

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	Astronomy, Science 8	1463	100	0
2	ALGEO, REBECCA	YES	Instructional I Health & Physical Educ PK-12 (4805)	6-12	Applied Physical Education, PE/Health 6, Health, Physical Education, Nutrition	1463	100	0
3	BLOOMER, MEGHAN	YES	Instructional I Mathematics 7-12 (6800)	6-12	Mathematics Adjunct	100	100	0
4	BOOTH, TIMOTHY	YES	Instructional I English 7-12 (3230) Instructional I Mathematics 7-12 (6800)	7-12	AP Statistics, Consumer Math, Intro to Statistics, Creative Writing, Language Arts 7 & 8, Math Principles, Pre-Algebra, MS Algebra I	1463	100	0
5	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	Course Development, Biology, Earth & Space, Environmnetal Science, Physical Science, Physics, Anatomy & Physiology, Forensic Science, Intro to Scientific Principals, Environmental Science, Physical Science, Concepts of Science, Astronomy	1613	100	0
6	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, American History, Ancient History	1463	100	0
7	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	720	100	0

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8	CHAMBERLAIN, SUSAN	YES	Instructional I English 7-12 (3230)	9-12	Elements of Drama & Theater Graphic Novel Seminar AP English Literature & Composition Elements of Language	1463	100	0
9	CHU, PEICHENG	YES	Instructional II Mid-Level Mathematics 6-9 (2860) Instructional II Chinese PK-12 (4405) Instructional II German PK-12 (4420) Instructional II Safety Ed/Driver Ed 7-12 (5215)	9-12	Driver's Ed, Keyboarding, German I & II, Mandarin Chinese I & II	1950	100	0
10	COOKE, ASHLEY	YES	Educational Specialist I Elementary School Counselor K-6 (1836) Educational Specialist I Secondary School Counselor 7-12 (1837)	9-12	School Counselor	1950	100	0
11	COPENHAVER, ALEX	YES	Instructional I Mathematics 7-12 (6800)	9-12	Mathematics Adjunct	100	100	0
12	COTE, BRIAN	YES	Administrative Principal PK-12 (1115) Instructional II Elementary K-6 (2810)	6-12	Director of Curriculum, Instruction & Assessment	1950	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, General Social Studies 9-12	1463	100	0
15	DICKINSON, MARK	YES	Instructional II Social Studies 7-12 (8875)	7-12	Sociology, World History, American History	1613	100	0
16	DOUGLAS, LAUREN	YES	Instructional II Biology 7-12 (8405)	9-12	Anatomy & Physiology, Science Principles, Fundamentals of Science	1463	100	0
17	DRISCOLL, JAMES	YES	Instructional I Social Studies 7-12 (8875)	10-12	American History, US Govt. & Economics	1463	100	0
18	DULANEY, MELISSA	YES	Instructional I Communications 7-12 (3200) Instructional I English 7-12 (3230)	7-12	English Adjunct	100	100	0
			Supervisory Supvr Curriculum & Inst PK-12 (2915) Instructional II Citizenship 7-12 (8825)		American History, AP US History, American			

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19	ELDER, LAURA	YES	Instructional II Mid-Level Citiz. Ed 6-9 (2870) Instructional II Social Studies 7-12 (8875) Instructional II English 7-12 (3230)	9-12	Literature, Business Communications, English Composition, English Literature, Journalism	1463	100	0
20	ELLSWORTH, AMY	YES	Instructional I Mathematics 7-12 (6800)	9-12	Calculus, Geometry, Algebra, Personal Finance	1463	100	0
21	FARRELL, KRISTI	YES	Instructional I Mathematics 7-12 (6800)	7-12	Pre-Algebra, Algebra I	1463	100	0
22	FAUST, CORY	YES	Educational Specialist II Secondary School Counselor 7-12 (1837)	6-8	School Counselor	1613	100	0
23	FIOLO-MILLER, JENNIFER	YES	Instructional II English 7-12 (3230) Instructional II Reading Specialist PK-12 (7650)	9-12	American Literature	1463	100	0
24	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 II Principal PK-12 (1115)	9-12	HS Principal	1950	100	0
25	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	1463	100	0
26	FRIEDMAN, AMANDA	YES	Instructional II Spanish PK-12 (4490)	9-12	Adjunct, Spanish III	100	100	0
27	FURRER, AUBREE	YES	Instructional I English 7-12 (3230) Instructional I Special Education 7-12 (9227)	6	Language Arts 6	1178	100	0
28	GALETTE, STEVEN	YES	Instructional II Health & Physical Educ PK-12 (4805)	6-12	PE/Health 7 & 8, Off Campus PE I-II	1463	100	0
29	GALICZYNSKI, SEAN	YES	Educational Specialist I Elementary & Secondary School Counselor PK-12 (1839)	9-12	School Counselor	1950	100	0
30	GELLER, KIMBERLY	YES	Instructional I Art PK-12 (1405) Instructional I Mid-Level Mathematics 6-9 (2860)	6-12	Drawing, Art I, Intro to Photography, Digital Drawing	1103	100	0
			Instructional I Elementary K-6 (2810)					

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31	GIAGNACOVA, NANCY	YES	Letter of Eligibility Superintendent PK-12 (1150) Supervisory Supvr Special Education PK-12 (9215) Supervisory Supvr Curriculum & Inst PK-12 (2915)	6-12	Director of Special Education	1463	100	0
32	GIBSON, EMILY	YES	Instructional II Communications 7-12 (3200) Instructional II English 7-12 (3230) Instructional II Family-Consumer Sci PK-12 (5600)	9-12	English Composition	1463	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	ISD Tech Developer	563	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, General English 9-12	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)	8	Language Arts 8	1463	100	0
36	GROBMAN, JODI	YES	Instructional II Mathematics 7-12 (6800) Instructional II Social Studies 7-12 (8875)	9-12	Algebra Concepts, Algebra II & III, Trigonometry	1463	100	0
37	HAMMOND, JESSICA	YES	Instructional II English 7-12 (3230)	9-12	English Literature	1463	100	0
38	HARTMANN, JESSIE	YES	Instructional I English 7-12 (3230) Instructional I Social Studies 7-12 (8875)	9-12	Journalism, Business Communications	1463	100	0
39	HELENIAK, DANA	YES	Instructional II Mathematics 7-12 (6800)	9-12	Pre-Calculus	1463	100	0
40	HEVENER, VICTORIA	YES	Instructional I English 7-12 (3230)		Informations Writing, Fundamentals of English	1463		
41	HUGGINS, MICHAEL	YES	Instructional I Mathematics 7-12 (6800)	9-12	Fundamentals of Math, Algebra I	1463	100	0

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42	HUGHES, LAUREN	YES	Instructional II Social Studies 7-12 (8875)	9-12	Human Geography, World Geography	1463	100	0
43	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
44	JEFFERIS, SARAH	YES	Instructional I Family-Consumer Sci PK-12 (5600) Instructional I Art PK-12 (1405)	6-12	Drawing, Digital Photography, Film Appreciation, Art I-III, Watercolors	1463	100	0
45	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	Science 6	1463	100	0
46	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	555	100	0
47	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 7	1463	100	0
48	KLUCINEC, TRICIA	YES	Instructional I Special Education 7-12 (9227) Instructional I English 7-12 (3230)	6-12	Special Education	668	100	0
49	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) Instructional II General Science 7-12 (8450) Instructional II Mid-Level Science 6-9 (2880) Instructional II Mid-Level Mathematics 6-9 (2860)	9-12	Environmental Science, Earth & Space Science, Physical Science	1463	100	0
50	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	MS Principal	1950	100	0
			Instructional II Biology 7-12 (8405)					

