



Reach Cyber Charter School
ANNUAL BOARD MEETING

Pursuant to the Pennsylvania Open Meeting Laws, notice is hereby given to the members of the Reach Cyber Charter School Board and the general public that the Board will hold a meeting open to the public on:

Date and Time:

Wednesday, June 21, 2017 at 9:00 a.m.

Meeting location:

750 East Park Drive, Suite 204
Harrisburg, PA 17111

Below is an agenda of all items scheduled to be considered. Unless otherwise stated, items may be taken out of the order presented on the agenda at the discretion of the Chair.

Reasonable efforts will be made to assist and accommodate persons with a disability. Please contact Heather Woodward at 443-867-2287.

AGENDA

- I. Call to Order and Roll Call – D. Taylor
- II. Public Comment – D. Taylor

The Board welcomes participation by the members of the public both in-person and telephonically. To address an item on the agenda, before the scheduled start of the meeting, an individual must provide their name and a short description of the agenda item on which they wish to comment to the Chair, along with any materials they want to have distributed to Board. Individuals who wish to address the Board telephonically must contact the Principal or Board President by phone or by email at least twenty four (24) hours before the scheduled start of the Board meeting. If the individual wants to provide any written materials to the Board, these should be emailed to the Principal or Board President at least twenty four (24) hours before the scheduled start of the meeting.

The total time for any individual to present, either in person or via telephone, on an item on the agenda shall not exceed three (3) minutes, unless the Board grants additional time.

Individuals desiring to make a formal presentation to the Board on an item not on the agenda but desiring it be placed on the agenda must provide notice and written submissions detailing the subject of the presentation to the Principal or Board President at least fourteen (14) days prior to the meeting. Any such presentations shall not exceed fifteen (15) minutes in duration, unless otherwise permitted by the Chair.

- III. Routine Business – D. Taylor
 - a. Approval of Agenda

- IV. Oral Reports
 - a. Principal's Report (MSR attached) – J. Swan
 - i. Update on Facility
 - ii. Update on Staff Recruitment
 - iii. Update on Enrollment
 - b. Financial Report (attached) – B. Shifflet

- V. Consent Items
 - a. Approval of Minutes from the May 31, 2017 Board Meeting (attached)
 - b. Approval of Staffing Report (attached)
 - c. Approval of LiveSpeech Invoice(s) (attached)
 - d. Approval of Board Meeting Schedule for the 2017-2018 School Year (attached)

- VI. Action Items
 - a. Approval of Connections Education Invoice for May (attached) – B. Shifflet
 - b. Approval of Directors and Staggering of Terms – H. Woodward
 - i. Dave Biondo (to follow)
 - c. Approval of Officers for the 2017-2018 School Year – H. Woodward

- VII. Information Items
 - a. Legislative Update (to follow) – A. Jay
 - b. Partner School Leadership Team (PSLT) Update – R. Graver
 - i. Results of the Parent Satisfaction Survey (attached)
 - ii. Introduction of Andrew Pasquinilli, Lead Director of Schools

- VIII. Executive Session
 - a. To consult with attorney regarding personnel matters and to consult with attorney in connection with litigation or on issues on which identifiable complaints are expected to be filed (65 PA CSA § 708(a)(4)) (attached) – R. Graver

- IX. Approval of School Leader Compensation for the 2018-2019 School Year – R. Graver

- X. Adjournment and Confirmation of Next Meeting – Wednesday, August 16, 2017 at 9:00 a.m.



MONTHLY SCHOOL REPORT

Reach Cyber Charter School

May 2017

EOY 15-16		3/31/2016		4/30/2017		5/31/2017		
Number	Percent	Number	Percent	Number	Percent	Number	Percent	%Change

ENROLLMENT DATA

School Enrollment

	0	0%	0	0%	912	100%	952	100%	N/A
Reach Cyber Charter School	0	0%	0	0%	912	100%	952	100%	N/A

Grade Distribution

Grades PK-2	0	0%	0	0%	181	20%	182	19%	0 %
-------------	---	----	---	----	-----	-----	-----	-----	-----

KG	0	0%	0	0%	68	7%	69	7%	0 %
1	0	0%	0	0%	50	5%	50	5%	0 %
2	0	0%	0	0%	63	7%	63	7%	0 %

Grades 3-5	0	0%	0	0%	204	22%	215	23%	0 %
------------	---	----	---	----	-----	-----	-----	-----	-----

3	0	0%	0	0%	55	6%	56	6%	0 %
4	0	0%	0	0%	67	7%	71	7%	0 %
5	0	0%	0	0%	82	9%	88	9%	0 %

Grades 6-8	0	0%	0	0%	374	41%	398	42%	0 %
------------	---	----	---	----	-----	-----	-----	-----	-----

6	0	0%	0	0%	87	10%	97	10%	0 %
7	0	0%	0	0%	152	17%	163	17%	0 %
8	0	0%	0	0%	135	15%	138	14%	0 %

Grades 9-12	0	0%	0	0%	153	17%	156	16%	0 %
-------------	---	----	---	----	-----	-----	-----	-----	-----

9	0	0%	0	0%	153	17%	156	16%	0 %
---	---	----	---	----	-----	-----	-----	-----	-----

New/Returning to CE

New	0	0%	0	0%	912	100%	952	100%	0%
Returning	0	0%	0	0%	0	0%	0	0%	0%

Total YTD Enrollment

Enrolled, not Grad	0	0%	0	0%	912	75%	952	75%	0%
Prior To Engagement	0	0%	0	0%	43	4%	44	3%	0%
Withdrawal During School Year	0	0%	0	0%	265	22%	278	22%	0%
Graduate	0	0%	0	0%	0	0%	0	0%	0%
Total YTD Enrollment	0	0%	0	0%	1220	100%	1274	100%	0 %

Withdrawal Reason

Different/Better Schooling Option (Not related to socialization)	0	0%	0	0%	231	87%	242	87%	0%
Life Change	0	0%	0	0%	12	5%	12	4%	0%
Mismatch Academic	0	0%	0	0%	4	2%	4	1%	0%
Getting started with the school was too difficult	0	0%	0	0%	1	0%	1	0%	0%
Mismatch Family Schedule	0	0%	0	0%	6	2%	6	2%	0%
Regulation	0	0%	0	0%	0	0%	0	0%	0%
Student wants more socialization	0	0%	0	0%	4	2%	4	1%	0%
Unhappy with the school (teachers, leadership)	0	0%	0	0%	1	0%	1	0%	0%
Applying for next school year	0	0%	0	0%	0	0%	0	0%	0%
Deceased	0	0%	0	0%	0	0%	0	0%	0%
Inactivity	0	0%	0	0%	3	1%	5	2%	0%
Missed Deadline	0	0%	0	0%	0	0%	0	0%	0%
Required Documentation Incomplete	0	0%	0	0%	0	0%	0	0%	0%
No Reason Given	0	0%	0	0%	0	0%	0	0%	0%



MONTHLY SCHOOL REPORT

Reach Cyber Charter School

May 2017

EOY 15-16		3/31/2016		4/30/2017		5/31/2017		
Number	Percent	Number	Percent	Number	Percent	Number	Percent	%Change

HOUSEHOLD DATA

Household Data

Active Households	0	N/A	0	N/A	743	N/A	779	N/A	0 %
Graduated	0	N/A	0	N/A	0	N/A	0	N/A	0%
WD Prior To Engagement	0	N/A	0	N/A	37	N/A	38	N/A	0 %
WD During School Year	0	N/A	0	N/A	225	N/A	234	N/A	0 %
Students Per Active HH	0.00	N/A	0.00	N/A	1.23	N/A	1.22	N/A	0%

STUDENT DEMOGRAPHICS

Ethnicity

Hispanic or Latino	0	0%	0	0%	131	14%	136	14%	0%
Not Hispanic or Latino	0	0%	0	0%	781	86%	816	86%	0%

Race

Asian	0	0%	0	0%	19	2%	19	2%	0%
Black/African American	0	0%	0	0%	268	29%	281	30%	0%
Native Hawaiian or Other Pacific Islander	0	0%	0	0%	9	1%	10	1%	0%
American Indian or Alaskan Native	0	0%	0	0%	30	3%	30	3%	0%
White	0	0%	0	0%	656	72%	686	72%	0%

Distinct Race/Ethnicity

Hispanic or Latino	0	0%	0	0%	131	14%	136	14%	0%
Multiple Races	0	0%	0	0%	54	6%	56	6%	0%
Black/African American	0	0%	0	0%	190	21%	200	21%	0%
White	0	0%	0	0%	527	58%	549	58%	0%
Asian	0	0%	0	0%	6	1%	6	1%	0%
American Indian or Alaskan Native	0	0%	0	0%	2	0%	3	0%	0%
Native Hawaiian or Other Pacific Islander	0	0%	0	0%	2	0%	2	0%	0%

Gender

F	0	0%	0	0%	513	56%	533	56%	0%
M	0	0%	0	0%	399	44%	419	44%	0%

FARM Eligibility

Qualifies for free	0	0%	0	0%	509	56%	534	56%	0%
Qualifies for reduced	0	0%	0	0%	98	11%	106	11%	0%
Refused to report	0	0%	0	0%	104	11%	107	11%	0%

Prior Schooling

Charter School (Public)	0	0%	0	0%	63	7%	61	6%	0%
Home School	0	0%	0	0%	57	6%	58	6%	0%
No Prior School	0	0%	0	0%	60	7%	60	6%	0%
Online (Virtual) Public School	0	0%	0	0%	70	8%	69	7%	0%
Private/Parochial School	0	0%	0	0%	66	7%	69	7%	0%
Public School	0	0%	0	0%	559	61%	598	63%	0%
Prior Schooling Not Reported	0	0%	0	0%	37	4%	37	4%	0%

Special Populations

Gifted	0	0%	0	0%	22	2%	23	2%	0%
504	0	0%	0	0%	22	2%	20	2%	0%
IEP	0	0%	0	0%	144	16%	163	17%	0%
None	0	0%	0	0%	734	80%	756	79%	0%



MONTHLY SCHOOL REPORT

Reach Cyber Charter School

May 2017

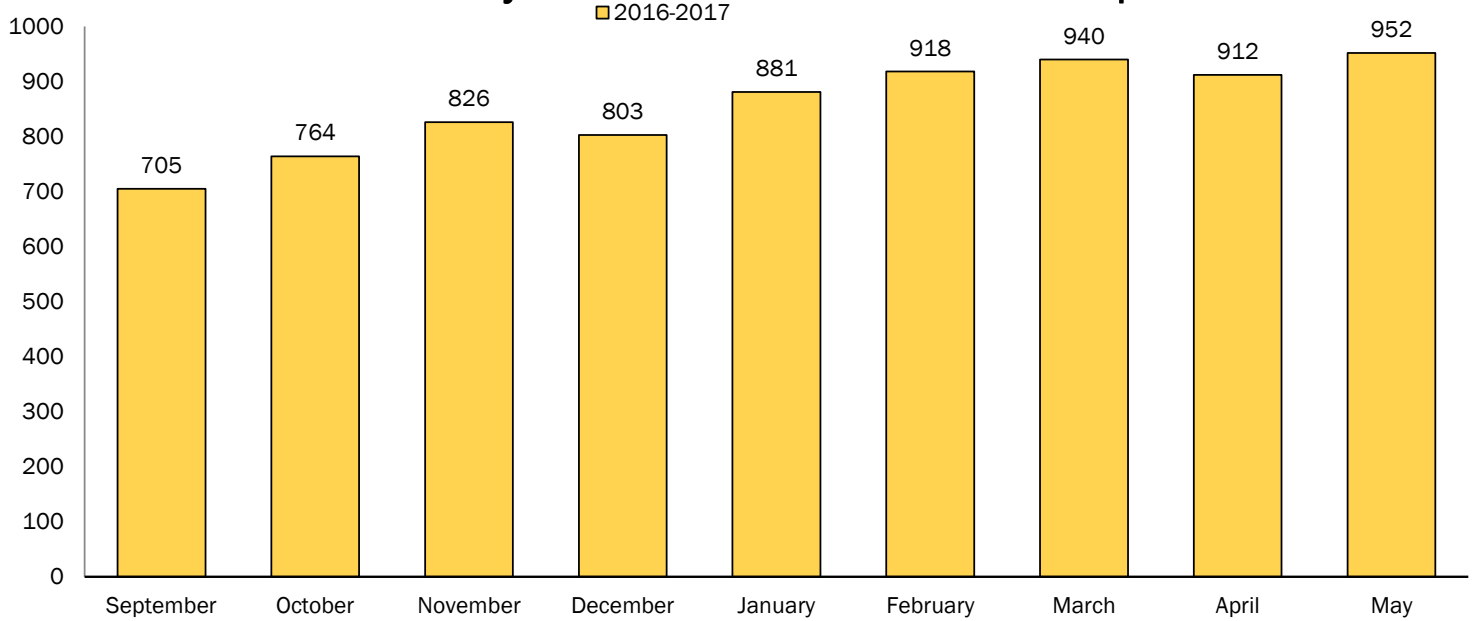
	EOY 15-16		3/31/2016		4/30/2017		5/31/2017		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	%Change
Disability									
Autism	0	0%	0	0%	15	11%	15	9%	0%
Cognitive Disability	0	0%	0	0%	5	4%	7	4%	0%
Emotionally Impaired	0	0%	0	0%	19	14%	20	13%	0%
Hearing Impaired	0	0%	0	0%	1	1%	1	1%	0%
Other Health Impaired	0	0%	0	0%	25	18%	29	18%	0%
Specific Learning Disability	0	0%	0	0%	58	41%	71	44%	0%
Speech/Language Impaired	0	0%	0	0%	17	12%	17	11%	0%
Primary Language									
English	0	0%	0	0%	0	0%	1	0%	0%
No Language Reported	0	0%	0	0%	912	100%	951	100%	0%

PERFORMANCE DATA

Contacts Per Week									
Met	0	0%	0	0%	738	81%	782	82%	0%
Not Met	0	0%	0	0%	174	19%	170	18%	0%
Escalation Status									
Alarm	0	0%	0	0%	141	15%	0	0%	0%
Approaching Alarm	0	0%	0	0%	124	14%	0	0%	0%
Exempt	0	0%	0	0%	6	1%	0	0%	0%
On Track	0	0%	0	0%	641	70%	952	100%	0%
Performance Metrics									
Grades PK-2									
Average Performance	0 %		0 %		88 %		88 %		0%
Average Participation	0 %		0 %		97 %		96 %		0%
Average Attendance	0 %		0 %		99 %		100 %		0%
Grades 3-5									
Average Performance	0 %		0 %		78 %		78 %		0%
Average Participation	0 %		0 %		97 %		95 %		0%
Average Attendance	0 %		0 %		103 %		101 %		0%
Grades 6-8									
Average Performance	0 %		0 %		67 %		66 %		0%
Average Participation	0 %		0 %		95 %		90 %		0%
Average Attendance	0 %		0 %		95 %		97 %		0%
Grades 9-12									
Average Performance	0 %		0 %		64 %		62 %		0%
Average Participation	0 %		0 %		90 %		86 %		0%
Average Attendance	0 %		0 %		94 %		95 %		0%
Total Average Performance	0 %		0 %		73 %		73 %		0%
Total Average Participation	0 %		0 %		95 %		91 %		0%
Total Average Attendance	0 %		0 %		98 %		98 %		0%



Monthly Student Current Enrollment Comparison



REACH Connections Academy
Revenue and Expense Statement Fiscal Year 2017
Period Ended May 31, 2017

	May-17 Actual	YTD Actual	Annual Forecast	Annual Budget	Variance - Favorable (unfavorable)
<u>Forecasted Enrollment</u>					
Funded Enrollment			827	850	(23)
<u>Revenue</u>					
Regular Ed Funding	710,832.77	6,637,050.73	6,879,394	6,936,199	(56,805)
Special Ed Funding	158,225.42	2,656,760.41	3,025,343	1,985,898	1,039,445
Subtotal	869,058.19	9,293,811.14	9,904,737.20	8,922,097.00	982,640
Title I	-	153,071.20	189,680	177,000	12,680
Title II-A	-	4,063.18	26,904	22,000	4,904
Title VI - IDEA B	-	-	-	-	-
E-Rate	-	-	-	-	-
Miscellaneous Income	-	20.00	20	-	20
Subtotal	-	157,154.38	216,604	199,000	17,604
Total Revenue	869,058.19	9,450,965.52	10,121,341	9,121,097	1,000,244
<u>Compensation Expense</u>					
Salaries - Administration	42,398.98	326,908.17	414,105	586,720	172,615
Benefits - Administration	8,479.80	65,381.62	82,821	117,344	34,523
Pension - Administration	2,114.98	16,290.64	18,411	58,672	40,261
Taxes - Administration	3,508.12	27,641.80	35,490	52,805	17,315
Subtotal Administration	56,501.88	436,222.23	550,826	815,541	264,715
		-			
Salaries - Teachers	121,072.54	860,650.48	1,102,796	1,473,687	370,891
Benefits - Teachers	24,214.51	172,130.11	220,559	294,737	74,178
Pension - Teachers	6,052.09	43,262.97	55,370	147,369	91,999
Taxes - Teachers	9,821.15	73,558.99	95,352	132,632	37,280
Subtotal Instructional Staff	161,160.29	1,149,602.55	1,474,077	2,048,425	574,348
Total Compensation Expense	217,662.16	1,585,824.78	2,024,903	2,863,966	839,063
<u>Connections Products and Services</u>					
Curriculum and Instructional Support Services	180,653.21	1,354,227.79	1,511,659	1,490,135	(21,524)
Student Connexus License	63,840.00	472,430.00	528,142	535,500	7,358
Student Technology Assistance Services	115,896.66	873,994.33	974,927	948,430	(26,497)
Enrollment/Placement/Student Support Services	76,703.38	589,059.63	655,725	612,255	(43,470)
School Operations Support Services	59,280.00	438,685.00	490,417	497,250	6,833
School Business Support Services	-	-	-	-	-
Special Ed Oversight	54,000.00	400,500.00	486,000	194,517	(291,483)
Professional Development Services	5,375.00	30,875.00	49,500	40,056	(9,444)
School Staff Support Services/human resources support	20,425.00	117,325.00	188,100	139,394	(48,706)
Facilities Support Services	2,083.34	22,916.67	25,000	25,000	-
Short term substitute teachers	18,450.00	93,600.00	94,123	-	(94,123)
Direct Course Instruction Support	2,692.80	17,725.05	17,824	-	(17,824)
Total Connections Products and Services Fees	599,399.39	4,411,338.47	5,021,418	4,482,537	(538,881)

REACH Connections Academy
Revenue and Expense Statement Fiscal Year 2017
Period Ended May 31, 2017

	May-17 Actual	YTD Actual	Annual Forecast	Annual Budget	Variance - Favorable (unfavorable)
<u>Pass-Through Expenses</u>					
Office Supplies	608.26	9,865.11	12,000	25,500	13,500
Copiers/Reproduction	248.88	1,732.07	2,500	8,500	6,000
Office Postage	209.41	1,524.16	2,500	12,750	10,250
Student Testing & Assessment	10,272.70	13,331.19	41,400	42,500	1,100
Staff Recruiting/Background Checks	99.96	22,181.47	25,000	3,900	(21,100)
Staff Training/Prof. Dvlpmt.	250.00	4,500.52	6,000	24,000	18,000
Travel and Conferences	797.84	6,906.98	23,500	25,500	2,000
Team Building	621.81	621.81	1,000	-	(1,000)
Maintenance & Repair	-	13,518.36	15,000	8,500	(6,500)
High Speed Internet	229.99	4,089.63	5,000	20,000	15,000
Telephone	16.64	1,009.51	2,000	20,000	18,000
Office Rent (including utilities)	8,916.65	89,166.49	98,100	108,000	9,900
Expensed Equipment	-	10,678.66	12,000	-	(12,000)
Expenses Pending Allocation	20,395.17	30,902.25	-	-	-
Student Technology Support Stipend	-	139,927.18	219,000	314,118	95,118
Student Printers	-	-	-	35,700	35,700
Special Education Direct Services	20,980.53	145,502.55	155,000	395,220	240,220
Contracted Pupil Health Support	-	-	2,000	8,500	6,500
STEM Programmatic Expenses	6,027.04	22,516.93	56,000	60,000	4,000
Extracurricular Activities	-	-	5,000	21,250	16,250
Total Pass-Through Expenses	69,674.88	517,974.87	683,000	1,133,938	450,938
<u>Other School Expenses</u>					
Banking fees	138.35	712.15	1,000	1,000	-
External Audit	-	-	12,000	20,000	8,000
Dues	-	1,365.00	2,000	2,500	500
D&O Insurance	-	2,793.00	3,000	1,500	(1,500)
Legal Services	-	8,881.40	11,000	10,000	(1,000)
Board Related Expense	-	2,091.79	4,000	20,000	16,000
Graduation Expense	56.69	56.69	1,000	-	(1,000)
Student Activities	35.39	2,059.85	3,000	-	(3,000)
Other School Expense	-	10.00	10	-	(10)
Accounting Services	16,848.04	77,786.83	85,000	68,850	(16,150)
Total Other School Expenses	17,078.47	95,756.71	122,010	123,850	1,840
<u>Adjustments and Credits</u>					
Deficit Protection Credit	-	-	-	-	-
Total Adjustments and Credits	-	-	-	-	-
Total Program Expenses Before Depreciation	903,814.90	6,610,894.83	7,851,331	8,604,291	752,960
Capital Outlay	-	105,395.29	105,395	215,000	109,605
Total Program Expenses Including Depreciation	903,814.90	6,716,290.12	7,956,726	8,819,291	862,565
Net Increase (Decrease)	(34,756.71)	2,734,675.40	2,164,615	301,806	1,862,809
Beginning fund balance	2,769,432.12	-	-	-	-
Ending fund balance	2,734,675.40	2,734,675.40	2,164,615	301,806	1,862,809

**REACH Connections Academy
Balance Sheet
May 31, 2017**

ASSETS

Cash and Short Term Investments:	
Cash:Checking	\$3,541,105.65

Total Cash and Short Term Investments	3,541,105.65

Other Current Assets:	
Pupil Funding Receivable	313,466.76
Federal Program Receivable	157,134.38

Total Other Current Assets	470,601.14

Prepaid	81,959.96

Total Current Assets	4,093,666.75

Fixed Assets:

Property Plant & Equipment:	
Computer Hardware	6,620.90
Leasehold Improvements	98,774.39
Accum Depr:Computer Hardware	(219.84)
Accum Depr:Leasehold Improvements	(14,363.14)

Net Fixed Assets	90,812.31

Total Assets **\$4,184,479.06**

LIABILITIES

Current Liabilities:	
Due to (from) Connections Academy	1,342,234.09
Pension Payable	16,757.26

Total Current Liabilities	1,358,991.35

Total Liabilities **1,358,991.35**

FUND BALANCE

Invested in Capital	90,812.31
Change in Fund Balance	2,734,675.40

Ending Fund Balance	2,825,487.71

Total Liabilities and Fund Balance **\$4,184,479.06**



Reach Cyber Charter School
MINUTES OF THE BOARD OF DIRECTORS SPECIAL MEETING
Wednesday, May 31, 2017 at 9:00 a.m.

Held at the following location and via teleconference
750 East Park Drive, Suite 204
Harrisburg, PA 17111

I. Call to Order and Roll Call

Mr. Taylor called the meeting to order at 9:08 a.m. when all participants were present and able to hear each other.

Board Members Present: David Taylor (in person), Gail Hawkins-Bush and Paul Donecker (via phone);

Board Members Absent: Alex Schuh and Joe Harford;

Guests via Phone: Jane Swan, Principal; Michael Hinshaw and LeeAnn Richie, school staff; Barren Flood, Board Counsel representative; Rachel Graver, Connections staff; (in person); Dave Biondo, Board Member Candidate; Amanda Jay, Heather Woodward, Benjamin Shifflet and Megann Arthur, Connections staff (via phone).

II. Public Comment

There were no public comments made at this time.

III. Routine Business

a. Approval of Agenda

Mr. Taylor asked the Board to review the Agenda distributed prior to the meeting. There being no changes noted, a motion was made and seconded as follows:

RESOLVED, that the Agenda for the May 31, 2017 special meeting of the Reach Cyber Charter School Board of Directors, as presented, is hereby approved.

The motion passed unanimously.

IV. Oral Reports

a. Principal's Report

Ms. Swan reviewed the Monthly School Report with the Board, highlighting changes from last month's report.

i. Update on Facility

Ms. Swan provided the Board with an update on the school's staffing plans, as well as intent to expand to additional space within the current building.

ii. End of Year Activities

Ms. Swan provided the Board with an update on end of year activities. She reviewed field trips to Lake Tobias and the Philadelphia Zoo, as well as other recent events around the state.

iii. State Testing Update

Ms. Swan updated the Board on the recent completion of state testing. She briefly reviewed the numbers of families who exercised their "opt out" option, as well as participation rates.

Ms. Swan also reviewed a recent site visit by the state Department of Education with the Board.

b. Financial Report

Mr. Shifflet discussed the school's financial statements with the Board. He reviewed the revenue and expense statements, as well as the current forecast. Mr. Shifflet further noted that all financial documents had been reviewed with the school's financial consultants prior to the meeting.

V. Consent Items

Mr. Taylor asked the Board Members whether there were any items from the Consent Items that they wanted moved to Action Items for discussion, or tabled. There being no items moved, a motion was made and seconded as follows:

RESOLVED, the Consent Items:

- a. Approval of Minutes from the April 19, 2017 Board Meeting;
- b. Approval of Staffing Report;
- c. Approval of LiveSpeech Invoice(s);
- d. Approval of Board President as Board Designee to Approve Summer Staffing Decisions for the 2017-2018 School Year; and
- e. Approval of Federal Title Funding Documentation: Revised Homeless Policy; are hereby approved.

The motion passed unanimously.

VI. Action Items

a. Approval of Connections Education Invoice for April

Mr. Shifflet reviewed the Connections invoices for the month of April, as drawn from the financial report presented earlier in the meeting and contained in the Board materials. There being no further discussion, a motion was made and seconded as follows:

RESOLVED, that the Connections Education invoice for the month of April, in the amount of \$618,834.56, as presented, is hereby approved.

The motion passed unanimously.

b. Approval of Budget for the 2017-2018 School Year

Mr. Shifflet reviewed the proposed 2017-2018 school year budget outline and Budget Notes documents with the Board, also reminding them of the budget development process to date that included the school leader, Board Treasurer and/or other Designee(s) and Connections staff. Board members discussed the budget, including related staffing, outreach and other specific expenses for the school. There being no further discussion, a motion was made and seconded as follows:

RESOLVED, that the proposed budget for the 2017-2018 school year and all assumptions provided therein, as presented, is hereby approved.

The motion passed unanimously.

VII. Information Items

a. Update on Board Recruitment

At the Board Chair's request, Ms. Graver introduced Mr. Biondo to the Board, and provided some brief biographical information about the candidate. Mr. Biondo then discussed his interest in serving on the Board, as well as his background and experience with Board members.

Ms. Swan further advised that she had been in contact with a potential parent representative for Board membership consideration, and would update the Board further at a future meeting.

b. Legislative Update

Ms. Jay provided the Board with an update on recent legislative activities in the state, which may impact the school.

c. Partner School Leadership Team Update

Ms. Graver presented to the Board on behalf of Connections' School Leadership Team.

i. Update on End of Year Review

Ms. Graver outlined the annual school leader review process with the Board. She reminded Board members that the process includes feedback from the Board through a survey. Ms. Graver further reminded the Board that Ms. Swan's final review will take place during the Board's Annual Meeting in June. She also reiterated the importance of Board member participation in the review process.

VIII. Adjournment and Confirmation of Annual Meeting - Wednesday, June 21, 2017 at 9:00 a.m.

Mr. Taylor inquired if there was any other business or discussion. There being no further business or discussion, he noted that the annual meeting would be held on Wednesday, June 21, 2017 at 9:00 a.m. The Board being at the end of its agenda, the meeting was adjourned at 9:46 a.m.

Staffing Report

New Hires

Name	Area	Compensation	Bonus Potential	Start Date
Baker, Jessica	Teacher-Elementary	\$38,000.00	0.04	08/21/17
Eichelberger, Milvana	Teacher-Elementary	\$40,500.00	0.04	08/21/17
Keim, Amber	Teacher-Secondary	\$44,500.00	0.04	08/21/17
Sayers, Jennifer	Teacher-Secondary	\$45,000.00	0.04	08/21/17
Wagner, Nancy	School-Assistant Principal I	\$68,000.00	0.10	06/21/17
Weirich, Stephanie	Teacher-Secondary	\$46,500.00	0.04	08/21/17
Williams, Anita	Teacher-Elementary	\$40,000.00	0.04	08/21/17

Departing Employees

Name	Area	Last Day of Work	Reason for leaving
N/A			

Promotions/ Position Changes

Name	Former Position	New Position	Compensation	Bonus Potential	Start Date in new position
N/A					

Dedicated, passionate, creative, innovative, and motivated individual dedicated to fostering and nurturing the academic, social, and emotional development of elementary age students. One who possesses superior organization and communication skills, which contributes to building strong positive relationships with students, staff, and parents.

Education and Qualifications

Bachelor of Arts- Education Pre-K-4th Grade Certification

May 2014

- Point Park University, Pittsburgh, PA
- Overall GPA: 3.96 Education GPA: 3.96
- Active Member, Pi Lambda Theta Honor Society and The Pennsylvania Eta Chapter of Alpha Chi; Dean's List Honors

Associate of Applied Science- Early Childhood Education

May 2012

- Pennsylvania College of Technology, Williamsport, PA
- Overall GPA: 3.64 Education GPA: 4.0- High Honors Graduate
- Active Member Phi Theta Kappa Honor Society: Dean's List Honors

Pre-K-4th Grade Pennsylvania State Teacher's Certificate

Areas of proficiency include:

- Differentiated instruction
- Creative lesson planning
- Student motivation
- Professional communication
- Classroom management
- Developmentally appropriate practice

Teaching Experience and Relevant Work Experience

Connections Academy

March 2017- Present

Family Connections Coordinator

- Lead generation through both outbound and inbound calls;
- Serve as an enrollment and placement resource/subject matter expert to families during the enrollment process;
- Act as ambassador for the school in interactions with students and families;
- Remain up to date with changes in enrollment policies and guidelines and communicate changes to families;
- Assist with initial enrollment and onboarding through Learning Coach Support groups, onboarding calls, and the development of relationships with families and local school staff;
- Monitor student performance and conduct monthly check-in calls during the school year;
- Communicate changes in school events, policies, and guidelines through interaction with school staff and parents;
- Provide assistance with student retention;
- Partake in the end of year process through student withdrawal calls and follow-up calls regarding materials and equipment;

South Fayette School District**September 2014- Present**

Substitute Teacher

- On call day- to-day substitute teacher in grades Kindergarten to 6th grade.
- Maintain consistent classroom environment for students.
- Follow teacher's lesson plans and classroom management plan.
- Maintain a neat and orderly classroom.
- Guides the learning process toward the achievement of curriculum goals and objectives as indicated in the lesson plans for the lessons, units, or projects assigned.
- Interact with students, faculty, and staff.
- Takes all necessary and reasonable precautions to protect students, equipment, materials and facilities.
- Provide accurate, complete, and correct records as required by law, district policy, and administrative regulation, pertaining to teacher and students.
- Assists the administration in implementing all policies and rules governing student life and conduct.

South Fayette School District- South Fayette Elementary, South Fayette, PA**Spring 2014**

Student Teacher

- Assumed full responsibility of a second grade classroom of 24.
- Maintained a positive relationship with cooperating teacher, all members of the second grade teaching team, school personnel and supervisor.
- Developed daily lesson plans.
- Reflected daily upon lessons, welcomed the opportunity to receive input from other professionals, and adapted lessons to improve overall effectiveness.
- Integrated technology into classroom lessons through the use of Smart Board and additional tools.
- Actively participated in all professional development opportunities including district wide teacher in-service days, curriculum development committees, and grade level professional learning communities.

Children's Learning Center at Penn College, Williamsport, PA**October 2010- June 2012**

Substitute Teacher

- Provided care for up to twenty children in a classroom setting,
- Assisted group leader or assistant group leader in daily activities and routines,
- Implemented lesson plans
- Communicated daily with families to build strong lasting relationships.
- Long term substitute position as an assistant group leader from May 2011-August 2011

Lycoming-Clinton County Head Start, Williamsport, PA

Spring 2012

Student Teacher

- Assumed full responsibility of a pre-k classroom of 20.
- Designed and implemented lesson plans that were developmentally appropriate that were relevant to the areas of development of pre-k students.
- Maintained a positive relationship with cooperating teacher, supervisor, and all members of the Head Start staff.
- Reflected daily upon lessons, welcomed the opportunity to receive input from other professionals, and adapted lessons to improve overall effectiveness.
- Provided support and encouragement to students needing extra guidance.

