018, were as follows:

Nonspendable:	
Prepaid Expenditures	\$ 132,143
Committed:	
Future Building Fund	3,500,000
Future Capital Equipment Costs	327,453
New Initiatives Fund	177,857
Future Program Stabilization Fund	1,000,000
Assigned:	
PSERS Retirement Rate Increases	35,000
Health Insurance Rate Increases	31,697
Unassigned	<u>62,302</u>
Total Fund Balances	<u>\$ 5,266,452</u>

The commitments and assignments were authorized by the board of directors' motion to set aside resources to fund the commitments noted above.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS

- Statement No. 87, *Leases* - This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This statement is effective for the Charter School's fiscal year ending June 30, 2021.
- Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, have been issued to enhance reporting and disclosures for specific debt transactions. Statement No. 88 is effective for the Charter School's fiscal year ending June 30, 2019.

The Charter School has not yet completed the analysis necessary to determine the actual financial statement impact of these new pronouncements.

REQUIRED SUPPLEMENTARY INFORMATION

21st CENTURY CYBER CHARTER SCHOOL

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Local Sources	\$ 16,131,751	\$ 16,131,751	\$ 14,890,224	\$ (1,241,527)
State Sources	<u>40,746</u>	<u>40,746</u>	<u>41,774</u>	<u>1,028</u>
TOTAL REVENUES	16,172,497	16,172,497	14,931,998	(1,240,499)
EXPENDITURES				
INSTRUCTIONAL SERVICES:				
Regular Programs - Elementary/Secondary	6,530,746	6,520,746	5,416,703	1,104,043
Special Programs - Elementary/Secondary	1,571,221	1,571,221	1,322,422	248,799
Other Instructional Programs - Elementary/Secondary	<u>193,093</u>	<u>193,093</u>	<u>168,352</u>	<u>24,741</u>
TOTAL INSTRUCTIONAL SERVICES	<u>8,295,060</u>	<u>8,285,060</u>	<u>6,907,477</u>	<u>1,377,583</u>
SUPPORT SERVICES:				
Students	738,212	743,972	673,783	70,189
Instructional Staff	1,562,405	1,572,405	1,773,691	(201,286)
Administration	2,122,983	2,129,483	1,897,268	232,215
Pupil Health	101,260	101,259	95,010	6,249
Business Services	390,955	373,955	488,068	(114,113)
Operation and Maintenance of Plant Services	1,075,783	1,063,966	810,732	253,234
Central	<u>1,722,238</u>	<u>1,722,238</u>	<u>1,827,601</u>	<u>(105,363)</u>
TOTAL SUPPORT SERVICES	<u>7,713,836</u>	<u>7,707,278</u>	<u>7,566,153</u>	<u>141,125</u>
OPERATION OF NONINSTRUCTIONAL SERVICES:				
Student Activities	104,655	104,655	85,046	19,609
CAPITAL OUTLAY	<u>-</u>	<u>16,558</u>	<u>29,758</u>	<u>(13,200)</u>
TOTAL EXPENDITURES	<u>16,113,551</u>	<u>16,113,551</u>	<u>14,588,434</u>	<u>1,525,117</u>
EXCESS OF REVENUES OVER EXPENDITURES	58,946	58,946	343,564	284,618
OTHER FINANCING USES				
Budgetary Reserve	<u>(58,946)</u>	<u>(58,946)</u>	<u>-</u>	<u>58,946</u>
TOTAL OTHER FINANCING USES	<u>(58,946)</u>	<u>(58,946)</u>	<u>-</u>	<u>58,946</u>
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	343,564	<u>\$ 343,564</u>
FUND BALANCE - BEGINNING OF YEAR			<u>4,922,888</u>	
FUND BALANCE - END OF YEAR			<u>\$ 5,266,452</u>	

See note to required supplementary information.

21ST CENTURY CYBER CHARTER SCHOOL

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

BUDGETARY DATA

The budget for the general fund is adopted on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

21st CENTURY CYBER CHARTER SCHOOL

**SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS - PENSION PLAN**

LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014
Charter School's proportion of the collective net pension liability	0.0388%	0.0313%	0.0296%	0.0309%	0.0279%
Charter School's proportionate share of the collective net pension liability	\$ 19,163,000	\$ 15,511,000	\$ 12,822,000	\$ 12,230,000	\$ 11,422,000
Charter School's covered employee payroll	\$ 5,170,698	\$ 4,059,874	\$ 3,803,141	\$ 3,937,654	\$ 3,580,336
Charter School's proportionate share of the net pension liability as a percentage of its covered employee payroll	370.61%	382.06%	337.14%	310.59%	319.02%
Plan fiduciary net position as a percentage of the total pension liability	51.84%	50.14%	54.36%	57.24%	54.50%

The Charter School's covered employee payroll noted above is as of the measurement date of the net pension liability (June 30, 2017, 2016, 2015, 2014, and 2013).

NOTES TO SCHEDULE

Changes of Benefit Terms

With the passage of Act 5 Class T-E and T-F members are now permitted to elect a lump-sum payment of member contributions upon retirement.

Change of Assumptions

None.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for only those years available is shown.

21st CENTURY CYBER CHARTER SCHOOL

SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PENSION PLAN

LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 2,042,783	\$ 1,521,325	\$ 1,040,962	\$ 824,109	\$ 630,616	\$ 410,841	\$ 270,256	\$ 142,715	\$ 100,153	\$ 82,182
Contributions in relation to the contractually required contribution	<u>2,042,783</u>	<u>1,521,325</u>	<u>1,040,962</u>	<u>824,109</u>	<u>630,616</u>	<u>410,841</u>	<u>270,256</u>	<u>142,715</u>	<u>100,153</u>	<u>82,182</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered employee payroll	\$ 6,386,378	\$ 5,170,698	\$ 4,059,874	\$ 3,803,141	\$ 3,937,654	\$ 3,580,336				
Contributions as a percentage of covered employee payroll	31.99%	29.42%	25.64%	21.67%	16.02%	11.47%				

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for only those years available is shown.

21ST CENTURY CYBER CHARTER SCHOOL

**SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB OBLIGATION AND RELATED RATIOS -
HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (HIPAP)**

LAST TEN FISCAL YEARS

	2018	2017
Charter School's proportion of the collective HIPAP obligation	0.0388%	0.0313%
Charter School's proportionate share of the collective net HIPAP obligation	\$ 791,000	\$ 674,000
Charter School's covered employee payroll	\$ 5,170,698	\$ 4,059,874
Charter School's proportionate share of the net HIPAP obligation as a percentage of its covered employee payroll	15.30%	16.60%
Plan fiduciary net position as a percentage of the total HIPAP obligation	5.73%	5.47%

The Charter School's covered employee payroll noted above is as of the measurement date of the net HIPAP obligation (June 30, 2017 and 2016).

NOTES TO SCHEDULE

Changes of Benefit Terms
None.