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51	LESKINEN, STEPHANIE	YES	Instructional II Chemistry 7-12 (8420) Instructional II General Science 7-12 (8450)	9-12	Content Developer	1950	100	0
52	LEWIS, ANDREW	YES	Instructional I Mathematics 7-12 (6800)	7-8	Mathematics	1463	100	0
53	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	Family & Consumer Science, Study Skills	1463	100	0
54	LIVESEY, RACHEL	YES	Instructional II Communications 7-12 (3200) Instructional II English 7-12 (3230)	6-12	Content Developer	1463	100	0
55	MALONEY, JULIE	YES	Instructional I Mathematics 7-12 (6800)	9-12	Intro to Accounting	1463	100	0
56	MCCOY, ANN	YES	Educational Specialist II Secondary School Counselor 7-12 (1837)	7-12	School Counselor	1950	100	0
57	MESLENER, MARCUS	YES	Instructional I Social Studies 7-12 (8875)	7-12	Fundamentals of Govt.	1463	100	0
58	MEYER, MICHAEL	YES	Instructional II Mid-Level Mathematics 6-9 (2860) Instructional II Music PK-12 (7205)	6-12	Music Fundamentals & Keyboarding, History of Rock & Roll, Music I-III, Intro to songwriting	1463	100	0
59	MICHENER, LAUREN	YES	Instructional II English 7-12 (3230) Instructional II Mid-Level Mathematics 6-9 (2860)	6-12	Learning Coach	1950	100	0
60	MICHENER, JOSEPH	YES	Instructional II Bus-Computer-Info Tech PK-12 (1603) Instructional II Social Studies 7-12 (8875)	9-12	Business Law, American History II	1463	100	0
61	MOYER, LAURIE	YES	Instructional II Spanish PK-12 (4490)	6-12	Spanish Adjunct	100	100	0
62	MOYNIHAN, LISA	YES	Educational Specialist II Secondary School Counselor 7-12 (1837)	9-12	School Counselor	1950	100	0
63	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)	7-12	Science 7, Genetics	1463	100	0
64	MURRAY, ALLAN	YES	Instructional II Health & Physical Educ PK-12 (4805)	9-12	First Aid & Emergency Care	1463	100	0

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65	NEWSTED, NATHANIEL	YES	Instructional I Technology Education PK-12 (6075)	6-8	Computer Science Essentials, Tech Ed.	1463	100	0
66	PALAI, VICTORIA	YES	Educational Specialist I School Nurse PK-12 (1890)	6-12	School Nurse	1463	100	0
67	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	Supervisor of Special Education	1950	100	0
68	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	Spanish I-II, EL Support	1463	100	0
69	PATEL, PRAKASH	YES	Instructional II Mathematics 7-12 (6800) Supervisory Supvr Curriculum & Inst PK-12 (2915)	6-12	IT Director	1950	100	0
70	PERRUPATO-SCARPIGNATO, HALLEY	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	1463	100	0
71	PROVASNIK III, JOHN	YES	Instructional I Elementary K-6 (2810) Instructional I Mid-Level Mathematics 6-9 (2860)	6-12	ISD Coordinator	1950	100	0
72	PUGH, MORGAN	YES	Instructional I Special Education PK-8 (9226) Program Specialist English as a Second Language (ESL) PK-12 (4499) Instructional I Grades PK-4 (2825)	6-12	Special Education	285	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	Intro to Science Principles 9	1463	100	0

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74	RAPP, TERRI	YES	Instructional II Mathematics 7-12 (6800)	9-12	Content Developer	731	100	0
75	REGINA, CASEY	YES	Instructional I Mid-Level Science 6-9 (2880) Instructional I Mathematics 7-12 (6800) Emergency Permit: LT Sub with Educational Obligation Administrative I)	6-12	Assistant Principal	1950	100	0
76	REID, LINDSAY	YES	Instructional I Mathematics 7-12 (6800) 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)	9-12	Special Education	1463	100	0
77	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 Adjunct	781	100	0
78	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	1463	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	ISD Tech Developer	1950	100	0
81	SMITH, MATTHEW S	YES	Instructional I Health & Physical Educ PK-12 (4805) Instructional I Safety Ed/Driver Ed 7-12 (5215)	9-12	PE, Nutrition	1463	100	0
82	STANLEY, STEPHANIE	YES	Instructional I Health & Physical Educ PK-12 (4805)	9-12	Health	1463	100	0
83	SUMNER, SHANNON	YES	Instructional I English 7-12 (3230)	9-12	Business Communications, American & British Literature, Composition	732	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	1463	100	0

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85	TARR, MEGAN	YES	Educational Specialist I School Nurse PK-12 (1890)	6-12	School Nurse	195	100	0
86	TOBIN, PATRICK	YES	Instructional I Social Studies 7-12 (8875)	6-8	World Cultures	1463	100	0
87	TROTTER, BRITTANY	YES	Instructional I Social Studies 7-12 (8875)	7-12	Macroeconomics, US Govt., Economics	1613	100	0
88	VALENTINI, KELLY	YES	Instructional I Grades 5-6 (2826) Instructional I Grades 4-8 (All subjects 4-6 Mathematics 7-8) (3100) Instructional I Grades PK-4 (2825)	6	Math Principles	732	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	1463	100	0
90	WELLER, ABIGAIL	YES	Instructional II English 7-12 (3230)	9-12	British Literature	1463	100	0
91	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) Program Specialist English as a Second Language (ESL) PK-12 (4499) Instructional II English 7-12 (3230)	9-12	Algebra I-II, Geometry, Consumer Math, Integrated Math, Personal Finance	1463	100	0
92	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	World History	1088	100	0
93	ZAAZENGA, DIANNE	YES	Instructional I Chemistry 7-12 (8420) Instructional I Biology 7-12 (8405)	9-12	Chemistry, Forensic Science	1463	100	0



21ST CENTURY CYBER CHARTER SCHOOL

FINANCIAL AND COMPLIANCE REPORT

Year Ended June 30, 2019



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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, 2019, 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, 2019, 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.

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 62 through 66 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 December 4, 2019, 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 Charter School'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
December 4, 2019



21ST CENTURY CYBER CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information

June 30, 2019

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, 2019. 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 2018-2019 school year resulted in a total net position of \$(3,895,831) and a Governmental Fund balance of \$3,504,153 at June 30, 2019. The June 30, 2017-2018 net position was \$(4,675,818) and fund balance was \$5,266,452.

