



Reach Cyber Charter School
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, May 15, 2019 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 Jane Swan at (717) 704-8437.

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 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 the 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. Audit Committee, Committee of the Entire Board
 - a. Approval of Revised Audit Firm Engagement for the 2017-18 SY Annual Financial Audit and Audit Firm Engagement for the 2018-19 SY Annual Financial Audit (attached) – D. Biondo/T. Lee
 - b. Review and Acceptance of the 2017-2018 School Year Financial Audit Report (to follow) – D. Biondo/T. Lee

- V. Oral Reports
 - a. Executive Director's Report (MSR attached) – J. Swan
 - i. Graduation Plans (June 7th) and End of Year Activities Update
 - ii. State Testing Update
 - iii. Comprehensive Support and Improvement (CSI) Designation Update
 - iv. Charter Renewal Update
 - v. AdvancEd Accreditation Update
 - b. Financial Report (attached) – T. Lee

- VI. Strategic Plan
 - a. Approval of Memorandums of Understanding (MOUs) with Immaculata University and Gwynedd Mercy University (to follow) - J. Swan

- VII. Consent Items
 - a. Approval of Minutes from the April 17, 2019 Board Meeting and Training Retreat (attached)
 - b. Approval of Staffing Report (attached)
 - c. Approval of Connections Education Invoice(s) for April (attached)
 - d. Approval of School Calendar for the 2019-2020 School Year (to follow)
 - e. Approval of Revision(s) to the Employee Handbook (attached)
 - f. Approval of Board President as Board Designee to Approve Summer Staffing Decisions for the 2019-2020 School Year
 - g. Approval of School's Vision Statement (attached)

- VIII. Action Items
 - a. Approval of Supplemental Educational Products and Services for the 2019-2020 School Year: LiveSpeech (attached) – J. Swan

- IX. Information Items
 - a. State and Strategic Client Relations (SSCR) Update – A. Jay
 - i. Statement of Agreement with POBL Update
 - b. Partner School Leadership Team (PSLT) Update – A. Pasquinilli
 - i. Planning for School Leader Performance Review

- X. Adjournment and Confirmation of Annual Meeting – Wednesday, **June 19**, 2019 at 9:00 a.m.

April 9, 2018

To the Board of Trustees and Management
Reach Cyber Charter School
750 E. Park Drive, Suite 204
Harrisburg, PA 17111

We are pleased to confirm our understanding of the services we are to provide Reach Cyber Charter School for the year ended June 30, 2018. We will audit the financial statements of the governmental activities and the major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Reach Cyber Charter School as of and for the year ended June 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Reach Cyber Charter School's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Reach Cyber Charter School's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Governmental Fund Budgetary Comparison Schedule

We have also been engaged to report on supplementary information other than RSI that accompanies Reach Cyber Charter School's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of expenditures of federal awards.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Trustees of Reach Cyber Charter School. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain

controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Reach Cyber Charter School's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Reach Cyber Charter School's major programs. The purpose of these procedures will be to express an opinion on Reach Cyber Charter School's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Reach Cyber Charter School in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you, as well as prepare the Internal Revenue Service Form 990. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information

as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will

take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to Reach Cyber Charter School; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of SD Associates, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the PA Department of Education or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of SD Associates, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the PA Department of Education. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Keith Drobnes is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will not exceed \$17,000 for the audit and \$1,000 for the Form 990. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Reach Cyber Charter School and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



SD Associates, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Reach Cyber Charter School.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



May 6, 2019

To the Board of Trustees and Management
Reach Cyber Charter School
750 E. Park Drive, Suite 204
Harrisburg, PA 17111

We are pleased to confirm our understanding of the services we are to provide Reach Cyber Charter School for the year ended June 30, 2019. We will audit the financial statements of the governmental activities and the major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Reach Cyber Charter School as of and for the year ended June 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Reach Cyber Charter School's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Reach Cyber Charter School's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Governmental Fund Budgetary Comparison Schedule

We have also been engaged to report on supplementary information other than RSI that accompanies Reach Cyber Charter School's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of expenditures of federal awards.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Trustees of Reach Cyber Charter School. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain

controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Reach Cyber Charter School's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Reach Cyber Charter School's major programs. The purpose of these procedures will be to express an opinion on Reach Cyber Charter School's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Reach Cyber Charter School in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you, as well as prepare the Internal Revenue Service Form 990. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information

as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will

take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to Reach Cyber Charter School; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of SD Associates, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the PA Department of Education or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of SD Associates, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.


The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the PA Department of Education. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Keith Drobnes is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will not exceed \$22,000 for the audit and \$1,000 for the Form 990. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Reach Cyber Charter School and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



SD Associates, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Reach Cyber Charter School.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

MONTHLY SCHOOL REPORT

School & Date Selection

School

Reach Cyber Charter School

Report Date

April 30, 2019

Currently Enrolled

3100

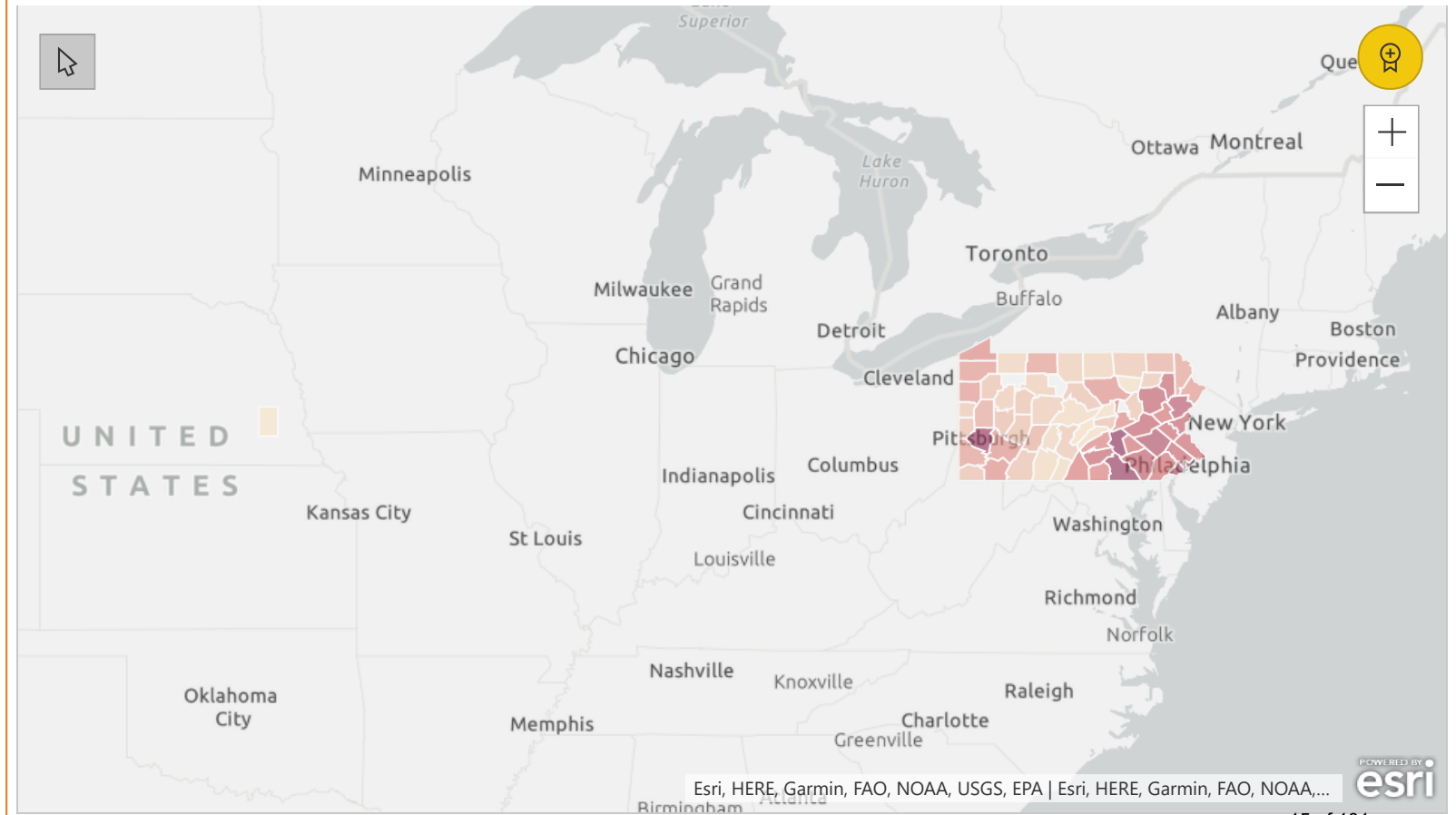
Total YTD Enrolled

4110

Enrollment Services Complete (Stage 4)

4282

Enrolled Students by County



Reach Cyber Charter School

April 30, 2019

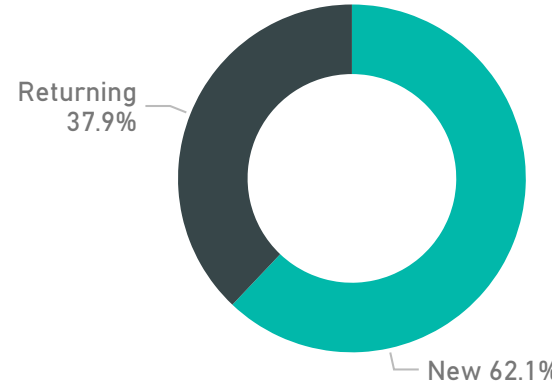
Current Enrollment Month-Over-Month Change

-2%

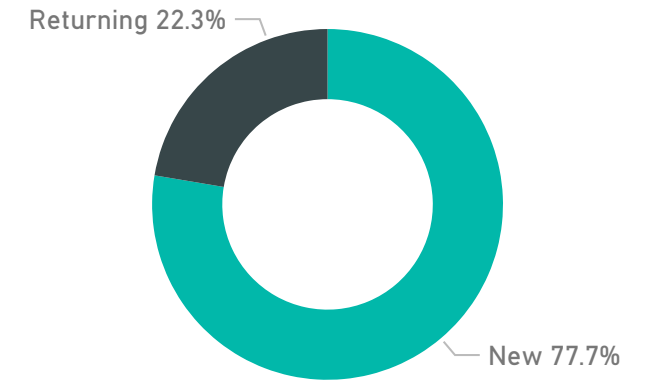
Current Enrollment Year-Over-Year Change

46%

New and Returning

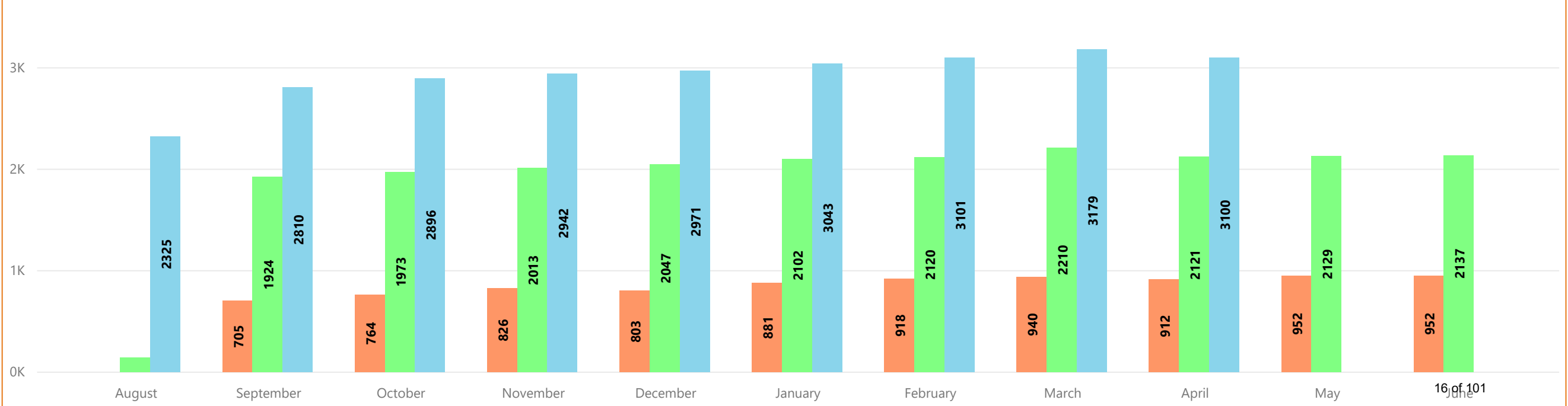


New and Returning Prior Year



Monthly Student Current Enrollment Comparison

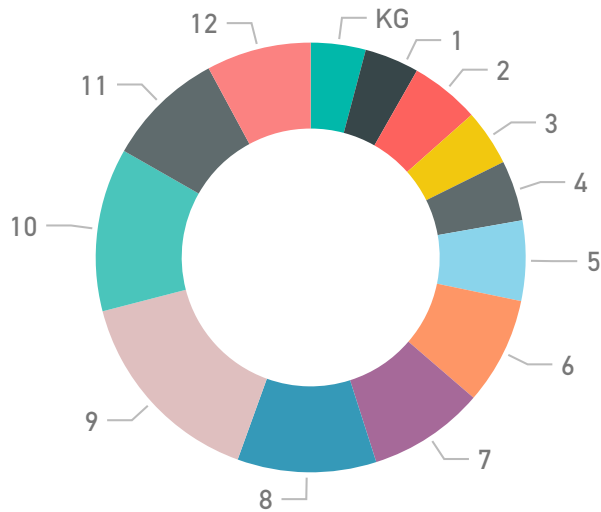
schoolYear ● 2016-2017 ● 2017-2018 ● 2018-2019



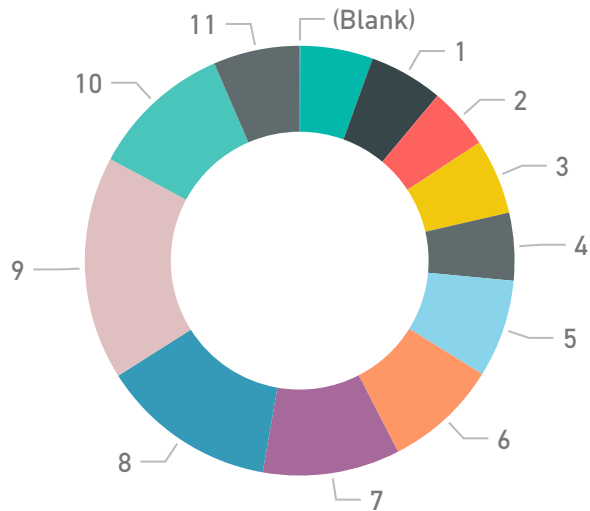
Reach Cyber Charter School

April 30, 2019

Enrolled Students by Final Grade



Enrolled Students Prior Year by Final Grade



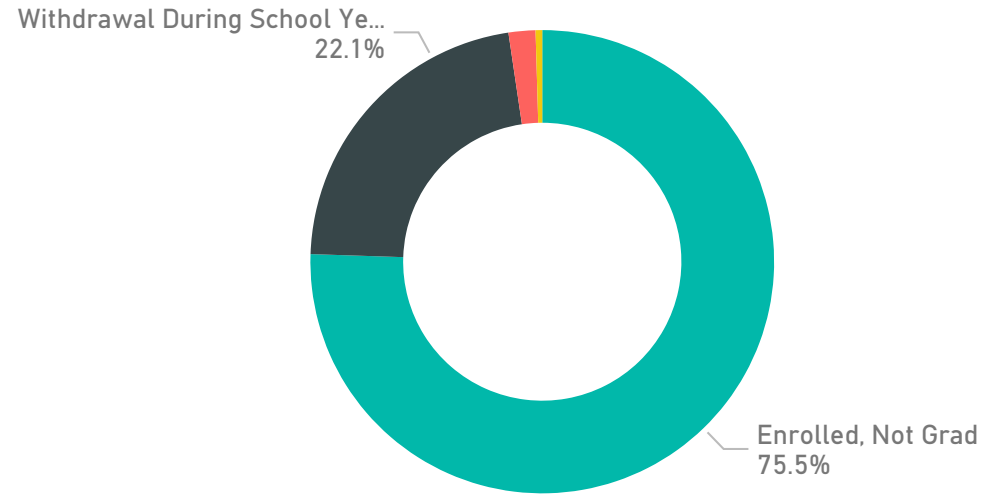
Grade Distribution

ReportPeriod	SameMonthPriorYear		PriorEOY		LastMonth		CurrentMonth	
GradeDistribution	Students	%CT Students	Students	%CT Students	Students	%CT Students	Students	%CT Students
PK-2	333	16%	335	16%	421	13%	417	13%
KG	116	5%	115	5%	129	4%	128	4%
1	118	6%	120	6%	130	4%	127	4%
2	99	5%	100	5%	162	5%	162	5%
3-5	384	18%	393	18%	462	15%	459	15%
3	120	6%	124	6%	132	4%	131	4%
4	108	5%	112	5%	142	4%	141	5%
5	156	7%	157	7%	188	6%	187	6%
6-8	682	32%	695	33%	862	27%	845	27%
6	182	9%	194	9%	255	8%	250	8%
7	219	10%	222	10%	277	9%	271	9%
8	281	13%	279	13%	330	10%	324	10%
9-12	721	34%	714	33%	1433	45%	1379	44%
9	357	17%	349	16%	507	16%	479	15%
10	226	11%	227	11%	401	13%	381	12%
11	138	7%	138	6%	283	9%	275	9%
12					242	8%	244	8%
Total	2120	100%	2137	100%	3178	100%	3100	100%