Changes of Assumptions
Significant changes of assumptions for the June 30, 2017 measurement date are as follows:

- The discount rate changed from 2.71% to 3.13%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for only those years available is shown.

21st CENTURY CYBER CHARTER SCHOOL

SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM

LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 53,419	\$ 43,243	\$ 34,976	\$ 36,180	\$ 36,655	\$ 30,724	\$ 21,958	\$ 18,267	\$ 19,530	\$ 15,614
Contributions in relation to the contractually required contribution	53,419	43,243	34,976	36,180	36,655	30,724	21,958	18,267	19,530	15,614
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered employee payroll	\$ 6,386,378	\$ 5,170,698	\$ 4,059,874	\$ 3,803,141	\$ 3,937,654	\$ 3,580,336				
Contributions as a percentage of covered employee payroll	0.84%	0.84%	0.86%	0.95%	0.93%	0.86%				

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for only those years available is shown.

21st CENTURY CYBER CHARTER SCHOOL

**SCHEDULE OF CHANGES OF TOTAL OPEB OBLIGATION AND RELATED RATIOS -
CHARTER SCHOOL OPEB PLAN**

LAST TEN FISCAL YEARS

	<u>2018</u>
Total OPEB Obligation:	
Service cost	\$ 87,681
Interest	9,773
Changes in assumptions	<u>16,559</u>
	Net change in total OPEB obligation 114,013
Total OPEB obligation, beginning	<u>304,808</u>
	Total OPEB obligation, ending <u>\$ 418,821</u>
Covered Employee Payroll	<u>\$ 4,834,351</u>
Total OPEB Obligation as a Percentage of Covered Employee Payroll	8.66%

NOTES TO SCHEDULE

Changes of Benefit Terms

None.

Changes of Assumptions

Significant changes in assumptions for the July 1, 2017 measurement date are as follows:

- The discount rate changed from 2.49% to 3.13%.
- The trend assumption was updated.
- Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for only those years available is shown.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Board of Trustees
21st Century Cyber Charter School
Downingtown, Pennsylvania**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the 21st Century Cyber Charter School, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the 21st Century Cyber Charter School's basic financial statements and have issued our report thereon dated November 13, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 21st Century Cyber Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 21st Century Cyber Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 21st Century Cyber Charter School's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 21st Century Cyber Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Herbein + Company, Inc.

Reading, Pennsylvania
November 13, 2018

Charter School Corrective Action Verification/Compliance and Improvement Plan - Bureau of Special Education

This form is designed to serve both as a planning tool and as verification of completion of corrective action.

Charter School: 21st Century Cyber CS

Chief Executive Officer: Ms. Kim McCully

Special Education Director/Coordinator: _____

BSE Special Education Adviser: Dr. Beth Marvin

Date of Report: February 13, 2017

Date Final Report Sent to LEA: _____

Reminder: The timelines for corrective action of all non-compliance items may not exceed ONE YEAR from the Date Final Report Sent to LEA