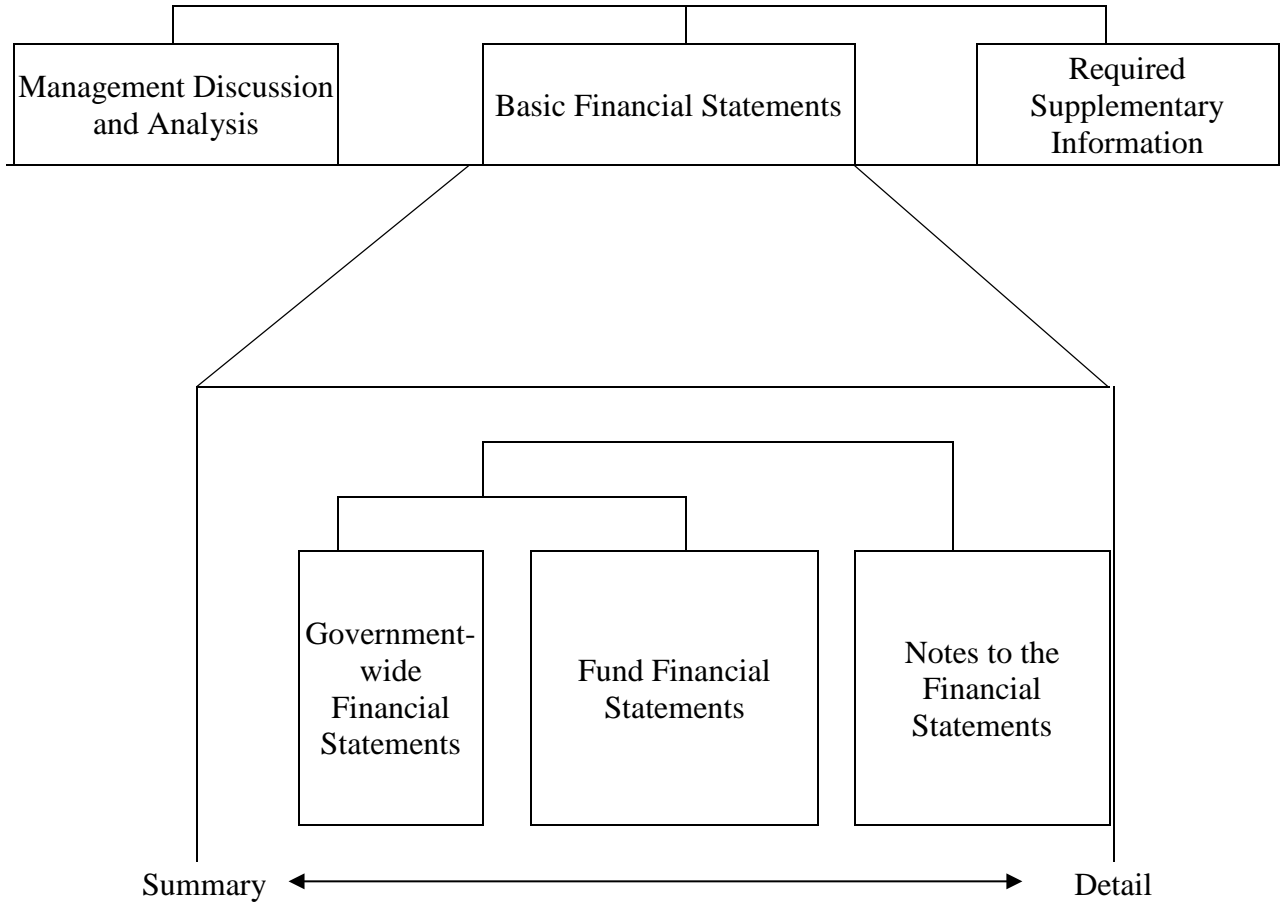
Governmental activities total assets at June 30, 2019 were \$17,422,014 compared to the June 30, 2018 balance of \$10,781,687.

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 Governmental 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.

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

	Government-wide Statements	Fund 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 \$(3,895,831) as of June 30, 2019.

Figure 3		
Condensed Statement of Net Position		
June 30		
	Governmental Activities	
	2018	2019
Current and other assets	\$ 6,719,827	\$ 5,591,678
Capital Assets	<u>\$ 4,061,860</u>	<u>\$ 11,830,336</u>
Total Assets	<u>\$ 10,781,687</u>	<u>\$ 17,422,014</u>
Deferred Outflows of Resources	\$ 6,951,541	\$ 8,922,654
Current and other liabilities	\$ 1,453,375	\$ 2,110,399
Long-term liabilities	<u>\$ 20,581,671</u>	<u>\$ 27,510,388</u>
Total Liabilities	<u>\$ 22,035,046</u>	<u>\$ 29,620,787</u>
Deferred Inflows of Resources	\$ 374,000	\$ 619,712
Net Investment in Capital Assets	\$ 4,061,860	\$ 8,600,202
Unrestricted	<u>\$ (8,737,678)</u>	<u>\$ (12,496,033)</u>
Total Net Position	<u>\$ (4,675,818)</u>	<u>\$ (3,895,831)</u>

Current assets at June 30, 2019 included cash of \$3,698,505, intergovernmental and other receivables of \$1,851,049, and prepaid expenses of \$42,124.

Total liabilities increased in 2018-2019. Accounts payable balances were \$730,815, compared to the prior year balance of \$331,030. The increase of \$399,785 is the result of Building Acquisition and Construction Services during 2018-2019. Accrued salaries and benefits increased from \$1,113,065 at June 30, 2018 to \$1,273,582 at June 30, 2019, a result of increased staff due to increased enrollment. The compensated absences accrual, which reflects the value of unused vacation time increased from \$208,850 to \$232,516 (which reflects the long-term portion) as of June 30, 2019. The total ending Net other postemployment benefit liabilities is \$1,375,457 at year end 2018-2019. 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 \$3,591,000 from the prior year totaling \$22,754,000 at June 30, 2019.

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	2018	2019
Program Revenues		
Charges for services	\$ 14,739,835	\$ 18,943,041
Operating grants and contributions	\$ 141,531	\$ 178,414
Capital grants and contributions	\$ 0	\$ 0
Investment Earnings	\$ 50,632	\$ 113,545
Total Revenues	\$ 14,931,998	\$ 19,235,000
Expenses		
Instruction	\$ 7,821,623	\$ 9,595,843
Support Services	\$ 7,954,204	\$ 8,726,633
Noninstructional Services	\$ 89,687	\$ 132,537
Total Expenses	\$ 15,865,514	\$ 18,455,013
Increase (Decrease) in Net Position	\$ (933,516)	\$ 779,987
Beginning Net Position	\$ (3,742,302)*	\$ (4,675,818)
Ending Net Position	\$ (4,675,818)	\$ (3,895,831)

**Restated for implementation of GASB Statement No. 75.*

Increased enrollment in the Charter School generated additional tuition revenue of \$4,203,206 in 2018-2019 compared to the prior school year.

Total expenses in 2018-2019 were \$2,589,499 higher than in 2017-2018. 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 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	
	2018	2019	2018	2019
Instruction	\$ 7,821,623	\$ 9,595,843	\$(9,167)	\$(2,818,965)
Support Services	7,954,204	8,726,633	112,905	3,552,193
Noninstructional Services	<u>89,687</u>	<u>132,537</u>	<u>(1,969)</u>	<u>(66,786)</u>
Total	<u>\$15,865,514</u>	<u>\$18,455,013</u>	<u>\$101,769</u>	<u>\$(666,442)</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 less than actual. Out of a \$17,302,261 budget \$19,168,102 was collected. The difference is the budget was based on enrolling 1,800 students. Actual enrollment is 1,828 students.

The expenditure budget was in over budget by \$6,878,140. This is due to the purchase of the new building location. 21st Century Cyber Charter School purchased a new building located at 1245 Wrights Lane, West Chester, PA 19380 in the 2018-2019 school year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2019, the Charter School had \$11,830,336 invested in building improvements, furniture and computer equipment, net of depreciation.

Figure 6		
Capital Assets (net of depreciation)		
June 30		
	Governmental Activities	
	2018	2019
Construction in Progress	\$ 0	\$ 7,929,174
Building Improvements	\$ 3,696,139	\$ 3,615,908
Furniture & Computer Equipment	\$ <u>365,721</u>	\$ <u>285,254</u>
Total	\$ 4,061,860	\$ 11,830,336

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, 2019. The 21st Century Cyber Charter School did acquire debt for 1245 Wrights Lane Building with a Tax-Exempt Revenue Note for \$3,230,134. The school has an available line of credit with a zero balance as of June 30, 2019. See Note 7 for additional information on the Charter School’s long-term debt activity.