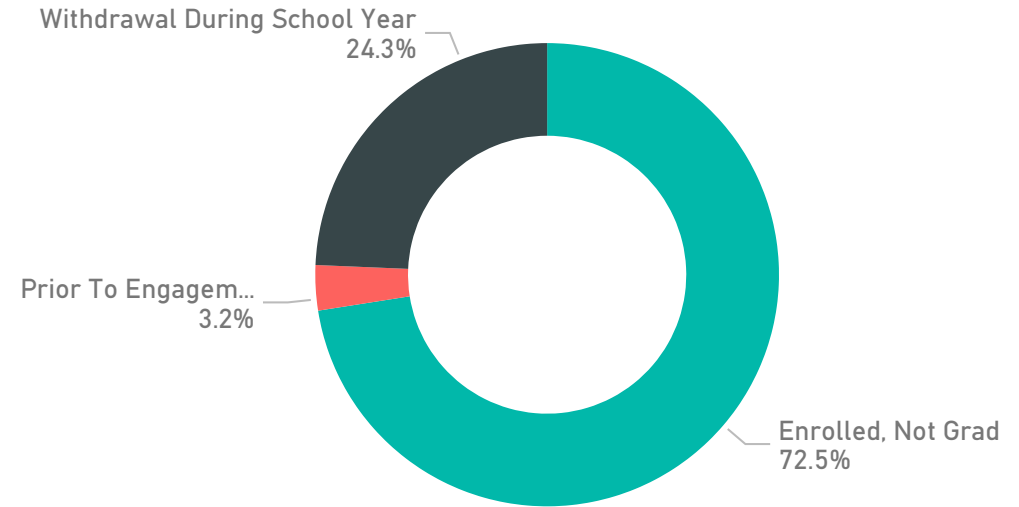
Reach Cyber Charter School

April 30, 2019

Total YTD Enrollment by Withdrawal Category



Total YTD Enrollment Prior Year by Withdrawal Category



Total YTD Enrollment

ReportPeriod Withdrawal Category	SameMonthPriorYear		PriorEOY		LastMonth		CurrentMonth	
	Student Count	%CT Student Count	Student Count	%CT Student Count	Student Count	%CT Student Count	Student Count	%CT Student Count
Enrolled, Not Grad	2140	73%	2156	72%	3182	78%	3104	76%
Graduated					19	0%	19	0%
Prior To Engagement	93	3%	94	3%	75	2%	77	2%
Withdrawal During School Year	718	24%	754	25%	825	20%	910	22%
Total	2951	100%	3004	100%	4101	100%	4110	100%

Enrollment Services Complete (Stage 4)

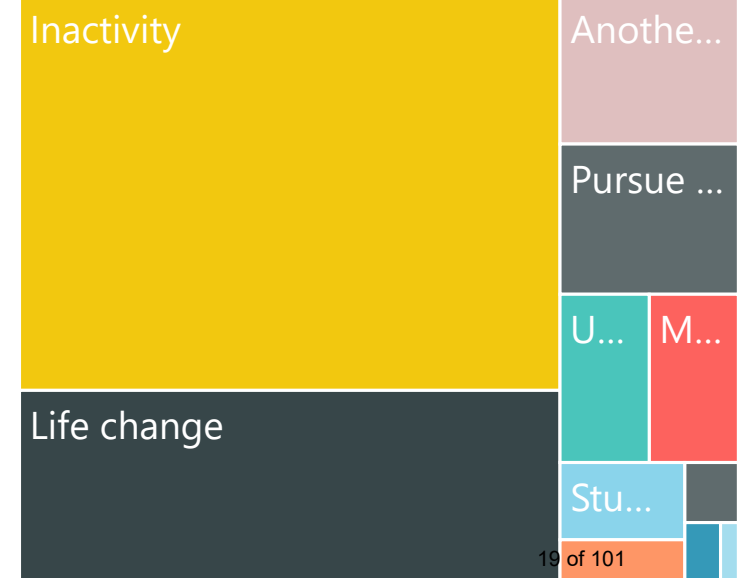
4282

Reach Cyber Charter School April 30, 2019

Withdrawal Reason

Withdrawal Reason	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
Another Reason (EOY Import; See Parent ITW)	38	38	22	25
Applying for next school year			1	1
Deceased	1	1		
Different/Better Schooling Option (Not related to socialization)	334	343	485	514
Getting started with the school was too difficult	3	3	2	2
Inactivity	171	186	160	200
Life change	110	117	91	97
Mismatch Academic	18	18	12	14
Mismatch Family Schedule	4	4	5	5
No Reason Given (EOY Import)	3	3		
Pursue GED	7	11	21	25
Required Documentation Incomplete	1	1		
Student wants more socialization	14	14	8	9
Technical Difficulties	1	1	3	3
Unhappy with the school (teachers, leadership)	13	14	14	14

Different/Better Schooling Option (Not...



Reach Cyber Charter School

April 30, 2019

Household Data

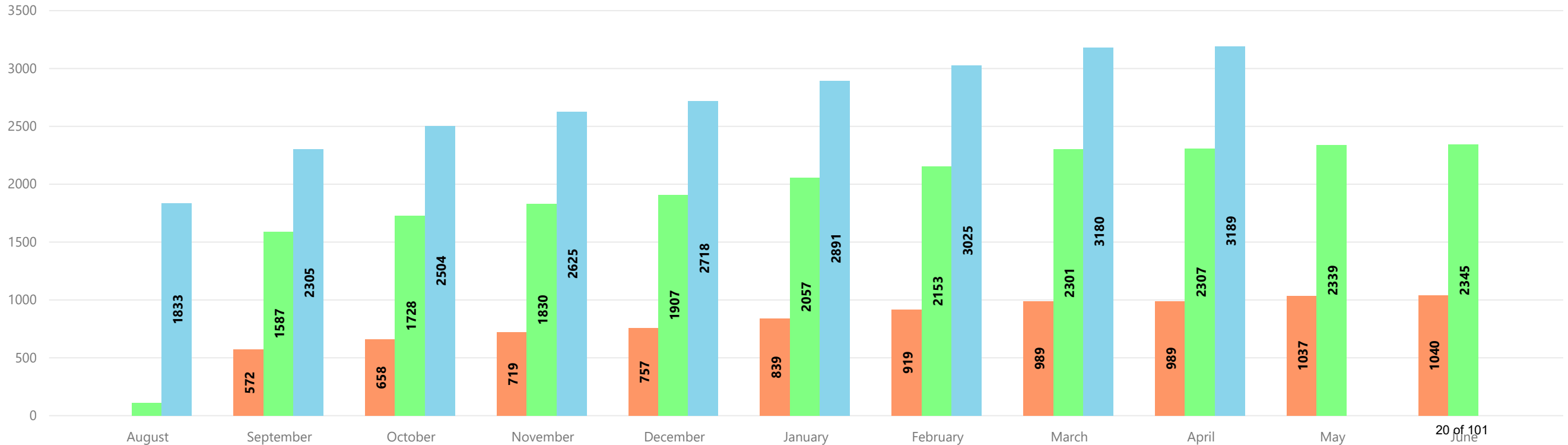
Household Data	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
Active	1703	1713	2510	2450
Graduated			19	19
WD During School Year	578	607	652	724
WD Prior To Engagement	83	84	66	68

Students Per Active Household

SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
1.26	1.26	1.27	1.27

Monthly Total Households

schoolYear ● 2016-2017 ● 2017-2018 ● 2018-2019



Reach Cyber Charter School April 30, 2019

Ethnicity

Ethnicity	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
Hispanic or Latino	287	291	438	424
Not Hispanic or Latino	1832	1844	2739	2674

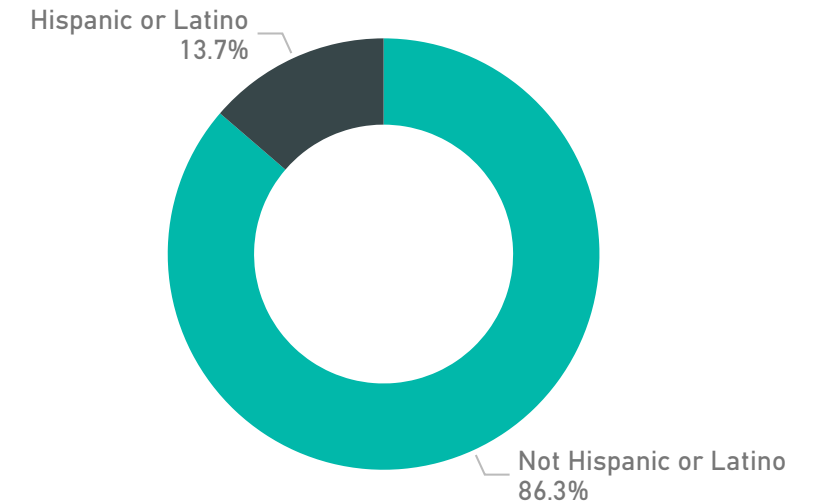
Race

Race	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
American Indian or Alaskan Native	85	85	128	127
Asian	38	39	68	68
Black/African American	620	631	915	894
Native Hawaiian or Other Pacific Islander	24	24	40	40
White	1550	1556	2342	2285

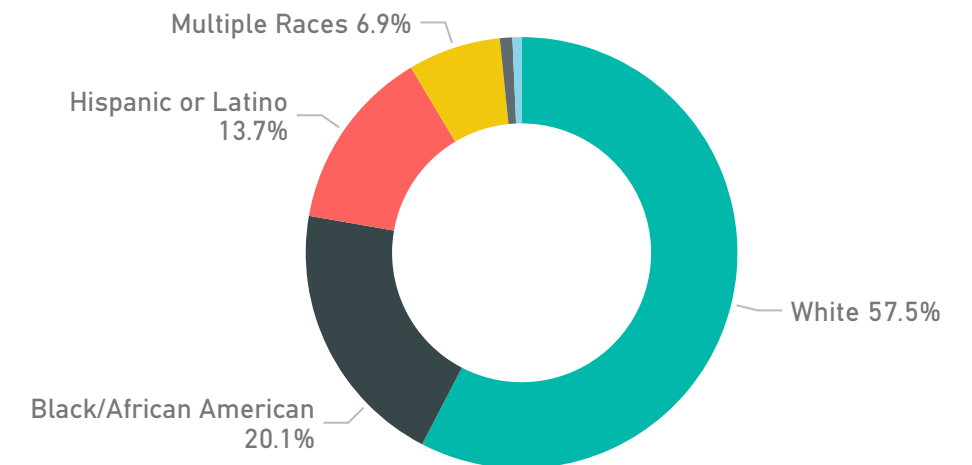
Distinct Race/Ethnicity

Distinct Race/Ethnicity	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
American Indian or Alaskan Native	15	15	21	21
Asian	18	18	29	29
Black/African American	429	438	639	623
Hispanic or Latino	287	291	438	424
Multiple Races	148	150	215	215
Native Hawaiian or Other Pacific Islander	2	2	2	2
Not Indicated	2	2	2	2
Parent refused to report race	1	1		
White	1219	1220	1833	1784

Enrolled Students by Ethnicity



Enrolled Students by Distinct Race/Ethnicity



Reach Cyber Charter School

April 30, 2019

Gender

Gender	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
			1	1
F	1200	1209	1762	1732
M	921	928	1416	1367

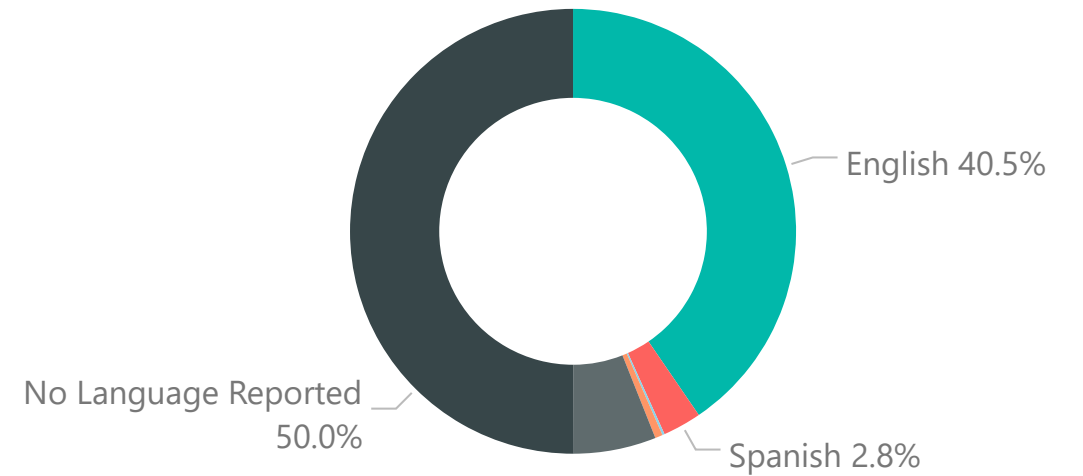
Primary Language

Home Language	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
English	1914	1918	1277	1254
Spanish	13	12	89	87
Russian	2	2	5	5
Arabic	5	5	17	17
Urdu			1	1
Another Language	186	181	188	185
No Language Reported	1	19	1602	1551

Enrolled Students by Gender



Enrolled Students by Language



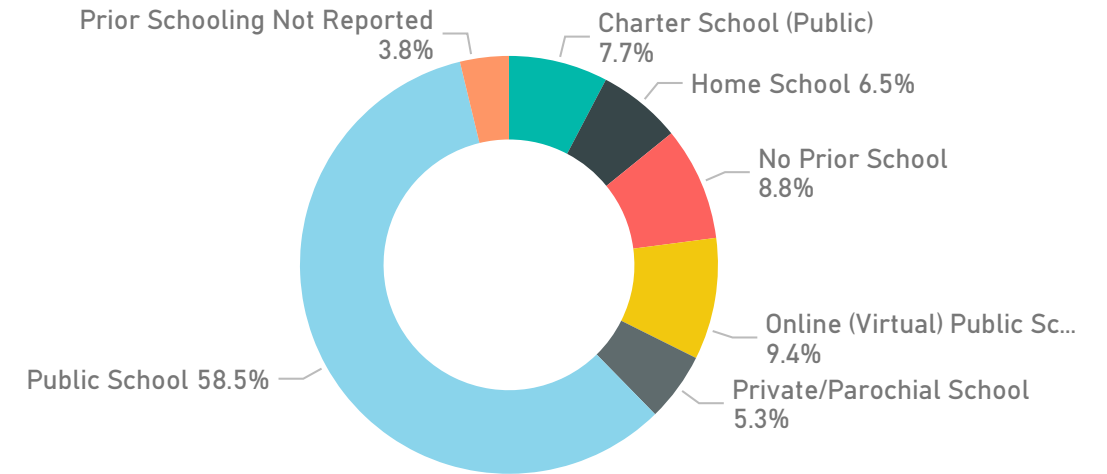
Reach Cyber Charter School April 30, 2019

Prior Schooling

Prior Schooling	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
Charter School (Public)	150	150	244	238
Home School	120	127	203	201
No Prior School	206	198	281	272
Online (Virtual) Public School	137	133	303	292
Private/Parochial School	129	134	167	165
Public School	1301	1317	1865	1815
Prior Schooling Not Reported	78	78	116	117