Bostley's Child Care Center, Williamsport, PA

August 2010- May 2011

Substitute Teacher

- Provided care for up to twenty children in a classroom setting.
- Implemented daily lesson plans
- Followed daily routines and activities as scheduled by the teacher.
- Flexible in moving to classrooms with different ages throughout the day.
- Maintained open line of communication with the four different center locations to ensure availability.

MILVANA M. EICHELBERGER

1410 Ford Ave
Harrisburg, PA 17109
717-379-8402
mmban7987@hotmail.com

OBJECTIVE

My ambition to build a career as a Reading Specialist is driven by strong dedication to the reading development of children.

AREAS OF STRENGTH

- Strong Communication skills and interaction with children and their parents
- Strong ability to work on an individual basis, as well as with a team of employees.
- Excellent leadership skills.
- Skilled in Microsoft Office Suite of products.
- Provide diagnostic interventions to students who need special reading instruction
- Skilled at assessing students in reading
- Very dedicated to completing any task
- Strong and positive work ethics

EDUCATION

Masters in Language and Literacy with a Reading Specialist Certification June 2016
Millersville University, Millersville, PA

Elementary Instructional II K-6 Certification January 2015
Lycoming College, Williamsport, PA

B.A. Psychology Degree May 2009
Lycoming College, Williamsport, PA

High School Diploma May 2005
Bishop McDevitt H.S., Harrisburg, PA

CERTIFICATION

Instructional II Certification from Millersville University

EXPERIENCE

Millersville University B.E.S.T Reading Clinic July 2014-August 2014
Reading Clinician

St. Catherine Laboure School 5/2012 – Present
Kindergarten Teacher

- Responsible for teaching children at the ages of 5-6 with multiple academic ability levels
- Disciplinary actions given when necessary with a wide variety of behaviors
- Organized lessons and activities to follow Common Core State Standards for Kindergarten

Steelton, Middletown, and Holy Name of Jesus School 8/2011 – 5/2012

Substitute Teacher

- Responsible for students in grades K – 8.
- Disciplinary actions given when necessary.
- Followed Regular Teacher’s lesson plans but accommodated if changes were needed.

Steelton-Highspire Elementary School 6/2011 – 8/2011

Second Grade Summer Academy (Accelerated Reading)

- Guided Reading with activities to build comprehension
- Daily practice with “Words Their Way” and practice in reading fluency
- Disciplinary actions given when necessary
- Creative and organized lessons and activities to help students reach success in Reading

Holy Name of Jesus Elementary School 10/2010 – 6/2011

First Grade Teacher’s Aide

- Responsible for daily assistance and teaching in two first grade classrooms.
- Organized lessons and activities for high-achieved math students, used “Handwriting Without Tears” for students with neediest writing, and performing daily practice with students in reading red words.
- Using disciplinary actions when necessary.
- Occasional Substitute throughout the school (Grades K-8) when extra assistance is needed

Bishop McDevitt High School

Head Swim Coach

10/2009 – 3/2012

- Obtaining leadership throughout practices.
- Responsible for conducting practices for children, ages 13-18.
- Responsible for communication with parents.

Hepburn-Lycoming Elementary School

01/2009 – 04/2009

Student Teacher

East Shore YMCA

Summer Camp Director

05/2010 - 08/2010

Summer Camp Counselor/Before-and-After-School Counselor

05/2009 – 08/2009

- Organized games and activities to engage children’s interests.
- Responsible for applying disciplinary actions when necessary.
- Obtained excellent communication with parents and children.

05/2008 – 08/2008

05/2007 – 08/2007

05/2006 - 08/2006

Northwestern Human Services

Therapeutic Support Staff

11/2009 – 05/2010

- Responsible for giving therapy for children with autism.
- Organizing activities following a treatment plan.

REFERENCES

Ashley Schriener

Literacy Specialist

St. Thomas Aquinas

Phone: (717) 574-5635

Stacy Buchmoyer

Kindergarten Teacher
St. Catherine Laboure School
Phone: (717) 602-7289

Jennifer Shettel
Graduate Professor of Literacy Education
Millersville University
Phone: (717) 475-1616

Amber L. Keim

Teacher: Mathematics and Biological Sciences
717-756-4200
amberlkeim@gmail.com

Objective

To obtain a position that utilizes my interpersonal, time management and organizational skills in an academic setting. In addition, I wish to work with children in a position that promotes and encourages their intrinsic and academic development. I further hope to secure a position that allows for personal and occupational growth.

Experience

August 2014- PRESENT **Harrisburg School District** **Harrisburg, PA**
Math Teacher (2014/2015 School Year) ----- Science Teacher (2015-2017 School Year)
Reference: Maria McGlosson (Department Chair) Harrisburg School District 717-579-3226

- Performed standard duties: record keeping and attendance
- Conducted Biology collaborative group meetings
- Regarded as a key resource and a problem solver by colleagues and school administration
- Demonstrated excellent communication skills to deliver and present learning effectively
- Demonstrated ability to provide valuable instruction to all students
- Maintained open communication with parents
- EXPLORE After-school program
- Assistant Distance Track Coach
- High School Proficiency Examination Tutoring
- Discovery Education STEM Teacher Leader (2 year cohort)

Science Curriculum Writer- Harrisburg School District (2015-2017)

- Development of Forensic Science Curriculum
- Revision of Biology curriculum
- Developed learning objectives and goals for each new curriculum and reviewed/revised learning objectives for existing curriculum
- Prepared instruction materials for printing and developed outlines with the necessary details to direct instruction
- Performed duties with respect to best practices and NGSS

Summer School: Online Instruction 2014-2017 Harrisburg School District Harrisburg, PA **Summer School Instructor**

Reference: Maria McGlosson (Department Chair) Harrisburg School District 717-579-3226

- Performed standard duties: record keeping and attendance
- Provided one-on-one instruction and modified instructional material
- Monitored and maintained Online Odyssey Compass Learning program
- Maintained multiple course caseload: Environmental Science, Biology, General Science

February 2012- July 2014 Harrisburg School District Harrisburg, PA **Math Tutor/Camp Coordinator (SAT and Math Camp)**

Reference: Shy Lawing (GEARUP Project Manager) Harrisburg School District 267-970-9166

- Interacted and communicated in a supportive, courteous, and respectful manner with students, parents, community members, and other staff members
- Maintained student confidentiality
- Assisted students in mastering the Pennsylvania Keystone Exam in the core academic areas

- Assisted students in improving study skills necessary for improving academic performance
- Conducted instructional exercises assigned by the teachers
- Worked with individual students or small groups
- Attended skill development training
- Designed and implemented a summer math curriculum with minimum supervision
- Performed data analysis in order to create individualized SAT study plans for students
- Performed accurate record keeping requirements of the GEAR UP grant

March 2010 – July 2011
Science Teacher

Clark County School District

Las Vegas, NV

Reference: Jillene Amato (Department Chair) Canyon Springs High School 702-498-8174

- Performed standard duties: record keeping and attendance
- Conducted Integrated Biochemistry collaborative group meetings
- Regarded as a key resource and a problem solver by colleagues and school administration
- Demonstrated excellent communication skills to deliver and present learning effectively
- Demonstrated ability to provide valuable instruction to all students
- Maintained open communication with parents
- Participated in Reclaim Your Future-effort to get students back to school
- Advisor for PAWS for Change-Animal Awareness Club
- Co-Advisor for Black Student Union
- High School Proficiency Examination Tutoring

Education

2005 – 2009	University of Nevada- Las Vegas B.S. Biology – Comprehensive
2011 – 2013	University of Nevada- Las Vegas/Grand Canyon University M.S. Secondary Education (Biology/Chemistry and Mathematics)
2014 – 2019 (prospective)	Grand Canyon University Arizona PhD Cognition and Perception

Certification

Instructional I Biology 7-12 (8405) 4/01/2014- Current (Active)
 Instructional I Mathematics 7-12 (6800) 4/01/2014- Current (Active)
 HOUSSE HQT: Math (7-12), English (7-12), General Science (7-12), Biology (7-12)
 **Instruction I will convert to II on or before 7/1/2017

References

Maria McGlosson	Harrisburg School District	Science Department Chair	717-579-3226
Cindy Hart	Harrisburg School District	Colleague (Biology Teacher)	619-348-4326
Shy Lawing	CSIU/ Harrisburg School District	GEAR-UP Project Manager	267-970-9166
Ruth Monn	Harrisburg School District	Mentor Teacher (21 years' experience)	717-360-7713

Jennifer L. Sayers

Objective

To share my knowledge of literature and writing to inspire students in a challenging and rewarding educational setting.

Professional Accomplishments

Instructed Courses in the Following:

- Advanced Placement Literature & Composition:
 - Attended training and was certified by the College Board (2013).
 - Created a curriculum approved by the College Board.
 - Course work covered the British canon.
 - Instructed students in writing and literary comprehension and evaluation.
- College Preparatory English 12 - British Literature:
 - Instructed students in writing and the British literary canon.
- Academic Literature 11 - American Literature:
 - Instructed students in writing and the American literary canon.
- College Preparatory English 9 & 10 - World Literature:
 - Instructed students in writing and a variety of works from around the world.

Adjunct Professor, Camden County Community College

- Basic Skills Writing Course, Level 4:
 - Instructed two courses in Basic Skills Writing which covered several forms of writing with a concentration on grammar, structure, support, and evidence.

Employment History

September 2003 - June 2015	Teacher	Delaware Valley Regional School District, Frenchtown, NJ,
September 2001 - December 2001	Adjunct Professor	Camden County Community College, Blackwood, NJ
September 1998 - June 2003	Teacher	Pennsauken School District, Pennsauken, NJ

Education

December 1997	Bachelor of Science: Secondary Education/English	Lock Haven University, Lock Haven, PA
2000-2004	Graduate Courses: Intro to Graduate Literature Study Teachers as Writers	Rutgers University, Camden, NJ
2012-2014	Graduate Courses: The Art and Science of Teaching	Wilkes University Wilkes-Barre, PA

Nancy Wagner

521 Jenny Drive
Gibsonia, PA 15044
412-721-0818

nancywagneragora@aim.com

Career Objective: To obtain a position in an innovative educational environment which will allow me to utilize my skills in technology, communication, and best teaching practices

Education and Certifications

- 2016 Currently enrolled in Point Park University to complete my Principal Certification, to be completed August 2017
- 2006 Obtained additional certifications in Middle School Math and Middle School Science
- 1998 Achieved Instructional II certification in the state of Pennsylvania
- 1997 Completed Student Assistance Program training at St. Vincent College
- 1994-1995 University of Pittsburgh, Masters in Art of Teaching and Elementary Education certification, GPA 3.92
Intern year was completed at Penn-Trafford School District in 4th, 7th, and 8th grades. Activities included Deer Valley environmental trip for 5th graders, Pi Lambda Theta honor fraternity member.
- 1990-1994 University of Pittsburgh, B.A. in Liberal Studies, Honors College member, GPA 3.21
Activities included resident assistant, varsity crew team member, African-American Arts Project intern, Lambda Pi honor fraternity, Theta Phi Alpha sorority member.

Professional Experience

- 2015-present **Western Truancy Prevention Coordinator and Student Accounts/Enrollment**
As a truancy prevention coordinator, I prepare weekly reports for my team to show current the attendance status for students, and monitor attendance for over 2,000 Western PA students. I contact families when concerns arise, calling and visiting the home as needed. I work with a diverse team of professionals to insure all necessary supports are in place, including community partners and the court system. I review school attendance improvement plans and attend manifestation meetings, as well as monitor and address academic performance. I attend court with families, and provide necessary documentation to districts and magistrates as requested. I process legal guardian, learning coach, and student demographics as needed, requesting and reviewing necessary documentation. I also support the enrollment team with new and reinstated enrollments as needed.
- 2011-2015 **Agora Cyber Charter School Family Coach Administrator**
As a member of the administrative team, I supervised 25 family coaches in Western Pennsylvania. We supported families in person, through home visitation, and by providing school and community resources as needed. I have developed assessment tools and assisted in refining requirements of the family coach position, as well as developed training and meeting content for this new position. I facilitated family and staff relationships, in addition to serving as a member of the Student Assistance Program team, attending IEP meetings as an LEA, interviewing candidates, developing parent trainings online and in person, and serving as an administrator at state testing sites.
- 2007-2011 **Agora Cyber Charter School Middle School Teacher/Lead Teacher**
Responsibilities included serving as a lead teacher to Middle School teachers and paraeducators, developing weekly staff meeting content, presenting at professional development opportunities, interviewing potential candidates, lesson observations, teaching low level math courses, and supervising state testing centers. I developed and implemented a remedial math program that served struggling middle school students. I

was a member of the Student Assistance Program team and Define U facilitator, and attended IEP meetings as an LEA.

2005-2007

University of Pittsburgh School of Education Student Teacher Supervisor

Student teachers and interns were observed and evaluated in various school districts around Pittsburgh. Responsibilities included monthly meetings, observing and certifying student teachers, and facilitating the mentor/student teacher relationship. Extensive training was provided by the university in best-practices for observation.

1995-2001

Penn-Trafford School District Middle School Teacher

Responsibilities included 6th, 7th, and 8th grade instruction in various subjects, and participating in a team-teaching environment. Science curriculum and activities were extensively developed to provide students with an exciting hands-on experience. Activities included volleyball coach, SAP team member, and serving as a mentor to a new teacher, and instructing students at the annual 5th grade Deer Valley environmental camp.

1997

Science Educators Summer Enrichment Camp

Four week program at St. Vincent's College for science teachers

1996-1997

President of Pi Lambda Theta Honor Fraternity

Developed programming for members and identified new members based on academic merit. Presented at national conference in San Diego, CA on a student mentoring program model


Additional Applicable Experience


- Gregory's Gift – gala registration volunteer and steering committee member
- North Side Common Ministries – Pleasant Valley Men's Shelter volunteer
- North Hills Community Outreach Faith in Action volunteer
- Allegheny County Literacy Training – tutored at risk 1st graders in literacy skills
- Stephen Ministry Training – completed a 50 hour training curriculum for assisting people in crisis
- School board liaison, class parent, and volunteer in the Pine-Richland School District
- Hampton Presbyterian Church Sunday school teacher and Vacation Bible School instructor
- MOMS Club of Gibsonia Vice President – developed programming, new member registration




STEPHANIE WEIRICH

CONTACT

 762 Paradise Road
York, PA 17406

 (412) 780-2155

 weiriste@gmail.com

EDUCATION

PK-12 Administrative Program
California University of PA
2013-2014

M.Ed. Curriculum & Instruction
Edinboro University of PA
2008-2011

B.S. Elementary Education
Urban Cohort, Cum Laude
Indiana University of PA
1999-2003

CERTIFICATIONS

Level II:
Elementary K-6
Mid-Level Math, Science & ELA

Level I:
PK-12 Administration

OBJECTIVE

To use research-based teaching techniques and best-practices in order to engage learners in experiences that promote continual growth

PROFESSIONAL EXPERIENCE

U-GRO Learning Center, Group Supervisor 2016-Pres.

- Follow the standards of the Department of Human Services of Pennsylvania
- Plan lessons aligned with NAEYC standards to engage children in meaningful learning experiences
- Provide support to coworkers in an up-beat and professional manner

Lincoln Intermediate Unit 12, Staff Developer & Math TaC 2014-2016

- Create a Family STEM program for children ages 3-7 in Environmental Biology
- Present at the Pennsylvania Council of Teachers of Mathematics Annual Conference on using Nearpod for Formative Assessments
- Provide training and coaching to over 50 teachers and administrators in the station-rotation model of hybrid learning
- Train over 100 teachers and paraprofessionals in the Concrete, Representational, Abstract mathematics process
- Create lessons and gathered resources as part of the Elementary Science team for the state-led iTunes U project
- Coach teachers on best-practices for implementing technology to enhance learning
- Execute curricular audits for the online learning platform, Odysseyware in the areas of English Literature and Algebra I
- Keystone and PBA Region 5 representative

Agora Cyber Charter School, Middle School Math Teacher & Department Chair 2012-2014

- August 2013-August 2014: Middle School Mathematics Department Chair
 - Facilitate the professional development of a group of 25 math teachers and specialists through the use of Blackboard Collaborate
 - Develop and present professional development to teachers on topics such as: Charlotte Danielson's Framework for Effective Teaching, Virtual Parent Teacher Conferences at the Elementary Level, Effective Teacher Websites, Transition to the PA Core Math Standards, Data Discussions with Parents, Differentiation in the Virtual Classroom
 - Increase department-wide Domain I score following the professional development on the Danielson Framework
 - Create a department-wide lesson planning template

- January 2012-August 2013: Middle School Mathematics Teacher
 - Achieve “Distinguished” ratings on Fall, Winter, and End of Year observations based on student achievement metrics and teaching performance
 - Design the Parental Involvement Pilot program
 - Co-found Local Learning Groups
 - Align Middle School Mathematics curricula to the PA Core Standards

York City School District, Middle School Math & Science Teacher 2007-2012

- Plan through-provoking lessons aligned with state and local curriculum
- Implement the PowerTeaching framework for Mathematics
- Write and align Middle School Math curriculum as part of a curriculum development team in 2008, 2010 and 2011

Penn Hills School District, Long-term and Day-to-Day Substitute Teacher 2006-2007

- Provide quality instruction to students in a variety of grades (2nd, 6th, 7th, 8th, 9th and 11th) in an array of subject areas while the contracted teachers were on leave
- 1 semester of Algebra I teaching as a Long-Term Substitute

Apangea Learning, Online Math Tutor 2005-2006

- Provide synchronous facilitation and support of students using the online math program
- Ensure alignment of Apangea question database to state standards in Pennsylvania, Ohio and Virginia

Charles County Board of Education, Middle School Math Teacher 2004-2005

- Teach mathematics aligned to state standards to students in Grade 7
- Ensure that instruction meets the level of rigor needed for students to be critical thinkers
- Drama Club Co-Chair

ANITA WILLIAMS
305 Walnut Street
Mifflinburg, PA 17844
570-452-1802
pugsanita@aol.com

OBJECTIVE To obtain a position as an Elementary Teacher at Reach Cyber Charter School

EDUCATION **Central Pennsylvania College, Summerdale, Pennsylvania**
-Associates Degree in Child Care Management
Bloomsburg University, Bloomsburg, Pennsylvania
-Bachelor's Degree: Early and Elementary Education
Bloomsburg University, Bloomsburg Pennsylvania
-Currently pursuing certification as a Reading Specialist

STUDENT TEACHING **Kindergarten Student Teacher**
Mifflinburg Elementary-Mifflinburg PA
-January 2010-March 2010

Third Grade Student Teacher
-Mifflinburg Elementary-Mifflinburg PA
-March 2010-May2010

OTHER WORK EXPERIENCE **Central Susquehanna Intermediate Unit**
Family Literacy Parent Educator January 2016-Present
As a parent educator, I teach basic Adult Education classes to help my students earn their High School Equivalency Diploma. I also teach parenting strategies and encourage my students to build a positive relationship with their children by reading and sharing a love of learning with them.

Union County YMCA/Mifflinburg Branch
Lead Child Watch attendant and Front Desk Clerk
June 2016 to present
My responsibilities at the Mifflinburg YMCA are as follows:
I lead the Child Watch program which serves approximately 12 children at this time. I plan activities and build a positive rapport with the children and their parents. As a front desk clerk, I enter new memberships into the data base, greet all clients, and answer any questions that they may have regarding the gym and the

services that are offered.

Capital Area Head Start

PRE-K Counts Teacher 2011-2015

Responsibilities include, but are not limited to: Planning age appropriate lesson plans, teaching lessons, classroom management, correspondence with parents, and working with a group of bilingual preschool age children.

Central Susquehanna Intermediate Unit

Early Head Start Family Partner/Home Visitor

September 2010-September 2011

Based in the Shamokin/Mt. Carmel Area

Responsibilities include, but were not limited to:

Working in the homes with children under the age of three, and their parents, preparing lessons, and assisting families with any other services needed to be successful as a family.

Extended School Year Teacher, Substitute teacher,

Special Education Paraprofessional

Mifflinburg Area School District

August 2007-July 2010

Responsibilities include but are not limited to:

As an ESY teacher, my responsibilities included preparing lesson plans for learning support students, supervising classroom aides and writing progress reports

As a Substitute teacher, I carried out the daily plans of the classroom teacher

As a Special Education Paraprofessional, I supported students individually with math or literacy assignments during their regular class times, supervised recesses, and worked with students in small groups to assist with their reading comprehension skills.



CONNECTIONS
EDUCATION®

1001 Fleet Street, 5th Floor

Baltimore, MD 21202

Phone: (443)-873-1779

Invoice	142467
Date	6/13/2017
Page	1

Invoice

Reach Cyber Charter School
 Brian Leinhauser Esq, Board Treasurer
 750 East Park Drive, Suite 204
 Harrisburg PA 17111

Purchase Order No.		Customer ID	Payment Terms		
1954260		0001124	NET30		
QTY	Item	Description	Unit Price	Ext. Price	
1.00	REACH LIVESPEECH	Initial Meeting - Initial Conference - May 2017	\$60.00	\$60.00	
3.00	REACH LIVESPEECH	Cancellation < 24 hours - Excused - 30 minutes - May 2017	\$37.35	\$112.05	
1.00	REACH LIVESPEECH	Cancellation < 24 hours - Unexcused - 45 Minutes - May 2017	\$56.03	\$56.03	
59.00	REACH LIVESPEECH	Cancellation < 24 hours - Unexcused - 30 Minutes - May 2017	\$37.35	\$2,203.65	
13.00	REACH LIVESPEECH	Group Speech Therapy (2 students) - 30 minutes - May 2017	\$30.15	\$391.95	
1.00	REACH LIVESPEECH	IEP Conference - 30 minutes - May 2017	\$37.35	\$37.35	
4.00	REACH LIVESPEECH	IEP Conference - 15 Minutes - May 2017	\$18.68	\$74.72	
4.00	REACH LIVESPEECH	Group Speech Therapy (3 students) - 30 minutes - May 2017	\$30.15	\$120.60	
18.00	REACH LIVESPEECH	Individual Therapy - 30 minutes - May 2017	\$37.35	\$672.30	
16.00	REACH LIVESPEECH	Group Therapy (1 student) - 30 Minutes - May 2017	\$30.15	\$482.40	
9.00	REACH LIVESPEECH	Cancellation < 24 hours - Unexcused - 60 Minutes - May 2017	\$74.70	\$672.30	
1.00	REACH LIVESPEECH	IEP Conference - 45 minutes - May 2017	\$56.03	\$56.03	
1.00	REACH LIVESPEECH	Group Therapy (1 student) - 15 Minutes - May 2017	\$15.08	\$15.08	
2.00	REACH LIVESPEECH	Group Speech Therapy (2 students) - 15 minutes - May 2017	\$15.08	\$30.16	
1.00	REACH LIVESPEECH	Group Therapy (1 student) - 60 Minutes - May 2017	\$60.30	\$60.30	
2.00	REACH LIVESPEECH	Assessment - Reevaluation Assessment - May 2017	\$350.00	\$700.00	
36.00	REACH LIVESPEECH	Progress Notes - LiveSpeech & Secondary System - May 2017	\$37.50	\$1,350.00	
1.00	REACH LIVESPEECH	Individual Therapy - 60 minutes - May 2017	\$74.70	\$74.70	

Please note invoice number 142467 on remittance. Thank you.

Discount	\$0.00
Total	\$7,169.62

Make all checks payable to Connections Education and send to:
 32369 Collection Center Dr
 Chicago, IL 60693-0323

Reach Cyber Charter School 2017 – 2018 Meeting Schedule for Board of Directors

School Phone: (717) 704-8437

School Fax: (717) 409-8356

 School Website: <http://www.connectionsacademy.com/reach-cyber-school/about>

All meetings are open to members of the public. For information about meetings or for members of the public who require special accommodations to attend, contact the School Principal at least 24 hours prior to the meeting.

Jane Swan, School Principal

jswan@reach.connectionsacademy.org

(717) 704-8437

DATE	TIME	LOCATION
Wednesday, August 16, 2017	9:00 a.m. – 11:00 a.m.	750 East Park Drive, Suite 204 Harrisburg, PA 17111
Wednesday, September 20, 2017	9:00 a.m. – 11:00 a.m.	750 East Park Drive, Suite 204 Harrisburg, PA 17111
Wednesday, October 18, 2017	9:00 a.m. – 11:00 a.m.	750 East Park Drive, Suite 204 Harrisburg, PA 17111
Wednesday, November 15, 2017	9:00 a.m. – 11:00 a.m.	750 East Park Drive, Suite 204 Harrisburg, PA 17111
Wednesday, January 17, 2018	9:00 a.m. – 11:00 a.m.	750 East Park Drive, Suite 204 Harrisburg, PA 17111
Wednesday, February 21, 2018	9:00 a.m. – 11:00 a.m.	750 East Park Drive, Suite 204 Harrisburg, PA 17111
Wednesday, April 18, 2018	9:00 a.m. – 11:00 a.m.	750 East Park Drive, Suite 204 Harrisburg, PA 17111
Wednesday, May 16, 2018	9:00 a.m. – 11:00 a.m.	750 East Park Drive, Suite 204 Harrisburg, PA 17111
Annual Meeting Wednesday, June 20, 2018	9:00 a.m. – 11:00 a.m.	750 East Park Drive, Suite 204 Harrisburg, PA 17111



Invoice	142471
Date	6/13/2017
Page	1

Invoice

Bill To:

Reach Cyber Charter School
 Brian Leinhauser Esq, Board Treasurer
 750 East Park Drive, Suite 204
 Harrisburg PA 17111

IA number	Customer ID	Payment Terms		
1909248	0001124	NET30		
Qty	Service	Description	Unit Price	Ext. Price
1.00	BENEFITS	May Services	\$32,694.31	\$32,694.31
1.00	ENROLLMENT BASED	May Services	\$580,949.39	\$580,949.39
1.00	OTHER CA CHARGE	May Services	\$18,450.00	\$18,450.00
1.00	OTHER CA CREDIT	May Services	(\$19,152.39)	(\$19,152.39)

Please note invoice number 142471 on remittance. Thank you.

Total	\$612,941.31
--------------	--------------

Make checks payable to Connections Education and send to:
 32369 Collection Center Dr
 Chicago, IL 60693-0323



Invoice	142472
Date	6/13/2017
Page	1

Invoice

Bill To:

Reach Cyber Charter School-REIMB
 Brian Leinhauser Esq., Board Treasurer
 750 East Park Drive, Suite 204
 Harrisburg PA 17111

IA number	Customer ID	Payment Terms		
1909248	0001124R	NET30		
Qty	Service	Description	Unit Price	Ext. Price
1.00	PASS THROUGH	May Services	\$87,352.63	\$87,352.63
1.00	WITHHOLDINGS	May Services	\$10,113.88	\$10,113.88

Please note invoice number 142472 on remittance. Thank you.

Total	\$97,466.51
--------------	-------------

Make checks payable to Connections Education and send to:
 32369 Collection Center Dr
 Chicago, IL 60693-0323



Charges for the Following Period:

May 2017

Compensation Expenses

Benefits - Administration	\$ 8,479.80
Benefits - Instructional	24,214.51
	<u>32,694.31</u>

Enrollment/Unit Based Charges

Curriculum and Instructional Support Services - Upfront Fee	62,093.21
Enrollment/Placement/Student Support Services - Upfront Fee	76,703.38
Student Technology Assistance Services - Upfront Fee	58,440.66
Curriculum and Instructional Support Services - Monthly Fee	118,560.00
Student Connexus License - Monthly Fee	63,840.00
Student Technology Assistance Services - Monthly Fee	57,456.00
School Operations Support Services - Monthly Fee	59,280.00
Special Ed Administration Services - Monthly Fee	54,000.00
Professional Development Services - Monthly Fee	5,375.00
School Staff Support Services - Monthly Fee	20,425.00
Facilities Support Services	2,083.34
Direct Course Instruction Support	2,692.80
	<u>580,949.39</u>

Pass Through Expenses

87,352.63

Short Term Substitute Teaching Services

18,450.00

Withholdings

10,113.88

Credit for Nonbillable Earnings Paid by the School

(19,152.39)

Total Amount Due

\$ 710,407.82



**REACH CYBER
CHARTER
SCHOOL**

A Pennsylvania Connections Academy

2016-2017

PARENT SATISFACTION SURVEY

Executive Board Summary



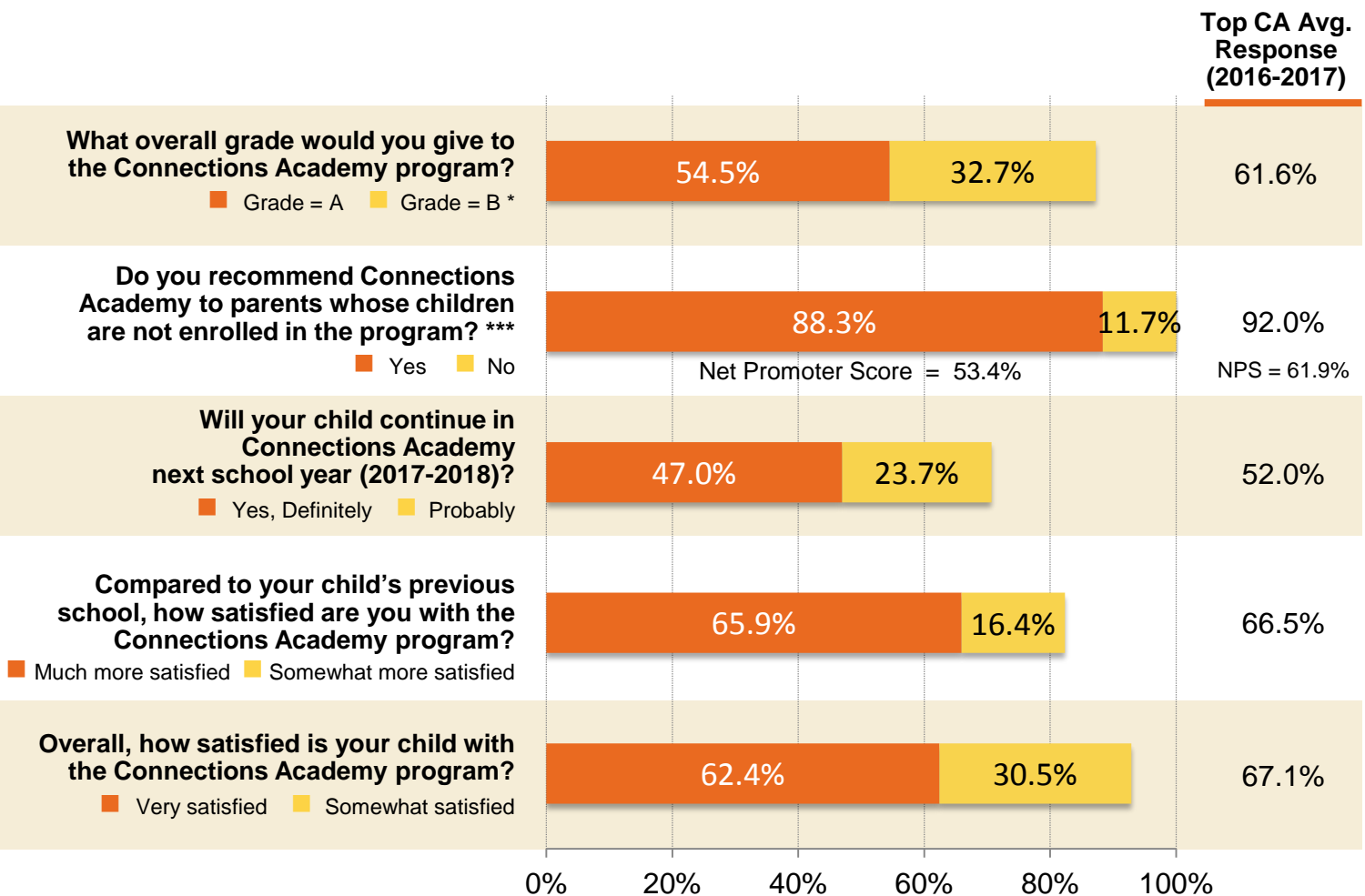
Parent Satisfaction Survey 2016–2017

Executive Summary



Overall parent satisfaction with Reach Cyber Charter School is high, despite being slightly below the Connections Academy average. Over 88% of parents recommend the program, and when the top two responses are added together almost 93% of parents state that their child is satisfied with the program. (See the addendum at the end of this section.)

Satisfaction with the Connections Academy Program



* First two response options.