ECONOMIC FACTORS AND THE CHARTER SCHOOL’S FUTURE

The 21st Century Cyber Charter School increased its teaching staff from fifty-eight in 2017-2018 to seventy-three in 2018-2019 as a direct result of a 13.1% 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 one hundred fourteen in 2017-2018 to one hundred thirty-five in 2018-2019. 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 2019-2020 to 2023-2024 was approved and issued in February 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 of 65.0 and 62.1 in 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
2016-2017	30.03%
2017-2018	32.57%
2018-2019	33.43%
2019-2020	34.29%
2020-2021	34.77%

As the political climate stabilizes in Pennsylvania, there has been 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, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 3,698,505
Intergovernmental receivables	1,851,049
Prepaid expenses	42,124
Capital assets not being depreciated:	
Construction in progress	7,929,174
Capital assets, net of accumulated depreciation	<u>3,901,162</u>
TOTAL ASSETS	<u>17,422,014</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources for pension	8,551,324
Deferred outflows of resources for other postemployment benefits	<u>371,330</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,922,654</u>
LIABILITIES	
Accounts payable	730,815
Accrued interest	8,053
Accrued salaries and benefits	1,273,582
Unearned revenues	16,230
Noncurrent liabilities, due within one year	81,719
Noncurrent liabilities:	
Notes payable	3,148,415
Long-term portion of compensated absences	232,516
Net pension liability	22,754,000
Net other postemployment benefit liabilities	<u>1,375,457</u>
TOTAL LIABILITIES	<u>29,620,787</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources for pension	462,000
Deferred inflows of resources for other postemployment benefits	<u>157,712</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>619,712</u>
NET POSITION	
Net investment in capital assets	8,600,202
Unrestricted (deficit)	<u>(12,496,033)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (3,895,831)</u>

See accompanying notes.

21st CENTURY CYBER CHARTER SCHOOL

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenue		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental Activities				
Instruction	\$ 9,595,843	\$ 6,623,966	\$ 152,912	\$ (2,818,965)
Instructional student support	3,345,823	2,191,142	25,502	(1,129,179)
Administrative and financial support services	4,399,977	3,142,868	-	(1,257,109)
Operation and maintenance of plant services	980,833	6,919,314	-	5,938,481
Student activities	94,728	65,751	-	(28,977)
Interest on long-term debt	37,809	-	-	(37,809)
Total Governmental Activities	<u>\$ 18,455,013</u>	<u>\$ 18,943,041</u>	<u>\$ 178,414</u>	666,442
		General Revenues:		
		Investment earnings		113,545
		Change in Net Position		779,987
		Net Position (Deficit) - Beginning of Year		(4,675,818)
		Net Position (Deficit) - End of Year		<u>\$ (3,895,831)</u>

21st CENTURY CYBER CHARTER SCHOOL

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2019

	General Fund
ASSETS	
Cash and investments	\$ 3,698,505
Intergovernmental receivables	1,851,049
Prepaid expenditures	42,124
TOTAL ASSETS	\$ 5,591,678
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 730,815
Accrued salaries and benefits	1,273,582
Unearned revenues	16,230
TOTAL LIABILITIES	2,020,627
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - tuition	66,898
 FUND BALANCE	
Nonspendable:	
Prepaid expenditures	42,124
Committed:	
Future building fund	1,860,627
Future capital equipment/software/furniture purchases	338,115
Facility upgrades	100,971
New initiatives fund	177,857
Program contingency fund	900,000
Assigned:	
PSERS retirement rate increases	35,000
Health insurance rate increases	31,697
Unassigned	17,762
TOTAL FUND BALANCE	3,504,153
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 5,591,678

21st CENTURY CYBER CHARTER SCHOOL

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

June 30, 2019

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

TOTAL FUND BALANCE - GOVERNMENTAL FUND		\$ 3,504,153
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 \$13,151,294 and the accumulated depreciation is \$1,320,958.		11,830,336
Tuition receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.		66,898
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:		
Notes payable	(3,230,134)	
Accrued interest on notes	(8,053)	
Long-term portion of compensated absences	<u>(232,516)</u>	(3,470,703)
The net pension liability and related deferred outflows and inflows of resources for pensions are not reflected on the fund financial statements.		(14,664,676)
The net other postemployment benefit liabilities and related deferred outflows and inflows of resources for other postemployment benefits are not reflected on the fund financial statements.		<u>(1,161,839)</u>
TOTAL NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES		<u><u>\$ (3,895,831)</u></u>

21st CENTURY CYBER CHARTER SCHOOL

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

For the Year Ended June 30, 2019

	<u>General Fund</u>
REVENUES	
Local sources	\$ 19,116,854
State sources	<u>51,248</u>
	TOTAL REVENUES
	19,168,102
 EXPENDITURES	
Current:	
Instructional services	8,438,007
Support services	7,679,843
Operation of noninstructional services	83,755
Capital outlay	7,929,174
Debt service:	
Principal	19,866
Interest	<u>29,756</u>
	TOTAL EXPENDITURES
	<u>24,180,401</u>
	DEFICIENCY OF REVENUES OVER EXPENDITURES
	(5,012,299)
 OTHER FINANCING SOURCES	
Proceeds from revenue note	<u>3,250,000</u>
	NET CHANGE IN FUND BALANCE
	(1,762,299)
 FUND BALANCE - BEGINNING OF YEAR	<u>5,266,452</u>
	FUND BALANCE - END OF YEAR
	<u><u>\$ 3,504,153</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, 2019

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

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND \$ (1,762,299)

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.

Capital outlays	\$ 7,950,274	
Less: Depreciation expense	<u>(181,798)</u>	7,768,476

Because some tuition revenue will not be collected for several months after the Charter School's year end, they are not considered as "available" revenues in the governmental funds. 66,898

Issuance of long-term debt (e.g. notes) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Proceeds from revenue note	(3,250,000)	
Repayment of note principal	<u>19,866</u>	(3,230,134)

Interest expense incurred on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. (8,053)

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. The difference in the amount incurred and amount paid of these activities is:

Compensated absences	(23,666)	
Net pension liability and related deferred outflows and inflows	(1,900,255)	
Net OPEB liability and related deferred outflows and inflows	<u>(130,980)</u>	<u>(2,054,901)</u>

CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES \$ 779,987

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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 expires June 30, 2024.

The Charter School is located in West Chester, 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, 2019

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. Fiduciary funds are reported by fund type.

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, 2019

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 90 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.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 2018-2019 budget was prepared and approved by the board of directors prior to submitting the budget to the Pennsylvania Department of Education.

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.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position - continued

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. Donated capital assets are valued at the estimated fair value of the item at the date of donation.

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. Construction in progress is stated at cost and consists primarily of costs incurred on construction projects. No provision for depreciation is made on construction in progress until the assets are complete and placed into service. 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 for depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Building and building improvements	20 - 50
Furniture and computer equipment	5 - 20

6. Unearned Revenues

Revenues that are received but not earned are reported as unearned revenues in the government-wide, governmental, and proprietary 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.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position - continued

7. Compensated Absences

Charter School policies permit employees to accumulate earned but unused vacation, personal, and sick days based on employment agreements. Payments for vacation, sick pay, and personal leave are expensed as paid in the governmental fund statements. Accumulated vacation, personal, and sick leave that is expected to be liquidated with expendable available financial resources and that has matured is reported as an expenditure and a fund liability in the governmental fund that will pay it. Accumulated vacation, personal, or sick leave that is not expected to be liquidated with expendable available financial resources and that has not matured is reported as a long-term liability in the proprietary funds and the government-wide financial statements and is expensed as incurred.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activity column in the statement of net position.

In the fund financial statements, governmental fund types recognized the face amount of debt issued and any original issue discounts or premiums are reported as other financing sources and uses. Issuance costs and underwriter's discount, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Pension

The Charter School contributes to the Public School Employees Retirement System (PSERS), a cost-sharing multiple-employer defined benefit pension plan. The Charter School accounts for the plan under the provisions of GASB Statement No. 68, which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, deferred outflows and deferred inflows of resources related to pension, certain required supplementary information, and note disclosures.

For the purpose of measuring net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension 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 refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position - continued

10. Other Postemployment Benefits (OPEB)

The Charter School's other postemployment benefit plans are accounted for under the provisions of GASB Statement No. 75, which establishes standards for the measurement, recognition, and display of other postemployment benefit expense and related liabilities, deferred outflows and deferred inflows of resources related to other postemployment benefits, certain required supplementary information, and note disclosures. The Charter School provides OPEB under the following two plans:

PSERS OPEB Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the PSERS and additions to/deductions from PSERS' 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.