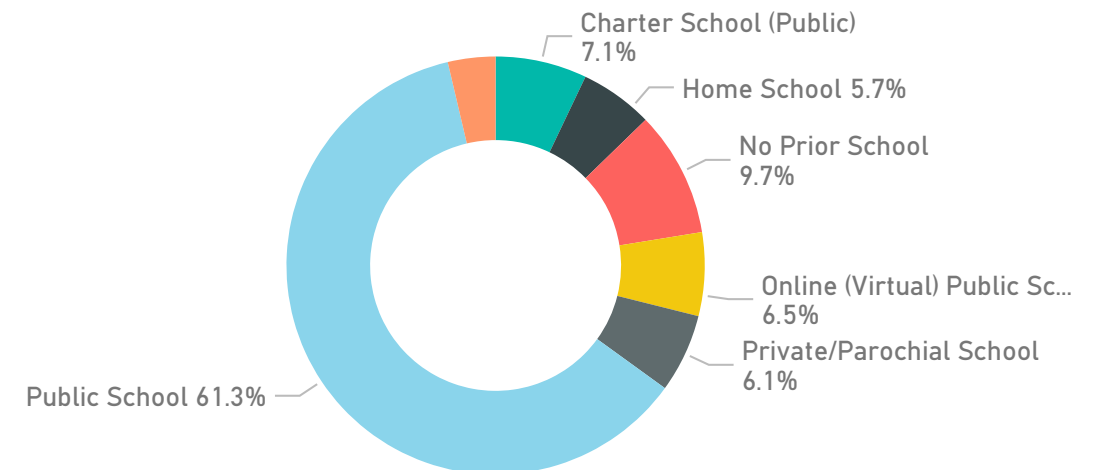
Prior Schooling

April 30, 2019



Prior Schooling

April 30, 2018

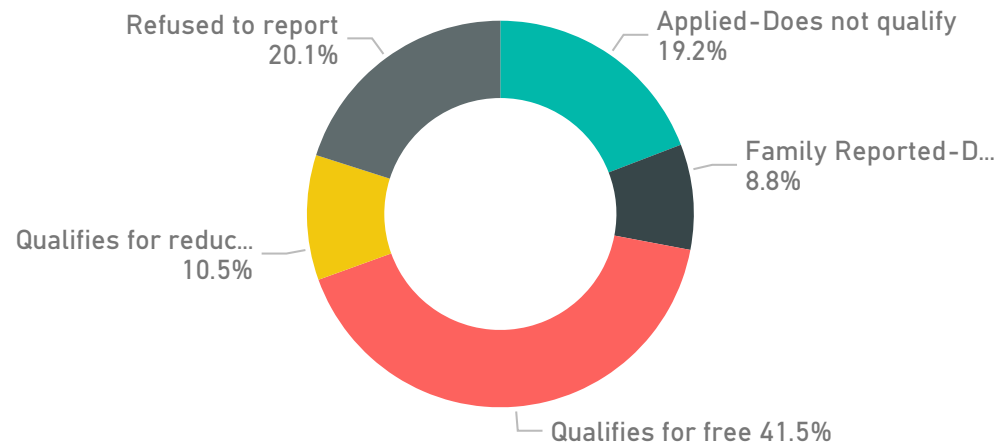


Reach Cyber Charter School

April 30, 2019

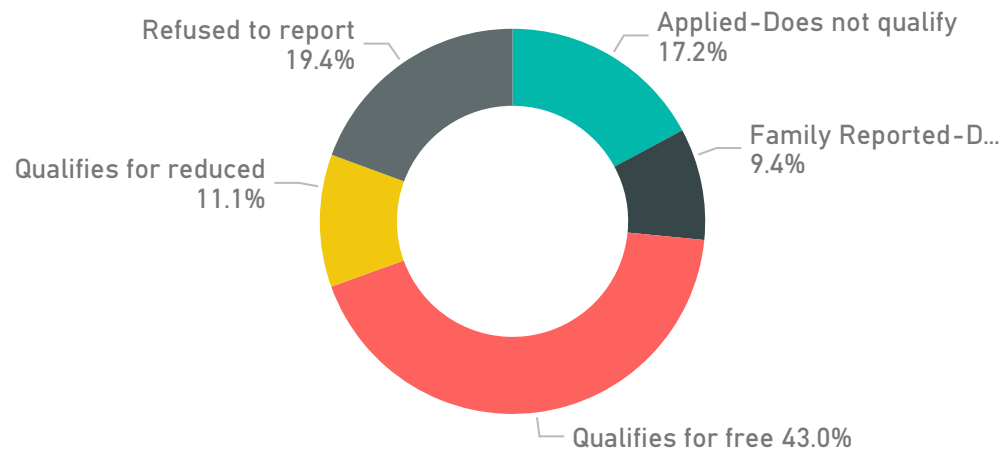
FARM Eligibility

April 30, 2019



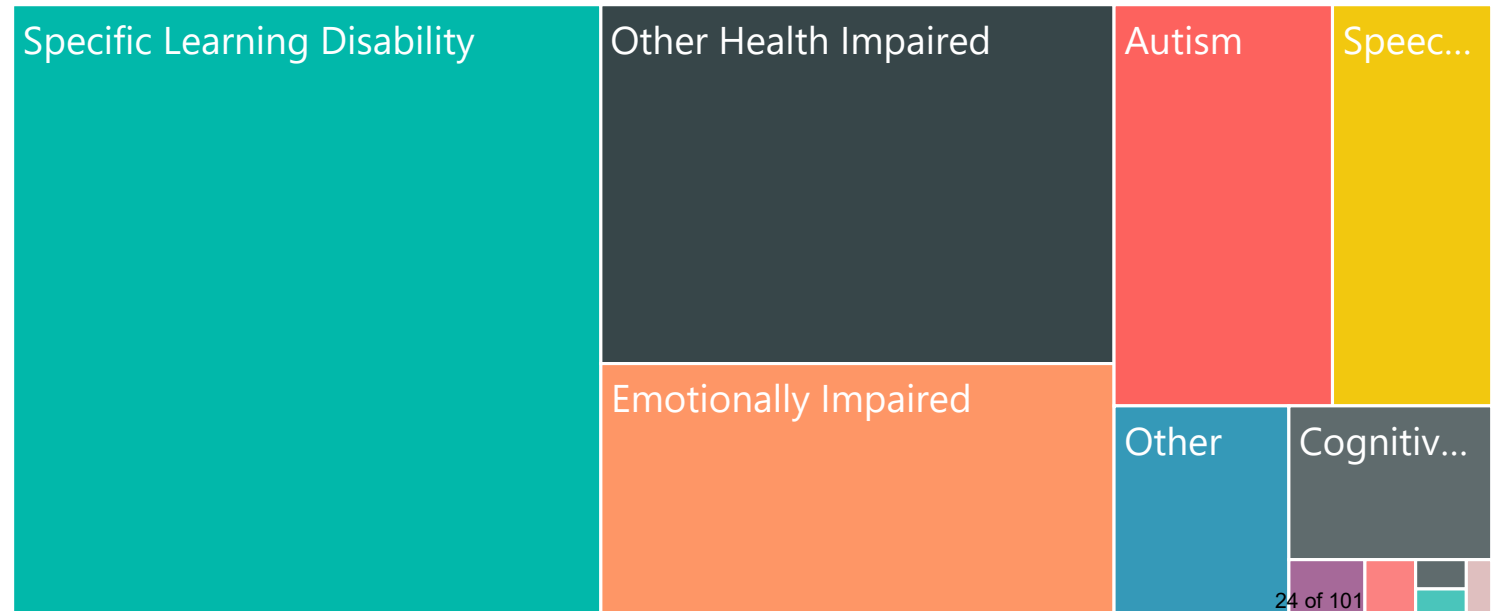
FARM Eligibility

April 30, 2018



Disability

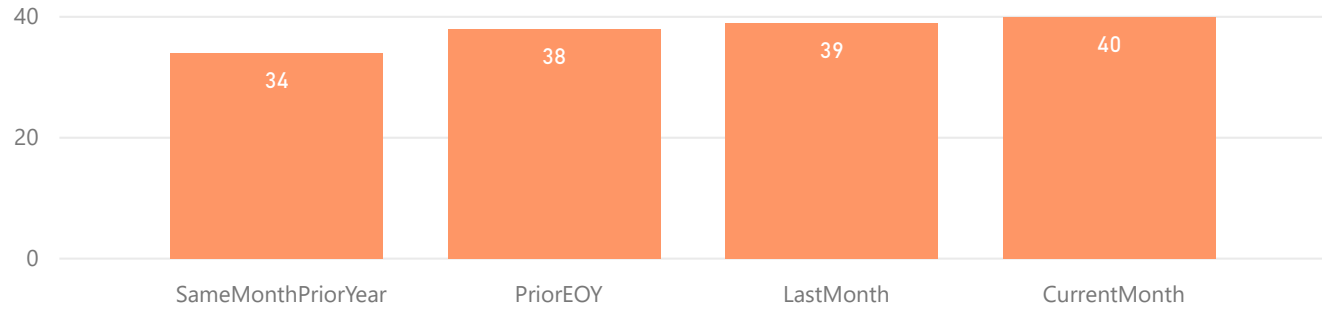
Disability	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
Autism	39	40	60	59
Cognitive Disability	14	15	22	21
Developmentally Delayed	1	1		
Emotionally Impaired	65	64	95	88
Hearing Impaired			3	3
Multiple Disabilities	1	1	1	2
Other	24	24	24	25
Other Health Impaired	71	81	126	124
Physical Disability	1	1	1	1
Specific Learning Disability	173	181	253	243
Speech/Language Impaired	22	26	42	43
Traumatic Brain Injury			1	1
Visually Impaired	1	1	1	1



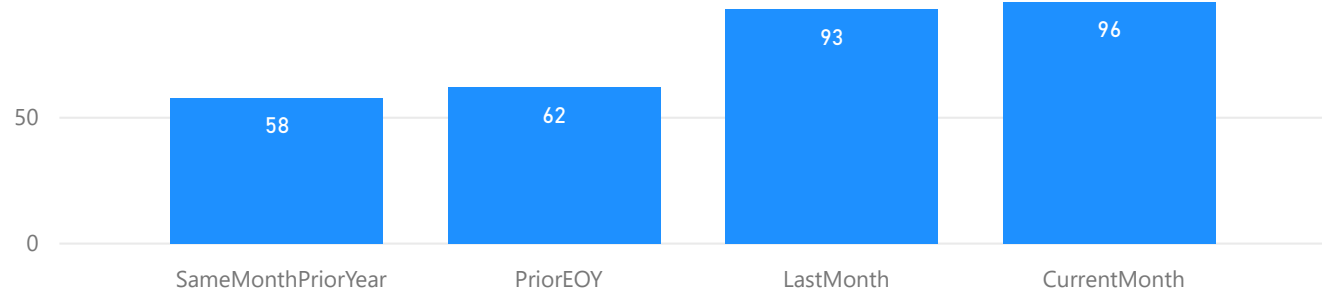
Reach Cyber Charter School

April 30, 2019

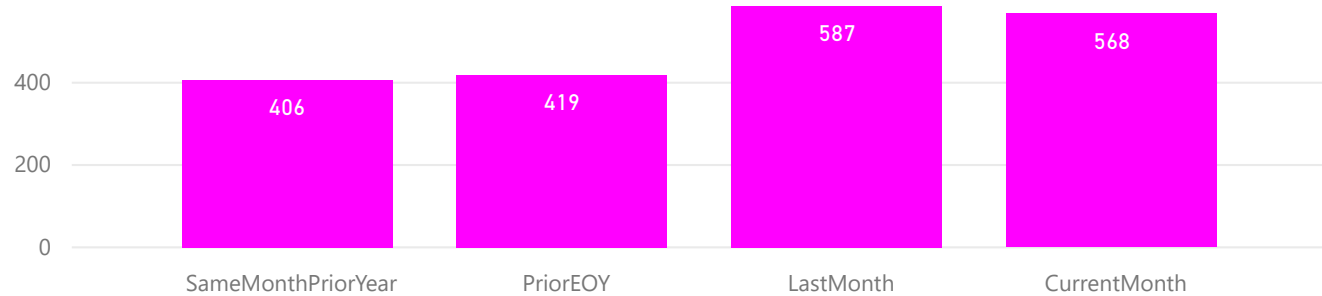
Gifted



Plan504



IEP



Currently Enrolled

3100

Gifted

1%

Plan504

3%

IEP

18%

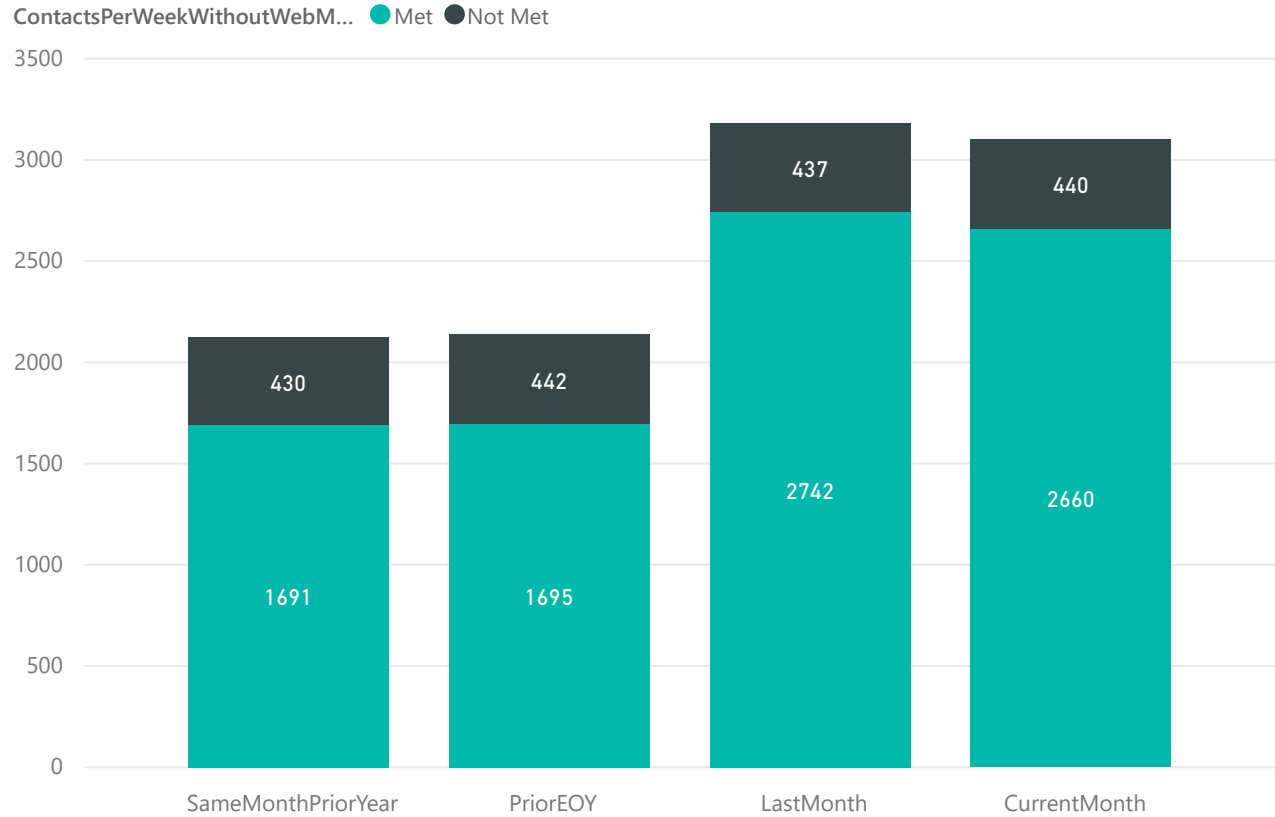
Not in Special Population

77%

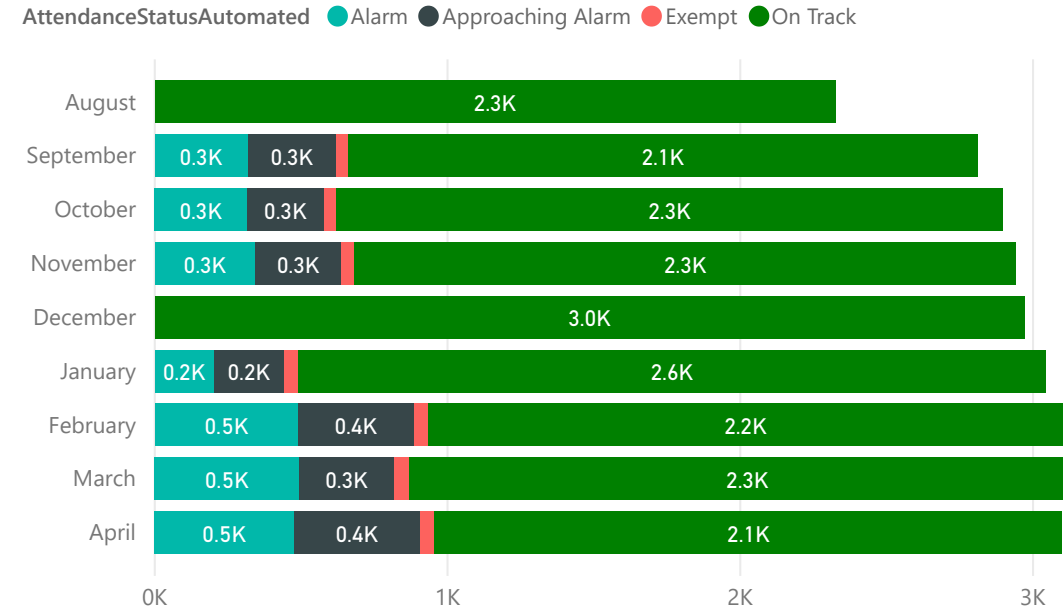
Reach Cyber Charter School

April 30, 2019

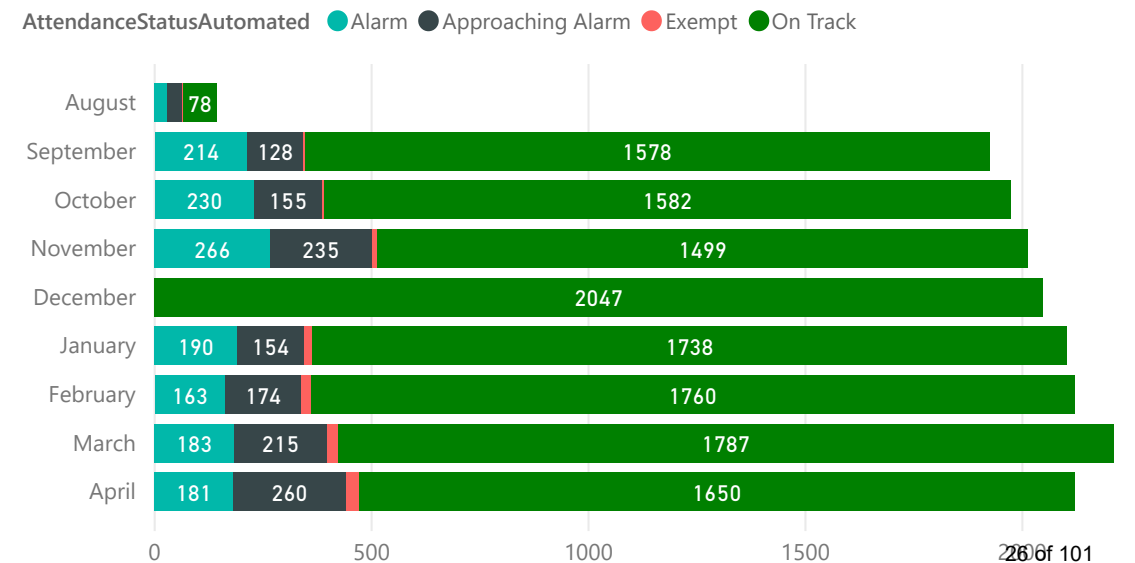
Contacts Per Week



School Year: 2018-2019



School Year: 2017-2018



Currently Enrolled

3100

Reach Cyber Charter School

April 30, 2019

Average Participation

GradeDistribution	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
PK-2	101%	97%	98%	96%
3-5	97%	95%	92%	88%
6-8	97%	87%	92%	89%
9-12	97%	96%	79%	80%
Total	98%	93%	87%	86%