First Visit Date: _____

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
						Topical Area 1: Policies, Practices, and Procedures			
	N					1. FSA-ASSISTIVE TECHNOLOGY AND SERVICES Standard: The Local Education Agency (LEA) observed the requirement that the provision of assistive technology is reflected in the student's IEP			
Y						1A. FSA-HEARING AIDS Standard: Each public agency shall ensure that the hearing aids worn in school by children with hearing impairments, including deafness, are functioning properly. Each public agency must ensure that the external components of surgically implanted medical devices are functioning properly			
Y						2. FSA-POSITIVE BEHAVIOR SUPPORT Standard: LEA complies with the positive behavior support policy requirements.			
Y						3. FSA-CHILD FIND Standard: LEA demonstrates compliance with annual public notice requirements.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
Y						4. FSA-CONFIDENTIALITY Standard The LEA is in compliance with confidentiality requirements.			
		X				5. FSA-DISPUTE RESOLUTION (DUE PROCESS HEARING DECISION IMPLEMENTATION) Standard: The LEA uses dispute resolution processes for program improvement.			
		X				8. FSA-PROCEDURAL REQUIREMENTS FOR SUSPENSION Standard: The LEA adheres to procedural requirements in suspending students with disabilities.			
	N					10. FSA-INDEPENDENT EDUCATIONAL EVALUATION Standard: The LEA documents a procedure for responding to requests made by parents for an independent educational evaluation at public expense.			
	N					11A. FSA-LEAST RESTRICTIVE ENVIRONMENT Standard: The LEA's continuum of special education services supports the availability of LRE under 34 CFR Part 300.			
Y						12. FSA-EXTENDED SCHOOL YEAR SERVICES			
Y						13. FSA-RELATED SERVICE INCLUDING PSYCHOLOGICAL COUNSELING			
Y						15. FSA-PARENT TRAINING Standard: Parent opportunities for training and information sharing address the special knowledge, skills and abilities needed to serve the unique needs of children with disabilities.			
						INTERVIEW RESULTS (Parent)			
						P 62. My school district/charter school makes available training related to the needs of students with disabilities that I could attend.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
					2 0 0 0 1 0	Always Sometimes Rarely Never Don't Know Does not Apply			
					0 0 1 2 0 0	P 63. My school district/charter school invites parents to trainings that are available to school staff regarding research based best practices, supplementary aids and services, differentiating instruction and modifying the general education curriculum. Always Sometimes Rarely Never Don't Know Does not Apply			
Y						18. FSA-SURROGATE PARENTS (STUDENTS REQUIRING) Standard: The LEA identifies eligible students in need of surrogate parents and recruits, selects, trains, and assigns in a timely manner.			
Y						19. FSA-PERSONNEL TRAINING Standard: In-service training appropriately and adequately prepares and trains personnel to address the special knowledge, skills, and abilities to serve the unique needs of children with disabilities, including those with low incidence disabilities, when applicable.			
						INTERVIEW RESULTS (General & Special Education Teacher)			
10	0	0				GE 88. Do you receive training regarding how to differentiate instruction and modify the curriculum in your classroom?			
8	1	1				GE 89. Do you receive training regarding how to provide positive behavior supports for students with negative behaviors?			
5	3	2				GE 90. If you have a student with a behavioral need, have you been trained how to deescalate negative and aggressive student behavior?			
8	2	0				GE 91. Do you participate in determining the kinds of training and technical assistance needed to support students with IEPs in regular education classrooms?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
9	1	0				GE 94. If a student has AT included in his/her current IEP, have you received training in AT, and accessing AT resources?			
10	0	0				SE 124. Do you collaborate with general education teachers and administrators to recommend training needs for personnel within the LEA?			
		X				20. FSA-INTENSIVE INTERAGENCY APPROACH Standard: The LEA identifies, reports, and provides for the provision of Free Appropriate Public Education (FAPE) for all students with disabilities including those students needing intensive interagency approaches.			
Y						21. FSA-SUMMARY OF ACADEMIC AND FUNCTIONAL PERFORMANCE/PROCEDURAL SAFEGUARD REQUIREMENTS FOR GRADUATION Standard: The LEA provides Summary of Academic Achievement and Functional Performance for children whose eligibility terminates due to graduation or aging out. The LEA provides required prior written notice for graduation			
Y						21A. TRANSITION REQUIREMENTS Standard: The LEA complies with requirements for transition planning for students.			
						Topical Area 2: Delivery of Service			
Y						17. FSA-PUBLIC SCHOOL ENROLLMENT Standard: The LEA's percentage of children with disabilities served in special education is comparable to state data.			
		X				17B. FSA-PUBLIC SCHOOL ENROLLMENT Standard: Timely provision of FAPE for students who transfer public agencies within state, and from another state.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
Y						22. FSA-DISPROPORTIONATE REPRESENTATION THAT IS THE RESULT OF INAPPROPRIATE IDENTIFICATION Standard: LEA does not demonstrate disproportionate representation of racial/ethnic groups receiving special education or by disability group.			
	N					23. FSA-EDUCATIONAL BENEFIT REVIEW Standard: The IEP meets procedural compliance and is reasonably calculated to enable the child to advance appropriately toward attaining their annual goals.	The LEA has been provided with the names of individual students for whom corrective action is required within 30 days of the date of this report.		
						CLASSROOM OBSERVATIONS			
0	0	0		0		CO 1. Is the instruction provided to the student individualized as required by his/her IEP?			
0	0	0		0		CO 2. Is the instruction being provided in accordance with the goals in the student's IEP?			
0	0	0		0		CO 3. If assistive technology is included in the student's IEP and required for the activity observed, is it being used?			
0	0	0		0		CO 4. If the student is in a regular education setting, is he/she participating in the lesson taught by the general education teacher or a co-teacher?			
0	0	0		0		CO 5. If the student is in a regular education setting, is the student appropriately integrated (physically) in the class?			
0	0	0		0		CO 6. If the student's IEP contains supplementary aids and/or services, are they being delivered in the classroom setting as required?			
0	0	0		0		CO 7. Does this setting coincide with the student's IEP with regard to the extent to which the student is educated with non-disabled peers?			
						INTERVIEW RESULTS (Parent, General & Special Education Teacher)			
					2 1 0 0 0 0	P 55. My child does classroom work in a regular classroom with students without disabilities. Always Sometimes Rarely Never Don't Know Does not Apply			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
					2 1 0 0 0 0	P 56. My child participates or has the opportunity to participate in school activities other than classroom work, including extra-curricular activities, with students without disabilities. Always Sometimes Rarely Never Don't Know Does not Apply			
					2 1 0 0 0 0	P 56a. My child goes on field trips, attends school functions and/or participates in extracurricular activities with their same age/grade peers who are non-disabled. Always Sometimes Rarely Never Don't Know Does not Apply			
					2 1 0 0 0 0	P 56b. There are routine opportunities for my child to interact with peers who are non-disabled that are planned and/or facilitated by school personnel. Always Sometimes Rarely Never Don't Know Does not Apply			
10	0	0				GE 70. Are you familiar with the content of this student's current IEP, including accommodations, supplementary aids and services, and annual goals?			
6	0	4				GE 71. Do you adapt and modify the general education curriculum based on the student's current IEP?			
8	0	2				GE 72. Do you have support from special education personnel to help you modify curriculum, instruction and assessment as required in the student's current IEP?			
9	1	0				GE 73. Are you and the special education personnel working collaboratively to implement this student's program?			
10	0	0				GE 78. Are all the supplementary aids and services necessary for the student's progress in the general education class included in his/her current IEP?			
9	1	0				GE 80. Is the student making progress within the general education curriculum?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