** White figures indicate a top score lower than the Connections Academy average.

*** Survey rating: Yes = 6 to 10; No = 0 to 5; Net Promoter Score (NPS) = (10 + 9) - (6 to 0)

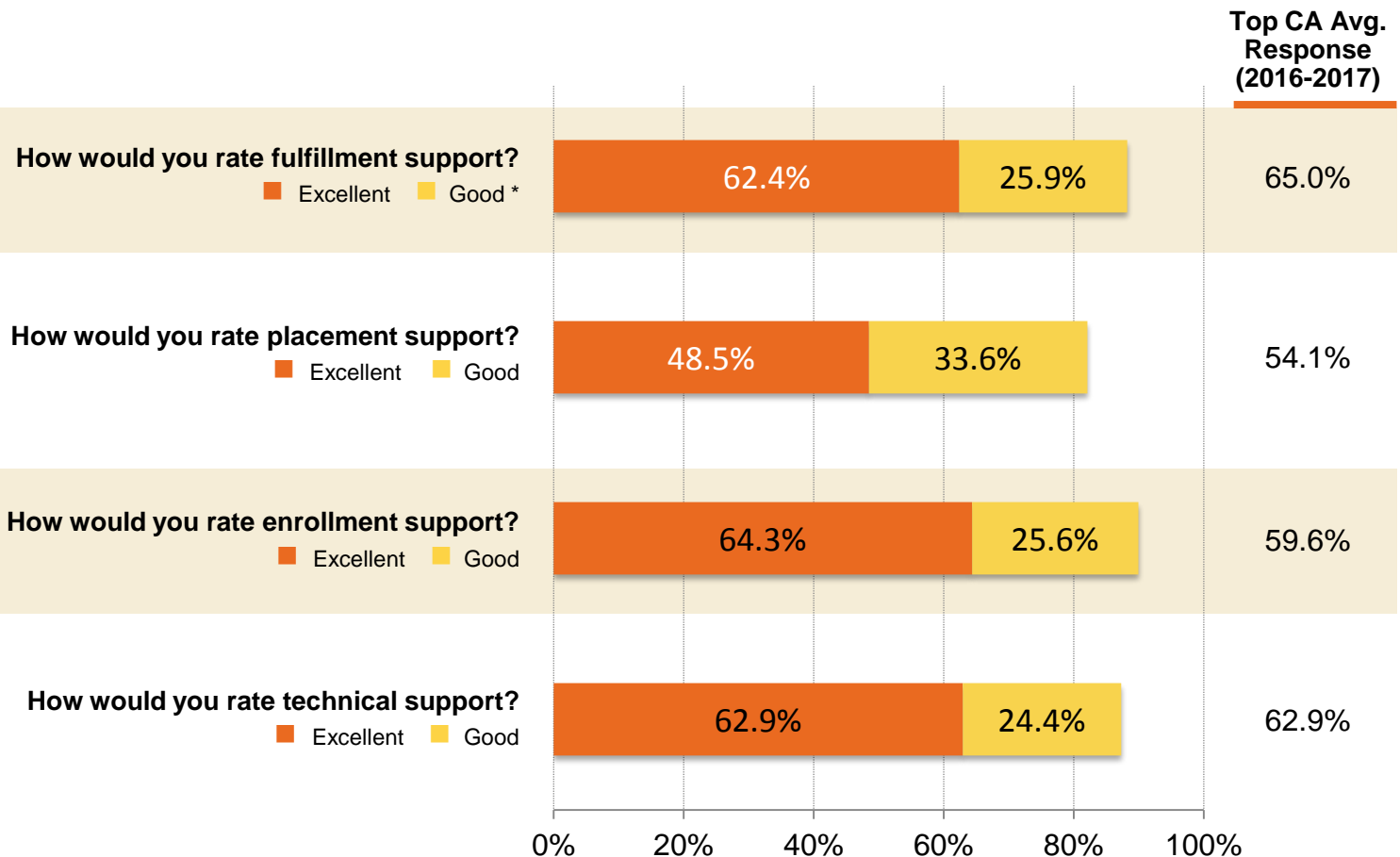
Parent Satisfaction Survey 2016–2017

Executive Summary



Satisfaction with the operational support services provided was broadly comparable to the Connections Academy average when the top two scores were combined.

Support



* First two response options.

** White figures indicate a top score lower than the Connections Academy average.

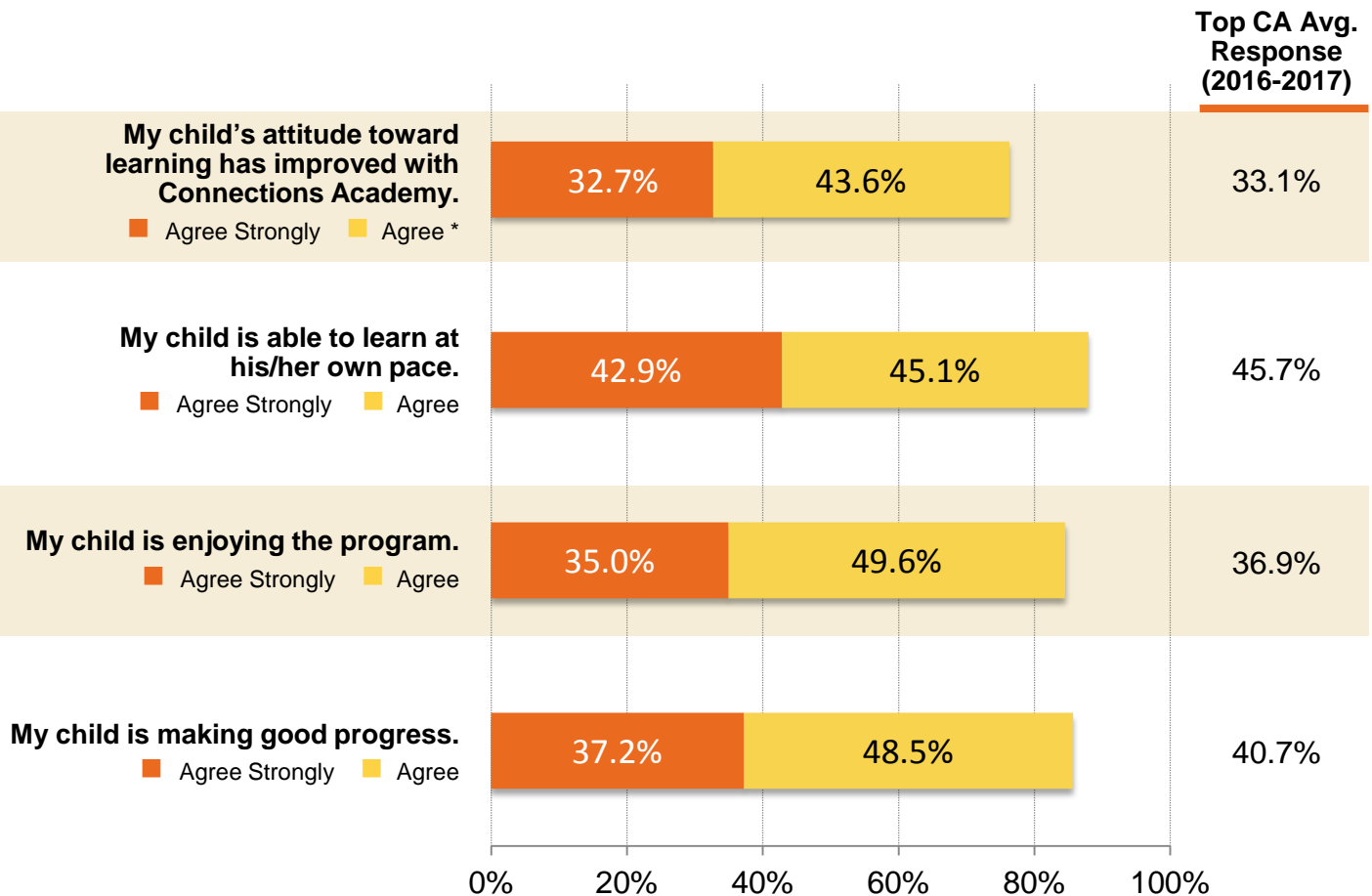
Parent Satisfaction Survey 2016–2017

Executive Summary



For metrics related to academic and emotional success, parents gave scores lower than the Connections Academy average. However, when combining the top two scores, results are broadly similar to the Connections Academy average.

Academic and Emotional Success



* First two response options.

** White figures indicate a top score lower than the Connections Academy average.

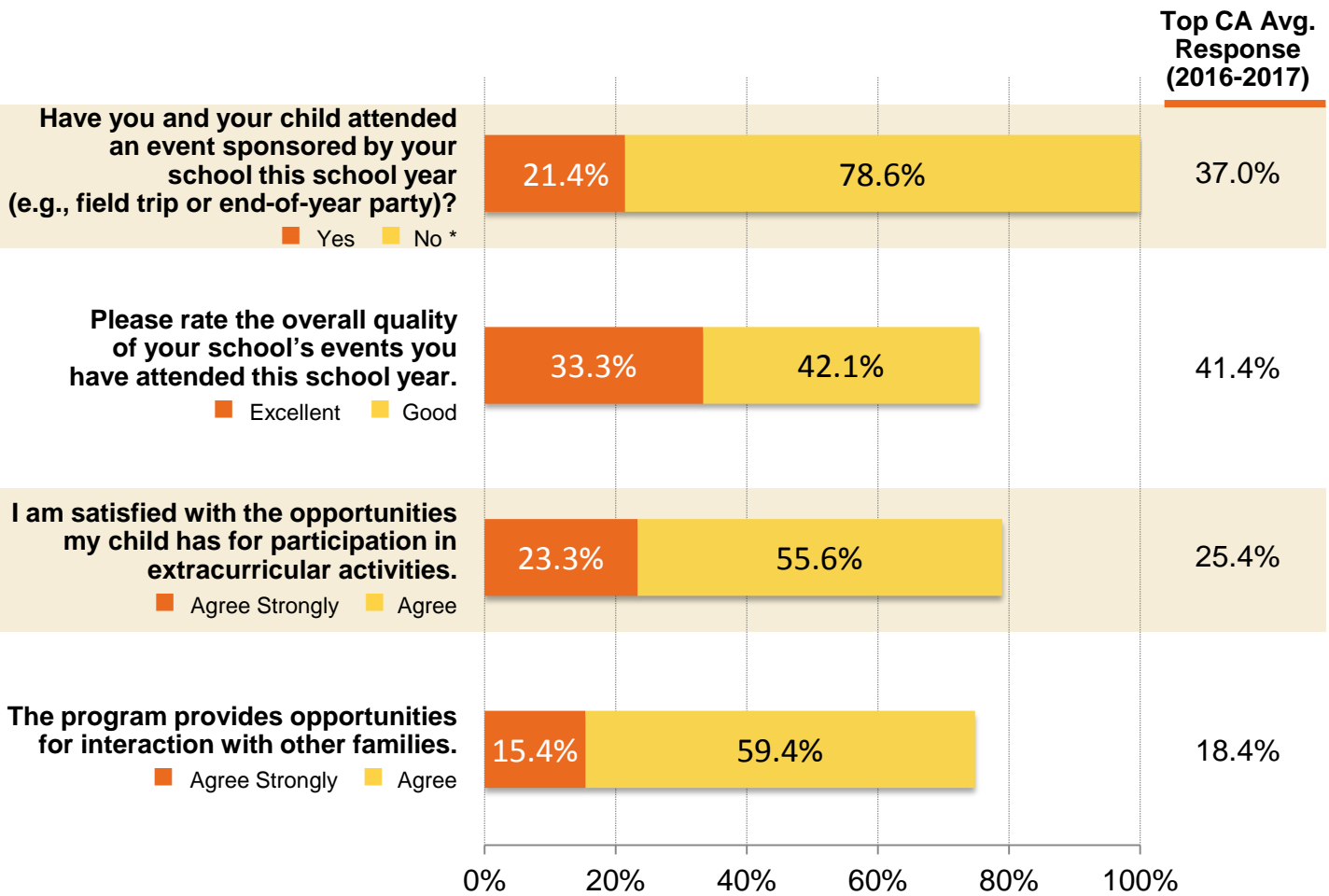
Parent Satisfaction Survey 2016–2017

Executive Summary



Socialization-focused measures are overall lower than the Connections Academy average.

Socialization and Interaction



* First two response options.

** White figures indicate a top score lower than the Connections Academy average.

Parent Satisfaction Survey 2016–2017

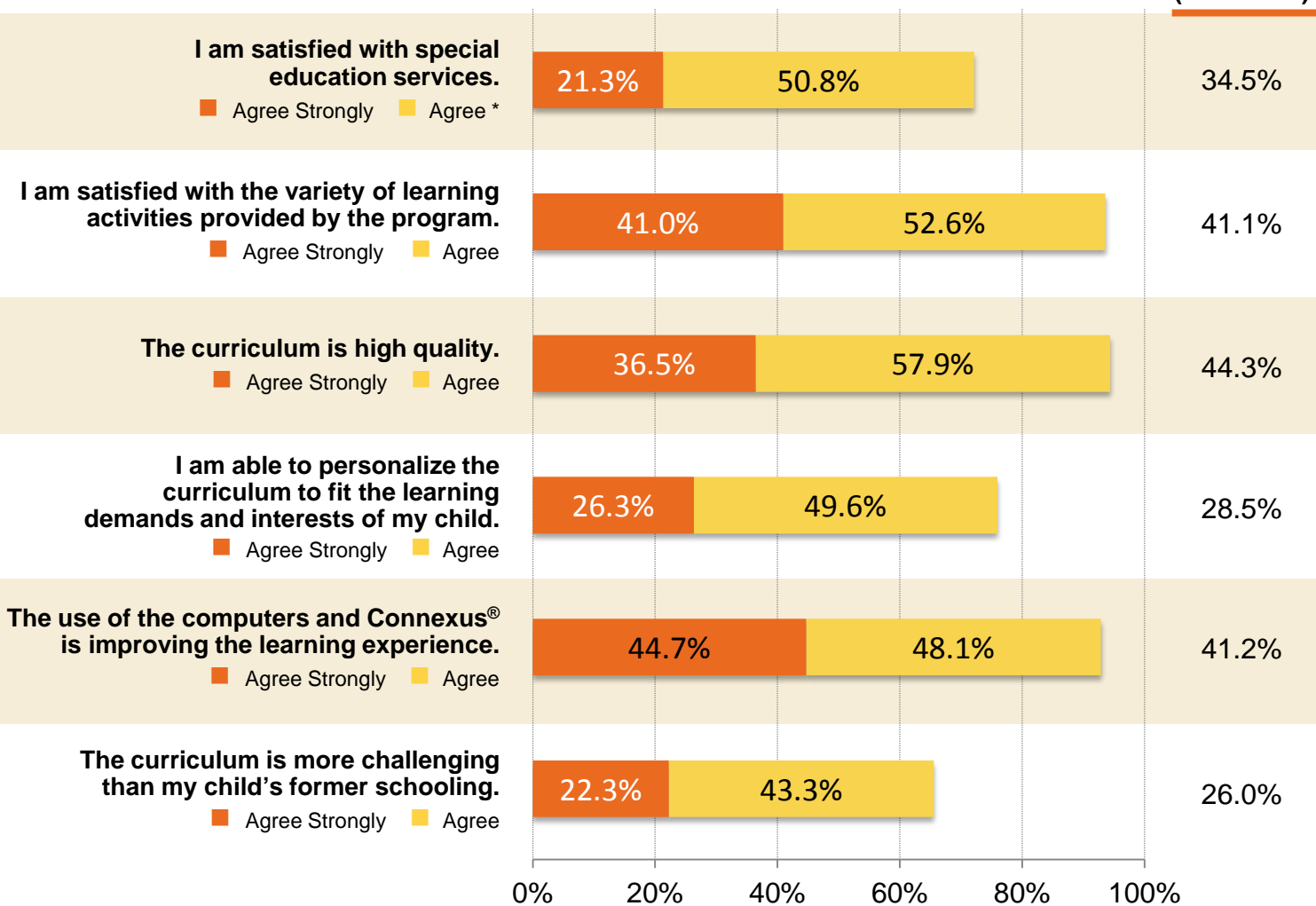
Executive Summary



For metrics related to the academic experience, most scores are below the Connections Academy average. However, adding together the top two responses shows that an impressive 94.4% of parents agree that the curriculum is high quality.

Academic Experience

Top CA Avg. Response (2016-2017)



* First two response options.

** White figures indicate a top score lower than the Connections Academy average.

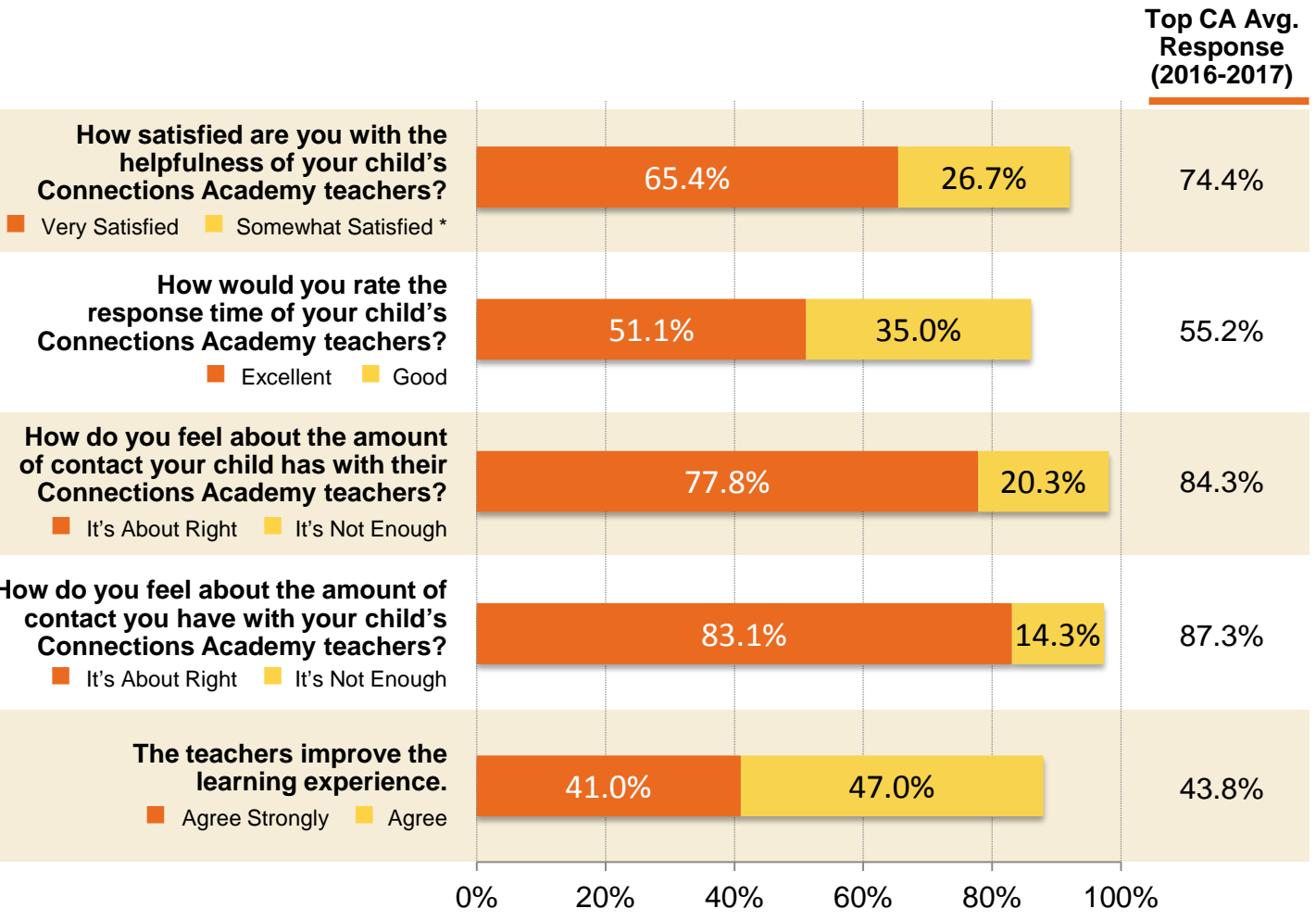
Parent Satisfaction Survey 2016–2017

Executive Summary



Parent satisfaction with the availability and performance of Reach Cyber Charter School teachers is lower than the Connections Academy average. However, over 92% of parents are satisfied with the helpfulness of their children’s teachers, when the top two responses are combined.

Teacher Availability and Performance



* First two response options.

** White figures indicate a top score lower than the Connections Academy average.

Addendum: Comparison of Top Two Responses



		2016-17			2015-16			CA TOTAL 2016-17		
		Top Response	2nd Response	Sum of top two Responses	Top Response	2nd Response	Sum of top two Responses	Top Response	2nd Response	Sum of top two Responses
SATISFACTION WITH CONNECTIONS ACADEMY PROGRAM										
1-1	What Overall Grade Would You Give To The Connections Academy Program?	54.5%	32.7%	87.2%				61.6%	28.5%	90.1%
1-2	Do You Recommend Connections Academy To Parents Whose Children Are Not Enrolled In The Program?	88.3%	11.7%					92.0%	8.0%	
1-3	Will Your Child Continue In Connections Academy Next School Year (2017-2018)?	47.0%	23.7%	70.7%				52.0%	21.1%	73.1%
1-4	Compared To Your Child's Previous School, How Satisfied Are You With The Connections Academy Program?	65.9%	16.4%	82.3%				66.5%	17.3%	83.8%
1-5	Overall, How Satisfied Is Your Child With The Connections Academy Program?	62.4%	30.5%	92.9%				67.1%	27.5%	94.6%
SUPPORT										
2-1	How Would You Rate Fulfillment Support?	62.4%	25.9%	88.2%				65.0%	26.7%	91.7%
2-2	How Would You Rate Placement Support?	48.5%	33.6%	82.1%				54.1%	33.8%	87.9%
2-3	How Would You Rate Enrollment Support?	64.3%	25.6%	89.9%				59.6%	30.2%	89.7%
2-4	How Would You Rate Technical Support?	62.9%	24.4%	87.3%				62.9%	29.3%	92.2%
ACADEMIC AND EMOTIONAL SUCCESS										
3-1	My Child's Attitude Toward Learning Has Improved With Connections Academy.	32.7%	43.6%	76.3%				33.1%	47.4%	80.5%
3-2	My Child Is Able To Learn At His/Her Own Pace.	42.9%	45.1%	88.0%				45.7%	42.6%	88.3%
3-3	My Child Is Enjoying The Program.	35.0%	49.6%	84.6%				36.9%	52.6%	89.4%
3-4	My Child Is Making Good Progress.	37.2%	48.5%	85.7%				40.7%	49.8%	90.5%
SOCIALIZATION AND INTERACTION										
4-1	Have You And Your Child Attended An Event Sponsored By Your School This School Year?	21.4%	78.6%					37.0%	63.0%	
4-2	Please Rate The Overall Quality Of Your School's Events You Have Attended This School Year.	33.3%	42.1%	75.4%				41.4%	42.9%	84.3%
4-3	I Am Satisfied With The Opportunities My Child Has For Participation In Extracurricular Activities.	23.3%	55.6%	78.9%				25.4%	56.6%	82.0%
4-4	The Program Provides Opportunities For Interaction With Other Families.	15.4%	59.4%	74.8%				18.4%	59.3%	77.7%
ACADEMIC EXPERIENCE										
5-1	I Am Satisfied With Special Education Services.	21.3%	50.8%	72.1%				34.5%	46.6%	81.1%
5-2	I Am Satisfied With The Variety Of Learning Activities Provided By The Program.	41.0%	52.6%	93.6%				41.1%	52.0%	93.1%
5-3	The Curriculum Is High Quality.	36.5%	57.9%	94.4%				44.3%	50.6%	94.8%
5-4	I Am Able To Personalize The Curriculum To Fit The Learning Demands And Interests Of My Child.	26.3%	49.6%	75.9%				28.5%	48.8%	77.4%
5-5	The Use Of The Computer And Connexus® Is Improving The Learning Experience.	44.7%	48.1%	92.9%				41.2%	52.0%	93.2%
5-6	The Curriculum Is More Challenging Than My Child's Former Schooling (Public, Home, Other).	22.3%	43.3%	65.5%				26.0%	41.4%	67.4%
TEACHER AVAILABILITY AND PERFORMANCE										
6-1	How Satisfied Are You With The Helpfulness Of Your Child's Connections Academy Teachers?	65.4%	26.7%	92.1%				74.4%	21.0%	95.4%
6-2	How Would You Rate The Response Time Of Your Child's Connections Academy Teachers?	51.1%	35.0%	86.1%				55.2%	34.8%	90.0%
6-3	How Do You Feel About The Amount Of Contact Your Child Has With Their Connections Academy Teachers?	77.8%	20.3%					84.3%	14.5%	
6-4	How Do You Feel About The Amount Of Contact You Have With Your Child's Connections Academy Teachers?	83.1%	14.3%					87.3%	11.1%	
6-5	The Teachers Improve The Learning Experience.	41.0%	47.0%	88.0%				43.8%	48.3%	92.1%

CONNECTIONS ACADEMY SCHOOL LEADER COMPETENCIES

SCHOOL DEVELOPMENT & LEADERSHIP

SCHOOL CULTURE

1. Establishes the belief that all students can and must learn at relatively high levels of achievement.
2. Promotes collaboration, trust, learning, and high expectations.
3. Establishes a pattern of thinking and acting with the customer in mind.
4. Supports appropriate levels of work/life balance for all employees.

CREATES A COMMONLY OWNED VISION AND PLAN FOR SUCCESS

1. Creates and internalizes a vision for learning that is shared and supported by all stakeholders, and seeks to meet goals through creativity and innovation.
2. Sets clear direction for the school by creating written long- and short-term plans, with the input of stakeholders, to support the vision.
3. Monitors implementation of plans, and adjusts them based on new data while clearly communicating changes.
4. Develops clear measurements for each goal in the plan, and builds systematic strategies to ensure sustainability of change.
5. Supports the professional development of the staff as it relates to the mission, vision, and goals of the school, and holds the staff accountable for implementation.

HIGH PERFORMING LEADERSHIP TEAM

1. Hires the best people based on the level of expertise, leadership style, needs of the team, and certification needed for the school, and commits to the ongoing development of a high-performing leadership team. Creates a school organizational model/structure that best utilizes the skills of all employees for the betterment of the school, and continuously monitors and re-evaluates the structure.
2. Delegates responsibilities as necessary and appropriate, and monitors the successful implementation of those responsibilities.
3. Empowers the leadership team to make decisions to get results.
4. Supports the collaboration, transparency and growth/development within the leadership team.

TEAM DEVELOPMENT & LEADERSHIP

SCHOOL TEAM FORMATION

1. Proactively and promptly fills school vacancies using staffing sheet and school allocations.
2. Selects the most talented people by considering level of expertise, certification requirements and school needs; successfully negotiates compensation packages; follows proper procedures in selection; successfully on boards staff.
3. Plans and distributes employee workloads to meet the mission of the school.
4. Develops and maintains effective succession plans and develops and encourages professional development programs to support those plans.
5. Develops the capacity for distributed leadership in a team environment.

STAFF PERFORMANCE MANAGEMENT

1. Coaches employees to improve and grow professionally through continuous learning, training, and other developmental activities.
2. Holds all employees accountable for the timely accomplishment of all duties and responsibilities relating to school goals and individual competencies.
3. Provides constructive and timely performance feedback in association with performance evaluations, supporting the review schedule and established procedures.
4. Effectively deals with conflict and performance issues, including ensuring that Individual Performance Improvement Plans are implemented, with reasonable timelines, and works with appropriate parties to resolve the issues.

STAFF SATISFACTION AND RETENTION

1. Maintains a positive, collaborative team environment for all employees throughout the school organization as evidenced in the school's culture and annual surveys.
2. Recognizes team/employee efforts providing appropriate incentives and rewards.
3. Seeks critical feedback and integrates this data into practice, without defensiveness, to strengthen the team.

STUDENT ACHIEVEMENT/DATA MANAGEMENT

INSTRUCTIONAL LEADER

1. Exhibits a high sense of urgency for change and sustainable results in improving student achievement.
2. Develops and leads school-wide engagement in professional learning communities that in turn facilitate and support collaborative teams.
3. Promotes an academically oriented, orderly and purposeful school climate.
4. Is able to quickly move initiatives ahead with applicable stakeholders.
5. Sets a clear direction for the school focused on student achievement.
6. Is able to effectively deal with and manage change.
7. Develops strong teachers; cultivates good teaching practice.

8. The leader has a working knowledge of RTI instructional model and the related resources, supplemental instructional support programs, current professional development opportunities, etc. and participates in related training and requires staff to do so as well.
9. Focuses on the needs of students, and preparing them for college and career readiness.

INTERNAL/EXTERNAL DATA TO EFFECTIVELY DRIVE STUDENT ACHIEVEMENT

1. Uses instructional data to support needed change and empowers staff to make decisions based on the data.
2. Uses available technology and resources to build systemic strategies to ensure sustainability of change.
3. Uses internal and external resources to effectively monitor and evaluate the impact of the instructional program on students.

PERSONAL DEVELOPMENT & PROFESSIONAL SKILLS

LEADERSHIP DEVELOPMENT OF SELF

1. Has a high sense of curiosity for ways to get results, and is hungry for evidence.
2. Possesses strong self-management and self-reflection and self-awareness skills. Is receptive to feedback and/or criticism. Listens to all team members to consider other perspectives, changes personal practices if needed to obtain desired results.
3. Displays a results oriented, motivational, and innovative mindset.
4. Completes all required training and professional development in a timely manner and requires the same of the leadership team.
5. Models the principles of self-awareness, reflective practices, transparency, ethical behaviors and sets an example of excellence.

JUDGMENT AND PROBLEM SOLVING

1. Identifies the elements of a problem situation by analyzing relevant information, framing issues, identifying possible causes and reframing possible solutions.
2. Reaches logical conclusions by making quality, timely decisions based on available information.
3. Identifies and gives priority to significant issues.
4. Takes personal responsibility for problems before he/she looks at others. Provides no excuses.
5. Manages the school budget—effectively achieves goals within budget.

KNOWLEDGE AND IMPLEMENTATION OF KEY POLICIES AND REGULATIONS

1. Ensures that the school complies and creates processes to meet all state/district/client/partner/board and Connections Academy rules, policies, tasks, and requirements.
2. Communicates all local, state, authorizer regulations/requirements to stakeholders in a timely manner.
3. Knows local, state, and federal regulations and contract provisions, and how they apply to the school.
4. Ensures all timelines are met and procedures followed correctly.

5. Creates, oversees and implements state testing plan effectively to get 95% participation.

ENVIRONMENT OF TRUST: CLEAR COMMUNICATION, RELATIONSHIP BUILDING, AND EXPECTATIONS

1. Communicates in an open, honest, and direct manner. Demonstrates effective listening skills. Communicates appropriately and effectively (speaking, listening, writing, presenting) for different audiences (Boards, Students, Parents, Staff, Corporate Office).
2. Follows through with actions and on all commitments.
3. Creates positive, professional and collaborative relationships with all stakeholders (Boards, Students, Parents, Staff, Corporate Office)
4. Works cooperatively/collaboratively with stakeholders to meet school goals.

COMMUNITY RELATIONS

1. Articulates organizational purpose and priorities to all stakeholders, the community and media (as needed).
2. Demonstrates the ability to build consensus among stakeholders.
3. Promotes a positive image of the school and online/blended learning in the state.
4. Understands his or her role as being part of a variety of internal and external networks for change and improvement.

DAVID BIONDO

2070 Brenan Way
Red Lion, PA 17356

717-658-2756
davebiondo@yahoo.com

David Biondo is a Financial Advisor and Lead Advisor for The McCormick Group with Northwestern Mutual in York, PA. Dave advises new and existing clients in the areas of risk management, wealth accumulation, and preservation & distribution strategies. He also oversees the investment services division for The McCormick Group, which includes securities selection, trading services, account processing, asset allocation strategies, etc... Dave has his PA Life, Accident, & Health insurance license as well as his Series 7 and Series 63 investment licenses. He is currently pursuing his RICP designation (Retirement Income Certified Professional) and will then pursue his CFP designation (Certified Financial Planner).

Dave previously worked for Commonwealth Connections Academy in Harrisburg, PA from August 2004 to August 2014. At CCA, Dave taught Middle School Social Studies during his first year and then taught Middle School Mathematics throughout his remaining years at CCA. He held teaching positions of Program Teacher, Lead Teacher, and Master teacher during his tenure. In addition to teaching, he was also the Technology Coordinator for CCA-Harrisburg, where he was the local "tech guy." He helped teachers and staff with technology issues, assisted the IT Staff in Baltimore with systems issues, and also had input and influence with the advancement of the use of technology by the school throughout his career.

Dave holds a Bachelor of Science in Elementary Education from Shippensburg University of Pennsylvania. He currently resides in the York, PA area with his wife, Sharon, and two children, Alaina (7) and Nathan (5).