Charter School OPEB Plan

The Charter School sponsors a single-employer defined benefit OPEB plan. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Charter School OPEB plan is unfunded.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position - continued

11. 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.

Deferred outflows of resources for other postemployment benefit liabilities relates to the Charter School's liability 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 liability 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 three types of items that qualify for reporting in this category:

Unavailable revenue arises only under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from tuition. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position - continued

11. Deferred Outflows/Inflows of Resources - continued

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 liabilities relates to the Charter School's liability 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.

12. 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.

13. 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).

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Financial Position - continued

13. Fund Balance Policies and Flow Assumptions - continued

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.

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. 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.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Compliance with Finance Related Legal and Contractual Provisions

The Charter School had 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, 2019, no individual funds had a deficit fund balance or net position.

C. Excess of Expenditures Over Appropriations in Individual Funds

For the year ended June 30, 2019, the General Fund had an excess of expenditures over appropriations of \$6,878,140. The Charter School used revenue in excess of budget, proceeds from the issuance of a note, and unassigned fund balance to satisfy the excess expenditures.

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, 2019. 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.

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.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

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, 2019:

Petty cash	\$	98
Demand deposits		1,480,155
Pooled cash and investments		<u>2,218,252</u>
	\$	<u>3,698,505</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, 2019, the carrying amount of the Charter School's deposits was \$1,480,155 and the bank balance was \$1,832,658. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,332,658 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.

Investments

As of June 30, 2019, the Charter School had the following pooled cash and investments:

	<u>Fair Value</u>	<u>Carrying Value</u>
PA School District Liquid Asset Fund:		
MAX Account Balance	<u>\$ 2,218,252</u>	<u>\$ 2,218,252</u>
Total pooled cash and investments		<u>\$ 2,218,252</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Investments - continued

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 \$2,218,252 (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 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, 2019, the entire PSDLAF book balance of \$2,218,252 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, 2019, the Charter School's investments were rated as:

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

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

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, 2019, 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 \$1,851,049 as of June 30, 2019.

The Charter School reports unavailable revenue of \$66,898 at June 30, 2019, consisting of tuition revenue that has been earned, but is not collected within 90 days of the fiscal year end.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 5 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019, 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	\$ -	\$ 7,929,174	\$ -	\$ 7,929,174
Capital assets being depreciated:				
Building and building improvements	3,997,696	-	-	3,997,696
Furniture and computer equipment	<u>1,203,324</u>	<u>21,100</u>	-	<u>1,224,424</u>
Total assets being depreciated	5,201,020	21,100	-	5,222,120
Less accumulated depreciation for:				
Building and building improvements	301,557	80,231	-	381,788
Furniture and computer equipment	837,603	101,567	-	939,170
Total accumulated depreciation	<u>1,139,160</u>	<u>181,798</u>	<u>-</u>	<u>1,320,958</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>4,061,860</u>	<u>(160,698)</u>	<u>-</u>	<u>3,901,162</u>
GOVERNMENTAL ACTIVITIES, CAPITAL ASSETS, NET	<u>\$ 4,061,860</u>	<u>\$ 7,768,476</u>	<u>\$ -</u>	<u>\$ 11,830,336</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 5 - CAPITAL ASSETS - CONTINUED

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

Instruction	\$ 63,571
Instructional student support	21,029
Administrative and financial support	30,162
Operation and maintenance of plant services	66,405
Noninstructional services	<u>631</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u><u>\$ 181,798</u></u>

NOTE 6 - LINE OF CREDIT

The Charter School has an available line of credit dated March 5, 2019 for up to \$1,200,000. There were no amounts drawn or payments made on the line of credit during 2019, and the balance outstanding at June 30, 2019 is \$0.

NOTE 7 - LONG-TERM LIABILITIES

Notes payable are as follows at June 30, 2019:

Tax-Exempt Revenue Note - Series of 2019:

The Charter School is liable for a tax-exempt revenue note dated March 5, 2019. The note was issued through the Central and Western Chester County Industrial Development Authority in the aggregate principal amount of \$3,250,000. The note bears interest at a fixed rate of 3.59%. Monthly payments of principal and interest are due beginning April 5, 2019 through maturity in March, 2029. The proceeds of this note were used to fund the acquisition of a building.

\$ 3,230,134

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - LONG-TERM LIABILITIES - CONTINUED

The future annual payments required to amortize all notes payable for the years ending June 30 are as follows:

	Tax-Exempt Revenue Note Series of 2019	
	Principal	Interest
2020	\$ 81,719	\$ 116,540
2021	85,063	113,196
2022	88,211	110,048
2023	91,476	106,783
2024	94,578	103,681
2025 - 2029	2,789,087	441,047
	<u>\$ 3,230,134</u>	<u>\$ 991,295</u>

Long-term liability balances and activity for the year ended June 30, 2019 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Notes payable	\$ -	\$ 3,250,000	\$ 19,866	\$ 3,230,134	\$ 81,719
Total payable	-	3,250,000	19,866	3,230,134	81,719
Compensated absences	208,850	35,943	12,277	232,516	-
Net pension liability	19,163,000	5,633,783	2,042,783	22,754,000	-
Net other postemployment benefit liabilities	1,209,821	226,792	61,156	1,375,457	-
Total governmental long-term liabilities	<u>\$ 20,581,671</u>	<u>\$ 9,146,518</u>	<u>\$ 2,136,082</u>	<u>\$ 27,592,107</u>	<u>\$ 81,719</u>

Payments on notes payable are made by the general fund. Total interest paid during the year ended June 30, 2019, was \$29,756. The compensated absence liabilities will be liquidated by the general fund. The net pension and PSERS OPEB Plan portion of the OPEB liability will be liquidated through future contributions to PSERS at the statutory rates; contributions will be made from the general fund. The Charter School OPEB Plan portion of the OPEB liability will be liquidated through future payments from the general fund.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 8 - EMPLOYEE RETIREMENT PLANS

Employee Defined Benefit Pension Plan

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 under Title 24, Part IV of the Pennsylvania General Assembly. 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.

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.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 8 - EMPLOYEE RETIREMENT PLANS - CONTINUED

Employee Defined Benefit Pension Plan - continued

General Information About the Pension Plan - continued

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%.

Employer Contributions:

The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2019 was 32.60% 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 \$2,367,496 for the year ended June 30, 2019.

The Charter School is also required to contribute a percentage of covered payroll to PSERS for healthcare insurance premium assistance. See Note 9.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 8 - EMPLOYEE RETIREMENT PLANS - CONTINUED

Employee Defined Benefit Pension Plan - continued

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

At June 30, 2019, the Charter School reported a liability of \$22,754,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2017 to June 30, 2018. 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, 2019, the Charter School’s proportion was 0.0474%, which was an increase of 0.0086% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the Charter School recognized pension expense of \$4,267,751. At June 30, 2019, 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
Differences between expected and actual experience	\$ 183,000	\$ 352,000
Changes in assumptions	424,000	-
Net difference between projected and actual investment earnings	112,000	-
Changes in proportion - plan level	5,387,000	110,000
Difference between employer contributions and proportionate share of total contributions	77,828	-
Contributions made subsequent to the measurement date	2,367,496	-
	<u>\$ 8,551,324</u>	<u>\$ 462,000</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 8 - EMPLOYEE RETIREMENT PLANS - 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 \$2,367,496 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, 2020. 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:

2020	\$ 2,255,835
2021	2,097,816
2022	1,447,822
2023	<u>(79,645)</u>
	<u>\$ 5,721,828</u>

Actuarial Assumptions

The total pension liability at June 30, 2018 was determined by rolling forward the System's total pension liability at June 30, 2017 to June 30, 2018 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 actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2015.

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, 2019

NOTE 8 - EMPLOYEE RETIREMENT PLANS - 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 - 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.