9	1	0				GE 80a. In your opinion, is this student benefiting from participation in your general education classroom?			
0	0	1				GE 80b. If yes, in what ways? Does well with peer interactions during group work and follows through. Increased GPA in all academic areas and increase in positive peer interaction. Modeling peers in positive ways. Doesn't attend live classes, only contact through other means. Improved academic and social skills. Successful in all areas in class. Good academic skills, has challenging curriculum where student can still be successful. Social interactions, reinforcement of skills. Level of rigor and access to the curriculum supports allow student to participate.			
0	0	9				GE 80c. If no, what does this student need that he/she is not receiving in your class? Student requires more support and maybe additional services.			
10	0	0				GE 85. Do you have sufficient time to collaborate with the special education teacher in order to meet this student's needs?			
10	0	0				GE 85a. Have you received sufficient training, technical assistance and other support to teach this student?			
0	0	10				GE 85b. If no, what training or support would assist you?			
9	0	1				GE 93. Do special education personnel work directly with you to help you reduce negative student behaviors?			
10	0	0				SE 95. Is this student participating in the general education class and curriculum with students without disabilities to the maximum extent possible?			
8	1	1				SE 95a. In the most recent IEP meeting for this student, did you discuss whether he/she could be educated in a general education classroom for the entire school day?			
3	6	1				SE 95b. In the most recent IEP meeting, did the IEP team recommend removal of this student from the general education classroom for any part of the school day?			
0	0	7				SE 95c. If yes, what reasons were discussed for recommending removal?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
						Needed more assistance. Was placed in special education classes. Needs to increase instructional time. IEP team decision for increased modified curriculum.			
0	0	7				SE 95d. If yes, how was the amount of time that this student would be removed from the general education classroom decided? Team decision. Team decision. Team decided.			
7	0	3				SE 95e. In the most recent IEP meeting, did the IEP team discuss whether this student could be educated satisfactorily in a general education classroom for the entire school day with supplementary aids and services?			
10	0	0				SE 96. Has the student been given the opportunity to participate in non-academic and extracurricular activities with children without disabilities?			
6	0	4				SE 97. Have necessary supports been offered and/or provided to enable that participation?			
7	0	3				SE 99. Are you and related services personnel working together toward meeting the measurable annual goals for this student?			
10	0	0				SE 100. Are you and general education personnel working together toward meeting the measurable annual goals for this student?			
0	10	0				SE 115. Did the IEP team have available information regarding use of the Supplementary Aids and Services ToolKit?			
10	0	0				SE 125. Do you collaborate with general education teachers to identify training needs related to the provision of supplementary aids and services to students with IEPs in the general education classroom?			
						Topical Area 3: Performance Indicators			
		X				5A. FSA-EFFECTIVE USE OF DISPUTE RESOLUTION Standard: The LEA uses dispute resolution processes for program improvement.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
Y						6. FSA-GRADUATION RATES (SPP) Standard: The graduation rate of the LEA's students with disabilities is comparable to the state graduation rate.			
	N					7. FSA-DROPOUT RATES (SPP) Standard: The dropout rate of the LEA's students with disabilities is comparable to the state dropout rate.	LEA will submit an improvement plan to prevent students with special needs from dropping out. The improvement plan will include identifying indicators and creating proactive measures that address student needs prior to 12th grade, such as low attendance, poor grades, lack of participation.		
		X				8A. FSA-SUSPENSION RATES Standard: The LEA's rate of suspensions and expulsions of students with disabilities is comparable to the rate of other LEAs in the state.			
Y						11. FSA-LEAST RESTRICTIVE ENVIRONMENT (SPP) Standard: Students with disabilities are provided for in the least restrictive environment			
Y						16. FSA-PARTICIPATION IN PSSA AND PASA (SPP) Standard: The LEA's population of students who participate in state assessment is comparable with the state data.			
Y						16A. FSA-LOCAL ASSESSMENT			
						Topical Area 4: Evaluation and Reevaluation Process and Content			
						CONSENT AND WAIVER REQUIREMENTS FOR EVALUATION/REEVALUATION			
						PERMISSION TO EVALUATE (File Reviews)			
0	0	10				FR 153. PTE-Consent Form is present in the student file			
0	0	10				FR 154. Demographic data			
0	0	10				FR 155. Reason(s) for referral for evaluation			
0	0	10				FR 156. Proposed types of tests and assessments			
0	0	10				FR 157. Contact person's name and contact information			
0	0	10				FR 158. Parent signature or documentation of reasonable efforts to obtain consent			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
0	0	10				FR 159. Parent has selected a consent option			
						PERMISSION TO REEVALUATE (File Reviews)			
8	1	1			11%	FR 194. PTRE-Consent Form is present in the student file			
8	0	2				FR 195. Demographic data			
8	0	2				FR 196. Reason for reevaluation			
8	0	2				FR 197. Types of assessment tools, tests and procedures to be used			
8	0	2				FR 198. Contact person's name and contact information			
8	0	2				FR 199. Parent has selected a consent option			
8	0	2				FR 200. Parent signature or documentation of reasonable efforts to obtain consent			
						AGREEMENT TO WAIVE REEVALUATION (File Reviews)			
1	0	9				FR 201. Agreement to Waive Reevaluation is present in the student file			
1	0	9				FR 202. Waiver was completed within required timelines (3 years (2 years for any MR student or any student placed in an Approved Private School) from date of ER, prior RR, or Agreement to Waive RR)			
1	0	9				FR 203. Reason reevaluation is not necessary at this time is included			
1	0	9				FR 204. Contact person's name and contact information			
1	0	9				FR 205. Parent has selected a consent option			
1	0	9				FR 206. Parent signature			
						EVALUATION REPORT (INITIAL) (File Reviews)			
0	0	10				FR 160. ER is present in the student file			
0	0	10				FR 161. Evaluation was completed within timelines			
0	0	10				FR 162. A copy of the ER was disseminated to parents at least 10 school days prior to meeting of the IEP team (unless this requirement is waived by parent in writing)			
0	0	10				FR 163. Demographic data			
0	0	10				FR 164. Date report was provided to parent			
0	0	10				FR 165. Reason(s) for referral			
0	0	10				FR 166. Reason(s) for referral reflect the reason(s) listed on the PTE-Consent Form			
0	0	10				FR 167. Evaluations and information provided by the parents of the student (or documentation of LEA's attempts to obtain parent input)			
0	0	10				FR 168. Teacher observations and observations by related service providers, when appropriate			
0	0	10				FR 169. Recommendations by teachers			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
0	0	10				FR 170. The student's physical condition (including health, vision, hearing); social or cultural background; and adaptive behavior relevant to the student's suspected disability and potential need for special education			
0	0	10				FR 171. Assessments, including when appropriate, current classroom based assessments, aptitude and achievement tests; local and/or state assessments; behavioral assessments; vocational technical education assessment results; interests, preferences, aptitudes (for secondary transition); etc.			
0	0	10				FR 172. If an assessment is not conducted under standard conditions, description of the extent to which it varied from standard conditions (including if the assessment was given in the student's native language or other mode of communication)			
0	0	10				FR 173. Lack of appropriate instruction in reading			
0	0	10				FR 174. Lack of appropriate instruction in math			
0	0	10				FR 175. Limited English proficiency			
0	0	10				FR 176. Present levels of academic achievement			
0	0	10				FR 177. Present levels of functional performance			
0	0	10				FR 178. Behavioral information			
0	0	10				FR 179. Conclusions			
0	0	10				FR 180. Disability Category			
0	0	10				FR 181. Recommendations for consideration by the IEP team			