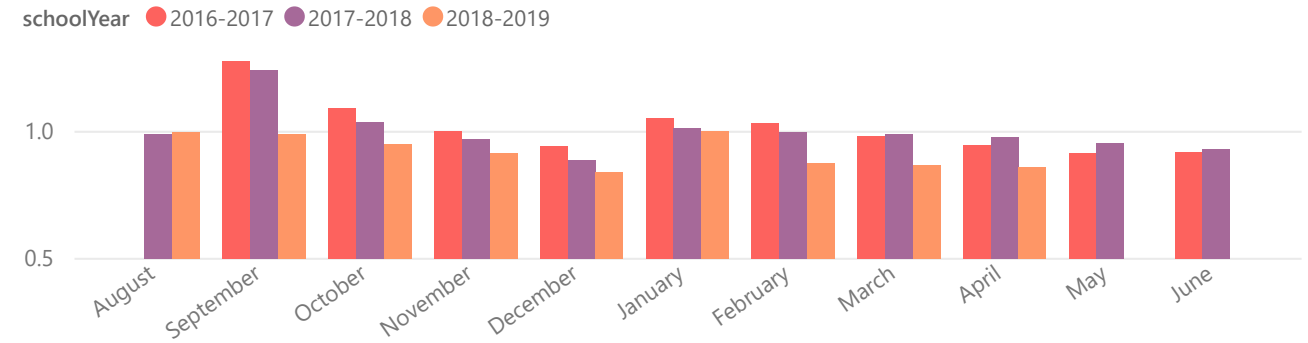
Average Performance

GradeDistribution	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
PK-2	85%	84%	84%	82%
3-5	74%	76%	73%	71%
6-8	69%	68%	67%	67%
9-12	65%	67%	65%	67%
Total	71%	72%	69%	70%

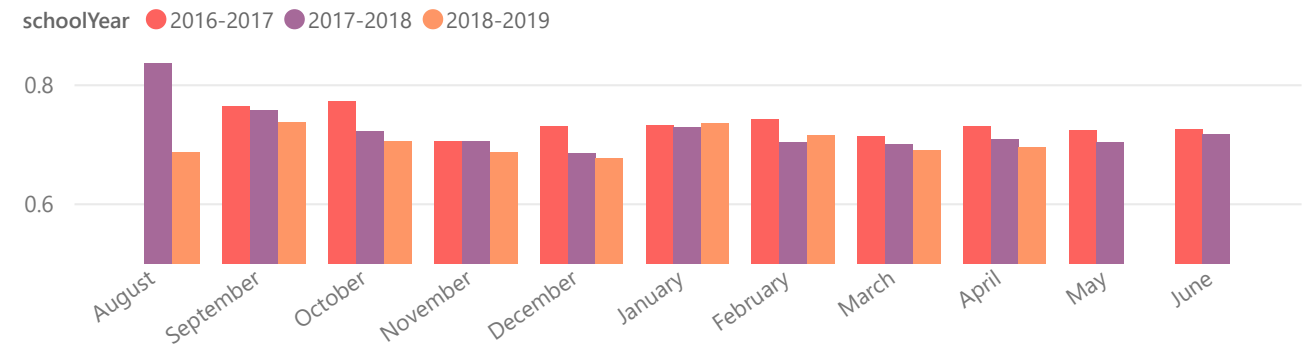
Average Attendance

GradeDistribution	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
PK-2	107%	108%	107%	107%
3-5	108%	112%	110%	111%
6-8	105%	107%	106%	106%
9-12	103%	104%	102%	102%
Total	105%	107%	105%	105%

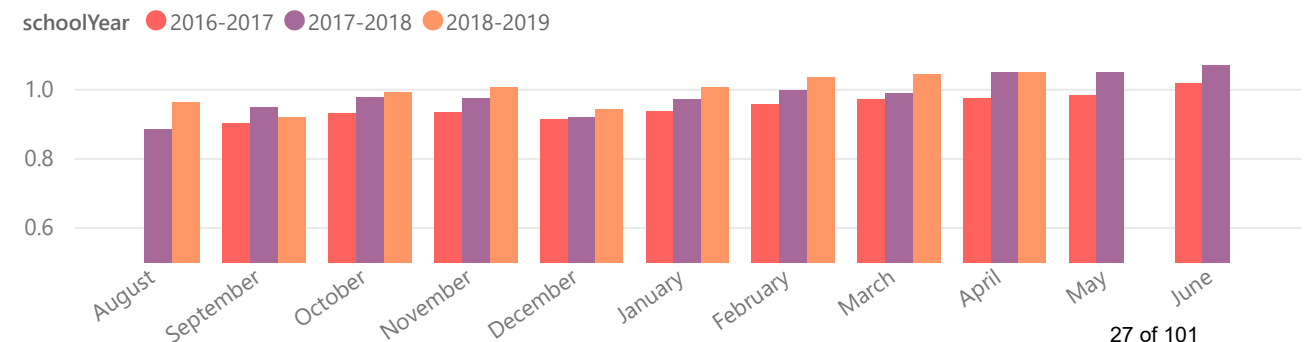
Average Total Participation



Average Total Performance



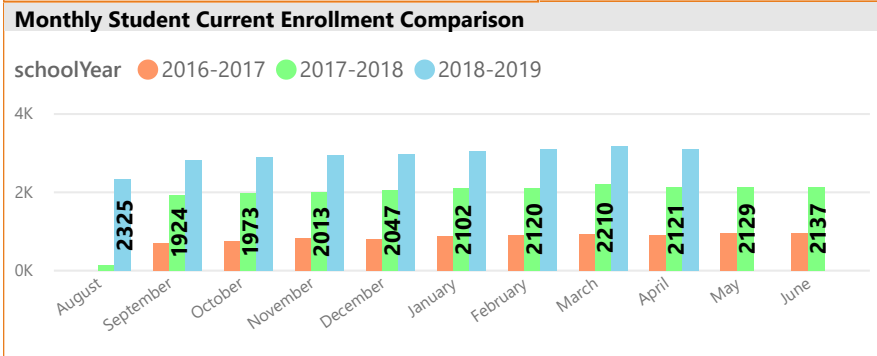
Average Total Attendance



Currently Enrolled	Total YTD Enrolled
3100	4110
Enrollment Services Complete (Stage 4)	
4282	

Reach Cyber Charter School
April 30, 2019

Current Enrollment Month-Over-Month Change
-2%
Current Enrollment Year-Over-Year Change
46%



Total YTD Enrollment

ReportPeriod Withdrawal Category	SameMonthPriorYear		CurrentMonth	
	Student Count	%CT Student Count	Student Count	%CT Student Count
Enrolled, Not Grad	2140	73%	3104	76%
Graduated			19	0%
Prior To Engagement	93	3%	77	2%
Withdrawal During School Year	718	24%	910	22%
Total	2951	100%	4110	100%

New & Returning

ReportPeriod New or Returning	SameMonthPriorYear		CurrentMonth	
	Students	%CT Students	Students	%CT Students
New	1647	77.65%	1924	62.06%
Returning	474	22.35%	1176	37.94%

Household Data

Household Data	SameMonthPriorYear	CurrentMonth
Active	1703	2450
Graduated		19
WD During School Year	578	724
WD Prior To Engagement	83	68

Students Per Active Household

SameMonthPriorYear	CurrentMonth
1.26	1.27

Grade Distribution

ReportPeriod GradeDistribution	SameMonthPriorYear		CurrentMonth	
	Students	%CT Students	Students	%CT Students
PK-2	333	16%	417	13%
KG	116	5%	128	4%
1	118	6%	127	4%
2	99	5%	162	5%
3-5	384	18%	459	15%
3	120	6%	131	4%
4	108	5%	141	5%
5	156	7%	187	6%
6-8	682	32%	845	27%
6	182	9%	250	8%
7	219	10%	271	9%
8	281	13%	324	10%
9-12	721	34%	1379	44%
9	357	17%	479	15%
10	226	11%	381	12%
11	138	7%	275	9%
12			244	8%
Total	2120	100%	3100	100%

Withdrawal Reason

Withdrawal Reason	SameMonthPriorYear	CurrentMonth
Another Reason (EOY Import; See Parent ITW)	38	25
Applying for next school year		1
Deceased	1	
Different/Better Schooling Option (Not related to socialization)	334	514
Getting started with the school was too difficult	3	2
Inactivity	171	200
Life change	110	97
Mismatch Academic	18	14
Mismatch Family Schedule	4	5
No Reason Given (EOY Import)	3	
Pursue GED	7	25
Required Documentation Incomplete	1	
Student wants more socialization	14	9
Technical Difficulties	1	3
Unhappy with the school (teachers, leadership)	13	14

**Reach Cyber Charter School
April 30, 2019**

Gender		
Gender	SameMonthPriorYear	CurrentMonth
		1
F	1200	1732
M	921	1367

Primary Language		
Home Language	SameMonthPriorYear	CurrentMonth
English	1914	1254
Spanish	13	87
Russian	2	5
Arabic	5	17
Urdu		1
Another Language	186	185
No Language Reported	1	1551

Disability		
Disability	SameMonthPriorYear	CurrentMonth
Autism	39	59
Cognitive Disability	14	21
Developmentally Delayed	1	
Emotionally Impaired	65	88
Hearing Impaired		3
Multiple Disabilities	1	2
Other	24	25
Other Health Impaired	71	124
Physical Disability	1	1
Specific Learning Disability	173	243
Speech/Language Impaired	22	43
Traumatic Brain Injury		1
Visually Impaired	1	1

Gifted		
Gifted	SameMonthPriorYear	CurrentMonth
Yes	34	40

Plan 504		
Plan504	SameMonthPriorYear	CurrentMonth
504	58	96

IEP		
IEP	SameMonthPriorYear	CurrentMonth
IEP	406	568

Gifted	Plan504
1%	3%
IEP	Not in Special Population
18%	77%

Ethnicity		
Ethnicity	SameMonthPriorYear	CurrentMonth
Hispanic or Latino	287	424
Not Hispanic or Latino	1832	2674

Distinct Race/Ethnicity		
Distinct Race/Ethnicity	SameMonthPriorYear	CurrentMonth
American Indian or Alaskan Native	15	21
Asian	18	29
Black/African American	429	623
Hispanic or Latino	287	424
Multiple Races	148	215
Native Hawaiian or Other Pacific Islander	2	2
Not Indicated	2	2
Parent refused to report race	1	
White	1219	1784

Race		
Race	SameMonthPriorYear	CurrentMonth
American Indian or Alaskan Native	85	127
Asian	38	68
Black/African American	620	894
Native Hawaiian or Other Pacific Islander	24	40
White	1550	2285

Household FARM Eligibility		
HouseholdFARMEligibility	SameMonthPriorYear	CurrentMonth
Applied-Does not qualify	298	491
Family Reported-Does not qualify	156	230
Family Reported-Does not qualify,Refused to report		1
Qualifies for free	722	998
Qualifies for reduced	188	257
Refused to report	345	512

Prior Schooling		
Prior Schooling	SameMonthPriorYear	CurrentMonth
Charter School (Public)	150	238
Home School	120	201
No Prior School	206	272
Online (Virtual) Public School	137	292
Private/Parochial School	129	165
Public School	1301	1815
Prior Schooling Not Reported	78	117

Reach Cyber Charter School
April 30, 2019

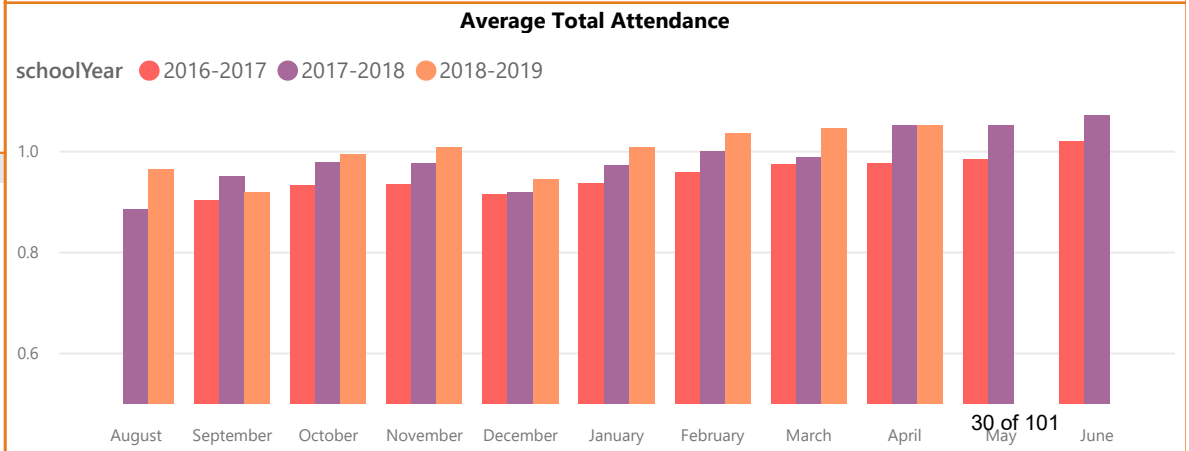
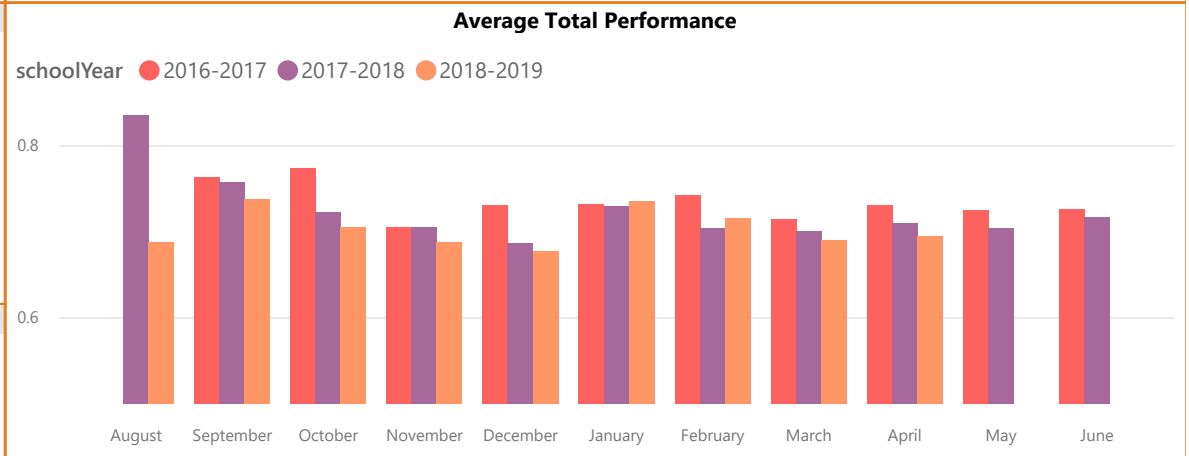
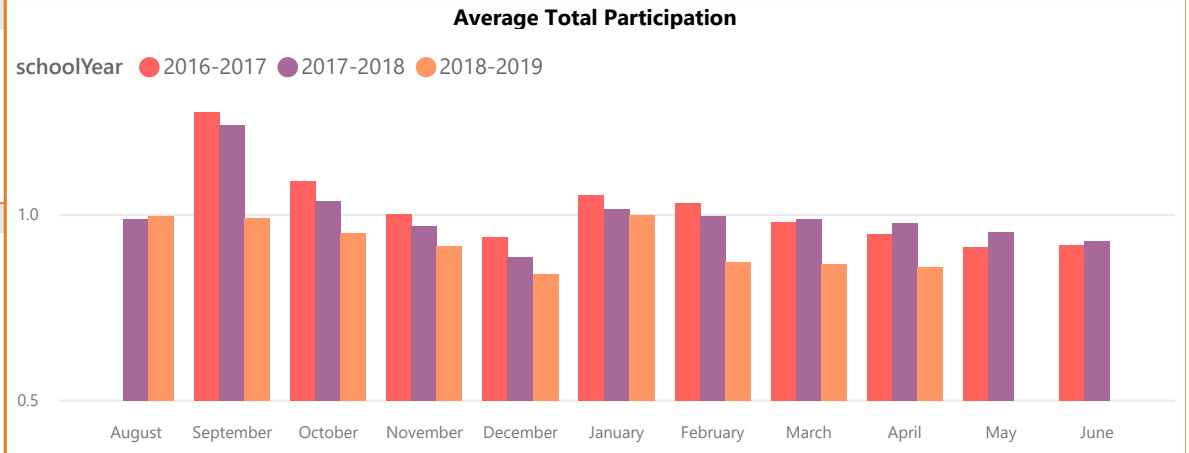
Contacts Per Week		
ContactsPerWeekWithoutWebMail	SameMonthPriorYear	CurrentMonth
Met	1691	2660
Not Met	430	440