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, 2018 is:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	20.0%	5.2%
Fixed income	36.0%	2.2%
Commodities	8.0%	3.2%
Absolute return	10.0%	3.5%
Risk parity	10.0%	3.9%
Infrastructure/MLPs	8.0%	5.2%
Real estate	10.0%	4.2%
Alternative investments	15.0%	6.7%
Cash	3.0%	0.4%
Financing (LIBOR)	<u>(20.0%)</u>	0.9%
	<u>100.0%</u>	

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, 2019

NOTE 8 - EMPLOYEE RETIREMENT PLANS - 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	\$ 28,206,000	\$ 22,754,000	\$ 18,145,000

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.pa.gov.

Payables to the Pension Plan

At June 30, 2019, the Charter School had an accrued balance due to PSERS, including contributions related to pension and OPEB of \$662,565. This amount represents the Charter School's contractually obligated contributions for wages earned in April 2019 through June 2019. The balance was paid in September 2019.

Pension Reform

Pursuant to the Commonwealth Act 2017-5, members hired on or after July 1, 2019 will be required to choose one of three new retirement plan design options for retirement benefits. The current defined benefit plan will no longer be available to new members hired on or after July 1, 2019. The new plan design options include two hybrid plans consisting of defined benefit and defined contribution components. The third option is a stand-alone defined contribution plan.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 8 - EMPLOYEE RETIREMENT PLANS - CONTINUED

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.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS

Employee Defined Benefit Other Postemployment Benefit Plans

The Charter School has other postemployment benefits (OPEB) under 2 different plans: (1) a cost-sharing, multiple employer, employee defined benefit other postemployment benefits plan administered through PSERS (PSERS OPEB Plan) and (2) a single employer defined benefit healthcare plan (Charter School OPEB Plan). The Charter School's aggregate net OPEB liability and deferred outflows and inflows of resources related to OPEB at June 30, 2019 are as follows:

<u>Plan</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PSERS OPEB Plan	\$ 988,000	\$ 356,277	\$ 37,000
Charter School OPEB Plan	<u>387,457</u>	<u>15,053</u>	<u>120,712</u>
Total	<u>\$ 1,375,457</u>	<u>\$ 371,330</u>	<u>\$ 157,712</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

PSERS OPEB Plan

General Information About the PSERS OPEB Plan

Health Insurance Premium Assistance Program

PSERS (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, 2018, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance Program 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 Health Option Program or employer-sponsored health insurance program.

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, 2018, there were no assumed future benefit increases to participating eligible retirees.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

PSERS OPEB Plan - continued

General Information About the PSERS OPEB Plan - continued

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, 2019 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 \$60,277 for the year ended June 30, 2019.

PSERS OPEB Plan Liability, Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2019, the Charter School reported a liability of \$988,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2017 to June 30, 2018. The Charter School's proportion of the net OPEB 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, 2019, the Charter School's proportion was 0.0474%, which was an increase of 0.0086% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the Charter School recognized OPEB expense of \$93,419. At June 30, 2019, 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>
Difference between expected and actual experience	\$ 6,000	\$ -
Changes in assumptions	16,000	37,000
Net difference between projected and actual investment earnings	2,000	-
Changes in proportion	272,000	-
Contributions made subsequent to the measurement date	60,277	-
	<u>\$ 356,277</u>	<u>\$ 37,000</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

PSERS OPEB Plan - continued

PSERS OPEB Plan Liability, Expense, and Deferred Outflows and Inflows of Resources Related to OPEB - continued

The \$60,277 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 liability in the year ending June 30, 2020. 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:

2020	\$	46,000
2021		46,000
2022		46,000
2023		46,000
2024		45,000
Thereafter		<u>30,000</u>
	\$	<u>259,000</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2018, was determined by rolling forward the System's total OPEB liability as of June 30, 2017 to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.98% - 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%

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

PSERS OPEB Plan - continued

PSERS OPEB Plan Liability, Expense, and Deferred Outflows and Inflows of Resources Related to OPEB
- continued

Actuarial Assumptions - continued

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2015.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2016 determined the employer contribution rate for fiscal year 2018.
- 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 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.

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.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

PSERS OPEB Plan - continued

PSERS OPEB Plan Liability, Expense, and Deferred Outflows and Inflows of Resources Related to OPEB - continued

Actuarial Assumptions - continued

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, 2018 is:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.9%	0.03%
US Core fixed income	92.8%	1.20%
Non-US developed fixed	1.3%	0.40%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 2.98%. 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 2.98% which represents the S&P 20-year Municipal Bond Rate at June 30, 2018, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the Charter School's Proportionate Share of the Net OPEB Liability 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, 2018, 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, 2017, 93,380 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2017, 1,077 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 in the next section.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

PSERS OPEB Plan - continued

PSERS OPEB Plan Liability, Expense, and Deferred Outflows and Inflows of Resources Related to OPEB - continued

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

The following presents the Charter School's proportionate share of the net OPEB liability for the June 30, 2018 measurement date, calculated using current Healthcare cost trends as well as what the Charter School's proportionate share of the net OPEB liability would be if the health cost trends were one-percentage point lower or one-percentage point higher than the current rate:

	1% Decrease (Between 4% to 6.75%)	Current Rate (Between 5% to 7.75%)	1% Increase (Between 6% to 8.75%)
Charter School's proportionate share of the net OPEB liability	\$ 988,000	\$ 988,000	\$ 988,000

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

The following presents the net OPEB liability, calculated using the discount rate of 2.98%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (1.98%) or one-percentage point higher (3.98%) than the current rate:

	1% Decrease 1.98%	Current Discount Rate 2.98%	1% Increase 3.98%
Charter School's proportionate share of the net OPEB liability	\$ 1,124,000	\$ 988,000	\$ 876,000

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.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

PSERS OPEB Plan - continued

*PSERS OPEB Plan Liability, Expense, and Deferred Outflows and Inflows of Resources Related to OPEB
- continued*

Payables Related to the Plan

At June 30, 2019, the Charter School had an accrued balance due to PSERS of \$662,565, including balances related to pension and OPEB. This amount represents the Charter School's contractually obligated contributions for wages earned in April 2019 through June 2019. The balance was paid in September 2019.

Charter School OPEB Plan

General Information About the Charter School 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 by the Charter School. The OPEB Plan does not issue a publicly available financial report and no assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

Charter School OPEB Plan - continued

General Information About the Charter School OPEB Plan - continued

Benefits Provided

The Charter School classifies employees in the following categories: CEO/Director, Administrators, and Support and Professional Staffing. Contribution requirements are established by the Charter School. Below is a summary of the postemployment benefits provided to each of these groups:

CEO/Director

<i>ELIGIBILITY</i>	<i>COVERAGE AND PREMIUM SHARING</i>	<i>DURATION</i>
Act 110/43 requirements of PSERS Retirement with 10 years of service with 21CCCS	<p><u>Coverage</u> Medical, Prescription Drug, Dental, and Vision Insurance</p> <p><u>Premium Sharing</u> The Board will pay the costs of medical, prescription drug, vision and dental for the CEO/Director and spouse.</p> <p><u>Dependents</u> Spouse included</p>	Member and spouse coverage is provided until the earlier of Member attaining age 65 or Member Medicare Age.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

Charter School OPEB Plan - continued

General Information About the Charter School OPEB Plan - continued

Benefits Provided - continued

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, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

Charter School OPEB Plan - continued

General Information About the Charter School OPEB Plan - continued

Benefits Provided - continued

Administrators - continued

<i>ELIGIBILITY</i>	<i>COVERAGE AND PREMIUM SHARING</i>	<i>DURATION</i>
Act 110/43 requirements or PSERS Retirement with 20 or more 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 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, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

Charter School OPEB Plan - continued

General Information About the Charter School OPEB Plan - continued

Benefits Provided - continued

Support + Professional 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:

- 1) 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.
- 2) 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.
- 3) 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, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