0	0	10				FR 182. Evaluation Team Participants documented			
0	0	10				FR 183. For students evaluated for SLD documentation of Agree/Disagree			
0	0	10				FR 184. Documentation that the student does not achieve adequately for age, etc.			
0	0	10				FR 185. Indication of process(es) used to determine eligibility			
0	0	10				FR 186. Instructional strategies used and student-centered data collected			
0	0	10				FR 187. Educationally relevant medical findings, if any			
0	0	10				FR 188. Effects of the student's environment, culture, or economic background			
0	0	10				FR 189. Data demonstrating that regular education instruction was delivered by qualified personnel, including the ESL program, if applicable			
0	0	10				FR 190. Data based documentation of repeated assessments of achievement at reasonable intervals, which was provided to parents			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
0	0	10				FR 191. Observation in the student's learning environment			
0	0	10				FR 192. Other data if needed			
0	0	10				FR 193. Statement for all 6 items indicated to support conclusions of the evaluation team			
						REEVALUATION REPORT (File Reviews)			
9	0	1				FR 207. RR is present in the student file			
5	4	1			44%	FR 208. Reevaluation was completed within timelines (either 60 calendar days from the date of LEA receipt of signed PTRE-Consent Form, excluding summer break, or within 3 years (2 years for any MR student or any student placed in an Approved Private School) of date of ER, prior RR, or Agreement to Waive RR)			
8	1	1			11%	FR 209. A copy of the RR was disseminated to parents at least 10 school days prior to the meeting of the IEP team (unless this requirement was waived by a parent in writing)			
9	0	1				FR 210. Demographic data			
9	0	1				FR 211. Date IEP team reviewed existing evaluation data			
9	0	1				FR 212. Physical condition, social, or cultural background and adaptive behavior relevant to the student's need for special education			
9	0	1				FR 213. Evaluations and information provided by the parent (or documentation of LEA's attempts to obtain parent input)			
8	1	1			11%	FR 214. Aptitude and achievement tests			
8	1	1			11%	FR 215. Current classroom based assessments and local and/or state assessments			
7	2	1			22%	FR 216. Observations by teacher(s) and related service provider(s) when appropriate			
8	1	1			11%	FR 217. Teacher recommendations			
9	0	1				FR 218. Lack of appropriate instruction in reading			
9	0	1				FR 219. Lack of appropriate instruction in math			
9	0	1				FR 220. Limited English proficiency			
9	0	1				FR 221. Conclusion regarding need for additional data is indicated			
0	0	10				FR 222. Reasons additional data are not needed are included			
9	0	1				FR 223. Determination whether the child has a disability and requires special education			
9	0	1				FR 224. Disability category(ies)			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
9	0	1				FR 225. Summary of findings includes student's educational strengths and needs			
9	0	1				FR 226. Summary of findings includes present levels of academic achievement and related developmental needs, including transition needs as appropriate			
9	0	1				FR 227. Summary of findings includes recommendations for consideration by the IEP team regarding additions or modifications to the student's programs			
9	0	1				FR 228. Interpretation of additional data			
4	1	5			20%	FR 229. Documentation that the student does not achieve adequately for age, etc.			
5	0	5				FR 230. Indication of process(es) used to determine eligibility			
5	0	5				FR 231. Instructional strategies used and student-centered data collected			
4	0	6				FR 232. Educationally relevant medical findings, if any			
5	0	5				FR 233. Effects of the student's environment, culture, or economic background			
5	0	5				FR 234. Data demonstrating that regular education instruction was delivered by qualified personnel, including the ESL program, if applicable			
5	0	5				FR 235. Data based documentation of repeated assessments of achievement at reasonable intervals, which was provided to parents			
5	0	5				FR 236. Observation in the student's learning environment			
2	0	8				FR 237. Other data if needed			
5	0	5				FR 238. Statement for all 6 items			
9	0	1				FR 239. Documentation of Evaluation Team Participants			
5	0	5				FR 240. Documentation that team members Agree/Disagree			
						INTERVIEW RESULTS (Parent & Special Education Teacher)			
3	0	0	0			P 24. Have you been asked to provide information for your child's evaluation/reevaluation?			
3	0	0	0			P 25. Were you given the opportunity to provide this information in writing or in another way that worked for you?			
3	0	0	0			P 26. Was the information you provided to the school for your child's evaluation considered in your child's Evaluation Report?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
0	0	3	0			P 27. If your child was not reevaluated when required (every 2 years for children with mental retardation, or any child placed in an Approved Private School, and every 3 years for children with other disabilities) did you agree in writing to waive the reevaluation?			
0	1	2	0			P 51. Have you requested an Independent Educational Evaluation (IEE) for your child to be paid for by the school?			
0	0	3	0			P 52. If you have obtained an IEE for your child, were the results of that evaluation considered by the team?			
0	0	3	0			P 53. Were the results of the IEE included in the school's Evaluation Report for your child?			
6	0	4				SE 119. If this student is not making progress, has he/she been reevaluated and/or has the IEP been reviewed?			
						Topical Area 5: IEP Process and Content			
						INVITATION TO PARTICIPATE IN IEP TEAM OR OTHER MEETING (File Reviews)			
9	1	0			10%	FR 241. Invitation is present in the student file			
9	0	1				FR 242. Invitation to Participate in the IEP Meeting was issued prior to the meeting (or documentation that parent signed waiver to move directly to IEP meeting)			
9	0	1				FR 243. Demographic data			
9	0	1				FR 244. Purpose(s) of the meeting			
8	0	2				FR 245. Transition planning and services – Invitation to parents is checked (age 14, younger if determined appropriate)			
8	1	1			11%	FR 246. Transition planning and services - if appropriate, evidence that a representative of any participating agency was invited to the IEP team meeting with the prior consent of the parent or student			
8	1	1			11%	FR 247. Transition planning and services – Invitation to student is checked (age 14, or younger if determined appropriate)			
9	0	1				FR 248. Invited IEP team members			
9	0	1				FR 249. Date/time/location of meeting			
8	1	1			11%	FR 250. Parent response, or documentation of parent attendance at the meeting, or documentation of multiple efforts to encourage participation			
						PARENT CONSENT TO EXCUSE MEMBERS FROM ATTENDING IEP TEAM MEETING (File Reviews)			
0	0	10				FR 251. Parent Consent to Excuse Members from Attending the IEP Team Meeting is present in the student file			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
0	0	10				FR 252. Demographic data			
0	0	10				FR 253. Form designates IEP team member(s) for whom attendance is not necessary			
0	0	10				FR 254. Form designates which members will submit written input prior to the meeting			
0	0	10				FR 255. Parent written consent is documented			
					0 0 0	FR 256. The team members excused: a. General Education Teacher b. Special Education Teacher c. Local Education Agency Representative			
						IEP CONTENT (File Reviews)			
10	0	0				FR 257. IEP is present in the student file			
10	0	0				FR 258. IEP was completed within timelines			
10	0	0				FR 259. Demographic data			
10	0	0				FR 260. IEP implementation date			
10	0	0				FR 261. Anticipated duration of services and programs			
2	0	8				FR 262. If appropriate, LEA and parent agreement to make changes to IEP without convening an IEP meeting			
						DOCUMENTATION OF IEP TEAM PARTICIPATION (File Reviews)			
10	0	0				FR 263. Parents			
9	0	1				FR 264. Student			
10	0	0				FR 265. General Education Teacher			
10	0	0				FR 266. Special Education Teacher			
10	0	0				FR 267. Local Education Agency Representative			
3	0	7				FR 270. Community Agency Representative			
0	0	10				FR 271. Teacher of the Gifted			
0	0	10				FR 272. Written input provided by IEP team member(s) excused from participating in the IEP meeting if the invitation stated they were to provide written input			
9	1	0			10%	FR 273. Copy of Procedural Safeguards Notice was given to parent during the school year			
						SPECIAL CONSIDERATIONS (File Reviews)			