Attendance Status		
AttendanceStatusAutomated	SameMonthPriorYear	CurrentMonth
Alarm	181	476
Approaching Alarm	260	429
Exempt	30	51
On Track	1650	2144

Average Participation		
GradeDistribution	SameMonthPriorYear	CurrentMonth
PK-2	101%	96%
3-5	97%	88%
6-8	97%	89%
9-12	97%	80%
Total	98%	86%

Average Performance		
GradeDistribution	SameMonthPriorYear	CurrentMonth
PK-2	85%	82%
3-5	74%	71%
6-8	69%	67%
9-12	65%	67%
Total	71%	70%

Average Attendance		
GradeDistribution	SameMonthPriorYear	CurrentMonth
PK-2	107%	107%
3-5	108%	111%
6-8	105%	106%
9-12	103%	102%
Total	105%	105%



**Reach Cyber Charter School
Revenue and Expense Statement
For the Period Ended April 30, 2019**

	April-19 Actual	YTD Actual	Annual Forecast	Annual Budget	Forecast vs Budget	Forecast vs. Budget Variance
Forecasted Enrollment						
Forecasted ADM			2,967	2,836	130	4.6%
Forecasted Total Enrollment			4,388	4,323	65	1.5%
Forecasted Funded Enrollment			2,929	2,800	129	4.6%
Revenue						
State Funding	4,570,639.27	34,888,708.24	40,779,009.63	34,969,557.63	5,809,452.00	16.6%
Federal & Other Program Funding	49,809.10	726,829.63	1,407,974.11	1,170,000.00	237,974.11	20.3%
Interest Income	7,690.32	21,984.17	25,200.00	-	25,200.00	100.0%
Student Activities Income	-	8,300.00	8,300.00	-	8,300.00	100.0%
Total Revenue	4,628,138.69	35,645,822.04	42,220,483.74	36,139,557.63	6,080,926.11	16.8%
Program Expenses						
Compensation Expense						
Administration Staff	259,534.09	2,296,238.78	3,224,536.12	3,194,393.75	(30,142.37)	-0.9%
Instructional Staff	878,949.22	9,049,895.12	13,854,274.26	10,956,136.01	(2,898,138.25)	-26.5%
Total Compensation Expense	1,138,483.31	11,346,133.90	17,078,810.38	14,150,529.76	(2,928,280.62)	-20.7%
Fee Based Expenses						
Enrollment/Unit Based Fees	1,544,909.27	13,914,963.24	17,426,091.42	16,467,896.00	(958,195.42)	-5.8%
Total Fee Based Expenses	1,544,909.27	13,914,963.24	17,426,091.42	16,467,896.00	(958,195.42)	-5.8%
Other School Expenses						
Assessment	39,688.39	124,273.91	540,000.00	325,000.00	(215,000.00)	-66.2%
Employee Related	8,913.97	161,631.15	366,000.00	316,250.00	(49,750.00)	-15.7%
Facilities	17,563.70	346,561.20	580,165.48	627,382.00	47,216.52	7.5%
Governance	525.87	40,420.28	85,344.00	402,750.00	317,406.00	78.8%
Instructional	825.80	367,113.93	570,000.00	226,000.00	(344,000.00)	-152.2%
Professional Services	862.50	240,349.56	335,300.00	200,000.00	(135,300.00)	-67.7%
Student Related	175,153.24	1,404,591.76	1,993,000.00	1,625,000.00	(368,000.00)	-22.6%
Pending Allocation	-	41,861.92	-	-	-	0.0%
Total Other School Expenses	243,533.47	2,726,803.71	4,469,809.48	3,722,382.00	(747,427.48)	-20.1%
Total Program Expenses	2,926,926.05	27,987,900.85	38,974,711.27	34,340,807.76	(4,633,903.51)	-13.5%
Net Increase (Decrease)	1,701,212.64	7,657,921.19	3,245,772.46	1,798,749.87	1,447,022.59	80.4%
Beginning fund balance	11,198,241.82	5,241,533.27	5,241,533.27	-	-	
Ending fund balance	12,899,454.46	12,899,454.46	8,487,305.73	-	(1,447,022.59)	

**Reach Cyber Charter School
Balance Sheet
April 30, 2019**

ASSETS

Cash and Short Term Investments:

Cash:Checking	\$	2,640,966.31
Cash:Money market Account		8,326,799.40

Total Cash and Short Term Investments		10,967,765.71
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Other Current Assets:

Pupil Funding Receivable		4,262,647.94
PY State Receivables		119,725.98
Allowance for Doubtful Accounts		(59,807.39)
Grant Receivables		146,206.59
Prepaid Rent		15,061.93

Total Other Current Assets		4,483,835.05
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Other Current Assets:

Security Deposit		8,916.65
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Total Other Assets		8,916.65
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Fixed Assets:

Property Plant & Equipment:

Computer Hardware		48,121.10
Leasehold Improvements		104,076.35
Furniture		101,373.97
Accum Depr:Computer Hardware		(27,063.71)
Accum Depr:Leasehold Improvements		(47,609.76)
Accum Depr: Furniture		(23,465.65)

Net Fixed Assets		155,432.30
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Total Assets	\$	15,615,949.71
		=====

LIABILITIES

Current Liabilities:

Due to (from) Connections Academy	\$	1,877,846.86
Pension Payable		112,143.74
Accounts Payable		208.80
Accrued Expenses		32,196.00
Payable to District		538,667.56

Total Current Liabilities		2,561,062.95
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Total Liabilities		2,561,062.95
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FUND BALANCE

Beginning Fund Balance		5,241,533.27
Invested in Capital		155,432.30
Change in Fund Balance		7,657,921.19

Ending Fund Balance		13,054,886.76
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Total Liabilities and Fund Balance	\$	15,615,949.71
		=====

**Reach Cyber Charter School
Schedule of Revenue
For the Period Ended April 30, 2019**

	April-19 Actual	YTD Actual	Annual Forecast	Annual Budget	Actuals vs. Budget Variance
Revenue					
State Funding					
Regular Education Funding	2,931,110.78	22,639,220.22	26,461,426.23	23,635,006.42	2,826,419.81
Special Education Funding	1,639,528.49	12,249,488.02	14,317,583.40	11,334,551.21	2,983,032.19
Total State Funding	4,570,639.27	34,888,708.24	40,779,009.63	34,969,557.63	5,809,452.00
Federal					
Title I	42,138.83	505,662.00	912,752.00	866,000.00	46,752.00
Title IIA	4,675.27	55,226.88	96,867.11	102,000.00	(5,132.89)
Title III	-	-	1,284.00	-	1,284.00
IDEA	-	135,990.75	350,719.00	192,000.00	158,719.00
Title IV	2,995.00	29,950.00	44,925.00	10,000.00	34,925.00
Erate	-	-	1,427.00	-	1,427.00
Total Federal & Other Programs Funding	49,809.10	726,829.63	1,407,974.11	1,170,000.00	237,974.11
Other Funding					
Student Activities Income	-	8,300.00	8,300.00	-	8,300.00
Interest Income	7,690.32	21,984.17	25,200.00	-	25,200.00
Total Other Funding	7,690.32	30,284.17	33,500.00	-	33,500.00
Total Revenue	4,628,138.69	35,645,822.04	42,220,483.74	36,139,557.63	6,080,926.11

Reach Cyber Charter School
Schedule of Fees
For the Period Ended April 30, 2019

	April-19 Actual	YTD Actual	Annual Forecast	Annual Budget	Forecast vs Budget
SCHEDULE OF FEES:					
Enrollment/Unit Based Fees					
Curriculum and Instructional Support Services	449,100.83	4,262,153.32	5,413,900.00	5,155,704.00	(258,196.00)
Student Connexus License	217,070.00	1,460,480.00	1,911,000.00	1,786,877.00	(124,123.00)
Student Technology Assistance Services	238,629.67	2,773,098.68	3,475,100.00	3,337,336.00	(137,764.00)
Enrollment/Placement/Student Support Services	149,817.50	2,540,420.00	3,122,700.00	3,035,310.00	(87,390.00)
School Operations Support Services	201,565.00	1,356,160.00	1,774,500.00	1,659,243.00	(115,257.00)
School Business Support Services	49,616.00	333,824.00	436,800.00	408,429.00	(28,371.00)
Professional Development Services	45,123.79	219,498.79	228,975.00	220,833.00	(8,142.00)
School Staff Support Services/Human Resources Support	171,470.38	834,095.38	870,105.00	839,164.00	(30,941.00)
Facilities Support Services	-	18,749.97	25,000.00	25,000.00	-
Short Term Substitute Teachers	12,600.00	17,400.00	52,200.00	-	(52,200.00)
Direct Course Instruction Support	9,916.10	99,083.10	115,811.42	-	(115,811.42)
Total Enrollment/Unit Based Fees	1,544,909.27	13,914,963.24	17,426,091.42	16,467,896.00	(958,195.42)
Total Fee Based Expenses	1,544,909.27	13,914,963.24	17,426,091.42	16,467,896.00	(958,195.42)

SCHEDULE OF COMPENSATION:

Administrative Compensation					
Salaries - Administration	193,003.88	1,704,510.61	2,387,082.18	2,348,818.20	(38,263.98)
Benefits - Administration	42,460.85	374,992.33	525,158.08	516,740.00	(8,418.08)
Pension - Administration	9,650.14	81,658.95	115,787.53	117,441.91	1,654.38
Taxes - Administration	14,419.22	135,076.89	196,508.33	211,393.64	14,885.31
Total Administrative Compensation	259,534.09	2,296,238.78	3,224,536.12	3,194,393.75	(30,142.37)
Instructional Compensation					
Salaries - Teachers	652,186.10	6,696,183.79	10,227,842.49	8,055,982.36	(2,171,860.13)
Benefits - Teachers	143,480.94	1,473,160.43	2,250,125.35	1,772,316.12	(477,809.23)
Pension - Teachers	42,102.50	332,436.19	510,342.42	402,799.12	(107,543.30)
Taxes - Teachers	41,179.68	548,114.71	865,963.99	725,038.41	(140,925.58)
Total Instructional Compensation	878,949.22	9,049,895.12	13,854,274.26	10,956,136.01	(2,898,138.25)
Total Compensation	1,138,483.31	11,346,133.90	17,078,810.38	14,150,529.76	(2,928,280.62)

**Reach Cyber Charter School
Schedule of Other Expenses
For the Period Ended April 30, 2019**

	April-19 Actual	YTD Actual	Annual Forecast	Annual Budget	Forecast vs. Budget Variance
SCHEDULE OF OTHER SCHOOL EXPENSES:					
Assessment					
Student Testing & Assessment	39,688.39	124,273.91	540,000.00	325,000.00	(215,000.00)
Total Assessment	39,688.39	124,273.91	540,000.00	325,000.00	215,000.00
Employee Related					
Staff Recruiting/Background Checks	137.64	17,892.41	25,000.00	45,000.00	20,000.00
Staff Training/Prof. Dvlpmt	4,037.94	115,358.79	200,000.00	124,250.00	(75,750.00)
Team Building	-	985.26	15,000.00	20,000.00	5,000.00
Travel- Nurse	-	-	6,000.00	7,000.00	1,000.00
Travel and Conferences	4,738.39	27,394.69	120,000.00	120,000.00	-
Total Employee Related	8,913.97	161,631.15	366,000.00	316,250.00	(49,750.00)
Facilities					
Capital Outlay	-	-	135,000.00	135,000.00	-
Copiers/ Reproduction	-	9,074.91	14,000.00	14,000.00	-
Internet	-	10,642.80	17,000.00	15,000.00	(2,000.00)
Maintenance & Repairs	-	13,677.60	25,000.00	28,000.00	3,000.00
Office Postage	706.54	10,478.51	18,000.00	18,000.00	-
Office Supplies	578.44	18,373.78	40,000.00	64,000.00	24,000.00
Office Rent	15,513.79	154,686.04	186,165.48	285,262.00	99,096.52
Other School Expense	-	-	9,000.00	9,000.00	-
Rent Operating Expense	-	-	-	21,120.00	21,120.00
Small Office Equipment	-	125,798.68	130,000.00	35,000.00	(95,000.00)
Telephone	764.93	3,828.88	6,000.00	3,000.00	(3,000.00)
Total Facilities	17,563.70	346,561.20	580,165.48	627,382.00	47,216.52
Governance					
Banking Fees	501.52	3,360.87	3,600.00	3,000.00	(600.00)
Board-Related Expenses	-	5,704.20	20,000.00	20,000.00	-
Charter School Initiatives (Board Designations)	-	-	-	250,000.00	250,000.00
Dues	24.35	27,611.21	42,000.00	9,750.00	(32,250.00)
External Audit	-	-	16,000.00	16,000.00	-
D&O Insurance	-	3,744.00	3,744.00	4,000.00	256.00
Insurance Expenses	-	-	-	100,000.00	100,000.00
Total Governance	525.87	40,420.28	85,344.00	402,750.00	317,406.00
Instructional					
Other Curriculum	-	54,042.96	70,000.00	-	(70,000.00)
STEM Programmatic Expenses	825.80	313,070.97	500,000.00	226,000.00	(274,000.00)
Total Instructional	825.80	367,113.93	570,000.00	226,000.00	(344,000.00)
Professional Services					
Accounting Services	-	195,082.14	275,000.00	170,000.00	(105,000.00)
Legal Services	862.50	45,138.22	60,000.00	30,000.00	(30,000.00)
Other Consultants	-	129.20	300.00	-	(300.00)
Total Professional Services	862.50	240,349.56	335,300.00	200,000.00	(135,300.00)
Student Related					
Community Coordinators	-	4,500.00	7,000.00	-	(7,000.00)
Contracted Pupil Health Support	-	5,000.00	10,000.00	10,000.00	-
School Discretionary Targeted Outreach	-	19,925.00	30,000.00	-	-
Extracurricular Activities	-	-	65,000.00	70,000.00	5,000.00
Graduation Expense	381.60	381.60	35,000.00	35,000.00	-
Student Technology Support Stipend	-	521,560.67	806,000.00	740,000.00	(66,000.00)
SPED Related Services	156,941.17	801,642.25	1,000,000.00	768,000.00	(232,000.00)
Student Activities	17,830.47	51,582.24	40,000.00	2,000.00	(38,000.00)
Total Student Related	175,153.24	1,404,591.76	1,993,000.00	1,625,000.00	(368,000.00)
Pending Allocation					
Expenses Pending Allocation	-	41,861.92	-	-	-
Total Pending Allocation	-	41,861.92	-	-	-
Total Other Expenses	243,533.47	2,726,803.71	4,469,809.48	3,722,382.00	(747,427.48)



Reach Cyber Charter School
MINUTES OF THE BOARD OF DIRECTORS MEETING
Wednesday, April 17, 2019 at 9:00 a.m.

Held at the following location and via teleconference
Sheraton Harrisburg Hershey Hotel
4650 Lindle Road
Harrisburg, PA 17111

I. Call to Order and Roll Call

Mr. Taylor called the meeting to order at 9:10 a.m. when all participants were present and able to hear each other.

Board Members Present: David Taylor, Joe Harford, Gail Hawkins-Bush, Alex Schuh, Dave Biondo and Paul Donecker (in person);

Guests: Jane Swan, School Leader; Karen Yeselavage, LeeAnn Richie, Rachel Graver, Heather Berger, Nancy Wagner, Michael Hinshaw, Alicia Swope, Greg McCurdy and John McMurray, School Staff; Kevin Corcoran, Charter Choices, Financial Consultant; Tom ap Simon, Anne Parmley, Emily Lee, Andrew Pasquinilli, Amanda Jay and Megann Arthur, Pearson Online and Blended Learning (POBL) Staff (in person); Pat Hennessey, Board Counsel; Tanya Lee, Pearson Online and Blended Learning (POBL) 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 April 17, 2019 regular meeting of the Reach Cyber Charter School Board of Directors, as presented, is hereby approved.

The motion passed unanimously.

IV. Audit Committee, Committee of the Entire Board

a. Review and Acceptance of the 2017-2018 School Year Financial Audit Report

This item was tabled to the Board's next meeting, as the necessary documentation was unavailable prior to the meeting.

b. Approval of Audit Firm Engagement for the 2018-2019 School Year Financial Audit

This item was tabled to the Board's next meeting, as the necessary documentation was unavailable prior to the meeting.