Reach Cyber Charter School

Summary of Audit Proposals_June 2017

	Barbacane, Thornton	Citrin Cooperman	Clifton Larson Allen	Siegal Drossner
Professional Standing / Ability of Personnel	25	25	25	25
PA Charter School Experience and Knowledge	20	15	15	25
Staff Depth / Ability to Perform	20	20	20	20
Cost of Services	25 (\$13,100)	15 (\$21,000)	16 (\$20,500)	23 (\$15,000)
Total (100 max)	90	75	76	93



REACH CYBER CHARTER SCHOOL

*PROPOSAL TO PROVIDE
PROFESSIONAL AUDITING SERVICES
FOR THE FISCAL YEAR ENDING
JUNE 30, 2017*

BARBACANE, THORNTON & COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

Pamela W. Baker, CPA, CGFM, Partner

pbaker@btcpa.com

200 Springer Building • 3411 Silverside Road

Wilmington, DE 19810

302.468.4002

 Follow us on LinkedIn or www.btcpa.com

TABLE OF CONTENTS

ITEM	PAGE
LETTER OF TRANSMITTAL	1 - 2
BACKGROUND AND QUALIFICATIONS	
Overview.....	3
Commitment to Quality	3
Specialized Government Industry Practice.....	4 - 7
Strength of Our Government Practice.....	8
Assurances	9 - 10
REFERENCES	11
ENGAGEMENT TEAM	12
FINANCIAL STATEMENT AUDIT APPROACH	13 - 19
THE BARBACANE DIFFERENCE	20
OTHER SERVICES	21
PROJECT ADMINISTRATION	22
PRICE COMMITMENT	23
APPENDICES	
A. Peer Review	
B. Government Client List	

June 1, 2017

Ms. Jane Swan
Principal
Reach Cyber Charter School
jswan@reach.connnnectionsacademy.org

Mr. Kevin Corcoran
Charter Choices
kevin@charterchoices.com

Dear Ms. Swan and Mr. Corcoran:

We are pleased to submit an electronic copy of our proposal to serve as independent auditors for the Reach Cyber Charter School for the year ending June 30, 2017. We have obtained a clear understanding of your requirements and have formulated an effective approach and audit team which we believe is entirely responsive to your needs throughout the year.

The objectives of the audit of the Reach Cyber Charter School will be to determine (1) whether the financial statements of the School present fairly in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the School and the respective changes in financial position in accordance with generally accepted accounting principles; (2) whether the School has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements; and (3) whether the School has designed internal controls over financial reporting that reduce to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements will occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. In addition to these standards, we will prepare a management letter detailing all recommendations which will aid the School in obtaining a more efficient and effective system of operations. Our audit will be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

All workpapers and reports are retained by our firm for a minimum of seven years from the date of the audit. Upon request, we will make all workpapers available to the appropriate federal or state agency or their designee, the General Accounting Office, or the Auditor General's Office. We will advise the School of any organization which has requested access to the workpapers maintained by our firm.

We believe that Barbacane, Thornton & Company LLP, perhaps uniquely, possesses the essential requirements to serve as your auditors based on the following:

- Extensive experience auditing public schools (including cyber charter and charter schools)
- Audit-only CPA firm with a market focus on auditing governments and nonprofits
- Frequent featured expert speakers on GASB and related topics
- Active service on PICPA local government committee
- Trusted advisor to the Delaware Charter School Network, offering legislative testimony on financial issues relating to charter schools
- Passion and commitment to public education and an in-depth understanding of the unique financial reporting and tax compliance requirements
- Full staff of professionals skilled in audits of charter schools
- Staff designations significant to public entity audits (Certified Public Accountant (CPA); Certified Fraud Examiner (CFE); Certified Government Auditing Professional (CGAP); AICPA single audit certification
- Annual client-only seminar providing leading-edge educational opportunities to our clients, at no charge, as a way of training on government accounting issues.

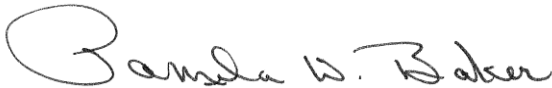
If you want the leader in your industry, a link to technical excellence, a resource for evolving issues, and an organization which strives to assist you in achieving your goals, there is every reason to add Barbacane, Thornton & Company LLP to your team; and most important, we are very cost-effective and maximize efficiency through our extensive staff training initiatives!

Through submission of this proposal, we represent that we are free of all obligations and interests that might conflict with the best interests of the Reach Cyber Charter School.

We certify that we accept the terms, conditions, requirements, and scope of work as outlined in the request for proposal, and we will complete the work within the required time period. This proposal is a firm and irrevocable offer for ninety (90) days from the date of this letter.

Very truly yours,

BARBACANE, THORNTON & COMPANY LLP



Pamela W. Baker, CPA, CGFM
Partner

/nrb

Enclosure



REACH CYBER CHARTER SCHOOL

BACKGROUND AND QUALIFICATIONS

OVERVIEW

Barbacane, Thornton & Company LLP is a regional audit public accounting firm located in Wilmington, Delaware. Established in 1978, we have enjoyed controlled growth and presently have a staff of 22 including five partners. We help organizations and individuals achieve their goals by consistently delivering timely, accurate, and innovative professional services. We meet or exceed the expectations of our clients, our people, and our communities with enthusiasm and integrity.

The firm is organized as a limited liability partnership, and each partner has the authority and responsibility for directing and supervising services to clients. Each partner is fully accountable to our clients for the quality of services rendered and the efficiency of the work. We have a professional commitment to more than minimum compliance service – we add *value* to our clients by providing them with:

- A knowledgeable resource for evolving governmental issues
- Personalized responsive service
- High quality services
- Reasonable fees

A unique aspect of our firm is the dedication of almost 100 percent of our resources to the nonprofit and government industry sectors.

COMMITMENT TO QUALITY

The most important factor in our firm's success over the past 39 years has been our uncompromising commitment to the highest standards of quality and professionalism. We maintain strict control over the quality of all client services to ensure our work meets the auditing standards set forth by the accounting profession as well as the firm's standards of technical excellence and professionalism.

Barbacane, Thornton & Company LLP has undergone peer review as a member of the American Institute of Certified Public Accountants' Private Practice Section. This is a program dedicated to ensuring that participating firms have quality control systems in place over their accounting and auditing practices. This program includes a review of our government client base as well as those nonprofit and government clients that have single audit requirements. We have participated in this program since its inception.

Firms with expertise in nonprofit and governmental auditing conducted our peer review, and each included a review of specific single audit clients. We are pleased that we have received unmodified opinions and believe they reflect our commitment to quality work. A copy of our most recent peer review is located in Appendix A.



REACH CYBER CHARTER SCHOOL

SPECIALIZED GOVERNMENTAL INDUSTRY PRACTICE

The government industry is one of only two industries that our firm’s management committee has selected for long-term investment. This means we dedicate the majority of our firm personnel and resources to ensure that we stay abreast of emerging industry issues. This allows us to better serve our clients.

All of our professional staff are charged with keeping our clients and our professionals informed about significant developments in the industry and about the impact of these developments on the management and fiscal control techniques of government organizations. We develop industry expertise through participation in industry associations and activities, publications, special programs, and other means. This allows us to proactively manage the needs of our government clients. Their backgrounds include experience in the following areas:

1. Preparation and review of annual financial statements including the Comprehensive Annual Financial Report (CAFR)
2. Preparation of information returns for federal and state governments
3. Budget preparation and automation
4. Audits designed to meet grantors' requests
5. Financial models and forecasts
6. Preparation and review of policy and procedures manuals (including fixed assets)
7. Internal control reviews
8. GASB standards implementations

Members of this group stay abreast of the latest in government developments, policies, and issues locally, regionally, and nationwide.

Industry Activities

Our staff at all levels are actively involved in a wide spectrum of industry activities. All but our newest staff have successfully completed the requirements necessary to be a CPA. Several of our staff have received certification from the AICPA as single audit specialists by passing a rigorous exam. Our staff conduct training for our clients, for newer staff as they become oriented to the government sector on joining the firm, and as participants as speakers at technical meetings and are recognized as educators for several state and national organizations.

The Government Audit Quality Center

The firm demonstrates its commitment to government audit quality through its membership in the American Institute of Certified Public Accountants’ (“AICPA”) Government Audit Quality Center (“GAQC”). The AICPA helps firms achieve the highest standards in performing quality government audits. As a member of the GAQC, the firm must adhere to a set of requirements



REACH CYBER CHARTER SCHOOL

SPECIALIZED GOVERNMENTAL INDUSTRY PRACTICE (cont'd)

which mandate practices which are above what is normally required in conducting government audits. Membership is voluntary. Our firm has made the commitment to provide the highest level of services to the government sector and, therefore, maintains a membership in the GAQC.

Individuals Assigned to Your Engagement

Our team of professionals is excited to make the Reach Cyber Charter School a part of our client base. Our specialization will enable us to dedicate resources to your specific needs.

Your individual team (check them out on LinkedIn!):

Timothy L. Sawyer, CPA

Manager

Mr. Timothy L. Sawyer joined our firm as a result of our search for talented individuals focused on professional growth and development. Mr. Sawyer is a dedicated professional who works on numerous government accounts. He has been instrumental in assisting his audit clients in the completion of well planned, coordinated, and timely audits. In addition, Tim is particularly understanding of the government sector and the need to provide value-added services to his clients. Mr. Sawyer has experience auditing numerous public schools including, but not limited to, the Pennsylvania Virtual Charter School, Collegium Charter School, Agora Cyber Charter School, Positive Outcomes Charter School, and Gateway Lab Charter School.

Eric G. Willey, CPA

Supervisor

Mr. Eric G. Willey joined our firm over five years ago upon his graduation from the University of Delaware. Since joining our firm, Eric has completed the requirements to become a licensed CPA and is single audit certified. He serves as a mentor to other young professionals as they work to achieve success in passing the CPA exam and transitioning to professional careers. Eric has worked almost exclusively on government audits since joining our firm and has been able, through his dedication to this market, to advance technically to provide quality services to our clients. Eric will be one of two staff dedicating 100 percent of his time to your audit team.

Most recently, Eric was part of an internal initiative dedicated to the development of automated tools to assist our clients in the implementation of the new pension accounting standards (GASB No. 68). He has been instrumental in understanding the complexities of these new accounting standards, and he has assisted a number of clients in transitioning to reporting under the new requirements. Eric's experience with charter schools includes six Delaware charter schools, School Lane Charter School, Agora Cyber Charter School, and I-Lead Charter School.



REACH CYBER CHARTER SCHOOL

SPECIALIZED GOVERNMENTAL INDUSTRY PRACTICE (cont'd)

Robert Kaufmann, CPA

Semi-Senior

Mr. Robert (Bob) Kaufmann has been with the firm for the past three years. Bob chose to join our firm because of his interest in the government and nonprofit sector and his interest in being more connected to his community through the use of his accounting and auditing skills. Bob will work as a member of the audit team, directly supervised by Eric Willey, and will bring his experience with other charter school and related entities.

Firm leadership responsible for your engagement:

Robert M. Barbacane, CPA, CGMA

Managing Partner

Mr. Robert M. Barbacane, managing partner, is the key member of our government specialty group. He spent the formative years of his training with Coopers & Lybrand and Deloitte & Touche, certified public accounting firms. As founding partner of the firm, he began the organization with the ambition of creating a public accounting firm dedicated to the nonprofit and government niche. To accomplish this goal, Mr. Barbacane has dedicated the majority of his continuing professional education to these areas. He is a member of the American and Pennsylvania Institutes of Certified Public Accountants.

As managing partner, Mr. Barbacane will be ultimately responsible for the engagement. All audit plans, work programs, timetables, and staff are reviewed and approved by him.

Pamela W. Baker, CPA, CGFM

Audit Partner

Ms. Pamela W. Baker has been with the firm for the past 27 years. Ms. Baker has been in the field of government auditing since her graduation from college in 1980. Her prior experience involves audits of hospitals; colleges and universities; and state, county, and local government. **She has been extensively involved in implementation of government auditing standards, the Single Audit Act of 1984, and the Certificate Program for Excellence in Financial Reporting.** Most recently, Ms. Baker was a speaker at the 2015 and 2016 PICPA School District and Local Government Conferences. These conferences are attended by over 250 public accountants who provide audit and accounting services to governmental entities. Ms. Baker serves on the local government committee of the PICPA and is the firm's coordinator for the membership in the AICPA Government Audit Quality Center. Most recently, Ms. Baker represented the PICPA at the National headquarters of the GASB, where she provided significant testimony on the impact of proposed new standards on financial reporting of governments (including charter schools). She has been an integral part of legislative initiatives relating to financial reporting and auditing for the Delaware charter school community.



REACH CYBER CHARTER SCHOOL

SPECIALIZED GOVERNMENTAL INDUSTRY PRACTICE (cont'd)

Ms. Baker will be the partner in charge of your engagement. It will be her responsibility to know and understand the School as a significant audit client. Barbacane, Thornton & Company LLP believes that continuity of personnel and the "training curve" can best be managed through in-depth involvement of our partners on each engagement. Ms. Baker will strive to understand the School's engagement, while preparing a supervisory individual for added future responsibility. Ms. Baker will remain your key contact person throughout our tenure as auditors. She will be ultimately responsible for adherence to professional standards and timetables.

Claude W. Spiron, CPA

Concurring Reviewer

Mr. Claude W. Spiron has an extensive background in technical practice issues. Mr. Spiron is a recognized leader in the area of quality control and implementation of complex technical pronouncements. He is a key instructor for the Pennsylvania Institute of Certified Public Accountants and the Delaware Society of Certified Public Accountants.

Mr. Spiron will be utilized on your engagement for technical advice and expertise. He will be responsible for the third and final technical review of your audit plan and final product. He independently assists the firm in ensuring adherence to professional standards.

Other Members of the Government Specialty Group

In addition to the above, all of our auditors are trained to conduct fieldwork on government audits. It is the policy of Barbacane, Thornton & Company LLP to provide at least 80 credit hours of continuing professional education every two years, of which approximately 40 credit hours pertain to areas directly related to government/nonprofits. Because of our commitment to the nonprofit sector, this exceeds the *Government Auditing Standards* requirements. Each of the members of our staff has received extensive training, both in-house and through workshops on the requirements of implementation of GASB Statement No. 34.



REACH CYBER CHARTER SCHOOL

STRENGTH OF OUR GOVERNMENT PRACTICE

We serve as independent auditors and advisors for many government organizations. Our entire practice is devoted to nonprofit and governmental clients much as a single department might be dedicated in a larger firm. Therefore, we feel just as confident, if not more so, in our abilities to service all types of government clients. A selected sample of our government clients throughout Pennsylvania and Delaware include the following:

■ Oxford Area School District	■ Newark Charter School
■ The Preparatory Charter School	■ Rose Tree Media School District
■ Pennsylvania Virtual Charter School	■ Agora Cyber Charter School
■ Chichester School District	■ I-Lead Charter School
■ Delaware County Intermediate Unit ***	■ School Lane Charter School
■ Colonial School District	■ Collegium Charter School

*** Federal funds in excess of \$5 million

We have participated in the development of award-winning Comprehensive Annual Financial Reports (CAFR) for a number of government entities and are presently working on additional submissions. Our intimate involvement in these projects, which has resulted in first-time award recipients, has been gratefully acknowledged by our clients.

We can provide services to our clients covering all areas of interest and concern to governmental organizations, including:

- Government auditing
- Single Audits
- Preparation of Comprehensive Annual Financial Report
- Review of Comprehensive Annual Financial Report
- Budgeting
- Construction Fund audits of special projects (Plancon J audits)
- Assistance in preparation of Bond financing statements
- Assistance in preparation of RFPs for computer services



REACH CYBER CHARTER SCHOOL

ASSURANCES

Barbacane, Thornton & Company LLP is free of all obligations and interests that might conflict with the best interests of the Reach Cyber Charter School.

Barbacane, Thornton & Company LLP and all assigned key professional staff proposed are properly licensed to practice in the Commonwealth of Pennsylvania.

Barbacane, Thornton & Company LLP has no personal interest, direct or indirect, in the fiscal affairs of the Reach Cyber Charter School or any of its elected or appointed officials.

Barbacane, Thornton & Company LLP has had no regulatory enforcement actions taken against the firm or charges for substandard audit work within the last three years.

Barbacane, Thornton & Company LLP has not experienced any financial difficulties or other problems that would affect our ability to carry out our duties and responsibilities of this engagement.

Barbacane, Thornton & Company LLP is committed to the accounting and auditing fields for the long term as evidenced in our 39 years of existence in the government industry.

Barbacane, Thornton & Company LLP received an unmodified report on its latest peer review. A firm with expertise in government auditing conducted our peer review, which included a review of a sample of our government single audits and government yellow book audits.

Barbacane, Thornton & Company LLP commits to maintaining continuity of key management personnel on the engagement to audit the Reach Cyber Charter School. We will make every effort to provide continuity of staff on your engagement and at all times will maintain the personnel capacity to provide services on a timely basis.

Barbacane, Thornton & Company LLP is knowledgeable of the regulations concerning the Governmental Accounting Standards Board, particularly GASB Statement No. 34, as evidenced throughout this proposal.

Barbacane, Thornton & Company LLP has current experience auditing a Pennsylvania cyber school since inception.



REACH CYBER CHARTER SCHOOL

ASSURANCES (cont'd)

Barbacane, Thornton & Company LLP has assigned a partner to this engagement who serves on the PICPA Local Government Committee and has a certificate of educational achievement in government accounting and auditing (CGFM).

Barbacane, Thornton & Company LLP has experience with a number of school districts and charter schools as it relates to issuance and recording of debt-related transactions, including bond sales, lines of credit, and bank loans.

Barbacane, Thornton & Company LLP has experience auditing a number of nonprofit entities (including a cyber charter school) under Generally Accepted Accounting Principles for Not-for-Profit Organizations.

(REST OF PAGE INTENTIONALLY LEFT BLANK.)



REACH CYBER CHARTER SCHOOL

REFERENCES

You may contact the following references. We have included several charter school clients. We will provide additional references upon request.

I-LEAD CHARTER SCHOOL

Barbara Wilkinson-Sykes
Business Manager
401 Penn Street
Reading, PA 19601
877.427.7037

PENNSYLVANIA VIRTUAL CHARTER SCHOOL

Jose Parrilla
Business Manager
630 Park Avenue
King of Prussia, PA 19406
610.275.8500

COLLEGIUM CHARTER SCHOOL

Deborah McCabe
Business Manager
435 Creamery Way, #300
Exton, PA 19341
610.903.1300

SCHOOL LANE CHARTER SCHOOL

Mirosya Bauer
Business Administrator
2400 Bristol Pike
Bensalem, PA 19020
215.245.6055

AVON GROVE CHARTER SCHOOL

Donna Archer
Business Manager
1 Commerce Boulevard, Suite 205
West Grove, PA 19390
610.869.6290

AGORA CHARTER SCHOOL

James Infortuna
Financial Advisor
590 North Gulph Road
King of Prussia, PA 19406
610.230.2987

This is but a sampling of the number of school entities we have served and continue to serve on a regular basis. We have participated in the RFP process with a number of these districts and have been successful in demonstrating our expertise as well as commitment to this industry. See Appendix B for a complete listing of our school clients.



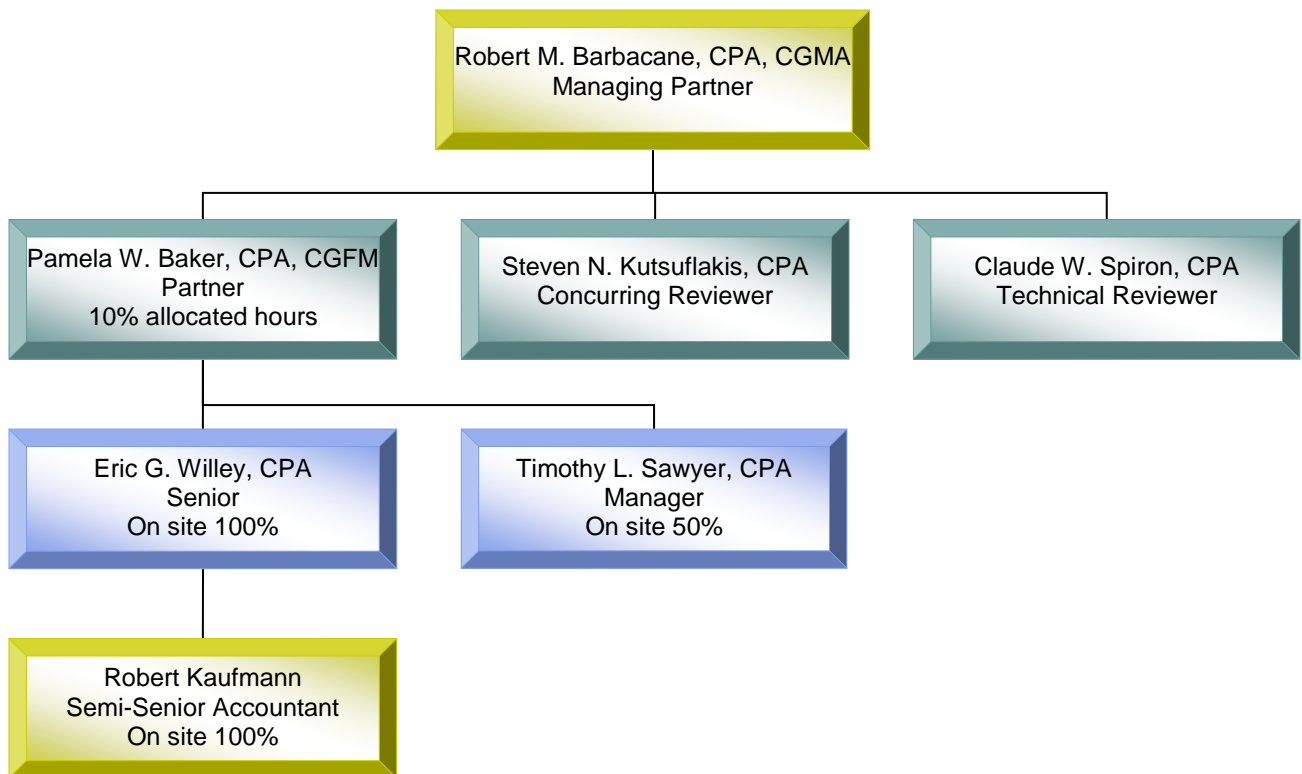
REACH CYBER CHARTER SCHOOL

ENGAGEMENT TEAM

We have assigned a multidisciplinary team to serve you. The team has a proven track record in delivering quality audit services to clients in the government services sectors.

REACH CYBER CHARTER SCHOOL ENGAGEMENT TEAM

Below is a chart of the engagement personnel.





FINANCIAL STATEMENT AUDIT APPROACH

While the range of services provided by most accounting firms has expanded significantly, audits continue to be the dominant aspect of our practice. We reject the idea that an audit is a commodity. In today's competitive marketplace (even for nonprofit organizations), it is imperative that financial reporting communicates efficiency and effectiveness in delivery of services designed to meet their mission. In the course of delivering audit services, your accounting firm should generate information and develop insights that will result in improved controls and safeguards, ultimately leading to greater efficiencies and clear, concise, and understandable financial reporting that is respected by the financial community. Our professionals combine competence with judgment, maturity, and creativity – prerequisites for a quality audit.

Effective Audit Approach

Our audit approach begins with understanding our client's business and the environment in which they operate. We then identify key business processes and complete an internal control review. After completion of the internal control review, analytical procedures are performed.

Depending on the results of the internal control review and analytical procedures, substantive tests are designed to meet all remaining audit objectives. The final phase of the audit entails completing the financial statements and preparing the auditor's opinion. Our audit approach is depicted as follows:





REACH CYBER CHARTER SCHOOL

FINANCIAL STATEMENT AUDIT APPROACH (cont'd)

Planning the Audit

The first phase of the audit entails planning the audit. The objective of planning is to complete the following:

- Gain an understanding of the industry in which you operate, including the regulatory environment and the external risks that affect the Reach Cyber Charter School. Examples of external risks and business drivers include:

Regulatory	Economic	Media
Technology	Political	Social

- Gain an understanding of the Reach Cyber Charter School’s long-term strategy, business objectives, and business risks that may impede the attainment of those objectives.
- Gain a basic understanding of your system of internal control. The five interrelated components are as follows:

COMPONENT*	DESCRIPTION
Control Environment	Sets the tone of the organization, influencing consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.
Risk Assessment	Entity’s identification and analysis of relevant risks to achievement of its objectives, forming a basis for determining how the risks should be managed.
Control Activities	Policies and procedures that help ensure that management directives are carried out.
Information and Communication	Identification, capture, and exchange of information in a form and time frame that enables people to carry out their responsibilities.
Monitoring	Process that assesses the quality of internal control performance over time.

*These same components will be reviewed for each applicable material compliance requirement for single audit purposes.



FINANCIAL STATEMENT AUDIT APPROACH (cont'd)

- Apply preliminary analytical procedures on the working trial balance and budget.
- Identify audit risks and match them to your business processes and financial statements. We document this analysis on the following forms:
 - Government Organization Planning Form
 - Government Risk Assessment Summary Form
- Other procedures that will be performed during the planning phase include assessing materiality, preparing confirmations, and reading minutes of Board and Finance Committee meetings.

Internal Control Review

The internal control review begins at a high level during the planning phase of the audit. For each of the processes identified as having a material risk on the financial statements, we will document the process and identify internal controls within the process. At this point, a preliminary assessment of low, moderate, or high control risk will be made. If control risk is assessed as high, no additional control work will be completed on that process. If control risk is assessed as low or moderate, we will design and execute tests of controls and determine the effectiveness of the controls identified. We will focus on manual as well as technology controls. The following chart depicts control categories and control testing techniques that we will utilize:

CONTROL CATEGORY	CONTROL TECHNIQUE
✓ Authorization	✓ Corroborative Inquiry
✓ Configuration	✓ Inquiry
✓ Mapping	✓ Inspection
✓ Exception/Edit Reporting	✓ Knowledge Assessment
✓ Interface/Conversion Controls	✓ Observation
✓ Key Performance Indicators	✓ Re-performance
✓ Management Review	✓ System Query
✓ Reconciliation	
✓ Segregation of Duties	
✓ System Access	

We will interview appropriate personnel to gain an understanding of each of the key processes. Examples of processes for your organization include:



REACH CYBER CHARTER SCHOOL

FINANCIAL STATEMENT AUDIT APPROACH (cont'd)

- Cash and investment management
- Inventory control
- Procurement
- Financial reporting
- Debt management
- Facilities management
- Human resources management
- Grant management (done in conjunction with single audit)

We use a combination of memorandums and questionnaires as the method of documenting our understanding of your internal control structure. Such memorandums and questionnaires provide us with a sufficient understanding of your internal control system, enabling us to plan the remaining audit procedures.

When areas of weaknesses within the internal control structure are noted, we will discuss them with management to determine whether such weaknesses are compensated for by some other control. If not otherwise compensated, we will decide what changes, if any, in the nature and timing of validation and other audit procedures are necessary.

For single audit purposes, we perform compliance tests of controls to provide evidence as to the proper operation of the grant management internal control structure. Based on the results of compliance tests, we determine the nature, timing, and extent of our substantive tests of transactions and account balances and analytical review procedures.

Audit Programs

After the assessment of the internal control structure, we will determine the appropriate audit programs and procedures to be utilized. The audit programs that we will use are contained in the *Guide to Audits of Local Governments* published by Practitioners Publishing Company. These manuals were subjected to peer review with an unqualified opinion issued. Our approach is to tailor our work programs to your specific needs. All detailed work programs, as modified, are approved at three different levels within the firm.

The same processes identified in the internal control section are the areas where we believe we will have to focus audit effort.

Statistical Sampling

Utilizing the requirements of U.S. Auditing Standards, AU Section 350, Barbacane, Thornton & Company LLP will determine tolerable misstatement for specifically identified audit procedures and will accordingly incorporate sampling into our audit approach. Sampling will include both automated and manual testing and statistical as well as non-statistical methods depending upon the circumstances.



FINANCIAL STATEMENT AUDIT APPROACH (cont'd)

Analytical Procedures

After the completion of the internal control structure and the testing of the controls, analytical procedures will be completed. As an audit test, analytical procedures will be done at the process level. The basis of analytical procedures is to develop an expectation of an outcome based on empirical data (i.e., history, budget, peer organization, etc.). Examples of analytical procedures include the following:

- Comparison of amounts to prior periods
- Comparison of amounts to budget
- Calculation and comparison of key performance indicators (ratio analysis)

Examples include:

- Percentage of investment income to average investment balance
- Percentage of employee benefit expense to total payroll
- Day's payable outstanding
- Percentage of interest expense to average notes payable outstanding
- Percentage of payroll expense to total expense

Substantive Procedures

The level of substantive audit procedures performed will vary depending on the control risk assessed in the internal control review phase of the audit.

CONTROL RISK	EXTENT OF SUBSTANTIVE PROCEDURES
Low	Minimal substantive procedures necessary to confirm financial statement assertions and meet audit objectives not met by internal control work.
Moderate	Substantive procedures will be performed to meet audit objectives in which controls were weak.
High	Majority of work completed will be substantive in nature.

Substantive procedures will vary for each process and may include vouching accounts payable; reviewing detailed loan agreements; recalculating bank reconciliations; and confirming bank balances, investment balances, receivables, and grant revenues. After the completion of the internal control review, substantive procedures will be designed for your audit.



REACH CYBER CHARTER SCHOOL

FINANCIAL STATEMENT AUDIT APPROACH (cont'd)

Financial Reporting

We will be responsible for providing you with the following services:

Annual Financial Report

1. We will perform annual audits of the financial statements prepared in accordance with GASB Statement No. 34 for the Reach Cyber Charter School as required under generally accepted auditing standards.
2. We will assist you as necessary in drafting notes to the basic financial statements.
3. We will issue a report on the fair presentation of the basic financial statements as a whole, in conformity with U.S. generally accepted accounting principles. The audit will be performed in accordance with generally accepted auditing standards and *Government Auditing Standards*.
4. We will issue a report on internal control over financial reporting based on an audit of financial statements and a test of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters in accordance with *Government Auditing Standards*.

Management Recommendations Letter

We will submit recommendations to the Reach Cyber Charter School's Board of School Directors and Management in letter form.

- The letter will include any findings, observations, opinions, comments, or recommendations relating to internal control, accounting systems, data processing, compliance with laws, policies, and procedures, or any other matters that come to the attention of the independent auditor during the course of the audit.
- These recommendations will not be limited to those usually associated with the study of internal control systems and procedures as a part of an audit of financial statements.



REACH CYBER CHARTER SCHOOL

FINANCIAL STATEMENT AUDIT APPROACH (cont'd)

Additional Responsibilities and Services

1. We will be available for technical assistance throughout the fiscal year as part of the overall audit contract.
 - This assistance includes answering accounting, reporting, or internal control questions related to the Reach Cyber Charter School's financial statements.
2. We understand that we may be requested to perform special projects for the Reach Cyber Charter School during the year. Such additional work will be contracted and billed separately to the Reach Cyber Charter School on an hourly basis and will be agreed upon prior to completion.
3. Completion of Pennsylvania Department of Education Comptroller's Office "Annual Financial Report," Form PDE-2057
4. Preparation of Federal Form 990 and any state required filings

Reporting to the Board of Directors

As your auditors, we will ensure that the Reach Cyber Charter School's Board of Directors and appropriate state and federal agencies are informed of each of the following:

- The auditor's responsibility under generally accepted auditing standards
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit
- Any indications of fraud or any information uncovered relating to any real or suspected improprieties by the Reach Cyber Charter School



REACH CYBER CHARTER SCHOOL

THE BARBACANE DIFFERENCE

We at Barbacane, Thornton & Company LLP have committed our resources to the government industry. Our strength is our commitment to the mission of every government that we serve. Because of our focused dedication to your industry, we are able to keep abreast of the changes within your industry as well as the accounting and auditing changes that effect government organizations. This results in tailored audit plans and programs that reflect your business. In addition to the technical superiority that arises from dedicating resources to one industry, client service is also superior. We choose to serve the government industry throughout the year.

The following words summarize the Barbacane difference:

DEDICATION

INTEGRITY

PROFESSIONALISM

EXCELLENCE

ENTHUSIASM

Serving Our Clients

Our clients are our business; therefore, we serve them with professionalism and integrity. We believe in maintaining a continuous relationship with our clients throughout the year. If at any time during the year you have technical accounting questions or internal control questions, we urge you to get us involved early, especially if it is an issue that will affect our subsequent years' audits.