0	0	10				FR 274. If the student is blind or visually impaired, a description of the instruction in Braille and the use of Braille, unless the IEP team determines that such instruction is not appropriate			
0	0	10				FR 275. If the student is deaf or hard of hearing, a communication plan			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
3	0	7				FR 276. If the student has communication needs, needs must be addressed in the IEP			
4	0	6				FR 277. If the student requires assistive technology devices and/or services, needs must be addressed in the IEP			
0	0	10				FR 278. If the student has limited English proficiency, the IEP team must consider English as Second Language for provision of FAPE			
0	1	9			100%	FR 279. If the student has behaviors that impede his/her learning or that of others, the IEP includes a Positive Behavior Support Plan based on a functional assessment of behavior utilizing positive behavior techniques			
2	0	8				FR 280. If the student has other special considerations, these are addressed in the IEP			
						PRESENT LEVELS OF ACADEMIC ACHIEVEMENT AND FUNCTIONAL PERFORMANCE (File Reviews)			
10	0	0				FR 281. Student's present levels of academic achievement			
9	1	0			10%	FR 282. Student's present levels of functional performance			
9	0	1				FR 283. Present levels related to current postsecondary transition goals (if student is 14, or younger if determined by IEP team)			
10	0	0				FR 284. Parental concerns for enhancing the education of the student (if provided by parent to the LEA)			
10	0	0				FR 285. How the student's disability affects involvement and progress in the general education curriculum			
10	0	0				FR 286. Strengths			
10	0	0				FR 287. Academic, developmental, and functional needs related to student's disability			
						TRANSITION SERVICES (File Reviews)			
9	0	1				FR 289. Evidence that the measurable postsecondary goal(s) were based on age appropriate transition assessment			
9	0	1				FR 290. An appropriate measurable postsecondary goal or goals that covers education or training, employment, and, as needed, independent living			
9	0	1				FR 291. Evidence that the postsecondary goal or goals that covers education or training, employment, and, as needed, independent living are updated annually			
8	1	1			11%	FR 292. Location, Frequency, Projected Beginning Date, Anticipated Duration, and Person(s)/Agency Responsible for Activity/Service			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
9	0	1				FR 292a. Transition services include courses of study that will reasonably enable the student to meet his/her postsecondary goal(s)			
9	0	1				FR 292b. Transition services in the IEP that will reasonably enable the student to meet his/her postsecondary goal(s)			
7	2	1			22%	FR 292c. Annual goals are related to the student's transition services			
						PARTICIPATION IN STATE AND LOCAL ASSESSMENTS (File Review)			
9	0	1				FR 293. Documentation of IEP team decision regarding participation in statewide assessments (PSSA/Keystone Exams, ACCESS for ELLS, Alternate ACCESS for ELLS or PASA)			
9	0	1				FR 294. If the student will participate in the PSSA, documentation of IEP team decision regarding participation with or without accommodations			
1	0	9				FR 295. If the student will participate in the PASA, an explanation of why the student cannot participate in the PSSA/Keystone Exams			
1	0	9				FR 296. If the student will participate in the PASA, explanation of why PASA is appropriate			
1	0	9				FR 297. If the student will participate in the PASA, how student's performance will be documented (videotape or written narrative)			
10	0	0				FR 298. Indication of IEP team decision regarding participation in local assessments (local or alternate local)			
10	0	0				FR 299. If the student will participate in local assessments, indication of IEP team decision regarding participation with or without accommodations			
3	0	7				FR 300. If the IEP indicates the student will participate in an alternate local assessment, explanation of why the student cannot participate in the regular assessment			
3	0	7				FR 301. If the student will participate in an alternate local assessment, explanation of why the alternate assessment is appropriate			
						ANNUAL GOALS AND OBJECTIVES (INCLUDING ACADEMIC AND FUNCTIONAL GOALS) (File Reviews)			
6	4	0			40%	FR 302. Measurable Annual Goals			
9	1	0			10%	FR 303. Description of how student progress toward meeting goals will be measured			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
10	0	0				FR 304. Description of when periodic reports on progress will be provided to parents			
8	2	0			20%	FR 305. Documentation of progress reporting on Annual Goals			
2	0	8				FR 306. Short Term Objectives			
						SPECIAL EDUCATION/RELATED SERVICES/SUPPLEMENTARY AIDS AND SERVICES/PROGRAMS MODIFICATIONS (File Reviews)			
10	0	0				FR 307. Program Modifications and Specially-Designed Instruction			
10	0	0				FR 308. If the student's most recent Evaluation Report contained recommendations for modifications and accommodations, did the IEP team address those recommendations in development of this IEP			
9	1	0			10%	FR 309. If Program Modifications and Specially Designed Instruction are included on the IEP, the location, frequency, projected beginning date and anticipated duration of services			
0	0	10				FR 310. If a student attends a Career or Vocational Technical School, evidence that the specially designed instruction addresses the student's needs in Career and Vocational Technical School			
8	0	2				FR 311. If Related Services are included on the IEP, the location, frequency, projected beginning date and anticipated duration of services			
7	0	3				FR 312. If the student's most recent Evaluation Report contained recommendations for the provision of related services, including psychological counseling, did the IEP team address those recommendations in development of this IEP			
9	1	0			10%	FR 313. If Supports for school personnel are included on the IEP, the personnel to receive support, support, location, frequency, projected beginning date and anticipated duration of services			
8	0	2				FR 314. If the student's most recent Evaluation Report contained recommendations for program modifications or supports for school personnel provided for the student, did the IEP team address those recommendations in development of this IEP			
0	0	10				FR 315. Support services, if the student is identified as gifted and also is identified as a student with a disability			
10	0	0				FR 316. A conclusion regarding student eligibility for ESY			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
10	0	0				FR 317. Information or data reviewed by the IEP team to support the ESY eligibility determination			
1	0	9				FR 318. Where ESY services were deemed appropriate, annual goals and when appropriate, short term objectives that are to be addressed in the child's ESY program			
1	0	9				FR 319. Where ESY was determined to be appropriate, ESY service to be provided, location, frequency, projected beginning date and anticipated duration of services			
						EDUCATIONAL PLACEMENT (File Reviews)			
10	0	0				FR 320. Explanation of the extent, if any, to which the student will not participate with students without disabilities in the regular education class			
10	0	0				FR 321. Explanation of the extent, if any, to which the student will not participate with students without disabilities in the general education curriculum			
10	0	0				FR 322. Type of support, by amount (itinerant, supplemental, full-time)			
10	0	0				FR 323. Type of special education supports, e.g. autistic support, emotional support, learning support, etc.			
10	0	0				FR 324. Location of student's program (name of LEA where the IEP will be implemented)			
10	0	0				FR 325. Location of student's program (name of School Building where the IEP will be implemented)			
8	0	2				FR 326. If child will not be attending his/her neighborhood school, reason why not			
						PENNDATA REPORTING FOR EDUCATIONAL ENVIRONMENT (File Reviews)			
10	0	0				FR 327. Completed Section A or Section B			
						IEP DEVELOPMENT			
						INTERVIEW RESULTS (Parent & General Education Teacher)			
3	0	0	0			P 28. Were you invited to participate in your child's most recent IEP team meeting?			
3	0	0	0			P 29. Did you participate in developing the current IEP for your child?			
3	0	0	0			P 30. Was the meeting held at a time and location that was convenient for you?			
0	0	3	0			P 31. If you were unable to participate in person, did the school offer other arrangements for you to participate by phone or through other methods?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
3	0	0	0			P 32. Was the input you provided considered in the development of your child's current IEP?			