V. Oral Reports

a. Executive Director's Report

i. Graduation Plans (June 7th) and End of Year Activities Update

Ms. Swan reminded the Board of the upcoming graduation ceremony for Reach, planned for Friday, June 7, 2019 from 6-8 p.m. in Mechanicsburg, and encouraged Board members to attend. She further provided the Board with an update on end of year activities for students and families.

ii. State Testing Update

Ms. Swan updated the Board on state testing, including staff efforts, number of sites in operation and participation rates expected throughout the state. Board members had discussion with Ms. Swan and Ms. Graver regarding the percentage of families who had thus far opted out of testing, and any effect that may have on the school's results.

iii. Charter Renewal Site Visit

Ms. Swan presented this item to the Board. She reviewed both the day's meetings and activities, as well as the documentation requested and provided before, and after, the visit. All participants had discussion on the positive feedback provided at the conclusion of the visit by those in attendance. Ms. Swan further advised of the anticipated timeline for communication to be received from PDE.

iv. Comprehensive Support and Improvement (CSI) Designation Update

Ms. Swan provided the Board with an update on the school's CSI designation status, and associated activities. She advised that the school's senior leadership team has been meeting with the state-appointed facilitator, and that the meetings have been positive and very helpful. Ms. Swan further advised that three focus groups had already met with parents and others in the community to garner feedback. She also advised that multiple steering committees are engaged in working on a school improvement plan to address priorities, including curriculum alignment, support services, partnerships across the state, and others.

b. POBL Products, Services and Initiatives Update

Mr. Pasquinilli presented this item to the Board. He reviewed upcoming program enhancements, planned product roll-outs, and specific initiatives that are high on the priority list of POBL for the next school year,

and beyond. He detailed curriculum changes and alignment initiatives, and reviewed the anticipated timeline for the next generation of the school's learning management system to be available.

c. Financial Report

Ms. Lee reviewed the school's financial statements with the Board. She reviewed the revenue and expense statements, advising on changes since the previous months' statements.

[Ms. Hennessey left the meeting at 9:30 a.m.]

Ms. Lee further reviewed the school's forecast for the school year, and the anticipated fund balance at the close of the year. Mr. Corcoran further advised that the anticipated 7-8% margin is a good financial place for the school to finish the year.

VI. Strategic Plan

a. Strategic Plan and Initiatives to Improve Efficacy Report

At Ms. Swan's request, Mr. Pasquinilli presented this item to the Board. Mr. Pasquinilli reviewed additional updates being developed for the school's S.T.E.M. Kits; Board members requested the opportunity to see a samples S.T.E.M. Kit at a future in-person meeting. The Board had brainstorming discussion on ideas for the kits, heard the many ways students have been observed learning with them, and discussed ways to help students being engaged with all that is available to them.

Mr. Pasquinilli further noted the updates to the Compensation structure at the school, as well as the implementation of other HR-related initiatives recently approved for school staff. Ms. Swan provided an additional update on the status of staff positions she was in the process of filling.

VII. 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. Board members noted tabling Consent Item (e) Approval of School Calendar for the 2019-2020 School Year to the next meeting, when the document is expected to be available. The Board also noted the addition of Graduation Requirements Policy revisions to the handbook updates in Consent Item (g). There being no additional changes noted, a motion was made and seconded as follows:

RESOLVED, the Consent Items:

- a. Approval of Minutes from the March 5, 2019 Board Meeting;
- b. Approval of Staffing Report;
- c. Approval of Connections Education Invoice(s) for February and March;
- d. Approval of LiveSpeech Invoice(s);
- f. Approval of Staff Compensation Plan for the 2019-2020 School Year; and
- g. Approval of Revision(s) to the 2018-2019 School Year State Specific School Handbook: ELL Students, Student and Staff Communication (Texting) and Graduation Requirements Policies; are hereby approved.

The motion passed unanimously.

VIII. Action Items

There were no action items to consider at this time.

IX. Information Items

a. State and Strategic Client Relations (SSCR) Update

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

i. Renewal Update(s)

Ms. Jay provided the Board with an update on the status of the Board's draft renewal Statement of Agreement with POBL.

b. Partner School Leadership Team (PSLT) Update

Mr. Pasquinilli presented to the Board on behalf of Pearson Online & Blended Learning's (POBL) School Leadership Team.

i. School Operations Metrics

Mr. Pasquinilli provided a thorough review of the data included in the Board materials, highlighting the school's performance as compared with other POBL partnering schools of similar size and years in operation. All participants had extensive discussion regarding the school's quarterly metrics data and progress throughout the school year of initiatives and student outcomes.

Ms. Swan further advised the Board that the family mentorship program initiative to further assist at-risk students was to be underway soon, as well.

c. Board Planning for the 2019-2020 School Year

Ms. Arthur discussed the planning for the 2019-2020 school year that POBL has been working on with the school.

i. Proposed Meeting Schedule

The Board confirmed their support of maintaining the current meeting schedule for the upcoming school year. Ms. Arthur advised that the consideration of the Board meeting schedule for the 2019-2020 school year will be included on the June Annual Meeting agenda.

ii. Board Composition

Ms. Arthur discussed with the Board the current composition, including board member terms that would be up at this year's Annual Meeting, and encouraged Board members to discuss their intentions regarding terms and renewal with the Board Chair.

Ms. Swan and Ms. Arthur briefly reviewed the Board's evaluation of Charter Choices' services provided to the school and Board.

[The regular meeting ended at 10:24 a.m. and all attendees left the meeting with the exception of the Board members Ms. Arthur and Ms. Lee]

X. Act 55 State-Required Board Training Modules and Associated Documentation

Ms. Arthur reviewed the recently established PDE required training under Act 55. She provided a brief overview of her communications with representatives from PDE regarding the training options, and the necessary documentation the Board must complete and School Leader keep on file at the school.

Board members watched the PDE Charter School Trustee Training Webinars 1-6 on topics including: Instruction and Academic Basics, Personnel Basics, Governance Basics, Operations Basics, Fiscal Management Basics, and Ethics, Open Meetings and Regulations. The Board discussed the many resources and their reflections on the trainings as a group, and documented their feedback on the state-provided form.

Board members had discussion with Ms. Arthur regarding the PDE training provided, the various Board member training opportunities completed by members of the Board previously, as well as additional future opportunities available to allow the Board to continue to develop their knowledge and service.

XI. Adjournment and Confirmation of Next Meeting – Wednesday, May 15, 2019 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 next meeting date is Wednesday, May 15, 2019 at 9:00 a.m. The Board being at the end of its agenda, the meeting was adjourned at 2:30 p.m.

Staffing Reports

New Hires

Name	Area	Compensation	Bonus Potential	Start Date
Lingle, Kayla B.	Social Worker	\$52,500.00	0.05	05/02/2019

Departing Employees

Name	Area	Last Day Worked	Reason
n/a			

Promotions/Transfers

Name	Previous Position	New Position	Compensation	Bonus	Effective Date
Lingle, Kayla B.	Social Worker	\$52,500.00	0.05	05/02/2019	10/10/2018

Summary of Qualification: A motivated and dedicated Social Worker with extensive knowledge of social work principles, techniques, and practices with their application to complex casework, group work, and community issues. Skilled in establishing rapport with consumers and providers to gather relative information in efforts of best serving the consumer. Frequently recognized by colleagues for advocacy and creative problem solving.

Professional Skills:

- A proactive team player with a positive attitude.
- Utilizes diverse practice modalities.
- Familiar with the application and use of the DSM-V.
- Adept in successfully coordinating multiple projects simultaneously.
- Proficient in consumer advocacy and the navigation of government systems.

Professional Experience:

CUMBERLAND COUNTY CHILDREN AND YOUTH

Senior Human Services Case Manager

December 2014- Present

- Conduct investigations/assessments of abuse and neglect while routinely assessing safety and risk.
- Address and identify barriers to wellness regarding trauma, addiction, self-injurious behaviors, suicidal ideation, grief, eating disorders, domestic violence, abuse and neglect.
- Develop/ monitor service plans with the engagement of the consumers and families.
- Provide counseling to individuals, couples, co-parenting, and families.
- Coordinate and facilitate family groups.
- Frequently make referrals and collaborate with a variety of multidisciplinary teams, including local and state agencies, hospitals, and law enforcement in reviewing the complexity of cases and ensuring the best care for consumers.
- Maintain familiarity with prescription medications that treat mental health and medical diagnoses.
- On Call coverage for evenings, weekends, and holidays.
- Provide task supervision and support to interns and new hires.
- Individually selected to work on a Trauma Informed Courtroom Workgroup as a means to develop trainings to be utilized state wide.
- Maintain case records according to state and federal guidelines.

FRANKLIN FAMILY SERVICES

Mobile Therapist/ Behavioral Specialist Consultant

December 2014- September 2016

- Provide intensive therapeutic services in the home with consumers.
- Develop and implement treatment plans with the input of families and children using various social modalities.
- Maintain files/records according to the needs of insurance providers.

Internships:

MERCY BEHAVIORAL HEALTH

Child Therapist Graduate Intern

September 2013- May 2014

AUBERLE

S. N. A. P Intern

October 2012- May 2013

PERRY COUNTY CHILDREN AND YOUTH

County Intern

May 2012- August 2012

Licenses and Certifications:

Post- Master's Advanced Clinical Certificate Program, September 2018- Present

Licensed Social Worker, License Number: SW131451, May 2014

Education:

UNIVERSITY OF PITTSBURGH, 2012- 2014

Masters of Social Work, Direct Practice

Children, Youth, and Families Certificate

INDIANA UNIVERSITY OF PENNSYLVANIA, 2009- 2012

Bachelor of Arts, Sociology and Human Services, Psychology Minor



Pearson

INVOICE

Customer Bill-to:

Reach Cyber Charter School
750 East Park Drive
Suite 204
Harrisburg, PA 17111

Attention:
Accounts Payable

Customer Ship-to:

Reach Cyber Charter School
750 East Park Drive
Suite 204
Harrisburg, PA 17111

**Connections Education LLC
dba Pearson Online & Blended
Learning K-12 USA**
10960 Grantchester Way
Columbia, MD 21044
Tel: 1-866-842-7428(Option-2)
Email:
poblsalesops@pearson.com
Tax ID No:

Invoice Number : 91000002426
Date : 07-MAY-2019
Due Date : 06-JUN-2019
Payment Terms : NET 30
Customer Account : 3924545
Project Number : 82036752
Currency : USD
Shipment Terms :
Purchase Order Number : Reach
Number of Pages : Page 1 of 2

Total Ordered Quantity (No. Of Items) : 3	REMITTANCE INFORMATION
Net Amount : USD \$1,877,846.86	Make Checks Payable to:
Tax Total : USD \$0.00	Pearson Online & Blended Learning
Invoice Total : USD \$1,877,846.86	32369 Collection Center Drive
Amount Due : USD \$1,877,846.86	Chicago, IL 60693-0323
	Bank Wire to:
	Bank Name : Bank of America N A
	ABA ACH No
	ABA Wire No
	SWIFT Code
	A/C No
	Bank Account Name : Connections Education LLC dba Pearson Online & Blended Learning K-12 USA
Always quote your invoice number when paying	



Pearson

Invoice Number: 91000002426							Page 2 of 2
Project Number	Project Agreement Number	Description	Quantity	List Price	Net Price	Tax	Line Total
82036752	Reach	Direct Charges	1		1,732,148.85	0.00	1,732,148.85
82036752	Reach	Pass Through	1		105,225.00	0.00	105,225.00
82036752	Reach	APR 19 Benefits Adjustment	1		40,473.01	0.00	40,473.01
Invoice Total			Subtotal	Total Tax	Invoice Total		
			USD	USD	USD		
			\$1,877,846.86	\$0.00	\$1,877,846.86		



Pearson

Charges for the Following Period:

April 2019

Compensation Expenses

Benefits - Administration	42,460.85
Benefits - Instructional	185,251.74
	<hr/>
	227,712.59

Enrollment/Unit Based Charges

Curriculum and Instructional Support Services	45,970.83
Curriculum and Instructional Support Services - Monthly fee	403,130.00
Student Technology Assistance Services	43,266.67
Student Technology Assistance Services - Monthly fee	195,363.00
Enrollment/Placement/Student Support Services	56,787.50
Enrollment/Placement/Student Support Services - Monthly fee	93,030.00
Student Connexus License	217,070.00
School Operations Support Services	201,565.00
School Business Support Services	49,616.00
Professional Development Services	45,123.79
School Staff Support Services/Human Resources Support	171,470.38
Direct Course Instruction	9,916.10
	<hr/>
	1,532,309.27

Pass Through Expenses	62,057.60
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Withholdings	58,545.83
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Credit for Non-Billable Earnings Paid By the Schools	(15,378.43)
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Short Term Substitute Teaching Services	12,600.00
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<i>Total Amount Due</i>	<u><u>\$ 1,877,846.86</u></u>
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MEMO

To: Reach Connections Academy Board of Directors
From: Sarah Savage
Re: Employee Handbook Revisions

Attached for board approval is a redline version of your Employee Handbook. This document has been provided to and carefully reviewed by your school's leadership team. Once board approved, the Employee Handbook will be posted on the Virtual Library. Just as a reminder, the Employee Handbook attached is in draft format and will be double checked for typos and formatting prior to being posted on the Virtual Library.

General Information

General revisions were made throughout the handbook, including updates to grammar, formatting, removal of excess language, etc.

Termination of Employment

Last Pay and Payout of Earned Leave:

Language was removed to accurately reflect the process surrounding a staff member's last day of employment.

Equal Employment Opportunity Policy

Responsibilities:

Language was updated for clarity purposes.

Background Check Policy (Reference Checks, Credit Checks, Certification Verification, and Criminal History Reports)

Language was updated for clarity purposes.

Expiration of Educational Credentials

Language was updated to clarify the disciplinary actions that could result from noncompliance with this policy.

Ten-Month Employee Pay Structures

Exempt Ten-Month Employee Pay Structure

This section was updated to remove the lump sum pay option.

Merit Increases

Language was added pursuant to federal law clarifying that staff members who are on a leave of absence will not be eligible for a merit increase until their return to work date.

Work Hours

Language has been updated to remove the total number of school days and was replaced with information regarding the school calendar.

Paid Time Off - Sick

The proration sick leave chart has been updated.

Adjusted Service Dates

This section has been added to explain that staff members who are rehired within designated time frames will be eligible for paid time off based on their original hire date.

Bereavement Leave

This section has been updated to include bereavement related arrangements in addition to traditional funeral services.

Staff Performance Management

Language regarding incentive compensation has been removed.

Animals in the Workplace

This policy was added to explain that pets are not permitted in the school office or at school related events.

Please let us know if we can aid in the review process in any way or if you require further information on a specific policy or section of the revised handbook.



Vision

Reach Cyber Charter School's vision is to inspire and nurture future success for all students.

From: Pearson Online & Blended Learning
To: Jane Swan, CEO, Reach Cyber Charter School
Re: LiveSpeech Services for the 2019-2020 School Year

Attached for board approval are the Proposed Financial Terms for Speech Therapy, Speech/Language Evaluation Services and/or Case Management for SY 2019-20. We, at Pearson Online & Blended Learning (Pearson OBL), understand that the Reach Cyber Charter School school leadership and Board have all placed a high priority on continuing to improve the school's academic performance. As such, the attached contract proposes that Reach Cyber Charter School will contract with Pearson OBL for speech through its innovative, successful LiveSpeech online speech therapy with a team of highly trained, licensed speech therapists.

For your convenience, a summary of the LiveSpeech contract is provided below.

General Information

Pearson OBL provides LiveSpeech to students attending Connections Academy who require Speech Therapy, Speech/Language Evaluation Services, or Case Management. Such services include the following:

- Assessment (screening, initial evaluation, and re-evaluation)
- Initial Set-up
- Individual or Group Speech Therapy
- Consulting Services
- Case Management
- Progress Notes
- ESY Services as needed
- Other Services as needed

**Speech Therapy, Speech/Language Evaluation Services, Case Management
STATEMENT OF WORK**

Customer Name:	Reach Cyber Charter School
Contact Person:	Jane Swan
Phone Number:	570-218-8475
Email Address:	jswan@reach.connectionsacademy.org

Reach Cyber Charter School (“Customer”) and Pearson Online & Blended Learning K-12 USA (“OBL”), are hereby entering into this Statement of Work (“Statement of Work”) whereby Customer is contracting with OBL to receive certain Speech Therapy, Speech/Language Evaluation Services and/or Case Management services.

1. LiveSpeech

- a. If speech language pathology is required in an IEP, Customer may contract with OBL for speech through its innovative, successful LiveSpeech online speech therapy with a team of highly trained, licensed speech therapists. Speech Therapy Services may be provided on whichever platform OBL deems appropriate. Customer recognizes the difficulty in recruiting speech language pathologists and will address the challenge by providing a cutting-edge “telepractice” approach endorsed by the American Speech-Language-Hearing Association. OBL also plans to contract with local providers of special education services such as occupational therapy if needed. Telepractice may be used to overcome barriers of access to services caused by distance, unavailability of specialists and/or subspecialists, and impaired mobility. Telepractice offers the potential to extend clinical services to remote, rural, and underserved populations, and to culturally and linguistically diverse populations.
- b. Exhibit A to this Statement of Work, attached hereto and incorporated herein by reference, details the LiveSpeech services and pricing being made available to Customer hereunder.
- c. Customer agrees to provide at least 30 days written notice prior to removing students from the caseload of the OBL Speech-Language Pathologist (“SLP”).
- d. Invoicing Procedure. LiveSpeech services shall be provided upon Customer’s written requests, and Customer will be billed monthly for the previous month's services as requested and delivered. Invoices will be paid within 30 days of invoice date. In no event shall failure by OBL to invoice the Customer constitute

a waiver of the Customer's obligation to make payment to OBL under the Statement of Work.