Charter School OPEB Plan - continued

General Information About the Charter School OPEB Plan - continued

Employees Covered by Benefit Terms

At July 1, 2018, the date of the most recent actuary valuation, the following employees were covered by the benefit terms:

Active participants	110
Vested former participants	-
Retired participants	-
	<hr/>
Total	<u>110</u>

OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability as of July 1, 2018 was determined by rolling forward the Charter School's total OPEB liability as of July 1, 2017 to July 1, 2018 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 - 2.98% - based on the Standards & Poors Municipal Bond 20 Year High Grade Rate Index at 7/1/18.
- 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 2018, and 5.5% in 2019 through 2021. Rates gradually decrease from 5.4% in 2022 to 3.8% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Participation rates - 100% of administrators and 40% of professional 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, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

Charter School OPEB Plan - continued

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2018	<u>\$ 418,821</u>
Changes for the year:	
Service cost	91,917
Interest	15,855
Changes of benefit terms	(4,651)
Differences between expected and actual experience	(125,220)
Changes of assumptions or other inputs	(1,528)
Benefit payments	<u>(7,737)</u>
Net changes	<u>(31,364)</u>
Balance at June 30, 2019	<u><u>\$ 387,457</u></u>

Changes of benefit terms reflect the following changes: (1) CEO/Director does not receive life insurance in retirement under new terms. CEO/Director and spouse get fully paid coverage for medical, prescription drug, dental and vision; however, the CEO/Director will not meet the 10 year service requirement prior to age 65 in order to receive the subsidy.

Changes of assumptions or other inputs reflect the following changes: (1) the discount rate changed from 3.13% to 2.98%; (2) the trend assumption was updated.

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

The following presents the total OPEB liability of the Charter School, as well as what the Charter School's total OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (1.98%) or one-percentage point higher (3.98%) than the current discount rate:

	<u>1% Decrease 1.98%</u>	<u>Current Discount Rate 2.98%</u>	<u>1% Increase 3.98%</u>
OPEB Plan - Total OPEB liability	\$ 433,997	\$ 387,457	\$ 344,842

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

Charter School OPEB Plan - continued

Changes in the Total OPEB Liability - continued

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

The following presents total OPEB liability of the Charter School, as well as what the Charter School's total OPEB liability 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 liability	\$ 318,980	\$ 387,457	\$ 472,230

At June 30, 2019, the Charter School reported an OPEB liability of \$387,457 related to the OPEB Plan. The OPEB liability was measured as of July 1, 2018, and was determined by an actuarial valuation performed as of July 1, 2018.

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

For the year ended June 30, 2019, the Charter School recognized OPEB expense of \$97,838. At June 30, 2019, 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	\$ 15,053	\$ 1,455
Difference between expected and actual experience	-	119,257
	<u>\$ 15,053</u>	<u>\$ 120,712</u>

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT PLANS - CONTINUED

Charter School OPEB Plan - continued

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

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:

2020	\$	(5,283)
2021		(5,283)
2022		(5,283)
2023		(5,283)
2024		(5,283)
Thereafter		<u>(79,244)</u>
Total	\$	<u>(105,659)</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 2018/2019 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, 2019

NOTE 11 - COMMITMENTS

The Charter School has the following commitments under long-term construction contracts for the renovation of a building as of June 30, 2019:

Contractor	Adjusted Contract Amount	Balance Remaining on Contract
Marotta Main	\$ 122,028	\$ 9,275
Balton Construction	997,740	799,065
LGB Mechanical	663,225	424,000
McGoldrick Electric	384,000	198,700
Vision Mechanical	171,000	83,658
	\$ 2,337,993	\$ 1,514,698

The Charter School plans to use existing resources in the general fund to fulfill the above 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:

2020	\$ 144,286
2021	146,654
2022	76,614
Total minimum future rental payments	\$ 367,554

Rent expense for the year ended June 30, 2019, approximated \$149,000.

21st CENTURY CYBER CHARTER SCHOOL

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 12 - 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, 2019, were as follows:

Nonspendable:	
Prepaid expenditures	\$ 42,124
Committed:	
Future building fund	1,860,627
Future capital equipment costs	338,115
Facility upgrades	100,971
New initiatives fund	177,857
Future program stabilization fund	900,000
Assigned:	
PSERS retirement rate increases	35,000
Health insurance rate increases	31,697
Unassigned	<u>17,762</u>
Total fund balances	<u>\$ 3,504,153</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, 2019

NOTE 13 - NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued the following standards which have not yet been implemented:

- 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. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* - This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Under this statement, interest cost incurred before the end of a construction period must be recognized as an expense in the period in which the costs is incurred for financial statements prepared using the economic resources measurement focus. This statement is effective for the Charter School's fiscal year ending June 30, 2021.
- Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61* - This statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization and provides guidance for reporting a component unit if a government acquires a 100% equity interest in that component unit. This statement is effective for the Charter School's fiscal year ending June 30, 2020.

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, 2019

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Local sources	\$ 17,276,515	\$ 17,276,515	\$ 19,116,854	\$ 1,840,339
State sources	25,746	25,746	51,248	25,502
TOTAL REVENUES	17,302,261	17,302,261	19,168,102	1,865,841
EXPENDITURES				
INSTRUCTIONAL SERVICES:				
Regular programs - elementary/secondary	7,023,882	7,024,882	6,649,874	375,008
Special programs - elementary/secondary	1,508,865	1,508,865	1,629,341	(120,476)
Other instructional programs - elementary/secondary	196,499	196,499	158,792	37,707
TOTAL INSTRUCTIONAL SERVICES	8,729,246	8,730,246	8,438,007	292,239
SUPPORT SERVICES:				
Students	678,663	746,793	903,079	(156,286)
Instructional staff	1,954,064	1,944,552	1,741,869	202,683
Administration	2,481,754	2,480,756	2,322,828	157,928
Pupil health	118,255	118,255	146,259	(28,004)
Business services	733,502	631,002	644,472	(13,470)
Operation and maintenance of plant Central	874,594	923,963	885,064	38,899
	1,026,674	1,021,185	1,036,272	(15,087)
TOTAL SUPPORT SERVICES	7,867,506	7,866,506	7,679,843	186,663
OPERATION OF NONINSTRUCTIONAL SERVICES:				
Student activities	160,509	160,509	83,755	76,754
CAPITAL OUTLAY	-	-	7,929,174	(7,929,174)
DEBT SERVICE PAYMENTS	545,000	545,000	49,622	495,378
TOTAL EXPENDITURES	17,302,261	17,302,261	24,180,401	(6,878,140)
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	(5,012,299)	(5,012,299)
OTHER FINANCING SOURCES				
Proceeds from revenue note	-	-	3,250,000	3,250,000
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	(1,762,299)	\$ (1,762,299)
FUND BALANCE - BEGINNING OF YEAR			5,266,452	
FUND BALANCE - END OF YEAR			\$ 3,504,153	

See note to required supplementary information.

21st CENTURY CYBER CHARTER SCHOOL

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

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.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the PDE 2028 when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all 2018/2019 budget transfers.

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

	2019	2018	2017	2016	2015	2014
Charter School's proportion of the collective net pension liability	0.0474%	0.0388%	0.0313%	0.0296%	0.0309%	0.0279%
Charter School's proportionate share of the collective net pension liability	\$ 22,754,000	\$ 19,163,000	\$ 15,511,000	\$ 12,822,000	\$ 12,230,000	\$ 11,422,000
Charter School's covered employee payroll	\$ 6,383,878	\$ 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	356.43%	370.61%	382.06%	337.14%	310.59%	319.02%
Plan fiduciary net position as a percentage of the total pension liability	54.00%	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, which is one year prior to the fiscal year end.