3	0	0	0			P 32a. Have you received sufficient training, technical assistance and other support to participate as an IEP team member?			
0	0	3	0			P 32b. If no, what training or support would assist you?			
1	0	2	0			P 33. Were the services you requested for your child considered by the IEP team in the development of your child's current IEP?			
2	0	0	1			P 35. Was the current IEP developed at the IEP meeting?			
2	0	1	0			P 36. If there was a draft IEP developed prior to the IEP meeting were you provided a copy of the draft either before or at the meeting?			
3	0	0	0			P 37. Were the special education teacher, the general education teacher and the school representative at the IEP meeting?			
0	0	3	0			P 38. If required IEP team members (special education teacher, general education teacher, or LEA) did not attend the meeting, did you agree in writing to them not being there?			
0	0	3	0			P 39. Was written input from the excused IEP team member(s) available to you before the meeting?			
		3	0			P 65. If you did not participate in your child's IEP meeting, what kept you from participating?			
5	0	5				GE 74. Did you attend the most recent IEP meeting for this student or have the opportunity to provide input?			
4	1	5				GE 75. Did you recommend any needed supports to implement the current IEP for this student?			
4	0	6				GE 76. Were those recommendations considered by the IEP team?			
10	0	0				GE 86. When a student with a disability is included in your class do you have the opportunity to provide information to the IEP team?			
7	3	0				GE 87. Do you provide progress monitoring data as part of the IEP development process?			
						IEP CONTENT			
						INTERVIEW RESULTS (Parent, General & Special Education Teacher)			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
3	0	0	0			P 40. Did the IEP team consider the recommendations that were made in your child's most recent evaluation, including all recommendations that were made by the evaluation team for special education, related services, and supports for school personnel?			
2	1	0	0			P 41. Did the IEP team accept or reject the evaluation team's recommendations for special education, related services, and supports for school personnel for appropriate educational reasons.			
10	0	0				GE 81. Are this student's goals based on the PA Standards/PA Common Core or, if appropriate, alternate standards?			
10	0	0				GE 82. Is the specially designed instruction in this student's current IEP appropriate to meet his/her educational needs?			
10	0	0				GE 83. Is the current IEP appropriate to meet this student's educational needs?			
10	0	0				SE 98. Unless otherwise specified in the student's IEP, is the length of this student's instructional day the same as nondisabled students?			
10	0	0				SE 102. Is the specially-designed instruction in the current IEP appropriate to meet this student's educational needs?			
10	0	0				SE 103. Are the student's annual goals based on the PA Standards/PA Common Core or, if appropriate, alternate standards?			
9	0	1				SE 104. If appropriate, are the student's annual goals based on functional performance?			
10	0	0				SE 106. If the student's most recent Evaluation Report contained recommendations for modifications and accommodations did the IEP team address those recommendations in development of the student's current IEP and accept or reject the ER recommendations for appropriate educational reasons?			
10	0	0				SE 107. If the student's most recent Evaluation Report contained recommendations for provision of related services, including psychological counseling, did the IEP team address those recommendations in development of the student's current IEP and accept or reject the ER recommendations for appropriate educational reasons?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
10	0	0				SE 108. If the student's most recent Evaluation Report contained recommendations for program modifications or supports for school personnel that will be provided for the student, did the IEP team address those recommendations in development of the student's current IEP and accept or reject the ER recommendations for appropriate educational reasons?			
10	0	0				SE 112. Was it an IEP team decision as to whether this student would participate in the PSSA/Keystone Exams, PASA, and other district-wide/charter school-wide assessments?			
6	4	0				SE 117. Is this student making progress in meeting the annual goals of his/her current IEP?			
9	1	0				SE 117a. In your opinion, is this student benefiting from participation in the general education classroom?			
0	0	1				SE 117b. If yes, in what ways? Social skills; improved interactions with peers. Increased confidence and social skills. Able to attend live classes and work sessions with other students; socially beneficial; modifications allow student to stay in general education classes. Work with teachers and meets other students, goes to extra curriculum activities with these peers. Able to interact with teachers and peers to receive academic support but with appropriate challenges. Student's increased grades, enjoying courses and materials. Access to general education curriculum; models peers. The student does well. Gets adult support and interaction.			
0	0	9				SE 117c. If no, what does this student need that he/she is not receiving? Student may need more support and service.			
10	0	0				SE 118. Is the progress on annual goals recorded and reported to the parent based on objective and measurable data?			
						IEP IMPLEMENTATION			
						INTERVIEW RESULTS (Parent, General & Special Education Teacher)			
3	0	0	0			P 48. Were the special education and related services in your child's current IEP provided within 10 school days of the completion of the IEP?			
3	0	0	0			P 49. Are the special education and related services included in your child's current IEP provided at no cost to you?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
					3 0 0 0 0 0	P 57. When all students in the school receive a report card, I also receive a progress report on my child's IEP goals. Always Sometimes Rarely Never Don't Know Does not Apply			
					3 0 0 0 0 0	P 58. My child's progress is reported to me by the school in a manner that I understand. Always Sometimes Rarely Never Don't Know Does not Apply			
3	0	0	0			P 64. My child is receiving the supports and services agreed upon at the IEP meeting.			
10	0	0				GE 77. If supports for school personnel are included in the student's current IEP, has the LEA provided those supports?			
10	0	0				GE 79. Are the supplementary aids and services, including program modifications and specially designed instruction in the student's current IEP, being provided?			
3	0	7				GE 79a. In the most recent IEP meeting for this student, did you discuss whether the student could be educated in a general education classroom for the entire school day?			
0	3	7				GE 79b. In the most recent IEP meeting, did the IEP team recommend removal of this student from the general education classroom for any part of the school day?			
0	0	10				GE 79c. If yes, what reasons were discussed for recommending removal?			
0	0	10				GE 79d. If yes, how was the amount of time that this student would be removed from the general education classroom decided?			
3	0	7				GE 79e. In the most recent IEP meeting, did the IEP team discuss whether this student could be educated satisfactorily in a general education classroom for the entire school day with supplementary aids and services?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
0	0	10				GE 84. If appropriate, are you implementing the positive behavior support plan for this student as written in the current IEP			
8	0	2				GE 92. If a student with an IEP is having behavioral difficulties in your classroom, do you address the behavior in your classroom rather than sending him/her back to the special education classroom to address the behavior issue unless indicated otherwise in the student's IEP?			
10	0	0				SE 105. Are the supplementary aids and services, including program modifications and specially designed instruction in the student's current IEP, being provided?			
10	0	0				SE 109. Is this student receiving the type and amount of special education instruction and related services specified in his/her current IEP?			
10	0	0				SE 110. Was this student's current IEP implemented no later than 10 school days after its completion or no later than the IEP implementation date?			
10	0	0				SE 111. If supports for school personnel are included in this student's current IEP, has the LEA provided those supports?			
7	0	3				SE 113. If required, were the testing accommodations included in this student's current IEP implemented?			