2. **Services**

- a. Screenings are short, preliminary meetings between student and therapist to determine if student speech or communication issue merits a complete assessment. A short written report is provided detailing the screening outcome and sent to customer.
- b. Assessment services include evaluation, written report, suggested IEP goals and attendance at IEP meeting. If additional meetings are needed, they will be charged at the per-hour, per-student rate.
- c. Progress Notes are the periodic documentation of the student's progress towards his or her individualized goals established during IEP meetings. These costs are not applied for Case Management students.
- d. Some students may require "Extended School Year" therapy sessions ("ESY") as prescribed in their IEP to be offered during summer breaks.
- e. Others services may include consult services (required by IEP), participation in IEP meetings or other special services. Additionally, if Customer or Customer's state requires special documentation, reports or software reporting systems to be used as part of a speech screening process or documentation of therapy, appropriate "Other services as needed" per hour fees shall be assessed.

3. **Therapy Appointment Cancellation Policy**

- a. The student or Caretaker must notify their therapist at least 24 hours in advance of the scheduled appointment time in the event that they need to reschedule their appointment.
- b. If a student misses an appointment without providing at least 24 hours' notice (regardless if the reason provided is excused or unexcused), this is classified as a "No-Show No-Call," in which case the cost of the full therapy session is charged to Customer.

4. **OBL Obligations.**

- a. Individual or group speech therapy sessions will be provided with an appropriately licensed therapist via the OBL LiveSpeech Program, using LiveLesson or in person and supported by Connexus.
- b. Speech/Language Screening and Evaluation services include review of student's history, administering and interpreting tests, and report writing, where applicable.

- c. Case management services are limited to those students that require solely Speech/Language Screening, Evaluation or speech therapy services. Case management services include:
 - i. Fulfilling mandatory scheduled contacts.
 - ii. Completing the IEP in the school's IEP software system (customer must provide access and appropriate training to therapist).
 - iii. Entering quarterly progress reports into the IEP software system.
 - iv. Working with designated customer administrative support to set up meetings.
 - v. Participating in the IEP meetings.
 - d. Licenses; Certifications. Services will be provided solely by licensed SLPs who are certified in Pennsylvania. Such SLPs are not employees of the School. SLPs are contracted through OBL and will only be required to obtain Pennsylvania Teaching Licensure when required by state law, as determined by OBL.
 - e. Background Checks. All therapists will have undergone background screening as required by OBL or applicable law to assure the safety of the customers and students.
 - f. Customer-designated Speech Coordinator access to Connexus to identify students for LiveSpeech services and to view individual student progress data.
 - g. A webcam will be provided for each student who is referred for an evaluation or therapy services. Webcams are not provided to students receiving a screening. Working with the customer, OBL can send the webcam directly to the student or to a designated customer location such as a school site. This election should be indicated on the LiveSpeech Enrollment Form. These materials do not need to be returned to OBL.
5. **Customer Obligations**
- a. Designated Speech Coordinator who will be the primary contact for OBL and will be authorized to designate a student for speech services. The Customer may elect to have other individuals perform this function with written notification to OBL. By designating this Speech Coordinator(s), the Customer authorizes that (those) individual(s) to request services from OBL and thereby commits the Customer to the corresponding fees.
 - b. Financial responsibility, including replacement cost for any Pearson OBL property and included software that is provided to a student, when said property must be shipped again to Customer or Customer's Students due to (i) damage to or theft of property after its receipt, (ii) inaccurate shipping information provided by Customer, or (iii) loss of materials by Customer or Customer's Students.
 - c. Consultation and/or conference sessions with the IEP teleconferences, as well as

parent consultations.

- d. Primary contact and relationship with all customer users, including promoting compliance with attending LiveSpeech sessions, evaluations, and screening.
 - e. Collaboration with OBL to provide the required information to effectively enroll students. Students will not be enrolled, nor will any services be provided, until necessary parent authorizations, IEP or other documentation of students' speech needs are provided to OBL.
 - f. Complete and accurate information documenting the level of speech services required in student's IEP.
 - g. Complete disclosure of requirements to use school or state documentation or reporting systems (use of these systems may require additional fees).
 - h. Individual to perform administrative tasks associated with speech case management including:
 - i. Scheduling IEP meetings and managing attendees.
 - ii. Faxing, copying, and filing in a secure location locally all documents related to student(s) speech requirements and therapy.
6. **Mutual Obligations**
- a. Clinical and Medical Records. It is understood and agreed that clinical and medical records are also "Confidential Information" under this Statement of Work, and each party expressly agrees to comply, to the extent and in the manner required by the applicable statutory and regulatory regime, with the laws and regulations governing the use, disclosure, and duties and obligations to protect "protected health information" (as defined in 45 CFR 160.103), as may be amended from time to time (collectively, "Applicable Laws"), including, without limitation, FERPA; Subtitle D of the Health Information Technology of Economic and Clinical Health Act ("HITECH"); and the Health Insurance Portability and Accountability Act of 1996 (45 CFR parts 160, 162 and 164) ("HIPAA"), including the implementation of all required safeguards to prevent disclosure of protected health information by either party, its employees or agents.
 - b. The services provided under this Exhibit A are subject to the Standard Terms.
7. **Term**: This Statement of Work will commence upon its execution by both parties (the "Effective Date") and shall expire on **July 31, 2020**, and may be renewed in writing signed by both parties. In the event the parties determine to negotiate a continuation of their relationship beyond the expiration date, and such renewal negotiations continue beyond the expiration date such that OBL continues to provide services consistent with its obligations set forth in this Statement of Work, without a renewal agreement being executed by and between the parties, the terms and conditions of this Statement of Work

shall continue to govern the relationship of the parties until such time as the parties: (i) execute a new agreement; or (ii) the parties’ relationship terminates without a new agreement being executed.

8. **Limitation of Liabilities:** In no event will either party, or such party’s Affiliates, directors, officers, employees, or agents, be responsible or liable for the debts, acts or omissions of the other party or such party’s Affiliates, directors, officers, employees, or agents.
9. **Notices:** All notices, consents and other communications under this Statement of Work shall be given in writing and shall be sent by and deemed to have been sufficiently given or served for all purposes as of the date it is delivered by e-mail, hand, received by overnight courier, or within three (3) business days of being sent by registered or certified mail, postage prepaid to the parties at the following addresses (or to such other address as hereafter may be designated in writing by such party to the other party):

If to OBL:	Pearson Online & Blended Learning K-12 USA 10960 Grantchester Way Columbia, MD 21044 Attn: Donna Hutchison
With a copy to:	Pearson Online & Blended Learning K-12 USA 10960 Grantchester Way Columbia, MD 21044 Attn: Dept. of School Legal Affairs Legal-PearsonOBL@pearson.com
If to the Customer:	Reach Cyber Charter School 750 East Park Drive, Suite 204 Harrisburg, PA 17111 Attn: Jane Swan jswan@reach.connectionsacademy.org

10. **Miscellaneous.**

- a. **Standard Terms:** Capitalized terms not otherwise defined in this Statement of Work shall have the meanings ascribed to them in the “Standard Terms,” meaning the Terms and Conditions for Virtual Learning Programs located at <https://www.pearson.com/obl-terms-conditions>.

- b. Electronic Signatures. This Statement of Work and related documents may be accepted in electronic form (e.g., by scanned copy of the signed document, an electronic or digital signature or other means of demonstrating assent) and each Party's acceptance will be deemed binding on the Parties. Computer maintained records of the Statement of Work and related documents when produced in hard copy form shall constitute business records and shall have the same validity as any other generally recognized business records.

Agreed to by:

Pearson Online & Blended Learning

Reach Cyber Charter School

By: _____

By: _____

Name:

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A
Speech Therapy, Speech/Language Evaluation Services and/or Case Management

Services	Product/Service Descriptions	Pricing
Initial Set-up Fee	(includes webcam and shipment)	\$60 Per Student, Per Year
LiveSpeech – Assessment (initial evaluation and re-evaluation)	Assessment services include evaluation, written report, suggested IEP goals and attendance at IEP meeting. Assessments are conducted in Adobe Connect using a webcam and headset. Speech language pathologist (SLP) evaluates or re-evaluates a student for speech/language concerns.	\$350 Per Student, Per Assessment
LiveSpeech – Case Management	Monthly supervision of paperwork and meetings for students who have speech/language as their primary	\$80 Per Month, Per Student
LiveSpeech – Consulting Services	Consults may involve a records review, attending IEP meetings and/or providing tips for working with a student to teachers and/or caretakers. These are generally done in quarter to half hour increments.	\$95 Per Hour, Per Student
LiveSpeech – Group Speech Therapy	Speech therapy provided by an ASHA-certified, state-licensed SLP. Sessions generally are 15 minutes to an hour conducted via Adobe Connect using a webcam and a headset with microphone. Groups consist of no more than 3 students.	\$240 Per Month, Per Student
LiveSpeech – Individual Speech Therapy Only	Speech therapy provided by an ASHA-certified, state-licensed SLP. Sessions generally are 15 minutes to an hour conducted via Adobe Connect using a webcam and a headset with microphone.	\$290 Per Month, Per Student
LiveSpeech – Other services as needed	May include SLP’s time for a variety of possible services, including records review, participation in IEP meetings, working with advocates/attorneys, etc.	\$95 Per hour, Per Student
LiveSpeech – Progress Notes	Detailed documentation of students’ progress toward achieving their speech goals. Progress notes are specific to each school and/or state requirements for writing and delivering progress notes.	\$24 Per occurrence

	Often involves using a school/state special education reporting program or a specific format for the progress notes themselves. Services generally occur 2 – 4 times per year, per student, based on state requirements.	
LiveSpeech – Screenings	A short phone conference between student and SLP. SLP determines if student exhibits a speech/language issue that merits a complete evaluation. A brief written report is provided detailing the screening outcome and sent to customer.	\$95 Per Screening, Per Student
Extended School Year (ESY)	In some cases, the IEP team may decide that a student needs therapy services over the summer. Speech therapy provided by an ASHA-certified, state-licensed SLP. Sessions generally are in 30-minute increments conducted via Adobe Connect using a webcam and a headset with microphone. Groups consist of no more than 3 students.	\$95 Per Student, Per Hour

May 2, 2019

To the Board of Trustees
Reach Cyber Charter School
Harrisburg, Pennsylvania

In planning and performing our audit of the financial statements of the governmental activities and the major fund of Reach Cyber Charter School as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Reach Cyber Charter School's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Reach Cyber Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Reach Cyber Charter School's internal control.

However, during our audit we became aware of one matter that is an opportunity for strengthening internal controls and operating efficiency. Our comments and recommendations regarding this matter is presented below. A separate report dated May 2, 2019 contains our report on Reach Cyber Charter School's internal control over financial reporting in accordance with Government Auditing Standards in which we did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses. This letter does not affect our report dated May 2, 2019 on the financial statements of Reach Cyber Charter School.

The accounting/bookkeeping function is handled primarily by Connections Education, LLC (CE) pursuant to a service agreement. In addition, certain School expenditures are paid by CE and reimbursed by the School. Per discussions with management it was determined that access to the books and records maintained by CE has been limited, and the School has limited capacity to review all pass-through and fee-based expenditures billed each month by CE. We recommend that the School implement procedures for a comprehensive monthly review of the CE accounting/bookkeeping services.

We will review the status of these comments during our next audit engagement. We have already discussed these comments with School personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

Sincerely,



SD Associates, P.C.
Elkins Park, Pennsylvania

MEMORANDUM OF UNDERSTANDING

Reach Cyber Charter School and
Gwynedd Mercy University

This Memorandum of Understanding (“Agreement”) is made effective on the ~~_____3rd~~
~~of May/January~~ 2019, by and between Gwynedd Mercy University, 1325 Sumneytown Pike,
Gwynedd Valley, PA 19437, and Reach Cyber Charter School (“RCCS”), 750 East Park Drive
Suite 204, Harrisburg, PA. 17111.

A. Purpose:

1. The purpose of this Memorandum of Understanding is to provide terms of an agreement between Reach Cyber Charter School and Gwynedd Mercy University.

B. Goals:

1. To provide educational opportunities for employees of RCCS through the availability of various courses and programs offered by Gwynedd Mercy University, leading to an associate, bachelor’s, master’s and/or doctorate degree.
2. To increase the number of employees at RCCS who are associate, bachelor’s, master’s and/or doctorate prepared.

C. Gwynedd Mercy University’s Responsibilities:

1. Provide courses leading to the appropriate degree.
2. Provide its own faculty to instruct the courses.
3. Provide RCCS with all appropriate and important information that needs to be communicated to the participating employees.
4. Contact the designated liaison at RCCS to notify about course offerings.
5. Provide a contact to act as a liaison between Gwynedd Mercy University and RCCS.
6. Advise all incoming students of their transfer credits and program credit review at no charge.
7. Gwynedd Mercy University will create a microsite/landing page for RCCS employees to review program information and to submit their personal information to be contacted by an admissions representative at Gwynedd Mercy University.

D. Reach Cyber Charter School’s Responsibilities

1. Provide all appropriate information to RCCS employees about Gwynedd Mercy University academic programs in appropriate RCCS non-work areas (i.e., break rooms, bulletin boards, virtually).
2. Provide reasonable accommodations (i.e., table, chair) and distribution of flyers when appropriate for “lunch and learn” opportunities.

3. Support the Gwynedd Mercy University recruiter in promoting information to RCCS employees about recruitment and advising appointments that are held on site;
4. Invite Gwynedd Mercy University to promote the programs on site during any college and career fairs;
5. Allow three visits per year solely for the purpose of promoting this opportunity (lunch and learns, information tables).

E. General Principles:

1. The Associate degree program is designed for graduates of a high school or GED or community college program. The Bachelor's programs are designed for graduates of a community college program or who have attended previous post-secondary institution and have earned college credit. The Master's programs are designed for graduates holding a bachelor's degree from a regionally accredited institution. The Doctorate program is designed for graduates of a master's degree from a regionally accredited institution.
2. Students who apply to Gwynedd Mercy University must meet all standard academic requirements for admissions to the particular program.
3. Appointed institutional representatives at Gwynedd Mercy University and RCCS will ensure that appropriate personnel in their respective institutions are aware of this Agreement, including administration, managers, employees, members, deans, faculty and staff.
4. Gwynedd Mercy University and RCCS agree to monitor the performance of this Agreement and to revise it as necessary.
5. Gwynedd Mercy University and RCCS will mutually conduct a review/revision of the procedures and contract every renewal period.
6. Representatives from both organizations will agree to meet at least, but not limited to, once annually. These meetings will help facilitate any changes, problems or items that need to be updated or corrected. These meetings can be virtual or at a physical location.

F. Recruitment of RCCS Employees into the Program

1. Gwynedd Mercy University and RCCS will provide liaisons who will work together to inform the population of RCCS employees who are interested in completing their associate, bachelor's, master's and/or doctorate degree.
2. RCCS will provide appropriate workplace for Gwynedd Mercy University recruiter/advisor during recruitment events.

G. Tuition Policy

1. All students in the program will be informed of the necessary paperwork that needs to be completed and returned to the Office of Human Resources and Workforce Development at RCCS in order to process any tuition reimbursement. Students themselves are responsible for following RCCS's specific tuition reimbursement requirements, policies and procedures.
2. Gwynedd Mercy University will offer employees of the RCCS registered in Gwynedd Mercy University School of Graduate and Professional Studies programs a 10% tuition discount, provided however, ~~(T~~the discount will not apply to any full-time undergraduate program offered in a traditional on ground format at Gwynedd Mercy's Gwynedd Valley campus). For specific tuition and fees, please see Addendum A.
3. Gwynedd Mercy University will ~~provide give~~ written notices to RCCS and employees of RCCS who are attending Gwynedd Mercy University ~~of~~ 60 days in advance of when tuition and/or fees are scheduled to increase~~will rise~~.
4. The discount applies to all programs offered by Gwynedd Mercy University. For specific programs, please see Addendum B.
5. Ultimately, the student is responsible for any fees or tuition owed to Gwynedd Mercy University. RCCS shall have no responsibility or liability for the fees and tuition owed to Gwynedd Mercy University.

Commented [SS1]: Is Reach offering a tuition reimbursement?

H. Effective Date:

1. This Agreement becomes effective upon signatures by all parties and shall continue in effect for two years from the date of execution. At the end of the current term, the parties may enter into a renewal ~~Future~~ agreements ~~can be renewed~~ for a three (3) year period.

I. Termination

1. Either party may terminate this agreement upon sixty (60) days prior written notice. Gwynedd Mercy University and Reach Cyber Charter School will consider, in good faith, any amendments proposed by either party; however, this Agreement may only be amended in writing by both parties. Termination of the Agreement will not affect admission status of the then currently enrolled students; however, the discount will cease to apply to courses beginning after the termination date.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed by their proper and duly authorized officers, on the day and the year first written above.