Information Systems Audit Capabilities

As identified in the internal control section of our audit approach, we understand the technological environment in which our clients operate. As such, we identify technology controls within your processes and will test those controls. In addition, we may notify you of areas in which you can increase the use of technology to become more efficient and still maintain a strong internal control structure.

Our audit approach is based on the use of technology. We utilize electronic work paper programs and software that allow your engagement team's computers to talk with one another at your location. This improves the efficiency and effectiveness of our audit process.



REACH CYBER CHARTER SCHOOL

OTHER SERVICES

Barbacane, Thornton & Company LLP provides many services to our clients throughout the year. The following is a listing of some of the services that we provide:

- Agreed-upon Procedures
- Planning and budgeting systems
- Business Process Analysis
- Internal Control Reviews
- Research finance and accounting issues
- Review of financial statements
- Financial and Compliance auditing
- Special-purpose studies
- Pension and other benefit packages and compliance
- Financial forecasting and modeling

Your audit partner will be available throughout the year for consultation on finance and accounting issues. We do not believe in billing for short conversations regarding finance and accounting issues.

Issues requiring extensive research and special projects would require an addendum to the engagement letter. At such time we will confirm with management the objectives of the additional work and agree upon a fee. All additional service requests will be reviewed to determine the service allowability under GAO Independence Standards.



REACH CYBER CHARTER SCHOOL

PROJECT ADMINISTRATION

Proposed Schedule for 2017 Fiscal Year Audit

The following is a tentative schedule for the 2017 fiscal year audit.

1. Interim Fieldwork/Preliminary Internal Control Testing – **June/July 2017**
2. Detailed audit plan and list of all schedules to be prepared by Reach Cyber Charter School – **June 2017**
3. Full on-site fieldwork – **July/August 2017**
4. Draft financial reports and other data required for completion of the Annual Financial Report due – **September 30, 2017**
5. Final financial reports due – **October 31, 2017**
6. Board presentation of final audit – **October/November meeting**

A similar time schedule will be developed for audits of future fiscal years.

Assistance to be Provided to the Auditor

Business Department and Clerical Assistance

1. We understand that the business department staff and responsible management personnel will be available during the audit to assist us by providing information, documentation, and explanations to our inquiries.
2. The business office staff will prepare confirmations at the direction of the audit firm.



REACH CYBER CHARTER SCHOOL

PRICE COMMITMENT

Our price for the above services will be as follows:

	<u>Audit</u>	<u>Tax Filings</u>
June 30, 2017	\$ 12,000	\$ 1,100

APPENDIX A: PEER REVIEW

KIRK, SUMMA & CO., LLP

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 307
ONE DANSBURY SQUARE
EAST STROUDSBURG, PENNSYLVANIA 18301
570-421-0753
FAX # 570-421-3615

OTHER OFFICES

ALLENTOWN, PA
610-770-9889

BRODHEADSVILLE, PA
570-992-5876

DALE E. KIRK, C.P.A.
KEVIN D. SUMMA, C.P.A.

January 8, 2014

System Review Report

To Barbacane Thornton & Company LLP and the Peer Review Committee of the Pennsylvania Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Barbacane Thornton & Company LLP in effect for the year ended August 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Barbacane Thornton & Company LLP in effect for the year ended August 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Barbacane Thornton & Company LLP has received a peer review rating of *pass*.

Kirk, Summa, & Co. LLP

APPENDIX B: GOVERNMENT CLIENT LIST

GOVERNMENT CLIENT LIST

■ 64 Moderately Priced Dwelling Units	■ Academy of Dover Charter School
■ Agora Cyber Charter School	■ Allegany County Housing Authority
■ Allentown City School District	■ Allentown NIZDA
■ Anne Arundel County Housing Authority	■ Village of Arden
■ Trustees of Arden, DE	■ Borough of Atglen
■ Avon Grove Charter School	■ Avon Grove School District
■ Banneker Gardens	■ Town of Bellefonte
■ Bensalem Township School District	■ Bensalem Township School District Tax Collector
■ Berks Career & Technology Center	■ Berks County Housing Authority
■ Berks Vocational Technical School Authority	■ Bethel Township Tax Collector
■ Bethel Township	■ Bethlehem Housing Authority
■ Boyertown Area School District Tax Collectors	■ Cape May Housing Authority
■ Catoclin Manor, LLC	■ Chadds Ford Township
■ Chadds Ford Township Sewer Authority	■ Chadds Ford Township Tax Collector
■ Charlestown Township	■ Chester County Housing Authority
■ Chester County Tax Collection Committee	■ Chichester School District
■ City of Coatesville	■ College Park Housing Authority
■ Collegium Charter School	■ Colonial School District
■ Columbia County Housing Authority	■ Cumberland Housing Authority
■ Delaware County Intermediate Unit	■ Delaware County Area Vocational Technical School
■ Delaware Military Academy	■ Borough of Downingtown
■ Borough of Downingtown NU and Police Pensions	■ Borough of Downingtown Tax Collector
■ East Caln Township	■ East Fallowfield Township
■ East Marlborough Township	■ East Norriton Township
■ East Norriton Township IDA	■ East Nottingham Township
■ East Pikeland Township	■ Edgmont Township
■ Edgmont Township Tax Collector	■ Elkton Housing Authority
■ Franklin County Housing Authority	■ Franklin Township
■ Frederick Housing Authority	■ Friends of the Preparatory Charter School
■ Frostburg Housing Authority	■ Gateway Lab School
■ Glenmont Crossing Development Corporation	■ Glenmont Westerly Development Corporation
■ Hagerstown Housing Authority	■ Township of Haverford
■ Honey Brook Township	■ I-LEAD Charter School
■ I-LEAD, Inc.	■ Borough of Jenkintown
■ Kennett Consolidated School District	■ Kennett Township
■ Kent County Levy Court	■ Borough of Lansdowne
■ Las Américas ASPIRA Academy	■ London Grove Township
■ London Grove Township Municipal Authority	■ Lower Gwynedd Township
■ Lower Gwynedd Township Municipal Authority	■ Borough of Marcus Hook
■ Borough of Media	■ Borough of Media Business Authority
■ Borough of Media Fire Company	■ Borough of Media Tax Collector
■ Middletown Township	■ Middletown Township Non-Uniformed Pension
■ Minquadale Village Homeowners Association	■ Montgomery Arms Development Corporation
■ MOT Charter School	■ Municipal Services Commission
■ Newark Charter School	■ Newark Housing Authority

GOVERNMENT CLIENT LIST

■ Town of Newport, DE	■ North Coventry Township
■ Oil City Housing Authority	■ Oxford Area School District
■ Oxford Area Recreation Authority	■ Pennsbury Township
■ Pennsylvania Virtual Charter School	■ School District of Philadelphia
■ Pocopson Township	■ Town of Port Deposit
■ Positive Outcomes Charter School	■ Preparatory Charter School
■ Providence Creek Academy Charter School, Inc.	■ Quakertown Community School District
■ City of Rehoboth Beach	■ Borough of Ridley Park
■ Rose Tree Media School District	■ City of Salisbury, MD
■ School Lane Charter School	■ Schuylkill Township
■ Schuylkill Township Tax Collector	■ Town of Smyrna, DE
■ Southeast Delco School District	■ Borough of St. Lawrence
■ Borough of St. Lawrence Tax Collector	■ Sussex Academy of Arts & Sciences
■ Swarthmore Borough	■ Swarthmore Borough Authority
■ Swarthmore Borough Non-Uniformed Pension	■ Swarthmore Borough Police Pension
■ Thornbury Township, Chester County	■ Trainer Borough
■ Trainer Borough Non-Uniformed Pension	■ Trainer Borough Police Pension
■ Trainer Borough Tax Collector	■ Tredyffrin Township
■ Tredyffrin Township Deferred Compensation Plan	■ Tredyffrin Township Municipal Authority
■ Tredyffrin Township Police Pension	■ Tredyffrin Township Valley Creek Trunk Sewer
■ Twin Valley School District	■ Upper Uwchlan Township
■ Upper Uwchlan Township Authority	■ Upper Uwchlan Non-Uniformed Pension
■ Upper Uwchlan Township Police Pension	■ Wallace Township
■ Wallace Township Municipal Authority	■ Housing Authority of Washington County
■ Wayne County Housing Authority	■ West Chester Area School District
■ West Goshen Township	■ West Goshen Township NU and Police Pensions
■ West Goshen Township Sewer Authority	■ West Goshen Township Sewer Pension
■ West Goshen Tax Collector	■ West Nottingham Township
■ West Vincent Township	■ William Penn School District



CITRINCOOPERMAN®
FOCUS ON WHAT COUNTS



PROPOSAL TO PROVIDE PROFESSIONAL SERVICES TO:

REACH CYBER CHARTER SCHOOL

JUNE 12, 2017

WWW.CITRINCOOPERMAN.COM



June 12, 2017
Ms. Jane Swan
Principal
Mr. Kevin Corcoran
Charter Choices

Dear Ms. Swan and Mr. Corcoran,

On behalf of Citrin Cooperman, we appreciate this opportunity to present our proposal to provide Reach Cyber Charter School with audit services for the fiscal year ending June 30, 2017.

Citrin Cooperman shares many of the goals that drive Reach Cyber Charter School to provide a well-rounded and comprehensive curriculum designed to foster success for its students. Exceptionalism, supported progress, and individualized attention are not only the core values of Reach Cyber, but they were intrinsically integrated into the foundation of our Firm when we formed almost 40 years ago. There are several reasons why Citrin Cooperman can provide tailored services to fit Reach Cyber Charter School's needs and exceed its expectations including:

- **More Partner Face-Time Gives You Greater Return On Investment**
Citrin Cooperman provides greater partner and manager interaction with clients. This means you will get more one-on-one time with our decision makers and faster responses to critical issues that impact your operation.
- **Practical, Scalable, Actionable Advice**
Many large firms offer over-engineered solutions and advice that is theoretical, but not necessarily practical or easy to implement. We know that the biggest ideas are not necessarily the best ideas.
- **Impeccable Client Service**
Our caring about our clients begins with caring about our people. We know that successful engagements begin with happy professionals. And satisfied people tend to stay put, providing Reach Cyber Charter School with engagement team continuity.
- **Speed and Agility To Make Decisions and Resolve Issues**
We are empowered to make decisions locally, rather than moving issues up through a complex chain of command.

Citrin Cooperman is well qualified to meet your professional service needs. We bring the stature, reputation, and depth of resources of a leading accounting and advisory firm, while providing the locally-driven subject matter and technical expertise, partner-level attention, and business guidance that you need to achieve your objectives.

Selecting a service provider is an important decision, and we know that you may have questions. Please feel free to call or email us to answer any questions or to discuss next steps. Thank you for your interest in Citrin Cooperman.

Very Truly Yours,

Handwritten signature of Kevin Ryan in black ink.

Kevin Ryan, CPA
Partner

Handwritten signature of James F. Capasso, III in black ink.

James F. Capasso, III, CPA
Partner



TABLE OF CONTENTS

The Firm - Background and Qualifications	1
The Team – Credentials and Qualifications	3
Charter School Audit Approach and Experience	8
References	12
Fees	13
Appendices:	
Appendix A: Peer Review Report	14
Appendix B: Risk Alerts, Articles, and Useful Checklist	15



THE FIRM - BACKGROUND AND QUALIFICATIONS

Citrin Cooperman is among the leading, nationally recognized accounting, audit, tax, and business advisory firms – currently ranked in the top 25 firms in the United States. The firm was founded in 1979 by Joel Cooperman and Niles Citrin and today is the 21st largest accounting and consulting firm in the United States and 4th largest in the Mid-Atlantic region. Joel Cooperman is Citrin Cooperman’s Chief Executive Officer. The firm has an Executive Committee that works closely with Joel in respect to the firm’s strategy and governance. In addition, each of the firm’s offices has an office managing partner who reports to Joel and is responsible for the operations in each of the firm’s locations.

For over 35 years, we have worked with our clients to provide strategic advice for key life-cycle moments, actively bringing our best-in-class resources so you can focus on what counts. Whether you are an entrepreneur, a middle-market company, or a global publicly-traded conglomerate, we provide access to top-tier professionals who strive to understand a company’s differentiators and goals, specializing in going beyond the core compliance functions to provide valuable insight on key business decisions. Around the corner or across the globe, we can provide new perspectives on strategies that will help you achieve your short- and long-term goals. Our daily mission is to enhance the businesses and personal lives of our clients through our technical and industry depth and our enthusiasm for building long-standing relationships. Finding innovative solutions is what drives our professionals and helps our clients succeed.

21 Citrin Cooperman is ranked the nation’s 21st largest accounting firm.

MORE THAN 900 PARTNERS AND STAFF

25+
Our employees speak more than 25 languages

11 LOCATIONS

- ▶ United States
Bethesda, MD
Braintree, MA
Livingston, NJ
New York, NY
Norwalk, CT
Philadelphia, PA
Plainview, NY
Providence, RI
White Plains, NY
Woburn, MA
- ▶ Citrin Cooperman International
Ahmedabad, India

ACCOLADES:

- ▶ Best Accounting Firms to Work For
Accounting Today
- ▶ Best Places to Work in CT
Hartford Business Journal
- ▶ Best Places to Work in NYC
Crain’s New York Business
- ▶ Best Places to Work in PA
Central Penn Business Journal
- ▶ Best Places to Work in NJ
NJBIZ



OUR FULL-SERVICE ENVIRONMENT

Working with a full-service accounting and consulting firm means so much more than just audits and tax returns. In addition to our dedicated industry practice and full range of audit, attest, and core tax services offerings, Citrin Cooperman also has a deep bench of consulting and specialty services to help support your business and personal assets from all angles.

Below is a chart illustrating the full menu of services we offer.

AUDIT	TAX	ADVISORY
<ul style="list-style-type: none"> Audits of financial statements of not-for-profit organizations and publicly- and privately-held companies 	<ul style="list-style-type: none"> Federal tax compliance, planning, and audit dispute resolution 	<ul style="list-style-type: none"> Fraud investigations
<ul style="list-style-type: none"> Attest reports (agreed-upon procedures, reviews, compilations) 	<ul style="list-style-type: none"> Federal tax consulting 	<ul style="list-style-type: none"> Valuation and litigation support
<ul style="list-style-type: none"> Compliance audits and royalty audits 	<ul style="list-style-type: none"> State and local tax matters including credits and incentives 	<ul style="list-style-type: none"> Mergers, acquisitions, and due diligence
<ul style="list-style-type: none"> Employee benefit plan audits and compliance 	<ul style="list-style-type: none"> International tax 	<ul style="list-style-type: none"> Internal audit services, SOX, readiness assessments
<ul style="list-style-type: none"> SAS 50 engagements (technical accounting support) 	<ul style="list-style-type: none"> Private wealth services 	<ul style="list-style-type: none"> CFO strategic services including start-up company services
<ul style="list-style-type: none"> International Financial Reporting Standards reporting 	<ul style="list-style-type: none"> Tax controversy 	<ul style="list-style-type: none"> Project management
<ul style="list-style-type: none"> Sarbanes-Oxley expertise 	<ul style="list-style-type: none"> Compensation and benefits 	<ul style="list-style-type: none"> Business performance improvement



THE TEAM – CREDENTIALS AND QUALIFICATIONS

Ultimately, it's the people-on-the-ground that deliver successful results. Your Citrin Cooperman engagement team will minimize disruptions to your operations, reduce stress and deliver high-quality solutions aligned with industry best practices. You can expect continuity from this team. Reach Cyber Charter School will know who will be working on your engagement and will be informed of the team's experience. You will have access to the team throughout the year, not just during the course of the audit. You'll enjoy working with this collegial, collaborative and qualified group of professionals, who are committed to meeting your needs.

Our firm is unique in that we provide a hands-on leadership team that stays actively involved through all phases of the engagement. We provide working partners who serve as part of the project management and may, in fact, assume roles that other firms would leave to less experienced staff. This distinction adds value for our clients and enables us to exceed expectations while still delivering cost-effective solutions. Our professionals each bring extensive experience serving not-for-profit charter schools of your size/structure.



KEVIN RYAN, CPA

Partner

1800 JFK Blvd.
Philadelphia, PA 19103
T: 215.545.4800 x 4120
E: kryan@citrincooperman.com

Kevin Ryan is a partner with more than 25 years of experience providing audit, tax, and business consulting services. He advises clients in a wide range of fields, with a special focus in the charter school and not-for-profit sectors.

Previously, Kevin was a partner at the firm Yampolsky, Mandeloff, Silver, and Ryan, which joined Citrin Cooperman in 2007.

Kevin has serviced more than two dozen Philadelphia area schools, along with not-for-profit organizations. He has been engaged by the City of Philadelphia to help assess a school's financial health. He works with finance and audit committee members of various not-for-profit entities to help them better understand their role and the role of the auditor.

Presentation and Publications

Kevin has authored and contributed many articles in publications including *Region's Business*, *AccountingWEB*, *Global Traveler Magazine*, *The Legal Intelligencer*, and the *South Eastern Economic Development Company of Pennsylvania's Seedcopa* blog. He has also presented at numerous industry events and conferences, such as the Knowledge Congress, the Pennsylvania Charter School Coalition Conference, SBA Community Advantage Users Group, and the annual Foundations, Inc.'s Beyond School Hours Conference. He frequently speaks on the roles and responsibilities of board of directors.

Affiliations

Kevin is a member of the American Institute of Certified Public Accountants (AICPA) and the Pennsylvania Institute of Certified Public Accountants (PICPA). He is the past national secretary and treasurer of the Leukemia and Lymphoma Society, and was vice-chairman of the organization's National Audit Committee. He is also past chairman of their local board and has been active on other various non-profit and for-profit boards over the years. Additionally, he is a former member of the firm's Executive Committee.

Education & Licenses

Kevin earned his B.S. degree in Accounting from Temple University. He is a Certified Public Accountant in the State of Pennsylvania.

"MY BEST CLIENT RELATIONSHIPS HAVE COMMUNICATION
AS THE FOUNDATION."

– Kevin Ryan



JAMES F. CAPASSO, III, CPA

Partner

1800 JFK Blvd.

Philadelphia, PA 19103

T: 215.545.4800 x 4149

E: jcapasso@citrincooperman.com

Jim Capasso has 15 years of experience in the accounting industry, specifically in the areas of charter schools, not-for-profit, manufacturing and distribution, and real estate. He has served primarily family-owned, entrepreneurial businesses and embraces the opportunity to work closely with his clients to provide them with the proper guidance for their financial statement and accounting needs.

Prior to joining Citrin Cooperman, Jim served as an assurance manager for a large, national accounting firm.

Affiliations

Jim is a member of the American Institute of Certified Public Accountants (AICPA) and the Pennsylvania Institute of Certified Public Accountants (PICPA).

Education & Licenses

Jim earned his B.A. in Accounting from Holy Family University. He is licensed as a Certified Public Accountant in the State of Pennsylvania.



ALYSSA KAYE, CPA

Audit Supervisor

1800 JFK Blvd.

Philadelphia, PA 19103

T: 215.545.4800 x 4164

E: akaye@citrincooperman.com

Alyssa Kaye is an audit supervisor with over five years of experience providing accounting, audit, and review services. She has worked with clients in a wide variety of industries including charter schools, not-for-profit organizations, and employee benefit plans.

Prior to joining Citrin Cooperman in July 2015, Alyssa spent three years at a regional public accounting firm located in Pittsburgh.

Education & Licenses

Alyssa received her M.S. in Accounting and B.S in Accounting from the University of Pittsburgh. She is a Certified Public Accountant in the State of Pennsylvania.



Kelsey Joniec

Semi Senior

1800 JFK Blvd.

Philadelphia, PA 19103

T: 215.545.4800 x 4115

E: kjoniec@citrincooperman.com

Kelsey, a semi senior in the firm's Philadelphia office, has experience providing audit, accounting, and tax services to a diverse client base in industries including not-for-profit and charter schools.

She is a member of the not-for-profit committee and volunteers through Citrin Cooperman Cares.

Education & Licenses

Kelsey received her B.S. in Accounting from Temple University



CHARTER SCHOOL AUDIT EXPERIENCE AND APPROACH

OVERVIEW OF CITRIN COOPERMAN'S NOT-FOR-PROFIT PRACTICE

Citrin Cooperman's dedicated Not-For-Profit Practice consists of professionals with the expertise and knowledge to meet the needs of not-for-profit organizations in the areas of accounting, audit, tax, and consulting. And, when you need a highly specialized service, you can count on our team to develop innovative solutions and strategies to help your organization succeed. We are committed to serving as a valuable resource to you when it comes to compliance and governance issues so your organization can focus on success and not regulations.

The following are some of the services that are provided by the firm to not-for-profit clients:

- Audit, assurance, and review services
- Business planning and budgeting
- Evaluation of grant provisions and reporting
- Evaluation of internal controls and reporting
- Audits of employee benefit plans
- Assisting with obtaining financing and funding
- Review of operational and financial systems
- Tax compliance and consulting services
- IRS tax exam representation
- Outsourced accounting services

Citrin Cooperman provides audit services to approximately 100 various not-for-profit organizations and dozens of charter schools in the Philadelphia area, and tax services to numerous additional not-for-profit organizations. The not-for-profit organizations served include:

- Charter schools
- Crisis and intervention organizations
- Cultural and arts organizations
- Education services organizations
- International organizations
- Low-income housing entities
- Membership organizations
- Private and public foundations
- Professional and trade associations
- Religious organizations
- Research and scientific organizations
- Social services organizations

Citrin Cooperman's Not-For-Profit Practice regularly publishes articles, hosts events, and speaks on topics related to the not-for-profit and charter school industries.

EDUCATIONAL SEMINARS AND ROUNDTABLES

Citrin Cooperman provides educational seminars and programming throughout the year based on market demand and clients' needs. Our Not-For-Profit Practice provides executive roundtable events in intimate settings of 15-20 attendees and can be customized exclusively for the School's management and/or board of directors.

Future topics for roundtable events include:

- What You Can Expect From an IRS Examination of Your 990 Return

Prior events covered topics including:

- What You Can Expect From an IRS Examination of Your Employee Benefit Plans
- IT Systems: The Importance of Maintaining a Disaster Recovery Plan and Proper Systems Backups
- Board Governance and Executive Compensation
- Investment Governance and Oversight Tips



- Navigating the Form 990
- What Are Your Fiduciary Responsibilities? (plan sponsors)

These seminars are provided to our clients at no charge since we believe it is important to provide education and an open forum for the exchange of best practices to our clients.

PUBLICATIONS (ARTICLES, RISK ALERTS, AND CHECKLISTS)

A sample of recent not-for-profit publications includes:

- Self-Dealing Risk Overview
- Overtime Pay Expansion Blocked
- Pitfalls of Reporting on Net Assets
- What You Can Expect From an IRS Examination and How to Prepare for It Properly
- Uniform Guidance on Federal Awards
- What Organizations Should Consider When Receiving Donated Goods, Services, and Facilities
- Challenges in Evaluating Reasonable Methodologies for Allocating Expenses by Functional Category
- Reporting Beyond the Numbers: Charter School Compliance
- Pensions: Key Changes in Accounting and Financial Reporting
- Do You Have Adequate Backup? What to Consider in Developing Your Disaster Recovery Plan
- Annual Board Governance and Compliance Checklist
- Corporate Governance: A Primer for Not-for-Profit Audit Committee Members
- Independent Contractor vs. Employee: What's the Difference

Please see **Appendix B** for copies of the firm's publications referenced above.








AUDIT APPROACH

Professionals from the firm's Not-For-Profit Practice, who specialize in charter school audits and matters, will participate in providing this service in an efficient and effective manner. Citrin Cooperman will invest time up front in planning our engagement to design our audit procedures based upon the risks to the financial statements that we identify. In order to provide customized, responsive audit services that are aligned with your organizational needs, our services will include:

- Comprehensive planning, tailored to Reach Cyber Charter School's needs and preferences, and skillful project management.
- Strong interaction with management and consistent communication throughout the process.
- A highly experienced engagement team and responsive support from specialists, as necessary.
- Significant partner and manager involvement throughout the entire audit process.
- Innovative technologies that streamline the process and reduce costs.
- Ongoing insights and best practice sharing, ranging from emerging accounting and tax issues to industry trends.
- Assistance and consulting on accounting transactions while maintaining independence.

OUR FIVE-STEP SYSTEM

 PLANNING	In this phase, we review our understanding of Reach Cyber Charter School's operations, control environment, accounts, and information systems and identify critical areas of risk. We plan the audit timetable together.
 RISK ASSESSMENT	We use our understanding of the internal control system and operations to identify the inherent audit risks and strengths of the business and information systems. By performing a risk assessment, we can customize our audit approach to focus our efforts on key areas.
 EVALUATION OF INTERNAL CONTROLS	We evaluate the operations and controls of each significant internal control system. Based on the results of this evaluation, we determine the extent of our ability to test internal controls to supplement our audit plan, which also reduces substantive procedures.
 SUBSTANTIVE TESTING	We use audit software as part of our substantive testing. This enables us to retrieve information from data files, if needed, without affecting the integrity of the data.
 CONCLUDING AND REPORTING	We conclude on both the financial statements and management letters to meet your requested reporting deadline. Drafts of all our reports will be provided to management for input and review shortly after the fieldwork is concluded.



Audit planning

Our engagement team is composed of audit and tax professionals in order to ensure a complete perspective on relevant risks and issues. The result is an efficient audit that helps you anticipate and prevent risks and related financial statement misstatements rather than only “find and fix” errors.

During the planning phase, we will further increase our familiarization with your organizational and reporting structure, your key business processes, and your audit risks to heighten the efficiency of the audits.

Risk assessment

As part of the audit planning process, we will meet with key financial and executive personnel of Reach Cyber Charter School to review your strategic goals, objectives, business plan, and risk areas.

Our primary responsibility is to provide Reach Cyber Charter School with high-quality, cost-effective audits. Our approach is based on a risk assessment orientation. Before any detailed procedures are performed, we spend considerable time evaluating the overall environment in which each entity operates, as well as its internal control structure.

In making an overall risk assessment, we also consider such factors as the historical accuracy of internal financial reporting, industry trends, management turnover, the soundness of Reach Cyber Charter School’s financial condition, the emphasis placed by management on a positive control environment, and the overall design of the accounting system.

Internal control evaluation

Every organization’s needs and resources are different. By combining our knowledge of business risks with our experience of internal control practices, we can help you assess key areas of risk, evaluate your current controls, and implement appropriate changes. A well-organized internal control system can minimize opportunities for mismanagement, waste, and fraud. It also improves the efficiency of your business processes and provides new insights into your operations and performance.

Substantive testing approach

Based on the results of our risk assessment and other planning procedures, our audit procedures will focus on areas most critical to your activities and operations including, but not limited to revenue recognition, related party transactions, payroll costs, insurance costs, and debt and equity.

Concluding and reporting

Following the completion of the audit, we will issue the following reports as applicable:

- A report on the fair presentation of Reach Cyber Charter School’s financial statements in conformity with accounting principles generally accepted in the United States of America.
- A management comment letter describing recommendations on internal control over financial reporting, identifying control deficiencies, areas for improvement, and other business implication matters, as applicable.
- Required communications to management and the board of directors.



REFERENCES

Due to privacy issues we cannot release the names of our clients without their permission, however, if you would like to speak to some of our clients we will procure their consent and schedule a call with them for you.



FEES

We believe that fees should be commensurate with the time involved and the value of the services rendered. Our approach is designed to deliver value-added, cost-effective professional services. With all new clients, there are start-up costs related to planning, development of permanent file material, supervision, and administration. We absorb these costs as our commitment to building a long-term relationship.

At Citrin Cooperman, we practice a policy of “no surprises.” You will know our fee up front without any hidden costs. Our proposed pricing is as follows:

AUDIT SERVICES	FEES
Preparation of year-end financial statements in accordance with GAAP for: Reach Cyber Charter School	
Preparation of Form (2057) Commonwealth of Pennsylvania Annual Financial Report (AFR)	
Single audit and compliance	
Preparation of Federal Form 990	
Compliance with external bond covenants	
Meetings with the audit committee and/or board of directors	
Routine meetings and telephone calls on issues	
Total	\$21,000 - \$23,000

ASSUMPTIONS

The fee quoted assumes there will be no significant change in the nature, size, or structure of the existing operations of the School. In light of the current accountancy environment, our fee also assumes there will be no significant change in the scope of auditing standards and accounting principles generally accepted in the United States of America.

We do not charge for routine questions during the year. If a question arises that requires a significant amount of time and research, we would let you know prior to doing any work. Fees charged for these services would be based on our standard billing rates subject to a fair and reasonable discount.



APPENDIX A: PEER REVIEW REPORT

ELLIN & TUCKER
CHARTERED

SYSTEM REVIEW REPORT

To the Partners of
Citrin Cooperman & Company, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Citrin Cooperman & Company, LLP (Firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2014. Our peer review was conducted in accordance with Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a system review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, and examinations of service organizations [Service Organizations Control (SOC) 1 engagement].

In our opinion, the system of quality control for the accounting and auditing practice of Citrin Cooperman & Company, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2014 has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Citrin Cooperman & Company, LLP has received a peer review rating of *pass*.

Ellin & Tucker, Chartered

ELLIN & TUCKER, CHARTERED
Certified Public Accountants

Baltimore, Maryland
December 11, 2014



ELLINANDTUCKER.COM



APPENDIX B: RISK ALERTS, ARTICLES, AND USEFUL CHECKLIST

Please consult the following pages for copies of the firm's publications referenced in the above proposal.



Alerts



Dec 12, 2016

Self-Dealing Risk Overview

'Self-dealing' between donors and their private foundations has been garnering a lot of interest by the media in recent news cycles. So, what is 'self-dealing' and why does it matter?

Private foundations have a preferential tax status, meaning transactions between the foundation and disqualified persons, such as a major contributor or executive, are not allowed. The reasoning behind this is to avoid the misuse of the assets for non-charitable purposes.

What you should know:

Who is a disqualified person? Substantial contributors, foundation managers, and owners of corporations who are contributors (or any members of their families). Bottom line, if the person is even remotely related to the foundation or a major contributor, take a closer look at these rules.

What is prohibited? Examples of prohibited transactions are the sale or lease of property; lending money; providing goods or services; paying compensation or transferring assets of the foundation to, or for the use or benefit of, a disqualified person. You should look carefully at transactions where it could be deemed that the person is receiving a direct or indirect benefit.

What is the penalty? The initial penalty is an excise tax imposed on the disqualified person of 10% of the amount involved for each year until it is corrected. The foundation manager who knowingly participates in an act of self-dealing is also assessed a 5% penalty for each year. Finally, there is an additional excise tax of 200% of the amount involved imposed on the disqualified person if the act is not corrected within the time prescribed by the regulations.

The takeaway?

To be safe, you should scrutinize transactions between the foundation and disqualified persons carefully and try to correct them on a timely basis if one does occur.



Articles



Nov 28, 2016

Overtime Pay Expansion Blocked

The new Fair Labor Standards Act ("FLSA"), a policy that would have given more white-collar workers overtime pay starting Dec. 1st, was blocked nationwide by a federal judge on Tuesday, November 22nd. This ruling prevents the Department of Labor from implementing the proposed changes while the regulation's legality is examined in more detail by the court.

Employers that have not yet implemented any changes to comply with this rule: the injunction removes the immediate requirement for any action and presents the possibility that changes may not be required, pending the final decision on the rule.

Employers that have already commenced implementing changes to comply with this rule: if you have informed employees their salaries will be increased or that they will be converted to non-exempt status on December 1, 2016 this recent development could pose a challenging situation. It is strongly advised employers speak with their advisor before making any further modifications to employee compensation plans.

The injunction will remain in effect while the case is decided; our Not-For-Profit Practice will provide updates and more information as it becomes available.

A brief background on the new Fair Labor Standards Act:

The policy requires employers to pay time-and-a-half to their employees who work more than 40 hours a week and earn less than \$47,476 a year (raised from \$23,660, thus doubling the salary cap). Employees subject to these changes include full-time executive, administrative, and professional workers, extending overtime protections to about four-million full-time salaried workers. Currently just 7 percent of these workers are protected by the FLSA, compared with 62 percent in 1975. The policy also includes a provision to readjust the pay rate every three years to reflect changes in average wages.

Leading up to the recent injunction, 21 states and dozens of business groups sued, due to the increase in government costs. The rule could create budgetary constraints and force layoffs or reduction in working hours as a result of the public and private sectors potentially spending millions more in salaries.

According to those that disagree, the policy:

- ❖ Fails to consider regional salary and economic differences in setting the nationwide base pay rate;
- ❖ Doesn't consider whether all workers at this pay level should qualify as white-collar employees;
- ❖ Doesn't make exceptions for small municipalities or businesses that will have a hard time paying higher salaries; and
- ❖ Usurps Congress's exclusive authority to set minimum wages and ignores the required public comment period before imposing its new rule.

For more information please contact Not-For-Profit Practice Leader **Adam Reiss**.