9	0	1				SE 114. Was the placement decision made by the IEP team after the annual goals, specially designed instruction, and related services were developed?			
10	0	0				SE 120. Is this student receiving the supports and services agreed upon in his/her current IEP, including related services?			
						PROVISION OF ESY AND RELATED SERVICES INTERVIEW RESULTS (Parent & Special Education Teacher)			
0	0	3	0			P 42. If your child's current IEP includes psychological counseling as a related service, and he/she receives these services, including transportation, are they provided at no cost to you?			
3	0	0	0			P 43. Was your child's need for extended school year (ESY) – which means services over the summer or during breaks from the regular school calendar - discussed at an IEP meeting?			
3	0	0	0			P 44. Did you receive an explanation of what would make your child eligible for ESY services?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
3	0	0	0			P 45. Did you agree with the IEP team's conclusion about your child's eligibility for ESY services?			
0	0	3	0			P 46. If you did not agree with the decision on ESY eligibility, were you given a written notice (NOREP/PWN) explaining that you could ask for a due process hearing?			
0	0	3	0			P 47. If your child was determined to be eligible for ESY services, did the IEP team decide upon the goals and services needed for the ESY program?			
10	0	0				SE 121. Was the consideration of ESY eligibility discussed during this student's current IEP meeting?			
1	0	9				SE 122. If this student was determined to be ESY eligible, did the IEP team determine what goals and services were needed and include them in the IEP?			
0	0	10				SE 122a. At the most recent IEP meeting, did the IEP team discuss the development of a plan to transition this student back into the school district (or charter school if student is enrolled in a charter school) with supplementary aids and services?			
0	0	10				SE 122b. Are staff from the home district (or charter school if student is enrolled in a charter school) involved with the planning and implementation of this student program?			
0	0	10				SE 122c. Does this student go on field trips, attend school functions or participate in extracurricular activities with his/her same age/grade peers who are non-disabled?			
0	0	10				SE 122d. Does this student need supplementary aids and services to participate in non-academic and/or extra-curricular activities?			
0	0	10				SE 122e. If yes, are needed supplementary aids and services being provided to this student?			
0	0	10				SE 122f. Are there routine opportunities for this student to interact with non-disabled peers that are planned and/or facilitated by school personnel?			
						SECONDARY TRANSITION (Parent & Special Education Teacher)			
2	0	1	0			P 50. If your child is age 14 or older was he/she invited to participate in the IEP meeting for transition planning?			
2	0	0	1			P 50a. In the most recent IEP meeting for your child, did you discuss whether your child could be educated in a general education classroom for the entire school day?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
2	0	0	1			P 50b. In the most recent IEP meeting, did the IEP team recommend removal of your child from the general education classroom for any part of the school day?			
0	0	1	0			P 50c. If yes, what reasons were discussed for recommending removal? Provide more support and service. The need for more instruction academically.			
0	0	1	0			P 50d. If yes, how was the amount of time that your child would be removed from the general education classroom decided? IEP team decision. IEP team.			
1	1	0	1			P 50e. In the most recent IEP meeting, did the IEP team discuss whether your child could be educated satisfactorily in a general education classroom for the entire school day with supplementary aids and services?			
3	0	0	0			P 50f. In your opinion, is your child benefiting from participation in the general education classroom?			
0	0	0	0			P 50g. If yes, in what ways? Socially, grades have improved. Has grown socially; some academic subjects have improved. The student does well socially.			
0	0	3	0			P 50h. If no, what does your child need that he/she is not receiving in the class?			
						P 59. I am satisfied with the transition services developed for my child. 2 Always 0 Sometimes 0 Rarely 0 Never 0 Don't Know 1 Does not Apply			
						P 60. My child is learning skills that will lead to a high school diploma and further education and/or employment. 2 Always 1 Sometimes 0 Rarely 0 Never 0 Don't Know 0 Does not Apply			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
9	0	1				SE 116. Were this student's desired post school outcomes considered when the IEP team developed the annual goals?			
10	0	0				SE 123. Where appropriate, does the LEA invite a representative of a participating agency that is likely to be responsible for providing or paying for transition services to the IEP meeting?			
						Topical Area 6: NOREP/PWN			
						(File Reviews)			
10	0	0				FR 328. NOREP/PWN is present in the student file			
10	0	0				FR 329. Demographic data			
10	0	0				FR 330. Type of action taken			
9	1	0			10%	FR 331. A description of the action proposed or refused by the LEA			
10	0	0				FR 332. An explanation of why the LEA proposed or refused to take the action			
9	1	0			10%	FR 333. A description of the other options the IEP team considered and the reason why those options were rejected			
10	0	0				FR 334. Description of each evaluation procedure, assessment, record or report used as the basis for proposed action or action refused			
9	0	1				FR 335. Description of other factor(s) relevant to LEA's proposal or refusal			
10	0	0				FR 336. Educational placement recommended (including amount and type)			
10	0	0				FR 337. Signature of school district superintendent or charter school CEO or designee			
9	1	0			10%	FR 338. Parent signature or documentation of reasonable efforts to obtain consent (e.g. mailed to parents, certified mail, visit to the parent's home, etc.)			
9	1	0			10%	FR 339. Parent has selected a consent option			
10	0	0				FR 340. NOREP/PWN reflects the educational placement indicated on the student's IEP			
						INTERVIEW RESULTS (Parent)			
0	1	2	0			P 34. If services that you requested for your child were rejected by the school, did you receive a written notice (NOREP/PWN) explaining why the request was rejected?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
					3 0 0 0 0 0	P 61. If I don't understand my child's educational rights, and I inquire about them, someone from the school takes the time to explain them to me. Always Sometimes Rarely Never Don't Know Does not Apply			
						Topical Area 7: Additional Interview Responses			
						INTERVIEW RESULTS (Parent & Special Education Teacher)			
					3 0 0 0 0 0	P 54. I am a partner with school personnel when we plan my child's education program. Always Sometimes Rarely Never Don't Know Does not Apply			
		0	0		1 1 2 2 1	P 66. Tell me anything you really like about your child's special education program. b. progress reports g. staff open to suggestions, good communication i. support services k. staff's understanding and attitude n. other Specific academic programming.			
		1	0		1 1 2	P 67. Tell me anything you would like to change about the program. d. staff's knowledge, training k. staff's understanding and attitude n. other I would like to see the staff trained in understanding disability categories. I would like services to continue.			
		0	0		1 2	P 68. The school explains what options parents have if the parent disagrees with a decision of the school. a. Very strongly agree c. Agree			
						P 69. Additional comments about your child's program. I am happy with student's performance. Student is very independent.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
10	0	0				SE 101. Do you hold the required certification to implement this student's program?			
10	0	0				SE 101a. Have you received sufficient training, technical assistance and other support to teach this student?			
0	0	10				SE 101b. If no, what training or support would assist you?			
						Topical Area 8: Other Non-compliance Issues			
						Topical Area 9: Other Improvement Plan Issues			
						FSA 19A Teacher Survey Results	LEA will submit an improvement plan based upon teachers' surveys. The improvement plan will summarize the surveys and provide professional development for all staff; the IEP will include the topics that were consistently mentioned in the survey results. In addition, writing measurable annual and transition goals, determining a student's baseline for writing goals, and creating goals that contain coordinated and/or related skill sets will be included.		