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 to present 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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 2,367,496	\$ 2,042,783	\$ 1,521,325	\$ 1,040,962	\$ 824,109	\$ 630,616	\$ 410,841	\$ 270,256	\$ 142,715	\$ 100,153
Contributions in relation to the contractually required contribution	<u>2,367,496</u>	<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>
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	\$ 7,213,655	\$ 6,383,878	\$ 5,170,698	\$ 4,059,874	\$ 3,803,141	\$ 3,937,654	\$ 3,580,336			
Contributions as a percentage of covered employee payroll	32.82%	32.00%	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 LIABILITY AND RELATED RATIOS -
PSERS OPEB PLAN**

LAST TEN FISCAL YEARS

	2019	2018	2017
Charter School's proportion of the collective net PSERS OPEB liability	0.0474%	0.0388%	0.0313%
Charter School's proportionate share of the collective net PSERS OPEB liability	\$ 988,000	\$ 791,000	\$ 674,000
Charter School's covered employee payroll	\$ 6,383,878	\$ 5,170,698	\$ 4,059,874
Charter School's proportionate share of the net PSERS OPEB liability as a percentage of its covered employee payroll	15.48%	15.30%	16.60%
Plan fiduciary net position as a percentage of the total PSERS OPEB liability	5.56%	5.73%	5.47%

The Charter School's covered employee payroll noted above is as of the measurement date of the net PSERS OPEB liability, which is one year prior to the fiscal year end.

NOTES TO SCHEDULE

Changes of Benefit Terms

None.

Changes of Assumptions

Significant changes of assumptions for the June 30, 2018 measurement date are as follows:

- The discount rate changed from 3.13% to 2.98%

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 - PSERS OPEB PLAN

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 60,277	\$ 53,419	\$ 43,243	\$ 34,976	\$ 36,180	\$ 36,655	\$ 30,724	\$ 21,958	\$ 18,267	\$ 19,530
Contributions in relation to the contractually required contribution	<u>60,277</u>	<u>53,419</u>	<u>43,243</u>	<u>34,976</u>	<u>36,180</u>	<u>36,655</u>	<u>30,724</u>	<u>21,958</u>	<u>18,267</u>	<u>19,530</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	\$ 7,213,655	\$ 6,383,878	\$ 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%	0.84%	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 IN TOTAL OPEB LIABILITY AND RELATED RATIOS -
CHARTER SCHOOL OPEB PLAN**

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Total OPEB Liability:		
Service cost	\$ 91,917	\$ 87,681
Interest	15,855	9,773
Changes of benefit terms	(4,651)	-
Differences between expected and actual experience	(125,220)	-
Changes in assumptions	(1,528)	16,559
Benefit payments	<u>(7,737)</u>	<u>-</u>
Net change in total OPEB liability	(31,364)	114,013
Total OPEB liability, beginning	<u>418,821</u>	<u>304,808</u>
Total OPEB liability, ending	<u>\$ 387,457</u>	<u>\$ 418,821</u>
Covered Employee Payroll	<u>\$ 7,304,223</u>	<u>\$ 4,834,351</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	5.30%	8.66%

NOTES TO SCHEDULE

Changes of Benefit Terms

CEO/Director does not receive life insurance in retirement under new terms. CEO/Director and spouse get fully paid coverage for medical, prescription drug, dental, and vision; however, the CEO/Director will not meet the 10 year service requirement prior to age 65 in order to receive the subsidy.

Changes of Assumptions

Significant changes in assumptions for the July 1, 2018 measurement date are as follows:

- The discount rate changed from 3.13% to 2.98%.
- The trend assumption was updated.

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
West Chester, 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, 2019, 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 December 4, 2019.

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
December 4, 2019

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2020

Name of School _____ 21st Century Cyber Charter School _____

Address of School _____ 1245 Wrights Lane West Chester, PA 19380 _____

CEO Signature  _____

REVENUES

6000		REVENUE FROM LOCAL SOURCES		
6500		EARNINGS ON INVESTMENTS		
	6510	Interest on Investments and Interest-Bearing Checking Accounts	\$	18,272.29
	6520	Dividends on Investments	\$	9,814.09
	6530	Gains or Losses on Sale of Investments		
	6540	Earnings on Investments in Real Property		
	6590	Other Earnings or 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	\$	168,381.00
	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	\$ 20,566,053.50
	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 Withholding	
	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	\$ 500.00
	6990	Refunds and Other Miscellaneous Revenue	\$ 5,178.20
	6991	Refunds of a Prior Year Expenditure	
	6999	Other Revenues Not Specified Above	
7000		REVENUE FROM STATE SOURCES	
	7100	BASIC INSTRUCTIONAL AND OPERATING SUBSIDIES	\$ 25,746.00
	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)	\$ 30,539.01
	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	
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)	\$ 816,478.31
	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			\$ 21,640,962.40

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2020

Name of School _____ 21st Century Cyber Charter School _____

Address of School _____ 1245 Wrights Lane West Chester, PA 19380 _____

CEO Signature *Brian A. [Signature]*

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

EXPENDITURES

1000	INSTRUCTION		
1100	REGULAR PROGRAMS - ELEMENTARY / SECONDARY	\$	7,613,991.79
1200	SPECIAL PROGRAMS - ELEMENTARY / SECONDARY	\$	1,759,442.03
1300	VOCATIONAL EDUCATION		
1400	OTHER INSTRUCTIONAL PROGRAMS - ELEMENTARY / SECONDARY	\$	51,793.01
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	\$	704,499.56
	2130 Attendance Services		
	2140 Psychological Services		
	2150 Speech Pathology and Audiology Services		
	2160 Social Work Services		
	2170 Student Accounting Services	\$	528,788.18
	2190 Other Pupil Personnel Services		
2200	SUPPORT SERVICES - INSTRUCTIONAL STAFF		
	2210 Supervision of Educational Media Services		

	2220	Technology Support Services	\$	668,319.58
	2230	Educational Television Services		
	2240	Computer-Assisted Instruction Support Services	\$	538,624.58
	2250	School Library Services		
	2260	Instruction and Curriculum Development Services	\$	649,417.13
	2270	Instructional Staff Professional Development Services	\$	102,449.16
	2280	Nonpublic Support Services		
2300		SUPPORT SERVICES - ADMINISTRATION		
	2310	Board Services	\$	39,367.79
	2320	Board Treasurer Services		
	2340	Staff Relations and Negotiations Services	\$	150,496.78
	2350	Legal Services	\$	131,028.64
	2360	Office of the Superintendent (Executive Director) Services	\$	442,523.47
	2370	Community Relations Services		
	2380	Office of the Principal Services	\$	445,863.45
	2390	Other Administration Services	\$	1,350,495.25
2400		SUPPORT SERVICES - PUPIL HEALTH	\$	211,217.89
2500		SUPPORT SERVICES - BUSINESS		
	2510	Fiscal Services	\$	583,955.45
	2520	Purchasing Services		
	2530	Warehousing and Distributing Services	\$	175,387.06
	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	\$	1,098,129.05
	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	\$	841,081.60
	2810	Planning, Research, Development and Evaluation Services		
	2820	Information Services		
	2830	Staff Services		
	2840	Data Processing Services	\$	292,579.46
	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	\$	91,665.28
	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	\$	215,590.50
4600	EXISTING BUILDING IMPROVEMENT SERVICES	\$	2,486,297.00
5000	OTHER EXPENDITURES AND FINANCING USES		
5100	DEBT SERVICE / OTHER EXPENDITURES AND FINANCING USES	\$	220,338.00
5200	FUND TRANSFERS		
5300	TRANSFERS INVOLVING COMPONENT UNITS		
5400	INTRAFUND TRANSFERS OUT		
5800	SUSPENSE ACCOUNT		
5900	BUDGETARY RESERVE		
TOTAL EXPENDITURES		\$	21,393,341.69

**TOTAL REVENUES MINUS TOTAL EXPENDITURES = CURRENT FUND
BALANCE AS OF JUNE 30, 2020**

247,620.71

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.		