[Download the full court document here.](#)



Articles



Jun 02, 2016

Pitfalls of Reporting on Net Assets

By Steven Glickman and Adam Reiss

Financial statements of not-for-profit organizations display net assets in three classes:

- Unrestricted
- Temporarily restricted
- Permanently restricted

These categories are based on the existence or absence of donor-imposed restrictions and are defined in the accounting standards under Financial Accounting Standards Board ("FASB") ASC 958-210-20. Readers of financial statements rely on these classifications to determine what net assets have external restrictions, which could be purpose or time restricted. Although these classifications may appear simple, there are several issues and reporting pitfalls that exist.

One of these pitfalls is the determination of whether a grant should be treated as a contribution or as an exchange transaction. The distinction is not always clear, typically requiring the use of an individual's judgment. If a contribution is mistakenly classified as an exchange transaction, or vice versa, the result could be improper revenue recognition and reporting of the resulting net assets as unrestricted or temporarily restricted.

Contributions and grants received from individuals, corporations, and foundations should be recognized as revenue upon receipt or notification. A determination needs to be made immediately regarding whether the donor has imposed any restrictions, thereby requiring the not-for-profit organization to classify the contribution or grant as a temporarily or permanently restricted contribution or grant income. Temporarily restricted contributions or grants will be reclassified to unrestricted net assets upon either the passage of time or satisfaction of a purpose restriction. Permanently restricted contributions are maintained in perpetuity, thereby not allowing for the principal corpus to be utilized. Grants awarded by federal, state, or city government agencies are treated as exchange transactions similar to contracts, meaning a service is provided in exchange for the funds granted and are classified and recognized as unrestricted revenue when the obligation is fulfilled or service is provided.

There are typically three types of grants or contracts:

- Expense reimbursement grants whereby revenue is recognized only to the extent the allowable expenditures are incurred.
- Fee-for-service contracts which are recognized upon the completion of the service.
- Performance-based contracts which are a results-oriented contracting method that focuses on the outputs, quality, or outcomes that may tie at least a portion of a funding to the achievement of specific, measurable performance standards and requirements, often referred to as milestones.

The proper reporting of revenue from gifts of long-lived assets (e.g., property, buildings, equipment, etc.) is also often overlooked, leading to misclassifications. A common misclassification is reporting revenue from gifts-in-kind as unrestricted, without regard to donor intent or alternative accounting rules. If a donor places a time or purpose restriction on the donated long-lived asset, the revenue should be classified as temporarily restricted. The gifts would remain in temporarily restricted net assets until the purpose or time restriction is met.

Endowment funds which are an established fund of cash, securities, or other assets restricted by the donor with the stipulation that they be invested in perpetuity to provide income to maintain the organization's activities should be classified as permanently restricted net assets. Determination and related reporting of the amount to classify as permanently restricted net assets is typically measured by the historic dollar value of the original gift. The historic dollar value ("HDV") is used as the minimum amount of an endowment fund to report as permanently restricted. Additionally, interest, dividends, and gains on the permanently restricted endowment funds tend to be classified as temporarily restricted net assets until they are appropriated for by the not-for-profit organization's governing board for expenditure.

Endowment funds are governed by the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") which became effective in July 2006. Some highlights of this legislation include:

- Abolishing the HDV limitation on expenditure. This limitation was replaced by a provision that allows the organization's governing board to appropriate for expenditures of the endowment fund that it deems prudent, and the actions must be in "good faith," or the same care that an ordinarily prudent person in a like situation would exercise under similar circumstances.
- Investment managers having more flexibility in the types of assets that can be maintained in a portfolio compared with the requirements under the Uniform



Management of Institutional Funds Act ("UMIFA").

- ⚡ Investment management fees must be managed prudently in relationship to the assets being invested in for the endowment, the purposes of the organization, and the skills available to the charitable organization.
- ⚡ Total return expenditure of investment returns is expressly authorized under the prudent standards relating to the charitable organization's economic situation.

The aforementioned issues are just some of the more troublesome ones to consider. Reporting net assets in the appropriate classification is not always an easy determination. It requires judgment, an understanding of state laws, regulations, and accounting standards, and the ability to look ahead to the consequences and implications of these classifications.

For more information on the pitfalls of reporting on net assets, please contact Not-For-Profit Practice Leader **Adam Reiss**.



Feb 18, 2016

What You Can Expect From an IRS Examination and How to Prepare for It Properly

By *Eric Albert, JD, CPA and Edwin Biazon, EA*

There it is. You are sorting through the mail and you see the letter from the Internal Revenue Service (IRS) indicating that the IRS will be conducting an examination of your organization's tax return. Before you hit the panic button, remind yourself that if you consider the information in this article, the examination process will hopefully be concluded with a successful result, and with less stress.

To begin, the IRS conducts two types of audits:

Field audit (or examination) – The initial contact letter will indicate that the IRS agent wishes to conduct the examination at your organization's premises.

Office/correspondence audit (or examination) – The letter will request that you mail documents to an IRS office.

If a field audit is to be conducted, an agent will typically visit your location, tour the premises, and conduct an in-person interview with an officer or representative of the organization. The agent will review all requested documents, including your organization's books and records, annual tax returns and related returns such as employment tax returns, or prior and subsequent year returns.

If an office/correspondence audit is being conducted, you can expect that the information that you submitted by mail will be reviewed by the assigned IRS agent. The agent may call you to request clarification on a particular item or send an additional information request as a normal course of the examination. A correspondence audit may become a field audit depending on the type of issues generated during the course of the examination.

As part of the examination you may be asked to produce a large volume of financial information and other correspondence. The IRS will often enclose an Information Document Request with the examination letter. As you review the request, you may realize that the IRS agent is requesting a substantial amount of information. We have found that calling the agent prior to the appointment date and asking the agent if there is a specific area that will be focused on can provide you with guidance as to what areas are more important to your particular agent. Thus, you may be able to shorten the list of information that you will need to present to the examining agent.

Despite the horror stories that we have all heard, most of the IRS agents that we deal with are professional and their agenda is nothing more than to do their job. We recommend that you cooperate with any reasonable request for documents. If you believe certain items being requested are unreasonable, then we recommend contacting the agent to make sure that you understand the agent's request. At times the language used in the tax code has a different meaning than it does in your world. Also, any communication, oral or written, should be as accurate as possible. The better the rapport and credibility that you can establish, the greater the likelihood that the examination will go as smooth as possible.

After the examining agent has gathered information, the audit proceeds to its final stages. The organization, its representative, and the IRS agent or other IRS personnel will discuss audit findings in a closing conference (in person or by telephone). The following may occur at the closing of the audit:

- ⚡ Accept returns as filed (no change)
- ⚡ Accept returns and recommend changes to improve compliance (no change with advisory) – conference topics (discuss agent findings and recommendations)
- ⚡ Adjust tax-exempt status or tax liability – conference topics (deliver report of examination and explain changes)
- ⚡ Allow or disallow a claim for refund or a request for abatement – conference topics (deliver report of examination and explain disallowances)

A final closing letter will be issued after the closing conference and all administrative and review processes have been completed.

If the organization is not in agreement with the agent's determinations, the organization can certainly avail itself of its right to appeal. The first level of appeal is within the IRS. The decisions reached by the IRS agent may be appealed to a local appeals office, which is the only level of appeal within the IRS. Conferences with appeals office personnel may be done in person, through correspondence, or by telephone with the taxpayer or its authorized representative. Only attorneys, CPAs, or enrolled agents are allowed to represent a taxpayer in an Appeals Conference. An unenrolled preparer may be a witness at the conference, but not a representative.

In addition to administrative remedies, an organization may use certain judicial remedies. If statutory prerequisites are met, an organization may file suit in a United States District Court or the United States Claims Court, or in the United States Tax Court for a redetermination of any tax deficiencies. An organization may also file suit for a declaratory judgment in certain situations.

To conclude, if you filed an accurate return and maintain the proper documentation, the IRS examination process can be completed successfully.

For more information on IRS examinations and how to properly prepare, please contact Not-For-Profit Practice Leader **Adam Reiss**.



Dec 03, 2015

Uniform Guidance on Federal Awards

By Brianna Fulginiti, CPA

In an effort to be more efficient, effective, and transparent, the Office of Management and Budget (OMB) has issued guidance that supersedes and streamlines the eight OMB circulars to which federal agencies previously adhered. In developing this new guidance, the OMB published notices of proposed guidance to allow all stakeholders in federal grants insight into the reform ideas being developed and to allow them the opportunity to input additional suggestions for reform. The reform that resulted is titled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

Federal agencies must implement policies and procedures by publicizing regulations effective December 26, 2014, and non-federal entities must implement the new administrative requirements and cost principles for all new federal awards made after December 26, 2014, including any funding increments to existing awards made after that date. For the reform to be applicable, the aforementioned funding increments must include an opportunity to modify award terms and conditions. Non-federal entities are allowed to implement entity-wide system changes to comply with the new requirements.

The new guidance affects the entire lifecycle of federal awards starting with the application process, the administration of federal grants, management of the granted funding, and finally the single audit that may be required depending on the level of federal awards expended by an entity.

The Uniform Administrative Requirements are categorized as follows:

- ⌘ Subpart A – Acronyms and Definitions
- ⌘ Subpart B – General Provisions
- ⌘ Subpart C – Guidance for Applying for Federal Awards
- ⌘ Subpart D – Post Federal Award Requirements – for both prime recipients and sub-recipients
- ⌘ Subpart E – Cost Principles
- ⌘ Subpart F – Single Audit Requirements

In an attempt to remove influence or bias on competitive grants, federal agencies are now required to post notices of all grant opportunities online. Applying for a new grant is simplified, as the federal government has moved toward a more uniform application (guidance for the application process can be found in Subpart C). Federal awarding agencies are also prohibited from imposing additional or inconsistent requirements with some exceptions and can only apply more restrictive requirements to a class of federal awards or non-federal entities when approved by the OMB and required by federal statutes or regulations. On a case-by-case basis, certain compliance requirements may be waived.

Subpart A is intended to simplify interpretations of any language found throughout. Financial management requirements, included in Subpart D, provide for more detailed records be kept to identify the source of the federal award and application of the funds. Non-federal entities are required to establish and maintain effective internal control over the federal award and these internal controls should be in compliance with guidance in the Green Book issued by the Comptroller General of the United States and the “Internal Control Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Subpart E requires specific support of personnel costs, such as existence of employees, reasonableness of compensation, and assignment and allocation of federal awards, with changes primarily in the area of assignment and allocation of salaries to federal awards. Direct recipients of federal awards, as well as sub-recipients, should familiarize themselves with new standards for documentation of compensation. Budgets alone do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided certain criteria is met. This subpart also requires pass-through entities to provide an indirect cost rate to sub-recipients. Federal agencies and pass through entities will have to accept a non-federal entity’s negotiated indirect cost rate, unless a statute or regulation allows for an exception.

New single audit requirements detailed in Subpart F will be effective for years ended December 31, 2015, and beyond. This section raises the threshold for single audits of entities that expends federal award money from \$500,000 to \$750,000 per fiscal year. The Government Accountability Office (GAO) estimates that, as a result of the higher threshold, approximately 5,000 non-federal entities will be relieved of the single audit requirement.

All direct recipients and sub-recipients of federal awards should become adept in the new requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and keep this document handy for quick reference.

The 103-page document detailing the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards can be found [here](#).



Notices of all grant opportunities are required to be posted at www.grants.gov. The Green Book can be found at www.grants.gov and COSO guidance on internal controls can be found at www.coso.org/guidance.

For more information on how these changes may affect you or your organization, please contact **Adam Reiss** at 212.697.1000 or areiss@citrincooperman.com or **Kevin Ryan** at 215-545-4800 or kryan@citrincooperman.com.



Nov 30, 2015

What Organizations Should Consider When Receiving Donated Goods, Services, and Facilities

By James Reynolds

Most organizations receive some sort of an in-kind donation, whether it is a contribution of goods or services. The types of in-kind donations are endless and include gifts of tangible or intangible assets, such as food, supplies, clothing, leased space, investment securities, and advertising. They can also include services received by lawyers, accountants, doctors, architects, computer programmers, contractors, affiliated organizations, and other volunteers.

The various types of in-kind donations received require careful analysis and consideration for how a not-for-profit organization records these items in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Contributions of Facilities, Utilities, and Other Long-Lived Assets

When an organization receives free or discounted use of a building or utilities from the legal owner of the property, the fair value of the benefits received, in excess of any amounts paid, should be recorded as revenue in the period the contribution is received. The related depreciation expense should be recognized during the period of use. A common consideration when estimating the fair value of the contributed use is whether the organization would otherwise be willing to pay the market price for the same asset if its use was not contributed.

If the donor has also specified the purpose for which the facilities or long-lived assets are to be used, restricted net assets will be released once both the purpose has been met and the time has elapsed.

Donated Securities

Donated securities are an effective way for donors to give to an organization that fits into their overall personal tax planning. An organization that receives donated securities should record a contribution at the fair value of the securities on the date received, or pledged if an organization receives verifiable documentation committing certain securities before they are actually received. Any difference between the value of the pledge and the value of the securities subsequently received would be recorded as an additional contribution or a deduction to contribution income.

Most organizations have a policy of selling donated securities shortly after receipt, often within a few days. Organizations should keep in mind that any difference between the proceeds received from the sale of donated securities and the fair value on the date the donated securities were received should be recognized as a realized gain or loss. The cost to sell the securities (i.e. investment fees) should be recognized as an expense.

Contributed Services

Many organizations receive some form of volunteer time, whether it is for direct service in its programs, or board involvement. The value of contributed services must be recognized if the services either create or enhance nonfinancial assets or require specialized skills, and are provided by individuals with those skills, and would typically need to be purchased if the services had not been donated. Common types of contributed services include those from architects, teachers, lawyers, accountants, bankers, investment advisors, and property management.

Valuation Considerations

In-kind donations that can be used or are required to be sold must be measured at fair value and follow the established framework under GAAP, which is based on the concept of "exit price." Valuation of in-kind donations is clearly the most challenging part of recognizing these gifts because it may be difficult to determine the "highest and best use" for the in-kind donation. There is public information that is often available for identical or similar assets in inactive markets. Some useful valuation resources include:

- ⌘ General Goods - Goodwill Industries' Valuation Guide
- ⌘ Real Estate - LoopNet for commercial real estate
- ⌘ Vehicles – Kelley Blue Book and Edmunds.com

Another key determination with valuing in-kind donations is to identify the "principal market," which is the market with the greatest volume and level of activity for the asset or liability. Identifying the principal market should be based on the perspective of the organization, since different organizations have different purposes and activities.

Each not-for-profit organization should review their procedures and policies on a regular basis to assure that they are properly valuing all donated goods, services, and facilities.

For more information on in-kind donations or other issues that may affect your organization, please contact Not-For-Practice Leader Adam Reiss.



Nov 11, 2015

Challenges in Evaluating Reasonable Methodologies for Allocating Expenses by Functional Category

By *Steven Glickman*

Functional Expense Overview

Functional expense allocations can be challenging for not-for-profit organizations when expenses must be divided among various operations. U.S. not-for-profit organizations are required by accounting principles generally accepted in the United States of America ("GAAP") ASC 958-205 to report expenses based on functional classifications. This information can be included either in the statement of activities, statement of functional expenses, or notes to the financial statements. Additionally, a breakdown of functional expenses is required on Part IX of Form 990.

As opposed to natural classifications, which explain the actual expenses incurred by an organization (salaries, insurance, rent, etc.), the allocation of expenses by functional category are classified according to the purpose for which the costs are incurred. The most common functional categories used for not-for-profit organizations are:

- ⌘ **Program services** – costs incurred that are directly associated with the organization fulfilling its mission
- ⌘ **Supporting services**
 - ⌘ *Management and general* – costs incurred to run the operations of an organization that are not directly associated with a specific program, fundraising, or membership development activity
 - ⌘ *Fundraising* – costs incurred to solicit or secure contributions
 - ⌘ *Membership development* – costs incurred to attract and maintain an organization's membership base

Third parties, such as donors, creditors, and compliance departments, are common users of not-for-profit organizations' functional expense information, and will use the information to help evaluate how effectively a not-for-profit organization is fulfilling its mission and utilizing its resources. Not-for-profit organizations may utilize their schedule of functional expenses for benchmarking against peer organizations, analyzing the use of funds in running programs, or for enhancing the organization's reporting transparency. Typically not-for-profit organizations strive to exceed the Better Business Bureau Wise Giving Alliance guidelines that require a minimum 65% of total expenses being incurred from program service activities and the remaining 35% for supporting services.

Allocation Methodology

While some expenses can be allocated in their entirety to a single function through specific identification (direct allocation), most expenses relate to more than one function and need to be allocated among the functions benefited. Direct allocation of specific expenses is the preferable method of charging expenses to various functions. However, if specific identification is not practicable, an allocation is appropriate. The allocation methodology utilized should be reasonable, consistent, and periodically reviewed and challenged. Objective methods of allocating expenses are preferable to subjective methods and allocations may be based on related financial or non-financial data. Common allocation metrics include time and effort, direct costing, and usage of space (i.e. square footage).

Despite existing guidelines, allocating expenses can be a challenge for an organization. Common errors found in functional expense reporting include:

- ⌘ Reporting all expenses as program services
- ⌘ No allocation of personnel costs among functional categories
- ⌘ Reporting contribution revenue with no fundraising costs
- ⌘ No allocation of insurance, occupancy, and depreciation
- ⌘ Charging all accounting and legal fees to program services
- ⌘ Using a fixed percentage to allocate costs rather than on a systematic and rational basis
- ⌘ Lacking consistency in reporting of functional expenses between audited financial statements and the 990 return
- ⌘ Waiting until the end of the year to allocate costs by functional category as part of the annual audit preparation, instead of evaluating the allocation methodologies throughout the year

As is apparent from the list above, there are challenges to reporting of expenses by functional category. Not-for-profit organizations are often dealing with limited information and outdated time entry systems so maintaining quarterly and annual financial reporting on a functional basis can be difficult as a result of these limited resources. Not-for-profit organizations should maintain proper documentation to support the allocations including, but not limited to:

- ⌘ Details of the allocation method(s) used for classifying expenses that relate to more than one functional category
- ⌘ Rational for selecting the allocation method(s)
- ⌘ Worksheets supporting the actual calculations used to allocate the expenses



Not-for-profit organizations should implement procedures for allocating functional expenses and maintain policies to enable appropriate allocation of expenses by functional category. Furthermore, procedures cannot be static. Not-for-profit organizations should review their procedures and policies on a regular basis to assure that they are yielding accurate information.

For more information on implementing procedures and policies related to the allocation of expenses, please contact Not-For-Profit Practice Leader **Adam Reiss**.



Sep 17, 2015

Reporting Beyond the Numbers: Charter School Compliance

By Christopher Hughes, CPA

An integral and, often times, required aspect of accepting any grant or funding assistance, whether by a private organization or through federal, state or local programs, is that of compliance. Compliance is especially important during this time of year when governmental entities and not-for-profit organizations are providing financial and annual reports to their funding sources. The public school and school district reporting arena is no different and it is prudent to be up to date on regulations and requirements as funding shortages across the industry make non-compliant entities a target for fines or even closure. In essence, be vigilant about being "compliant" or risk losing the already tight funding.

It is imperative that educators, school administration, and related business managers stay informed and ahead of key compliance guidelines. For example, recent years have emphasized Pennsylvania guidelines on background checks for anyone working, or seeking employment, at a public or private school who could have potential contact with children.

Here are some key points that schools should be adhering to:

Three separate background checks are required in Pennsylvania:

- ⌘ Pennsylvania State Police Request for Criminal Records Check (Act 34)
- ⌘ Department of Public Welfare Child Abuse History Clearance (Act 151)
- ⌘ Federal Criminal History Record Information (CHRI)

In addition to the typically expected educators and administrators, other personnel that are subject to the background check requirements include:

- ⌘ Student teachers who are participating in classroom instruction, internships, clinical, or field experience.
- ⌘ Students of the school who are receiving wages for services (i.e. after-school programs, maintenance, etc.) regardless of their age.
- ⌘ Prospective employees of public and private schools, intermediate units, and area vocational/technical schools including, but not limited to, administrators, teachers, substitutes, custodians, cafeteria workers, and office employees.
- ⌘ Independent contractors and their employees including, but not limited to, bus drivers, PIAA sports officials, and construction workers.
- ⌘ Volunteers only in charter schools (23 PS 17-1724A); however, individual schools other than charter schools are permitted to adopt policies that go beyond the scope of the law (Act 114 - 24 PS 1-111).

Background check requirements do exclude employees or contractors that do not have direct contact with students. However, it is advisable to consider that it is difficult to establish how anyone working at a school would not have direct contact with students.

Timing requirements of the background checks – requirements for both federal and Pennsylvania:

- ⌘ Documents should not be more than one year old at the time of hire.
- ⌘ Documents should be submitted by the applicants along with the employment application.
- ⌘ Effective December 31, 2014, updated background check documentation will be required to be obtained every 36 months.
- ⌘ If, as of December 31, 2014, a current employee has background documents which are more than 36 months old, they will be required to bring them current within 12 months.

It is important to note that the applicant is responsible for obtaining their own CHRI report online. This will produce an "unofficial copy" which is presented at the time of application. Once hired, it is the responsibility of school administration to go online and print the official copy (commonly referred to as a "rap sheet"). The official copy is what is required for retention by the organization.

For more detailed information on the application process, the review and retention process, accessing reports and documents, and specific procedures followed by organizations; refer to *Pennsylvania Act 114 of 2006* and *Act 153 of 2014*.

With another season of governmental and not-for-profit reporting underway, an awareness and focus on compliance will help to produce a consistently accurate and dependable outcome. Most importantly, it will differentiate the industry leaders.

For more information on how these changes may affect you or your organization, please contact at **Kevin Ryan** at 215-545-4800 or kryan@citricooperman.com.



Aug 05, 2015

Pensions: Key Changes in Accounting and Financial Reporting

By Chris Bobrowski

Organizations need to be wary of continuing to commit to defined benefit plans. They are not as common as they used to be because they have become a rather expensive employee benefit. Prospective employees see these plans as a nice recruiting tool, but from an organizational perspective they are now being viewed as a long-term cost that cannot continue to be funded.

Most people may agree, however, that one of the hottest topics for governmental entities is unfunded or underfunded pension plans. Participants of employee pensions are counting on these retirement benefits, but many public employee pensions face a funding crisis. In response to this crisis, the Governmental Accounting Standards Board (GASB) issued two pronouncements in June 2012 aimed at improving the quality of financial reporting: Statement No. 67 *Financial Reporting for Pension Plans — an Amendment of GASB Statement No. 25* (GASB 67) and Statement No. 68 *Accounting and Financial Reporting for Pensions — an Amendment of GASB Statement No. 27* (GASB 68).

The requirements of GASB 67 and GASB 68 primarily seek to enhance footnote disclosures and require additional schedules of supplementary information to increase the decision-usefulness of a plan's financial reports, provide the ability to assess accountability, and improve the overall consistency and transparency by providing information about measures of net pension liabilities and explanations of how and why those liabilities changed from year to year.

Some of the key changes include:

- ❖ Disclosure of information surrounding the net pension liability (NPL), including ratios, to offer an up-to-date indication of the extent to which the total pension liability is covered by the fiduciary net position of the plan.
- ❖ Changes to the attribution method used by plans to determine service cost and the total pension liability.
- ❖ Providing measures to evaluate decisions related to the assessment of contribution rates in comparison to actuarially determined rates, through the contribution schedule.
- ❖ When such rates are actuarially determined, providing information about whether employers and non-employer contributing entities are keeping pace with actuarially determined contribution measures.
- ❖ New information about rates of return on plan investments to inform users about the effects of market conditions on the plan's assets over time and provide information to assess the relative success of the plan's investment strategy.
- ❖ Requirements for immediate recognition in pension expense of certain items.
- ❖ Establishment of standardized expense recognition periods for amounts reported as deferred outflows and deferred inflows.
- ❖ A discount rate that considers the availability of the plan's fiduciary net position associated with the pensions of current active and inactive employees and the investment horizon of those resources.
- ❖ A single method of attributing the actuarial present value of projected benefit payments to periods of employee service, rather than allowing a choice among six methods with additional variations.

Transition to GASB 67 went effective for plan years ending June 15, 2014 (or later), and now require affected plans to include a statement of fiduciary net position and a statement of changes in fiduciary net position along with supplementary information showing the changes in the NPL. GASB 68 became effective for years ending June 15, 2015 (or later) and contains a provision that members of a cost-sharing plan recognize their proportionate share of the NPL on the statement of net position.

In Pennsylvania, the Public School Employees' Retirement System (PSERS) provides benefits for teachers and other school employees and is the main source of income for many of its retirees. PSERS, one of the oldest retirement systems in the nation, serves over 500,000 active and retired participants and is a cost-sharing plan for its members. To help with the transition of this new guidance, PSERS has issued two new schedules and sample footnote disclosures for its members.

The calculation to determine a member's proportionate share of the combined NPL on its individual June 30, 2015 statement of net position would be:

$$\frac{\text{Individual Member Covered Payroll}}{\text{Total Combined Covered Payroll}} \times \text{Total Combined NPL}$$



Recording this adjustment will increase both your plan NPL and expenses and could potentially lead to a net deficit. Additionally, members' pension expense for the June 30, 2015 year end will be equal to the change in your respective share of the PSERS NPL during PSERS year ended June 30, 2014, with some adjustments for services fees, cost of living adjustments, interest, and other related costs. Any contributions made by members during the year ended June 30, 2015, should be recorded as a deferred outflow on the statement of net position.

These requirements are often confusing, and implementing all the new changes will ultimately be a challenge for the June 30, 2015 plan year end. However, with a focus on increasing the usefulness, consistency, and transparency of these financial reports, the new presentation will assist readers to understand the bigger picture of their public pension.

For more information on how these changes may affect you or your organization, please contact **Kevin Ryan** in the greater Philadelphia area or **Adam Reiss** in the New York metro area.



Jun 26, 2015

Do You Have Adequate Backup? What to Consider in Developing Your Disaster Recovery Plan

In May, Citrin Cooperman hosted a roundtable discussion in New York City on the importance of a disaster recovery plan and proper backup systems featuring **Adam Reiss**, partner and **Not-For-Profit** Practice Leader and **David Rosenbaum**, principal of **Citrin Cooperman Technology Consulting**.

As our culture becomes increasingly dependent on technology, it is essential to review your current systems before a crisis hits. The potential for disaster is real, and although the exact nature and timing of the disaster generally can't be predicted, organizations can protect themselves by implementing a disaster recovery plan now.

Here are a few highlights from our program:

On assessing your risk: "Everyone has the right intention of what they have put in place, but when I have reviewed systems during audits, it becomes clear that accounting systems haven't been updated with the most current versions," said Reiss. "People have access to certain modules they shouldn't have, and at times there is no security in place in terms of where the server is being maintained, leaving too many people to access it. The plan doesn't have to be formal, but just sit down and see what your risks are and whether or not you have to make changes to your IT systems at this point in time and why or if not, what is your reasoning."

On how long you can afford to be down: "Complete the sentence – within 24 hours following a disaster what has to happen?" asked Rosenbaum. "Can you afford to be down for 24 hours? What functionality do you need, what capabilities do you need, what do your constituents need, what do your locations need? What do you have to be able to do a week from now, but what could you live without for a week? What has to happen a month from now? As you think through your disaster planning and solutions for implementation, you need to differentiate between functionality – what do you have to be able to do – and performance – how easily, quickly, or well do you have to be able to do it?"

On losing your clients' trust: "If your constituents are relying upon you to provide services, what happens to your trust with those constituents if you are out of operation," said Rosenbaum. "Some will very likely understand that there was a hurricane or something significant going on, but some won't. It's something to think about. It depends on the nature of the organization."

On using the cloud: "If you have your systems in the cloud, it's important to understand what that cloud provider has in place in terms of a disaster plan," said Rosenbaum. "What happens if their data center experiences a problem? There are different service levels to subscribe to. These are questions to be raised and considered when planning for the unknown."

On scheduling a fire drill: "You want your process to be as simple and automatic as possible," said Rosenbaum. "Test the plan – run fire drills. They are time consuming, disruptive, and expensive, but if you don't run the fire drills, you won't know if your policies and procedures work."

For more information on how to set up a disaster recovery plan for your organization, please contact David Rosenbaum at drosenbaum@citrincooperman.com or 914-693-7000.



CITRINCOOPERMAN®

Accountants and Advisors

FOCUS ON WHAT COUNTS



CITRINCOOPERMAN.COM



June 1, 2017

Proposal to provide Audit and Tax Services to:

Reach Cyber Charter School

Prepared by:

CliftonLarsonAllen LLP

610 West Germantown Pike, Suite 400
Plymouth Meeting, Pennsylvania 19462

Vicki Raivitch, CPA

Principal

vicki.raivitch@CLAAconnect.com

direct 484-567-1748 | mobile 267-229-3156



WEALTH ADVISORY | OUTSOURCING | **AUDIT, TAX, AND CONSULTING**

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

111 of 155

June 1, 2017

Mr. Kevin Corcoran
Charter Choices
Reach Cyber Charter School
750 E Park Drive #204
Harrisburg, PA 17111

Dear Mr. Corcoran:

Thank you for inviting us to propose our services to you. We gladly welcome the opportunity to share our approach to helping Reach Cyber Charter School (“the School”) meet your financial goals and satisfy your compliance obligations. The enclosed proposal responds to your request for audit and tax services for the fiscal year June 30, 2017 (and thereafter subject to an annual renewal of the engagement by management and the Board).

The vision of CliftonLarsonAllen’s Public Sector Group is to be a leading contributor to the public sector, providing top quality audit, financial, and operations services. Our mission: “To help our clients transform change and complexity into opportunity.” CliftonLarsonAllen is well-qualified to provide professional auditing and tax services to non-profit organizations and charter schools for the following reasons:

CliftonLarsonAllen LLP (CLA) is a top 10 accounting firm with an exceptional level of knowledge, insight, and industry experience. You can depend on CLA for several advantages:

- ***Specialized industry practices.*** Our professionals are immersed in working with nonprofits, and more specifically charter schools. Those selected to serve you are not just accounting practitioners; they have significant exposure, training, and knowledge in the charter school industry. Our experience includes providing audit, outsourcing, or consulting services to over 25 charter schools from our Plymouth Meeting office, along with serving approximately 150 charter schools nationally for the fiscal year ended June 30, 2016.
- ***Uniform Guidance/OMB Circular A-133 Experience.*** CLA performs A-133 (now Uniform Guidance) single audits for hundreds of organizations annually, ***ranking first in the nation for the number of single audits performed by any CPA firm.*** The single audit requires a specific set of skills in order to properly perform the procedures. As such, we have developed a group of professionals who specialize in providing single audit services. This group is well-versed in both financial and compliance reporting of grants. Your need for single audit services falls directly into one of CLA’s greatest strengths which is why we want to serve you.

- ***Credibility, reputation, and resources of a top 10 firm*** without sacrificing the small-firm touch. Entrepreneurs and public service organizations are the backbone of our economy, and as CLA we have renewed and deepened our commitment to you at a level most other firms reserve for the largest corporations.
- ***Professionals personally and deeply invested in your success.*** CLA has established itself as a place where the best and brightest come to build the careers they want. Our people provide advice by applying their entire depth of experience—as well as their full potential—to their work with clients.

We are eager to work with you and would welcome the chance to present our proposal to the selection committee and the School. If you have any questions about our offerings, please do not hesitate to contact me via phone at 267-229-3156 or email at vicki.raivitch@CLAconnect.com.

As principal of CLA, I offer a personal commitment to providing Reach Cyber Charter School with the best resources and services available. If you need to talk to me at any time, either before or after your selection process, please call or email me.

Sincerely,

CliftonLarsonAllen LLP



Vicki Raivitch, CPA
Principal
267-229-3156 mobile
vicki.raivitch@CLAconnect.com

Firm Overview	2
<i>Local Office Experience</i>	3
<i>National Commitment and Experience – Charter Schools</i>	3
<i>Understanding the Nonprofit Industry</i>	4
<i>Industry Participation</i>	4
<i>Leaders in Performing Single Audits</i>	6
<i>Certification of Independence</i>	7
<i>Certification of License to Practice</i>	7
<i>Primary Contact</i>	7
Engagement Team	7
<i>Roles and Responsibilities</i>	7
<i>Services Integration</i>	8
<i>Continuity of Services</i>	8
Nonprofit and Charter School Experience	10
<i>Understanding of Issues and Challenges with Charter Schools</i>	10
Client Listing	11
<i>Experience Auditing Public Charter Schools</i>	11
Eligibility and Qualifications	13
<i>Auditor Independence</i>	13
<i>Litigation</i>	13
<i>Disciplinary Action</i>	13
<i>Quality Control Procedures and Peer Review Materials</i>	14
Work Plan / Approach	16
<i>Audit Approach</i>	16
<i>Assurance Services</i>	17
<i>Deliverables</i>	17
<i>On-going Insight</i>	17
<i>Benefits</i>	17
<i>Audit Planning and Risk Assessment</i>	18
<i>Understanding of Processes</i>	18
<i>Fieldwork</i>	19
<i>Procedures</i>	19
<i>Firm’s Use of Technology in the Audit</i>	20
<i>Tax Compliance Approach</i>	21
<i>Deliverables</i>	21
<i>On-going Insight</i>	21
<i>Benefits</i>	21
<i>Process</i>	21
Engagement Timetable	22
References	23
Professional Fees	24
<i>Fee Considerations</i>	25
<i>Billing for Phone Calls and Questions</i>	25
<i>Our Last Word on Fees</i>	25
Appendix A: Engagement Team Bios	A1



Firm Overview

CLA is a **professional services firm** delivering integrated wealth advisory, outsourcing, and public accounting capabilities to help clients succeed professionally and personally. This allows us to serve clients more completely and offer our people diverse career opportunities.

As one of the nation's ten largest public accounting and consulting firms, we are structured to provide the School with highly specialized nonprofit insight. CLA offers unprecedented emphasis on serving nonprofit organizations similar to the School. We are dedicated to creating a noticeably different experience for our clients.

Figure 1 illustrates CLA's size and capabilities to handle the School's audit and tax needs. We provide our clients with industry specialists and high quality business resources. With over 5,000 professionals (over 700 being principals), operating from over 100 locations across the United States, we have significant depth of talent, experience, and a national perspective. This puts CLA in a very good place to support your financial audit initiatives. Our extensive experience in the industry will allow our professionals to deliver unwavering, quality driven service to the School, and its staff in a professional and timely manner.



Figure 1. Firm Overview. According to *Accounting Today*, CLA is one of the ten largest accounting firms in the United States by revenue. With a nationwide network of nonprofit specialists, CLA is here to help support the School's needs.

Our extensive experience serving similar nonprofit/social service organizations provides us with an in-depth understanding of the distinct industry challenges that the School faces. In addition to affiliation and consolidation considerations, regulations, and time pressures, they include:

- Shrinking pool of funding
- Uncertain investment alternatives
- Rising healthcare and retirement costs
- Unsettled strategic and business planning for the future
- Increasing regulatory issues relating to advocacy and political activities

Our industry specialists have the experience and insight to address the specific issues facing the School and your industry. This ability will allow for more frequent communication of ideas and information, as well as a more efficient, successful engagement – saving the School time and money.



Local Office Experience

The individuals scheduled to work with the School are local to the Philadelphia area. Of the 150 staff professionals in our Plymouth Meeting, Pennsylvania office, approximately **35 are dedicated to serving nonprofit organizations throughout the year**. The Plymouth Meeting office alone serves over 400 nonprofits throughout the year by providing various assurance, tax, consulting, outsourcing and other services. With the large number of individuals dedicated to serving nonprofit organizations, we have the capacity and commitment to provide timely audit services. In addition, individuals from our national audit and assurance quality technical department are available if complex accounting transactions arise that would require their assistance. They are very accessible to all members of the engagement team and are consulted with on a regular basis throughout the year.

National Commitment and Experience – Charter Schools

In addition to our local nonprofit and education experience, we have extensive national resources that stand ready to assist your local team.

- ◆ CLA's public sector group includes numerous CPAs who are committed to serving charter schools. This is our focus—it is not an "off season" sideline. Our firm has more than 35 years of experience in government and school auditing. In fact, we currently deliver dependable, quality and cost effective services to more than 150 charter schools nationally, which includes services to over 25 charter schools from our Plymouth Meeting office.
- ◆ Our experience includes providing audit, outsourcing or consulting services to charter schools, private schools, and public school districts throughout the country and in the Philadelphia region, as well as nonprofit related entity audits that are incorporated in the audited financial statements of the related charter school as a blended component unit.
- ◆ In addition to audits, we offer our clients consulting services in a number of important areas such as cash flow projections, budget development and monitoring, revenue projections, management and operational reviews, building construction fund audits, internal control reviews, and similar services.
- ◆ We also managed LEAD for Charters, a three-year initiative to build strong business and management practices at Minneapolis-area charter schools. LEAD for Charters is a partnership of CLA and the Center for School Change, funded by the generous support of the Cargill Foundation.

We believe that schools are increasingly in need of much more than just auditing services, which is why we've built a non-traditional firm that offers a full spectrum of services year round grounded on high quality customer service and rooted in our desire to be the best at what we do.



Understanding the Nonprofit Industry

Nonprofit organizations are a dynamic, unique area of accounting, and require constant attention and monitoring. Our knowledge of your industry is crucial to offering actionable solutions. As a firm with more than 60 years of experience, we possess an exhaustive understanding of your challenges and are able to respond promptly and effectively to help meet them. We are leaders in serving a large number of nonprofit organizations, including charter schools.

The School will be served by CLA's dedicated nonprofit group, a team focused on providing high-quality accounting, auditing, tax, and other services to nonprofits like yours.

With a national client base of more than 150 charter schools and 6,000 nonprofit organizations, we have established the nonprofit industry as one of our core industry sectors, including various organizations with structures, sizes, and challenges similar to the Reach Cyber Charter School.

Industry Participation

CLA goes beyond the numbers and offers value-added solutions. Rest assured, you will hear from us throughout the year. We send periodic email publications and host webcasts to keep clients and friends of the firm informed of relevant industry updates. Below are just a few of the resources we offer.

- ***Nonprofit Perspectives*** — A periodic e-newsletter providing news, tips, strategies, insights, and updates on regulatory and industry issues as well as subjects relevant to private clients (e.g., personal finances, estate planning, investment planning).
- ***National Industry Webcasts*** — Web-based seminars designed to provide information on upcoming industry trends, accounting, tax, risk, and other issues in either the accounting or the nonprofit industry. These webcasts are free to clients and provide CPE credit to attendees.
- ***Speaking Engagements and Workshops*** — We share our industry knowledge and experience by presenting at national, regional, and local events, as well as hosting our own industry events in various markets. We provide quality insight and education in the areas of improving profitability, reducing risk, building business value, and planning for succession.
- ***Recent Industry Articles*** — In addition to our direct participation with national organizations, CLA has had numerous articles published by our nonprofit industry professionals.
- ***Annual Nonprofit Conferences*** — Bringing together nonprofit executives from across the country, CLA national conferences include an event for Foundations in the winter and an event for Associations in the fall.
- ***Local Office Peer to Peer Nonprofit Roundtables*** — CLA hosts peer to peer nonprofit roundtables in all our major market offices at varying locations to afford all of our clients the opportunity to attend. At these sessions our nonprofit leaders facilitate discussions on cutting edge nonprofit issues and developments among our clients and industry peers in an intimate and engaging setting. Participants are provided with valuable content and complimentary continuing professional education credits.
- ***In-person events*** — Annual economic, capital markets, and tax outlook seminars are presented by local professionals and CliftonLarsonAllen Wealth Advisors, LLC investment committee members.
- ***Market and Economic Outlook*** — A quarterly publication that analyzes global economic conditions and market activity and how they may mean to individual investors.



Investment Advisory Services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

You can register for our webcasts, subscribe to publications, and find our extensive resource library on our website, CLAconnect.com/subscribe.

In addition to our engagements in the nonprofit industry, the members of our local nonprofit services team are part of the associations, organizations and regulatory bodies that influence and affect the School. We are active in industry organizations, events and knowledge sharing initiatives, and are involved in several boards and committees that help shape industry-specific practice standards.

A sampling of industry organizations and regulatory bodies where our nonprofit team members are active includes:

- AICPA Audit Quality Center Executive Committee
- AICPA Employee Benefit Plan Audit Quality Center
- AICPA Single Audit Quality Task Force
- American Society of Association Executives (ASAE) – The Center for Association Leadership
- Financial Accounting Standards Board, Not-for-Profit Advisory Committee
- Pennsylvania Association of Nonprofit Organizations (PANO)
- Pennsylvania Institute of Certified Public Accountants (PICPA) Non-Profit Committee Chairperson
- The Center for Association Leadership
- InsideNGO
- IRS Advisory Committee on Tax Exempt and Government Entities
- Center for Nonprofit Advancement (CNA)
- National Association of Charter School Authorizers (NACSA)
- Annual National Charter School Conference
- Annual New Jersey Charter Conference

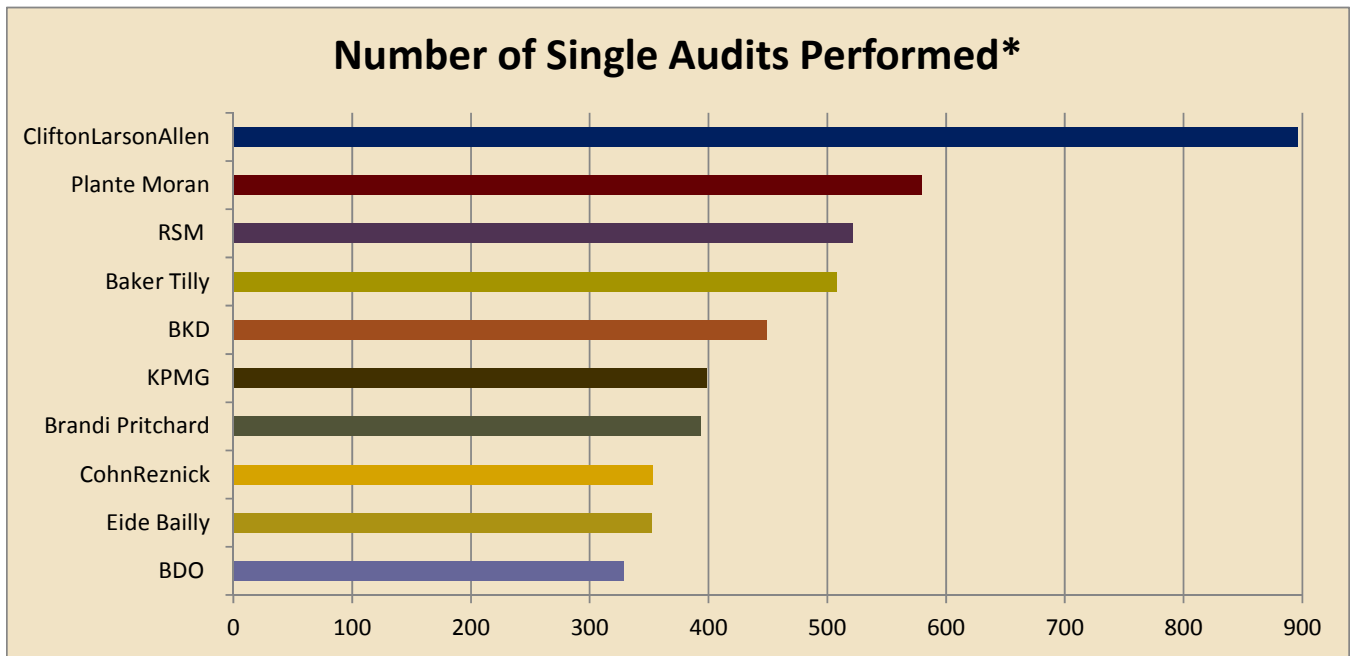


center for nonprofit
advancement



Leaders in Performing Single Audits

CLA has become the national leader in providing audit, tax and many other financial services to nonprofit organizations similar to the School Our client portfolio of government and nonprofit organizations represents nearly half of the firm's total revenues. You will benefit from CLA's experience in this area. As outlined in the following table, CLA performs more single audits annually than any other firm in the nation. We audited more than \$27.3 billion dollars in federal funds. The table below illustrates CLA's experience in serving organizations that receive federal funds and demonstrates our firm's dedication to serving nonprofits and governmental organizations:



**The information for the firms above was pulled from the Federal Audit Clearinghouse for audits with fiscal year ends between January 1, 2015 – December 31, 2015.*



Certification of Independence

CliftonLarsonAllen LLP and all members of the engagement team are independent of Reach Cyber Charter School defined by generally accepted auditing standards and The American Institute of Certified Public Accountants. We are committed to maintaining an independent attitude and appearance throughout the full term of the engagement.

Certification of License to Practice

CliftonLarsonAllen LLP and the Authorized Director are properly licensed to practice in the Commonwealth of Pennsylvania. CliftonLarsonAllen LLP hereby affirms that we do not have a history of substandard work.

Primary Contact

Vicki Raivitch, CPA Principal
CliftonLarsonAllen
610 West Germantown Pike, Suite 400
Plymouth Meeting, PA 19462
267-229-3156
vicki.raivitch@CLAconnect.com

Engagement Team

At CLA we believe in working as a team, utilizing each other's various areas of specialty. Your engagement team has a wealth of combined experience serving similar nonprofit organizations and charter schools and they will be readily available to meet your audit needs. To illustrate your engagement team's qualifications and experience, we have listed the engagement team below.

Detailed biographies are available in **Appendix A** of this proposal.

Roles and Responsibilities

An experienced engagement team has been aligned to provide the most value to your organization. The team members have performed numerous engagements of this nature and will commit the resources necessary to ensure you receive top quality service throughout the engagement. Following are our proposed management team members:

Engagement Leadership	Title	Years of Experience
Vicki Raivitch, CPA	Lead Principal	20+
Bruce Braunewell, CPA	Concurring Principal	26+
Andy Lee, CPA	Engagement Manager	7+
David Sekerak, CPA	Engagement Director	14+
Mallory White, CPA	Engagement Senior	3+
Vincent Reilly	Quality/Technical Principal	32+



Services Integration

An engagement such as outlined in this proposal, requires the interaction of numerous individuals working within relatively narrow time frames. Our assurance and tax staff work as a team. We are in close, regular contact, keeping each other informed of our progress and any issues that arise. We emphasize communication—making sure that issues that cross disciplines are fully evaluated by the entire team. In addition, the members of the audit team will be the individuals completing the tax returns and filings.

Continuity of Services

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, providing maximum efficiency and keeping the learning curve low. We are also flexible in exploring alternative solutions to non-mandatory rotation policies.

In any business, however, turnover is inevitable. When it happens, we will provide summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have an adequate number of qualified staff members to provide the School with top service over the term of the engagement.

CLA is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. Continuity results in increased efficiency and quality because staff assigned to the engagement will not have to go through a “learning curve” with annual engagements or each new project. Client staff spends less time orienting the engagement team, and more time working toward goals. With a solid, steady engagement team, each year brings the additional benefits of trust and familiarity. High retention rates also indicate that our staff members have the resources they need to perform their tasks and a positive work/life balance.

CLA prides itself on having staff turnover rates at levels substantially lower than industry averages. CLA’s turnover rate for our Plymouth Meeting Public Sector Group **is less than 5%**. The accounting industry overall has a turnover rate of close to 23%.

CLA has implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm’s operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CliftonLarsonAllen’s quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.



Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CliftonLarsonAllen strives to act in a way that will honor the public trust.

- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the Uniform Guidance.

We consistently offer our clients the most current information – continuing education for our professionals helps us stay current. Each member of our professional team, including principals, attends at least 40 hours of technical training annually. When team members work extensively in one of our industry segments, they also attend specific training for that field.

Our team members receive CPE annually from our quality experts on new accounting pronouncements and auditing standards. In addition, all individuals in the Public Sector Group attend a 1 day specific CPE which includes topics such as industry trends, new compliance requirements and observations from audits around the firm. Finally, principals and managers may attend industry educational workshops.

CLA has consistently maintained high staff retention rates, which we contend is a strong indicator of service quality. Turnover inhibits continuity, due to the need for staffing changes and bringing new people up-to-speed. High retention rates suggest that our staff has the resources to perform their tasks and a positive work/life balance. For the School this means exceptional staff continuity over the period of this engagement and more efficient services, compared to other CPA firms with higher turnover rates.

Turnover in our Plymouth Meeting, PA Public Sector Group is less than 5% over the last three years.



Nonprofit and Charter School Experience

Nonprofit organizations are a dynamic, unique area of accounting, and require constant attention and monitoring. Whether it is our knowledge of your industry is crucial to offering actionable solutions. As a firm with over 60 years of experience, we possess an exhaustive understanding of your challenges and are able to respond promptly and effectively to help meet them. We are leaders in serving a large number of nonprofit organizations, including charter schools. Our depth of specialized nonprofit consulting services includes but is not limited to:

- Strategic, business, and capital planning
- Operational and financial systems consulting
- Organizational and financial health assessment
- Operations and performance improvement
- Internal audit, risk assessments, and evaluations
- Training and educational seminars

We have the expertise to help the Reach Cyber Charter School address your unique industry challenges and create new value for your School.

Reach Cyber Charter School will be served by CLA's dedicated Nonprofit Team, a group solely focused to providing high quality accounting, auditing, tax and other services to charter schools like Reach Cyber Charter School.

In addition to charter schools like Reach Cyber Charter School, our nonprofit specialists serve a wide variety of similar organizations, including educational institutions, independent schools, religious, advocacy, human service, civic organizations and membership associations.

Understanding of Issues and Challenges with Charter Schools

Our extensive experience serving similar charter schools provides us with an in-depth understanding of the distinct industry challenges that the school faces. In addition to growing consolidation and time pressures, they include:

- Capital Planning and related fundraising
- Decreased funding of tuition and other revenue sources
- Rising healthcare and retirement costs, including implementation of GASB 68
- Unsettled strategic and business planning for the future
- Succession planning
- Litigation challenges
- Enterprise Risk Management

Our nonprofit, charter school specialists have the experience and insight to address the specific issues facing the School. This ability will allow for more frequent communication of ideas and information, as well as a more efficient, successful engagement – saving the School time and money.



Client Listing

Experience Auditing Public Charter Schools

We serve more than 25 charter schools in the region and over 150 charter schools across the country. We have the experience to help the School make informed decisions that better enable management and directors to more effectively fulfill the School's responsibilities.

CLA understands the challenges that public charter schools encounter on a daily basis. From budget constraints to personnel administration, the demands are high.

Below we have listed a sampling of our charter school clients regionally and nationwide in which we provide financial statement audit and accounting services:

- *Academy Charter School*
- *Advancing Charter Schools Inc.*
- *Ambush Charters*
- *Aurora Charter School*
- *Cape Coral Charter School Authority*
- *Challenge Charter School*
- *Charter School Development Foundation*
- *Charter Schools USA, Incorporated*
- *Colorado Charter School Institute*
- *Combined Charter Schools*
- *El Colegio Charter School*
- *Four Directions Charter School*
- *Francis D. Pastorius Mastery Charter School*
- *Frederick Douglass Mastery Charter School*
- *Grover Cleveland Mastery Charter School*
- *Hardy Williams Academy Charter School*
- *Kaleidoscope Charter School*
- *KIPP Academy Charter School*
- *KIPP AMP Academy Charter School*
- *KIPP DuBois Collegiate Academy*
- *KIPP Infinity Charter School*
- *KIPP NYC Public Charter School*
- *KIPP Philadelphia Charter School*
- *KIPP West Philadelphia Preparatory Charter School*
- *Lakes Area Charter School ISD 4045*
- *Mastery Charter High School*
- *Mastery Charter School - Harrity Elementary*
- *Mastery Charter School - Pickett Campus*
- *Mastery Charter School - Smedley Elementary*
- *Mastery Charter School - Thomas Campus*
- *Mastery Charter School-Clymer Elementary*
- *Mastery Charter School-Gratz Campus*
- *Mastery Charter School-Mann Elementary*
- *Mastery Charter School-Shoemaker Campus*
- *Mastery Schools of Camden, Inc.*
- *Nerstrand Charter School*
- *New Century Charter School*
- *North Lakes Academy Charter*
- *PACT Charter School*
- *Peoria Charter School Initiative*
- *Possibility Prep Public Charter School*
- *Prairie Crossing Charter School*
- *Rochester Off-Campus Charter School*
- *Sedona Charter School*
- *Swan River Montessori Charter School*
- *Widener Partnership Charter School*
- *Wissahickon Charter Schools*
- *WISE Charter School*



Eligibility and Qualifications

Auditor Independence

While our primary purpose is to serve as your independent auditor, CLA offers many other services that you may find useful. Requests for such services will be considered on a project-by-project basis to ensure compliance with the following requirements of our independence standards: (1) Auditors should not perform management functions or make management decisions; and (2) Auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant/material to the subject matter of the audit.

Independence and objectivity are requisites of a CPA firm in performing audit services. All CLA personnel are required to observe the independence rules of the Code of Conduct of the American Institute of Certified Public Accountants (AICPA) and the U.S. General Accounting Office's Government Auditing Standards. Also, all of our personnel are required to observe similar rules of the various state boards and societies, as well as such rules and regulations of the Securities and Exchange Commission and other regulatory agencies before which CLA practices. Confidentiality and independence in the execution of audit and consulting services are scrupulously observed for each engagement.

We affirmatively state the following:

- The firm is properly licensed for practice as a CPA firm in the Commonwealth of Pennsylvania.
- The firm meets the independence requirements of the AICPA.
- The firm meets the continuing education and external quality control review requirements of the AICPA, PICPA and Yellow Book Standards.

Litigation

From time to time, the firm is a defendant in lawsuits involving alleged professional malpractice. The few lawsuits we have endured have ended in settlements that our insurers handled and covered. Should the ultimate outcome of any future lawsuits be unfavorable, however, net of the deductible provisions of the firm's malpractice insurance, all cases are expected to be fully covered by insurance and will not have a material impact on the firm or its ability to perform these services. Moreover, in those cases where claims have been resolved by settlement (the vast majority of our cases), the firm is typically subject to confidentiality agreements that prohibit the disclosure of information regarding those matters. Disclosure by the firm of any details about those matters could invalidate the settlement agreements.

Disciplinary Action

There have been no disciplinary actions taken, nor are there any pending, against CLA during the past three years with any regulatory bodies or professional organizations.



Quality Control Procedures and Peer Review Materials

In the most recent peer review report we received a rating of *pass*, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided on the following page.

The Public Company Accounting Oversight Board (PCAOB) conducts inspections of CLA's quality control procedures relating to audits of public companies, while the remainder of our assurance practice is peer reviewed under American Institute of Certified Public Accountants (AICPA) standards.

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the Uniform Guidance and OMB Circular A-133.



System Review Report

To the Principals of CliftonLarsonAllen LLP
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. CliftonLarsonAllen LLP has received a peer review rating of pass.



Cherry Bekaert LLP
November 21, 2016

Work Plan / Approach

Audit Approach

Many organizations view an audit as a requirement that doesn't contribute to their overall operations or value. At CLA, we believe an audit should be an annual check-up that allows us to have insight into your School and to share in-depth advice on how to improve your operations.

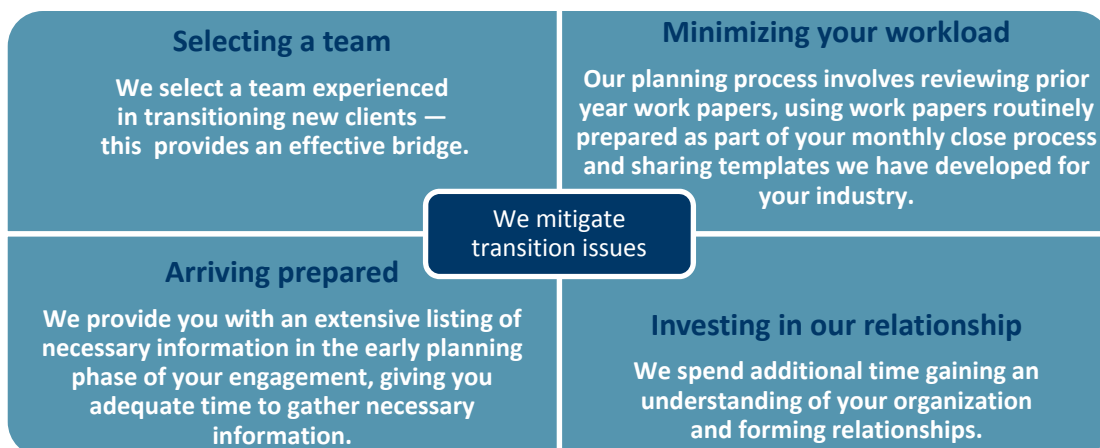
Our industry experience makes it easier — CLA auditors are experienced in your industry, which allows us to make the process faster and smoother. We approach our client engagements with a commitment to operational efficiency and to leverage our industry-focused experience to bring positive impact and meaningful insights to our clients. What does this mean for your School? It means we bring a team of professionals and an approach focusing on you, our client, listening to and working with you for a successful outcome.

Your time has value — Our approach recognizes that your time is valuable and best spent with key decision makers asking clarifying questions, discussing organizational strategies, and dealing with sensitive reporting issues. We believe this approach is effective and cost-efficient, produces a quality audit, provides you with substantive discussions with our team leaders, and recognizes there is more value to time spent discussing significant issues with management than reviewing detailed workpapers.

No surprises — Our experience enables us to focus on the areas of your organization that possess the greatest risk. Our emphasis on planning and communication allows for an efficient and effective audit process in which everyone involved knows their roles and expectations. Issues, as they arise, are dealt with immediately, not accumulated until the end of the audit. We provide a **"no surprises"** approach to our services, based on frequent and timely communication. As potential issues arise during the course of the audit, we will engage the right people in timely and frank discussions as a means of gaining resolution immediately.

Significant involvement of principals and managers — An important distinction between CLA and other firms is the amount of principal and manager involvement in the engagement. Because our principals and managers are directly involved in the engagement during fieldwork, we can proactively identify significant issues immediately and resolve them with management so that the engagement is essentially complete when fieldwork ends.

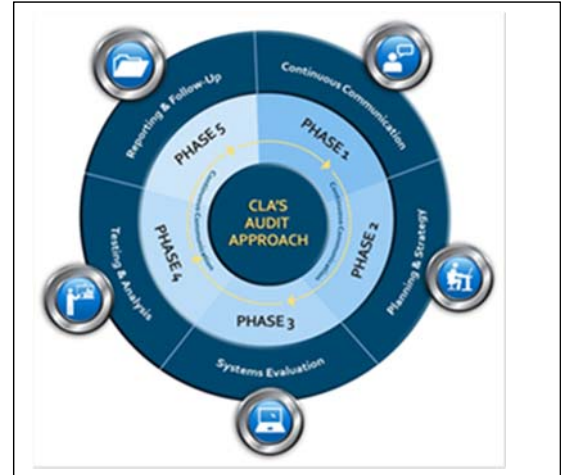
A simple transition — We recognize changing accounting firms presents an opportunity as well as a challenge. Our approach deliberately and effectively minimizes the impact of transition.



Assurance Services

CLA proposes to perform assurance services for Reach Cyber Charter School. Audited financial statements give the highest degree of assurance for an organization. During this process the auditor performs a five phase approach as demonstrated in the graphic to the right.

- *Continuous Communication*
- *Planning & Strategy*
- *Systems Evaluation*
- *Testing & Analysis*
- *Reporting & Follow-up*



When the audit is complete, the auditor issues a report indicating if the financial statements are fairly presented in all material respects in conformity with GAAP and GASB. With new auditing standards now in place there are now significantly more requirements to which an auditor has to respond in order to gain an in-depth understanding of the internal controls and processes in place. As part of that process, at the conclusion of the audit, we will provide management with a letter including recommendations on areas that need to be reviewed or areas where increased efficiency may be accomplished.

Deliverables

With all CLA assurance services, you will receive:

- Timely feedback on the appropriate accounting for unique/unusual transactions in accordance with GAAP and GASB.
- Practical recommendations on how potential problems can be avoided.
- Valuable suggestions for improvements in the School's financial operations and other areas.
- An analysis of trends and unusual variations from year to year.

On-going Insight

- Answers to brief routine questions throughout the year at no additional charge.

Benefits

The School will realize the following benefits from CLA's services:

- An objective look at your operations to help you make sound business and mission related decisions.
- Credibility only an outside expert can give your lenders and stakeholders.
- Confidence that accounting principles have been evaluated for application accuracy.
- An opportunity to improve internal controls and accounting procedures, which increases reliability of accounting records and financial statements.
- Improved efficiency and effectiveness of the assurance service, thus adding value to the process while lowering your costs and reducing disruption to your operations.



Audit Planning and Risk Assessment

Our process begins with a risk assessment of the School that is conducted each year as part of our meetings with management and meetings with governance. CLA performs a risk-based audit approach. This approach focuses on financial report risks, risks within the internal control cycles, risks inherent in any specific type of balance sheet accounts, and risk related to internal and external environmental changes.

The intent of our assessment is to determine the risk to financial performance as a result of these transitions and provide recommendations on how to modify processes and procedures to reduce the likelihood and potential impact of identified risks.

During the planning stages and throughout the audit, we identify the external and internal pressures and risks influencing the relevant financial statements, operations, and future goals. Inputs to our risk identification process include the following, but are not all-inclusive:

- Analysis of preliminary financial statements prior to commencing audit fieldwork
- Planning meetings with management
- Planning meeting with governance
- Reading of governance meeting minutes
- Analysis of control activities, including information technology

The ultimate goal is to reach a conclusion on the critical processes and develop an audit plan that supports the risks identified through this process.

Understanding of Processes

We have a wide range of experience in reviewing internal controls. With our significant experience in serving clients similar to the School, our staff can quickly identify improvement opportunities.

While our audit programs provide typical approaches for given audit areas, CLA tailors and designs each audit area's approach based on risk analysis for the specific entities under consideration. We use checklists and other tools shaped specifically to focus on significant internal control issues. We will perform tests of documentation to obtain an understanding of internal controls. We will make inquiries of key personnel and will review the controls specific to the information processing system. In addition, we will document our understanding of these processes and make recommendations based upon our observations.

Our team's experience with not only charter schools but other non-profit organizations, also allows us to perform an extremely **high-quality** audit. We have committed significant resources and time to developing and maintaining our system of quality control and training our staff.



We believe our approach will not only provide assurance that the “numbers are correct,” but will also identify changes in processes that could result in a more integrated, efficient, and effective organization.

- It documents the business, financial, and operating exposures while identifying and evaluating key systems and controls that prevent, detect, and correct errors.
- It includes the verification of balances and the formation of a final opinion on the financial statements.
- It is analytical. It focuses on materiality and channels the audit effort into significant financial statement areas.

Fieldwork

Because our principals and managers are directly involved in the engagement during fieldwork, we can proactively identify significant issues immediately and resolve them with management so that the engagement is essentially complete when fieldwork ends.

An important distinction between CLA and other firms is the amount of principal and manager involvement in the engagement.

We focus on communication. Our emphasis on planning and communication allows for an efficient audit process in which everyone involved knows their roles and expectations. Issues are dealt with immediately, not accumulated until the end of the audit. We provide a “**no surprises**” approach to our services, based on frequent and timely communication.

Procedures

We take the time in our first year working together to build a deep understanding of the all the various working policies and financial aspects of The School. To do so, we review various areas within School’s operations. However, as a base of an outline, a brief description of some of the specific audit procedures that we anticipate using in some of the various audit segments are as follows:

- *Cash:* confirmation of year-end balances, review of restrictions and designations of any cash accounts, understanding of controls surrounding access, including the receipt of any cash and checks into the and disbursements leaving the School.
- *Subsidy receivables, related tuition and fees:* understanding of revenue recognition and billing procedures, testing of completeness of both the receivable and tuition and fees revenue, independent check of subsidies against published rates, and evaluation of the net collectability of subsidy receivables.
- *Promises to give and related contribution revenue:* understanding of revenue recognition, testing of completeness of both the receivable and contribution revenue, review of restrictions and understanding of releases of restriction, and evaluation of net present value of promises to give.
- *Property and equipment:* review of underlying schedules to track capital assets and understanding of controls surrounding purchasing of capital assets.
- *Accounts payable, various accruals, and expenses:* understanding of the School’s year-end cut-off policy, review for any unrecorded liabilities, review of various accruals for reasonableness, understand the controls surrounding payroll-related expenses, and review allocation of expenses to the various functional categories. We understand the unique circumstances of schools and the necessity of accrual for teachers’ salaries at year-end through the beginning of the subsequent



school year when teachers are paid on a 12-month basis but do not work over the summer, and we will test these amounts accordingly.

- *Note Payables/Debt:* confirmation of year-end balances, review of debt covenants, review of underlying schedules to debt activity, and understanding of controls surrounding debt and notes payables.
- *GASB 68 Pension Liability and related Deferred Inflows and Outflows:* review and analysis of the actuary reporting for year-end pension plan, testing of census data, and analysis of other information including School's proportionate share of plan pension liability, pension expense and contributions. Review of deferred outflows and deferred inflows as determined for year end balances. We understand this is a newer concept which involves a good understanding of GASB 68 and accounting for Multi-employee pension plans.
- *Net Position and Fund Balances:* As with any organization that relies on donors for financial support, it is important that the School spends their contributions for the intended purposes. As such, we will sample major contributions and test for restrictions on net asset, including a review of contribution documents. We will also releases from restriction to assure proper support to assure donor restrictions have been met. Where possible, our testing in this area is coordinated with our confirmation of pledges receivable.

Firm's Use of Technology in the Audit

We keep pace with the rapidly changing technology environment in which our client organizations operate, and as a result, have implemented the use of data extraction software (IDEA) in our audits to analyze large amounts of information. IDEA is a file interrogation, or data analysis tool, that facilitates an efficient and effective examination of large volumes of transactions. IDEA is able to read electronic downloads of transactions in many different formats, including text, spreadsheet, and database files.

Potential applications for IDEA in our audit of the School include the following:

- Review disbursements for gaps in check numbers, checks written on weekends, outliers in relation to Benford's Law, etc.
- Selection of journal entries as required by AU-C 240

In addition we also employ the following:

- FX Engagement – FX Engagement allows us to file and save all of our audit workpapers in an electronic storage capacity and in addition to being a "paperless" audit it allows for real time review capabilities.
- Client Document Portal - a web-based application used for secure file transfers and continued access between CLA and our clients. Folders within the portal can be created and customized to tailor the organization of information to meet each client's needs.



Tax Compliance Approach

CLA proposes to perform tax preparation services for The School. We have tax professionals who devote their time to exempt organizations, and we believe working with a tax professional year-round can help you make more knowledgeable decisions. In addition, the members of the engagement team are the individuals preparing the tax returns for the organization.

Our approach to tax preparation begins with understanding your current tax situation. We will then work with you to proactively to gather information for preparation. Since the engagement team handles the assurance and tax preparation, our focus is to gather much of the tax information during the audit process to streamline any follow-up or additional requests during the tax preparation process.

Deliverables

CLA will provide:

- Completed federal and applicable state tax returns by an agreed-upon deadline.
- Strategies for streamlining your tax reporting process.

On-going Insight

We are your business resource, so we encourage you to ask us for:

- Basic information throughout the year.
- Advice on new IRS announcements and their potential impact.

Benefits

You will receive the following benefits from our tax preparation services:

- Ongoing assistance throughout the year, not just during the year-end procedures. This will help us recognize opportunities and resolve potential problems.
- Immediate communication of any changes in tax law that may affect your operations and recommendations to address any resulting issues.
- Thorough compliance with any tax obligations means you avoid penalties and surprises.

Process

Our tax services process is simple:

- We help prepare and file tax returns accurately well in advance of deadlines.
- Keep you involved and informed to avoid errors and delays.



In addition to traditional compliance services, such as tax return preparation and review, we provide a wide variety of related consulting services to exempt organizations including:

- International tax consulting
- Intermediate sanctions analysis
- Public support planning
- “Mock” IRS audit reviews
- Corporate compliance analysis
- Analyzing merger and acquisition transactions and valuation services
- Assisting in structuring joint venture arrangements
- Reorganization and restructuring advice

Engagement Timetable

Our project management methodology results in a client service plan that provides for regular formal communication with the entire management team and allows us to be responsive to your needs. The schedule allows for input from your personnel to make certain that the services are completed based on your requirements. The plan may also be amended during the year based on input from the Governance Committee.

Significant Milestones	Target Date
Entrance conference, planning with management and governance and preliminary fieldwork	June/July
Audit fieldwork begins	August/September
Draft reports – 2 weeks after fieldwork	September
Presentation of draft reports to Governance Committee	Late October
Presentation of final report to Governance Committee	Late October
990 Tax return preparation	November
Draft 990 Tax return to Board	Mid/Late November
Board approval and submission of 990 Tax return	December

References

CLA offers its clients the best of two worlds—a firm with national nonprofit experience, complemented by a local team dedicated to accessibility and responsiveness. We are pleased to provide you with the following references, who can describe their experience in greater detail.

Mastery Charter School Et Al (Total of 15 Charter Schools)	
Address	5700 Wayne Avenue; Philadelphia, Pennsylvania 19144
Scope of Work	Single Audit, yellow book audits and tax work
Length of Service	2005 - present
Client Contact	Yonca Agatan, Chief Financial Officer Email Address: yonca.agatan@masterycharter.org Phone Number: 215-866-9000 ext. 1111

KIPP New York City Charter Schools Network (Total of 5 Schools)	
Address	470 7 th Avenue, 10 th Floor; New York, New York 10018
Scope of Work	Single Audit, yellow book audits and tax work
Length of Service	2009 - present
Client Contact	Charizma Williams, Managing Director, Finance & Accounting Email Address: CWilliams@kippnyc.org Phone Number: 212-991-2610 ext. 6025

KIPP Philadelphia Charter Schools Network (Total of 4 Schools)	
Address	5070 Parkside Avenue, Suite 3500D, P.O. Box 41; Philadelphia, Pennsylvania 19131
Scope of Work	Single Audit, yellow book audits and tax work
Length of Service	2003 - present
Client Contact	Natalie Wiltshire, Chief Operating Officer Email Address: nwiltshire@kippphiladelphia.org Phone Number: 215-294-8596

Widener Partnership Charter School	
Address	One university Place, Chester, Pennsylvania 19013
Scope of Work	Audit and tax work
Length of Service	2014 – present
Client Contact	Cathy McGeehan, Associate Vice President & Controller Email Address: cmcgeehan@widener.edu Phone Number: 610-499-4396



Professional Fees

Our professional fees for the services quoted below are based on the level of expertise of the individuals who will perform the services. In addition to our professional fees, we charge reimbursable expenses which include the actual cost of travel, telephone, photocopies and delivery charges. Our firm does not charge an administrative overhead fee. Our proposed deliverable and professional fees are as follows:

Fiscal year Ended – Audit and Tax Services		
	2017	Subsequent Years
Audited Financial Statements under US GAAP and GAAS and report on internal control over financial reporting	\$18,000	\$18,000
Preparation of 990 and State Filings (if applicable)	\$ 2,500	\$ 2,500
Preparation and submission of Annual Financial Report (AFR)	\$ 1,000	\$ 1,000
Out of Pocket Expenses	Included	Included
Total Services, Fees and Expenses	\$21,500	\$21,500

Staff Level	Standard Billing Rates	Discounted Billing Rate
Principals	\$300	\$250
Managers/Directors	\$235	\$200
In-Charge	\$160	\$130
Associate	\$125	\$100
Administrative Support	\$ 75	\$ 50

We anticipate you will assist us by providing many of the work papers and supporting documents needed for the audit. Because we believe that a long-term relationship is important for your organization, we commit to keeping our fees the same for the subsequent years, assuming no material changes in your operations or auditing standards.

We will also communicate and work with management to estimate fees as it would relate to additional professional services. We will also prepare an estimated budget for other consulting or advisory services that may be needed. The billing rates will be based on the rates included in the cost proposal. This budget will be shared with management and discussed before moving forward with any project.

In the event that our services are terminated for whatever reason during the engagement, then we expect to be promptly compensated for all professional services rendered and reimbursements due up to the point of termination.



Fee Considerations

The fee proposal is based on the following:

- The School personnel will provide assistance during planning and the assurance fieldwork with regard to account analysis and provision of year-end account reconciliation work papers and schedules. We will provide a client assistance letter as early as possible in the planning stage of the audit.
- The assurance reports will be delivered in accordance with The School's deadlines.
- Satisfactory completion of our firm's normal client acceptance procedures.
- Professional standards and regulations currently in effect. We reserve the right to modify your proposed fee if professional standards or regulations change for any engagement period.
- No significant changes in the operations of The School's subsequent to the date of this proposal.

Billing for Phone Calls and Questions

It is not our policy or practice to bill our clients every time we receive a phone call. In the course of providing our services to you, we will regularly consult with you regarding accounting, financial reporting, and significant business issues. If a specific project is complex or requires significant time or resources, we will first discuss with you the scope of the project and its fee, to make sure there are no surprises. While it is difficult to establish an exact policy for billing in these situations, we commit to discussing with you in advance of performing our services if we believe the time requirement to provide you the desired assistance is other than routine. We will discuss the scope of the project and our estimate to complete it prior to commencing work.

Our last word on fees – we are committed to serving you. Therefore, if fees are a deciding factor in your selection of an accounting firm, we would appreciate the opportunity to discuss with you the scope of our audit plan. At CLA, it's more than just getting the job done.

Our Last Word on Fees

We are committed to serving you; therefore, if fees are a deciding factor in your selection of another accounting, consulting, or advisory firm, we would appreciate the opportunity to discuss with you the scope of our service plan.

CliftonLarsonAllen delivers superior value for your investment.



Appendix A: Engagement Team Bios

Vicki Raivitch, CPA

Principal
Plymouth Meeting, PA

484-567-1748

vicki.raivitch@CLAconnect.com



Profile

Vicki is a Principal in CLA's Non Profit practice. Professionally, she specializes in serving non profit organizations by providing audit, strategic, operational, finance and compliance related services.

Vicki joined the firm in 2016 after spending twelve years at PWC and five years at Grant Thornton, LLP. She also spent some time as the Corporate Controller at the Children's Hospital of Philadelphia. As part of her responsibilities, Vicki is responsible for planning, executing and supervising the completion of audit services. In addition, she is responsible for identifying opportunities for organizations to improve their processes and procedures and developed written reports outlining those recommendations. She also presents those reports to executives and boards of directors for the clients she serves.

Vicki is based in Plymouth Meeting

Professional Certifications

Certified Public Accountant.

Vicki's professional affiliations include the Pennsylvania Institute of Certified Public Accountants (PICPA), the American Institute of Certified Public Accountants (AICPA) and the Healthcare Financial Management Association (HFMA).

Education

Bachelor of Science in Accounting and International Business from Pennsylvania State University.

Bruce W. Braunewell, CPA

Concurring Principal
Plymouth Meeting, PA

267-417-1137

bruce.braunewell@CLAconnect.com



Profile

Bruce Braunewell has over twenty-six years of public accounting experience and has served clients within the nonprofit sector his entire professional career. Bruce is the Public Sector Group leader for the Philadelphia area offices of CLA. Bruce has extensive experience working with clients in the social service, independent school and charter school space.

Bruce is a 1987 graduate of Gettysburg College. He is a member of the American and Pennsylvania Institutes of Certified Public Accountants. Besides Pennsylvania, he holds a professional license to practice in New Jersey. He is a frequent speaker on a variety of nonprofit topics including nonprofit tax, board governance, healthcare reform, cost allocation, fraud, investments, and corporate compliance. Bruce has previously spoken at the CliftonLarsonAllen Annual Nonprofit and Healthcare conference, the National Business Officer's Association (NBOA) Annual Conference, the Pennsylvania Council on Children, Youth and Family Services (PCCYFS) Annual Conference, the PICPA Annual Nonprofit Conference, the Pennsylvania Association of Nonprofit Organizations (PANO), the Catholic Charities USA Annual Gathering, and for Stafford Publishing as part of their national webinar series. He is Past President, Treasurer and Board Member of the Rotary Club of Ambler and the Charitable Foundation of the Rotary Club of Ambler, Inc. Bruce is also the chairperson of the Merck FCU scholarship committee, which gives out 4-5 scholarships annually to deserving high school students that are heavily involved in community service. He has also served as a coach for Horsham Hoops, Horsham Soccer Association and Horsham Little League.

Professional Certifications

Certified Public Accountant

- Rotary Club of Ambler - past President and Board member
- Charitable Foundation of the Rotary Club of Ambler - past President and Board member
- Merck Federal Credit Union Scholarship Committee member
- American Institute of Certified Public Accountants - member
- Pennsylvania Institute of Certified Public Accountants – member
- Pennsylvania Association of Nonprofit Organizations – member
- National Business Officer's Association - member

Education

Bachelor of Arts, Cum Laude, Business with a concentration in Accounting, Gettysburg College

Andrew Lee, CPA
Engagement Manager
Plymouth Meeting, PA

267-419-1122

andrew.lee@CLAconnect.com



Profile

Andy will act as the manager on the engagement. In this role, Andy will assist the principals with planning the engagement and performing complex audit areas. He will perform a technical review of all work performed and are responsible for the review of comprehensive annual financial report and all related reports.

Andrew has over 12 years of experience specializing in governmental auditing and accounting with an emphasis on state and local government agencies and higher education. Andrew also has extensive experience developing audit plans and reviewing work performed by staff. This work includes the performance of internal control reviews to assure the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

Technical Experience

- Governmental auditing and accounting with an emphasis on state and local agencies and higher education
- GASB related audit experience includes transportation and financing authorities, local governments, community colleges, public state universities
- Plans, performs, and evaluates single audit procedures conducted in audit engagements.

Professional Certifications

Certified Public Accountant

- American Institute of Certified Public Accountants, Member
- Pennsylvania Institute of Certified Public Accountant, Member
- Government Finance Officers' Association, Pennsylvania, Member
- Association of Governmental Accountants, Member

Education

Bachelor of Science in Accounting from Pennsylvania State University

David M. Sekerak, CPA

Engagement Director
Plymouth Meeting, PA

267-419-1635

david.sekerak@CLAconnect.com



Profile

David Sekerak is an engagement director in the public service group in our Plymouth Meeting/Philadelphia office. He has more than 14 years of public accounting experience with nonprofit clients. He focuses on audits of social service, educational nonprofit organizations, charter schools and governmental agencies, as well as compliance and single audit reporting. He has extensive knowledge of government accounting, Generally Accepted Accounting Principles (GAAP) and Generally Accepted Government Auditing Standards (GAGAS). David has provided a variety of services to other industry areas which include hospitality, real estate (developers, commercial and residential operators, hoteliers, home builders and condo associations), sports entertainment, and healthcare. These services include audit, tax and consulting.

David graduated from the Kent State University with a Bachelor of Science in Business Administration degree in accounting. David is also a member of the American Institute of Certified Public Accountants and the Pennsylvania Society of Certified Public Accountants. David is licensed in the states of Pennsylvania and Ohio.

Education/Professional involvement

- Bachelor's of science, business administration, accounting – Kent State University
- Certified Public Accountant
- American Institute of Certified Public Accountants
- Pennsylvania Society of Certified Public Accountants

Continuing professional education

- Attends a minimum of 20 hours annually of continuing professional education classes, including a minimum of 8 hours of audit and accounting classes, resulting in 120 hours for three-year requirement. Every two years, a minimum of 24 hours of CPE specifically related to Yellow Book requirements is completed.



Mallory N. White, CPA

Senior Associate
Plymouth Meeting, PA

484-567-1742

mallory.white@CLAconnect.com



Profile

Mallory has over 3 years of experience in public accounting specializing in providing assurance and audit services for a variety of organizations related to the nonprofit industry.

Mallory has a depth of nonprofit industry and knowledge and specializes in risk assessment; internal control documentation and improvement; and performing audits for agencies that receive federal funding and contributions from the general public. Her client service specializations include audits of social service organizations, charter schools, private schools and other nonprofit organizations. Technical expertise includes A-133/Uniform Guidance and Yellow Book compliance, financial reporting under GAAP, and federal & state tax compliance for tax-exempt organizations.

Professional Certifications

Certified Public Accountant

- American Institute of Certified Public Accountants – member
- Pennsylvania Institute of Certified Public Accountants – member

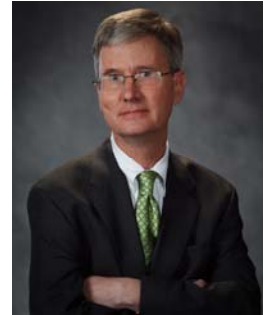
Education

Bachelor of Science in Accounting and Finance degrees, Magna Cum Laude, West Chester University of Pennsylvania

Vincent Reilly, CPA
Quality/Technical Principal
Plymouth Meeting, PA

267-419-1183

vincent.reilly@CLAconnect.com



Profile

Vince Reilly is the principal in-charge of assurance and accounting quality in the Philadelphia office and a member of the firm's National Assurance Technical Group. He specializes in central review, training, internal inspection, peer reviews, and audit and accounting consultations.

Vince has spent more than thirty years in public accounting. He has experience in accounting, auditing, and tax. Vince serves as a technical advisor for accounting and auditing issues for the healthcare, not-for-profit and local government, manufacturing, construction, commercial services and employee benefit plan industry groups. Vince also serves as the healthcare industry group liaison over the quality reviews performed in the firm.

Professional Certifications

Certified Public Accountant licensed in the State of Pennsylvania and is a member of both the American Institute and Pennsylvania Institute of Certified Public Accountants.

Education

Bachelor of Science in Business Administration from Drexel University.

Reach Cyber Charter School

Proposal for Audit Services

June 30, 2017

Submitted by



Table of Contents

	<u>Page</u>
1. Letter of Transmittal	1
2. Profile of Proposer	2
3. Audit Approach and Scope	5
4. Summary of Proposer's Qualifications	9
5. Audit Fee and Other Matters	9



May 31, 2017

To the Board of Trustees
Reach Cyber Charter School

SD Associates, PC are pleased to submit our proposal to render auditing services to the Reach Cyber Charter School.

It is our understanding that the work to be done will encompass a financial and compliance audit of the Organization in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. This proposal is to perform the audit for the year ending June 30, 2017. See the Audit Approach and Scope section of this proposal for a specific summary of the requested services to be performed.

Thank you for the opportunity to present this proposal. Should you need additional information, please do not hesitate to contact us. We look forward to working with you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Keith Drobnes', is written over a faint, illegible typed name.

Keith Drobnes
SD Associates, PC

2. Profile of Proposer

Firm Profile

SD Associates, PC is a regional accounting firm that is in its 35th year of providing professional services to organizations in eastern Pennsylvania as well as neighboring states. Our Company is organized as a professional corporation under Pennsylvania corporate law and is managed by its six shareholders. Our firm's office is located in Elkins Park, Pennsylvania, which employs over nine other professional personnel and approximately four supporting staff.

The Firm is a member of the Pennsylvania Institute of Certified Public Accountants.

SD Associates, PC has a well established reputation for providing quality personalized auditing, tax and management advisory services to our clients in a wide range of industries, including the following:

- Educational Institutions
- Nonprofit Organizations
- Real Estate
- Auto Dealerships
- Technology
- Contractors
- Homeowners and Condominium Associations
- Restaurants
- Manufacturing
- Professional Service Organizations
- Health Care Professionals
- Retail

Our outstanding reputation is evidenced by the fact that our firm has a 95% client retention rate which is based upon the quality of service we strive to provide to our clients.

We have a firm website that can provide additional information. The web address is www.sdaccounting.com.

Why Choose SD Associates, PC?

SD Associates, PC is well positioned to perform your audit engagement. We have detailed below the reasons why we believe that SD Associates, PC is the best choice for an accounting and auditing firm for Reach Cyber Charter School.

All the attention of a Small Firm with the quality and expertise of a Large Firm

SD Associates, PC's size and resources uniquely positions us to service Reach Cyber Charter School. Our Firm has the resources to service your technical needs just as well as larger regional and national firms. However, we represent a competitive alternative to regional and national firms because of the personalized service, attention, and consistency of personnel that we provide as a regional firm with a large local presence in Eastern Pennsylvania.

SD Associates, PC also represents a "step up" from other smaller local accounting firms. Our Firm utilizes the latest auditing techniques and technology in performance of its engagements to provide our clients with effective as well as efficient audit engagements. By engaging SD Associates, PC, you receive all the attention a smaller firm offers but not losing out on the larger firm resources.

Planning and Communication

SD Associates, PC's service philosophy stresses open communication and personal attention. We obtain a complete understanding of our client's needs and focus on the satisfaction of those needs in every service we provide. Planning and communication are the keys to the execution of this philosophy. We strive to obtain an up-front detailed understanding of the way the Organization operates and its business problems and concerns. Our detailed audit approach in the planning stage benefits your Organization in three ways:

- 1) Detailed planning allows our firm to gain a thorough understanding of the operations of the Organization, which enables us to identify opportunities to improve the Organization's operations.
- 2) Proper planning is critical in providing efficient auditing services whereby we strive to keep interruptions of the activities of the Business Office to the lowest extent possible.
- 3) The planning stage is where open communications between our engagement team and your personnel begin and is emphasized to identify potential engagement problem areas up front. This allows us to avoid negative audit surprises caused by poor communication.

Shareholder Level Involvement

It is the Firm's philosophy to require extensive shareholder involvement in all aspects of service. This is one of the biggest advantages experienced by SD Associates, PC clients over other accounting firms.

The shareholder-in-charge of your engagement is always highly involved in the planning and conducting of your services. This shareholder level focus in providing services benefits our clients in two ways:

- 1) High shareholder level involvement enables our firm to maintain close working relationships with our clients and helps in insuring your expectation of excellent service is met.
- 2) High partner level involvement enables more efficient professional services to be rendered without excess "**auditor training**" by your organizations personnel.

SD Associates, PC has identified the following seven dimensions of service that are central to our client service success.

- 1) We understand your business and industry and demonstrate our knowledge in the services we provide to you.
- 2) We consistently anticipate your needs by making suggestions and offering services of value to you.
- 3) We foster open and active communications between our firm and our clients, which contribute to the value of our services.

- 4) We are visibly committed to your success by our attitude, performance and services.
- 5) If a problem arises in our services, you can be confident that it will be addressed and remedied.
- 6) We will avoid negative surprises.
- 7) We appreciate our client's business and show it through the service we provide.

Current Charter School Clients

SD Associates, PC has extensive experience in providing services to governmental and nonprofit organizations. We are exceptionally proud of our record of long-term relationships with our clients

We have listed below the names of the charter schools for which we currently perform an annual audit.

- 1) Roberto Clemente Charter School – Charles Boger, Business Manager, 610-435-5334
- 2) Roberto Clemente Elementary Charter School
- 3) Inquiry Charter School
- 4) Belmont Charter School
- 5) Pennsylvania Leadership Charter School
- 6) Community Academy of Philadelphia
- 7) Lincoln Leadership Academy Charter School
- 8) Chester County Family Academy – Susan Flynn, CEO, 610-596-5910
- 9) Bucks County Montessori Charter School
- 10) Gettysburg Montessori Charter School
- 11) Gillingham Charter School
- 12) Hope for Hyndman Charter School
- 13) Lehigh Valley Dual Language Charter School
- 14) Chester Charter School for the Arts
- 15) Multi-Cultural Academy Charter School – Regina Stewart, Business Manager, 215-227-0513 ext. 111
- 16) Achievement House Charter School
- 17) Young Scholars of Western Pennsylvania Charter School
- 18) Young Scholars of McKeesport Charter School
- 19) Vision Academy Charter School

Participation in AICPA Sponsored Quality Control Programs

SD Associates, PC is committed to performing quality services. This commitment is demonstrated by the fact that our firm participates in the AICPA peer review program. SD Associates, PC received a peer review rating of pass in our latest peer review for the fiscal year ended July 31, 2016.

Staffing Philosophy - Assurance of Staff Continuity

We will staff the engagement with auditors trained and experienced in auditing charter schools entities. The manner in which our staff provides our services is as important to us as the services we provide.

SD Associates, PC's philosophy is to staff engagements with the same individuals that have performed the engagement in the past. SD Associates, PC has not had significant turnover of professionals over the years in our audit department. As previously stated, part of SD Associates, PC's unique service approach includes a high level of shareholder involvement in each engagement. Therefore, the negative effect on the performance of the

engagement is minimized if, for some reason beyond our control, prior year staff accountants cannot be reassigned to the engagement.

The engagement team will be provided with the appropriate personnel, technological and support resources to complete the engagements within the required time frame.

3. Audit Approach and Scope

Audit Scope

We will perform an audit of the Organization's financial statements for the year ending June 30, 2017.

The audits will be performed in accordance with the following standards and guidelines:

- Generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants.
- Generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants.
- Government Auditing Standards, issued by the Comptroller General of the United States.

Audit Approach

This section of the proposal will demonstrate that we have developed a proven work plan that will achieve the objectives of the engagement. The work plan is designed to perform the audit efficiently, without sacrificing quality, and result in starting and completing the audit within the deadlines the Organization has established.

Audit Philosophy

SD Associates, PC uses a risk-based approach in creating its audit program. We obtain a detailed understanding of our client's business; its practices and internal control as a means of determining what we believe are the inherently riskier areas of the audit which have greater potential for misstatement. Upon making this risk assessment, we assign more audit hours and more experienced personnel to the areas assessed to be of higher risk.

As required by Statement on Auditing Standards No 99, *Consideration of Fraud in a Financial Statement Audit (SAS 99)*, we perform a detailed fraud risk assessment in the planning stage of the audit. The risk assessment includes the following:

1. Discussion among engagement personnel regarding the risks of material misstatement due to fraud.
2. Inquiring of management and others within the entity about the risks of fraud.
3. Consideration of fraud risk factors.
4. Developing a response to the fraud risk assessment that involves the nature, timing, and extent of the auditing procedures to be performed.
5. Developing a response involving the performance of certain procedures to further address the risk of material misstatement due to fraud involving management override of controls.

In addition, as provided by SAS 99, we will vary our audit program from year to year to perform certain "surprise" procedures that were not performed in the prior years' audits.

Use of Technology

SD Associates, PC makes full use of the latest technology in the performance of its audits. We utilize state of the art accounting and auditing technology paperless audit programs, which enable us to perform certain procedures on larger populations of data to more effectively and efficiently locate potential misstatements. We will routinely request that analysis and reports from your accounting system be provided in electronic format to assist in this regard.

Audit Timetable and Procedures

We will schedule an audit entrance conference with the Organization's staff prior to the beginning of the audit fieldwork.

We anticipate the engagement will be performed in two stages as follows:

1) Interim Fieldwork

Interim fieldwork will be conducted in August or September, on dates agreeable to the Organization.

During the interim stage of the engagement, we will normally perform the following:

- Planning for the engagement.
- Preparation of confirmations of cash, investments and other assets and liabilities.
- Review of board of director meeting minutes.
- Preliminary testing of expenditures.
- Testing of internal controls of the Organization to the extent deemed necessary, including a test of controls over cash disbursements.
- Preliminary testing of internal controls and compliance over federal programs including, eligibility determinations.
- Preparation of client prepared information list to be provided by the Organization for the year-end engagement.

Engagement Planning

Our engagement planning will normally cover the following areas:

Financial Statement Audit Planning

- Perform and document a detailed audit risk assessment of the Organization.
- Identify related party transactions.
- Document an understanding of financial activities of the Organization.
- Document an understanding of electronic processing of transactions.
- Document internal control over financial activities.
- Identify non-federal compliance requirements.
- Evaluate internal control.
- Assess control risk.
- Perform and document a risk assessment and identify audit risk factors, including misstatement due to fraud.
- Compute financial statement materiality.
- Perform preliminary analytical review.
- Develop overall audit plan.

- Prepare audit programs.

Federal Compliance Audit Planning (If Applicable)

- Identify program objectives, procedures, and compliance requirements.
- Obtain and review contracts, grant agreements, and pertinent laws and regulations.
- Determine which key compliance requirements could have a direct and material effect on the program.
- Determine which compliance requirements are susceptible to testing.
- Document internal controls over compliance.
- Test internal control to provide a low level of control risk.
- Evaluate internal controls.
- Make calculations to assess audit risk.
- Compute federal program materiality.
- Prepare audit programs.

Typical Audit Assistance to be provided by the Organization

We will provide a list of the information and other assistance expected to be provided by the Organization during the interim stage of the engagement. Although we anticipate that the information requested will be similar to the assistance that was provided to your past auditor, there will be certain one time information, such as prior year documents, continuing contracts and other agreements that we will request. We will request much of the information where available to be provided in electronic format in the form of Microsoft Excel and Word documents and other electronic formats. Every effort will be made to utilize the resources of the Organization to assist in providing information for the audit in an effort to control the cost of the audit to the Organization. We would ask the Organization to provide an analysis of most material asset and liability accounts and certain key income and expense accounts, to provide relevant source documents such as invoices and cancelled checks and to have the appropriate individuals available for questions during the audit.

We understand that many audit firms allow audits to be training grounds for inexperienced auditors. You will find our continuity of personnel, supervision of professional staff and audit approach allow our Firm to avoid this situation with our clients.

We understand that an audit can either be a disruptive experience or an opportunity to bring to the Organization the best practices we see in other audit clients. Our Firm's emphasizes communication, planning and organization which assist in allowing the audit to progress smoothly. Our audit team receives specific training in efficient audit techniques to keep the interruptions of your Business Office's activities to the minimal amount possible.

2) Year End Fieldwork

We anticipate beginning year-end fieldwork in August 2017 or as soon as possible when the records are available for audit. The year-end fieldwork will focus on performance of audit procedures on the various account balances and classifications that make up the Organization's financial statements. Examples of such testing may include:

- Examination of confirmations of cash.
- Examination of grants receivable.
- Examination of plant and equipment additions and retirements.
- Examination of accounts payable and accrued expenses, including tests for unrecorded liabilities.

- Testing of grants for compliance with restrictions and proper classification within the financial statement (unrestricted, temporarily restricted or permanently restricted).
- Testing of the allocation of expenses for reasonableness.
- Detail testing of payroll and related benefits.

The account balances will be tested through a variety of procedures including confirmation, examination of supporting documentation, inquiries of management and analytical review procedures.

The year-end fieldwork will also include the following procedures:

- Performance of analytical procedures on non-material/low risk accounts.
- Performance final analytical review.
- Evaluation of the results of audit procedures.
- Determination if audit procedures and results are sufficient to support the opinion on the financial statements.
- Summarize unadjusted misstatements and passed adjustments.
- Compute final materiality.
- Perform final analytical review.
- Evaluate audit results, adjustments and differences.

3) Reporting

The reports to be issued for the engagements will include the following:

- An Independent Auditors' Report on the Organization's Financial Statements
- An Independent Auditors' 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
- An Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance (if applicable)
- Audit Communication to the Audit Committee

Management Letter

In addition to the above reports, we will also prepare a management letter detailing any additional audit findings not reported in the above reports and including any recommendations in which the Organization can improve its accounting systems and/or operating efficiency which we become aware of during the course of performing our audit procedures.

4) Completion of Audit

At the conclusion of the audit, we will schedule an exit conference with the appropriate Organization staff to discuss any remaining audit issues. However, any audit issues will be discussed and satisfied as soon as possible throughout the engagement to eliminate any negative surprises to you. Any adjusting journal entries will be discussed with management at the exit conference. The final audit reports will be delivered to the Organization to meet its requirement by the end of January, unless circumstances beyond our control delay the issuance of the final drafts.

We do not anticipate any major problems in the conduct of the engagement. However, should any problems arise throughout the engagement; we will discuss them with you immediately before proceeding.

4. Summary of Proposer's Qualifications

Your audit team will consist of a shareholder (engagement partner) and two other accountants. A brief profile of the engagement partner is shown below.

Keith J. Drobnes, CPA, MST, Shareholder

Keith J. Drobnes, CPA, MST, received a Bachelor of Science in accounting from York College of Pennsylvania and a Master of Science in Taxation from Widener University. Keith has been a shareholder of SD Associates since January 2001. He is also Yellow Book certified and audits numerous charter schools and nonprofit organizations throughout Philadelphia and the surrounding areas. Throughout his career he has provided auditing, accounting, business consulting, and tax services to clients involved in many industries including government, nonprofit, healthcare, construction, retail and professional services. His experience includes consulting to and advising clients on matters related to various taxes and accounting issues, financing, accounting systems and retirement plans.

Keith has 21 years of experience in auditing and consulting for governmental and nonprofit organizations, including educational institutions. He has received sufficient continuing professional education over the most recent two year period to meet the Pennsylvania requirements for certification, including training in the governmental and nonprofit areas. He is a member of the American and Pennsylvania Institute of Certified Public Accountants. He is licensed in Pennsylvania.

5. Audit Fee and Other Matters

Fee Proposal

Based upon our review of your request for proposal, we are pleased to present our price proposal for the services presented in this proposal. Our price proposal is presented below.

Year Ending June 30, 2017

Financial Statement Audit - \$14,000
Single Audit (if applicable) - \$2,000
Preparation of Form 990 - \$1,000

Policy on Extra Charges

Our policy is to not to charge for occasional calls on accounting, budgeting, or other matters in the normal course of business or requests to provide basic tax forms etc. Actually, we encourage our clients to call us with questions so we can avoid potential future problems. We make it a point to establish a close professional relationship with our clients so they will feel comfortable calling when they have questions. If the work requested by the Organization requires significant time to accomplish, we will provide an estimated fee.

Billing and Other

Our Firm's policy is to bill for services and expenses on a monthly basis for the engagement as it progresses. A final bill is issued upon completion of the engagement.

If you desire any additional information on our Firm or wish to clarify any item in the proposal, please feel free to contact Keith Drobnes. Thank you for the opportunity to present and for your consideration of this proposal.