Reach Cyber Charter School

Signature _____

(Person's name)
(Person's title)

Date:

WITNESS

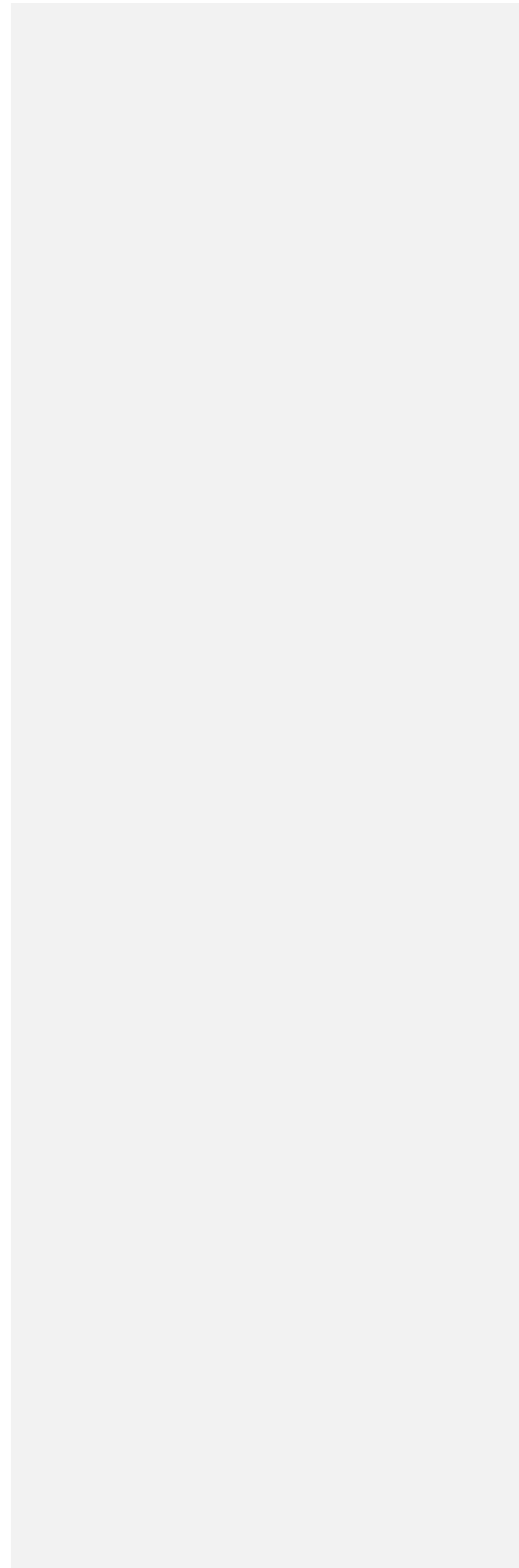
Gwynedd Mercy University

By: _____
Date

Mary H. Van Brunt
Vice President for Academic Affairs

By: _____
Date

Kevin O'Flaherty
Vice President for Finance and Administration



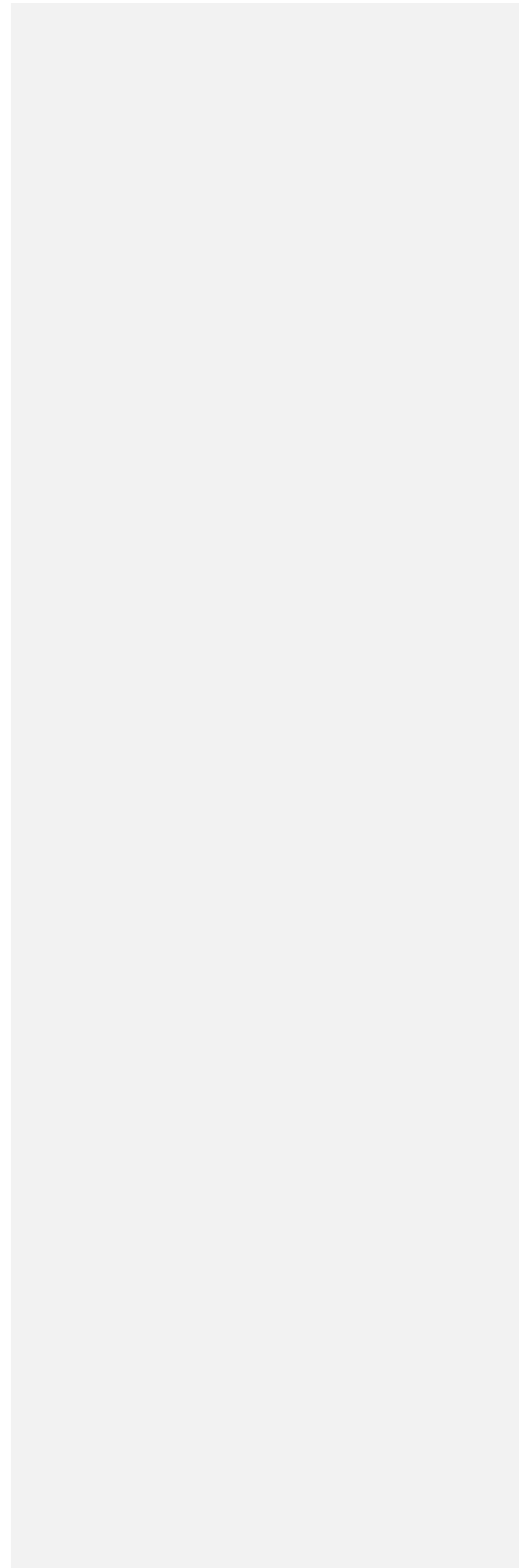
Addendum A

Gwynedd Mercy University
Tuition Rate Per Credit Hour
Effective August 28, 2018

Service	Rate Per Credit Hour	Rate Per Credit Hour
	10% Reduction	Standard
Accelerated Online Undergraduate Tuition (Associate degree, Non-Nursing)	\$257	\$285
Undergraduate Tuition Part-Time (Non-Nursing)	\$554	\$615
Undergraduate Tuition Part-Time (Nursing)	\$653	\$725
Accelerated Online Undergraduate Tuition (Bachelor's, Non-Nursing)	\$441	\$490
Undergraduate Tuition (Accelerated BSN Program)	\$729	\$810
Graduate Studies (Education)	\$495	\$550
Graduate Studies (Business)	\$576	\$640
Graduate Studies (Counseling)	\$495	\$550
Graduate Nursing	\$743	\$825
Doctor of Nursing Practice	\$837	\$930
Doctorate in Education	\$869	\$965

Fees per Semester (all programs)	\$17 Educational Resource Fee per credit hour	
----------------------------------	---	--

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Addendum B

Academic Programs offered by Gwynedd Mercy University

Associate Degree Programs

Accelerated Online

Associate of Science in Business Administration

On Ground

Associate of Science in Natural Science

Associate of Arts in Liberal Studies

Associate of Science in Respiratory Care

Bachelor Degree Programs

Accelerated Online

Bachelor of Science in Business Administration – Organizational Management

Bachelor of Science in Business Administration-Healthcare Administration

Bachelor of Science in Applied Psychology

Accelerated Bachelor of Science in Nursing (2nd degree program)

On Ground

Bachelor of Science in Accounting

Bachelor of Arts in Behavioral and Social Gerontology

Bachelor of Science in Biology

Bachelor of Arts in Communications

Bachelor of Science in Computer Information Systems

Bachelor of Science in Business

Bachelor of Science in Computer Forensics

Bachelor of Science in Web Design and Multimedia

Bachelor of Science in Criminal Justice

Bachelor of Science in Early Education (PreK-4)

Bachelor of Science in Early Education and Special Education

Bachelor of Science in Education Studies

Bachelor of Science in Finance

Bachelor of Arts in History

Bachelor of Science in Human Resource Management

Bachelor of Arts/Science in Human Services

Bachelor of Science in Management

Bachelor of Science in Marketing

Bachelor of Science in Mathematics

Bachelor of Science in Medical Laboratory Science

Bachelor of Science in Nursing

Weekend Bachelor of Science in Nursing (2nd degree program)

Bachelor of Health Science in Occupational Science

Bachelor of Arts in Philosophy

Bachelor of Arts/Science in Psychology

Bachelor of Arts/Science in Radiation Therapy
Bachelor of Science in Radiologic Technology
Radiologic Technology Completion Program
Bachelor of Science in Respiratory Care
Bachelor of Science in Social Work
Bachelor of Science in Sports Management

Graduate Degree Programs

Accelerated Online

MS in Education
MS in Ed. with Pre-K-4 Certification
MS in Ed. with Secondary Biology Certification 7-12
MS in Ed. with Secondary Mathematics Certification 7-12
MS in Ed. with Secondary English Certification 7-12
MS in Ed. with Secondary Social Studies Certification 7-12
Master of Science in Special Education
Master of Science in Educational Administration
MS in Educational Administration with K-12 Principal Certification
MS in Educational Administration with Curriculum and Instruction Supervisor Certification
Master of Business Administration – Transportation Leadership
Master of Business Administration – Strategic Management and Leadership
Master of Business Administration – Healthcare Administration
Master of Science in Counseling- Clinical Mental Health
Master of Science in Counseling-College Counseling and Student Affairs
Master of Science in Counseling-School Counseling

On Ground

Master of Science in Occupational Therapy
Master of Science in Nursing

- o Clinical Nurse Specialist
- o Nurse Educator
- o Nurse Practitioner (Adult Gerontology/Pediatrics)

Certification Programs

Accelerated Online

Special Education Certification (for teachers with or without a master's degree)
Graduate Business Certificates in Leadership, Strategic Management, Transportation Leadership and Health Care Administration
Post-Master's K-12 Principal Certification (for teachers with a master's degree)
Post-Master's Supervisor of Curriculum and Instruction Certification (for teachers with a master's degree)
Post-Master's PreK-12 School Counseling Certification (for teachers or counseling professionals with a master's degree)
Post Master's Supervisor of Special Education Certification
Post Master's Superintendent Letter of Eligibility

On Ground

Post Master's Nurse Practitioner Certification (Adult Gerontology/Pediatrics)

Doctorate Programs

Accelerated Online

Doctorate in Educational Leadership

- Higher Education concentration
- Pre K-12 Schools and School Districts concentration,
- Special Education concentration

A.B.D. Completion Program – Doctorate in Educational Leadership

- Higher Education concentration
- Pre K-12 Schools and School Districts concentration
- Special Education concentration

Online

Doctor of Nursing Practice

DRAFT

Reach Cyber Charter School

**Financial Statements
And
Independent Auditor's Report**

Year Ended June 30, 2018

**DRAFT Reach Cyber Charter School
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Year Ended June 30, 2018**

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DRAFT

Independent Auditor's Report

To the Board of Trustees
Reach Cyber Charter School
Harrisburg, Pennsylvania

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

DRAFT

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities the major fund of Reach Cyber Charter School as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2019, on our consideration of Reach Cyber Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Reach Cyber Charter School's internal control over financial reporting and compliance.



Certified Public Accountants
Elkins Park, Pennsylvania

May 2, 2019

DRAFT Reach Cyber Charter School Management's Discussion and Analysis June 30, 2018

The Board of Trustees of Reach Cyber Charter School (the School) offers readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the School's financial statements.

Financial Highlights

- Total revenues increased by approximately \$16,704,000 due primarily to increased enrollment.
- At the close of the current fiscal year, the School reports an ending fund balance of \$5,081,189. This balance was the result of a \$3,021,292 surplus for the year ended June 30, 2018.
- The School's cash balance at June 30, 2018 was \$11,054,558 representing an increase of \$6,526,329 from June 30, 2017.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements as presented comprise four components: Management's Discussion and Analysis (this section), the basic financial statements, supplementary information, and single audit requirements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the components (assets and deferred outflows of resources, less liabilities and deferred inflows of resources) reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The *statement of activities* presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements report on the function of the School that is principally supported by subsidies from school districts whose constituents attend the School.

DRAFT Reach Cyber Charter School Management's Discussion and Analysis June 30, 2018

Overview of the Financial Statements (Continued)

Fund Financial Statements

A *fund* is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. The School, like governmental type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School has only two fund types, governmental and fiduciary funds.

All of the School's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information

The governmental fund budgetary comparison schedule is presented for purposes of additional analysis. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Government-Wide Financial Analysis

Management has adopted Governmental Accounting Standards Board (GASB) Statement 34 which requires a comparative analysis of current and prior periods.

	2018	2017
Assets		
Current assets	\$12,810,129	\$ 5,093,801
Noncurrent assets	204,240	104,105
	13,014,369	5,197,906
 Current Liabilities	 7,737,857	 3,042,821
 Net Position	 \$ 5,276,512	 \$ 2,155,085

As noted earlier, net assets may serve over time as a useful indicator of a school's financial position. In the case of the School, assets exceeded liabilities by \$5,276,512.

DRAFT Reach Cyber Charter School Management's Discussion and Analysis June 30, 2018

Government-Wide Financial Analysis (Continued)

The School's revenues are predominately local school district's funds based on the student enrollment. For the year ended June 30, 2018, the School's total revenues of \$26,797,381 exceeded expenditures of \$23,675,954 by \$3,121,427.

	2018	2017
Revenues		
Program revenues		
Local educational agency assistance	\$ 25,956,836	\$ 9,944,211
Federal sources	838,015	215,796
General revenues		
Other	2,530	20
Total revenues	26,797,381	10,160,027
Expenditures		
Instruction	17,361,619	5,852,184
Support services	6,272,152	2,136,693
Depreciation	42,183	16,065
Total expenditures	23,675,954	8,004,942
Change in net position	3,121,427	2,155,085
Net position, beginning	2,155,085	-
Net position, ending	\$ 5,276,512	\$ 2,155,085

Governmental Fund

The focus of the School's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

The School's governmental fund (the General Fund) reported an ending fund balance of \$5,081,189.

Budget Variations

Actual revenues were \$5,027,080 higher than the budget due to increases as follows:

Local educational agency assistance	\$ 4,853,535
Federal sources	171,015
Other revenues	2,530
	\$ 5,027,080

DRAFT Reach Cyber Charter School Management's Discussion and Analysis June 30, 2018

Budget Variations (Continued)

Actual expenditures were \$5,089,801 higher than the budget due to increases as follows:

Instruction	\$ 2,244,095
Support services	2,703,388
Capital outlay	<u>142,318</u>
	<u>\$ 5,089,801</u>

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2018, the School's investment in capital assets for its governmental activities totaled \$195,323 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements and equipment and furniture.

Major capital asset purchases during the year included the following:

- Capital expenditures of \$142,318 for furniture and equipment

Additional information on the School's capital assets can be found in Note 4 of this report.

Long-Term Debt

The School does not have any long-term debt at this time.

Economic Factors and Next Year's Budgets and Rates

The School's primary source of revenue, the per student subsidy provided by the local school districts, will increase by approximately \$9,140,000 for fiscal year 2018-2019 due to increased enrollment.

Future Events That Will Financially Impact the School

Except as listed above, there are no known future events that will financially impact the School.

Contacting the School's Financial Management

The financial report is designed to provide interested parties a general overview of the School's finances. Questions regarding any of the information provided in this report should be addressed to the CEO, Reach Cyber Charter School, 750 East Park Drive, Suite 204, Harrisburg, PA 17111.

DRAFT **Reach Cyber Charter School**
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 11,054,558
Receivable from school districts, net of allowance	1,164,398
Federal subsidies receivable	575,283
Prepaid expenses	15,890
Property and equipment, net	195,323
Security deposit	8,917
Total assets	13,014,369
Liabilities	
Accounts payable and accrued expenses	1,904,843
Due to Connections Education, LLC	4,745,890
Due to school districts	1,087,124
Total liabilities	7,737,857
Net Position	
Invested in capital assets, net	195,323
Unrestricted	5,081,189
Total net position	\$ 5,276,512

See accompanying notes to financial statements.

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Reach Cyber Charter School Statement of Activities Year Ended June 30, 2018

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 17,361,619	\$ 19,068,167	\$ 838,015	2,544,563
Support services	6,272,152	6,888,669	-	616,517
Depreciation expense	42,183	-	-	(42,183)
Total governmental activities	\$ 23,675,954	\$ 25,956,836	\$ 838,015	3,118,897
General Revenues				
Other revenues				2,530
Change in net position				3,121,427
Net Position - Beginning of Year				2,155,085
Net Position - End of Year				\$ 5,276,512

See accompanying notes to financial statements.

DRAFT Reach Cyber Charter School
Balance Sheet-Governmental Fund
June 30, 2018

	General Fund
Assets	
Cash and cash equivalents	\$ 11,054,558
Receivable from school districts, net of allowance	1,164,398
Federal subsidies receivable	575,283
Prepaid expenses	15,890
Security deposit	8,917
Total assets	\$ 12,819,046
Liabilities	
Accounts payable and accrued expenses	\$ 1,904,843
Due to Connections Education, LLC	4,745,890
Due to school districts	1,087,124
Total liabilities	7,737,857
Fund Balances	
Nonspendable	24,807
Unassigned	5,056,382
Total fund balances	5,081,189
Total liabilities and fund balances	\$ 12,819,046

See accompanying notes to financial statements.

DRAFT Reach Cyber Charter School
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2018

Total Fund Balance for Governmental Funds \$ 5,081,189

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Equipment and furniture	253,571	
Accumulated depreciation and amortization	(58,248)	
		195,323

Total Net Position of Governmental Activities **\$ 5,276,512**

See accompanying notes to financial statements.

DRAFT Reach Cyber Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund
Year Ended June 30, 2018

	General Fund
Revenues	
Local educational agency assistance	\$ 25,956,836
Federal sources	838,015
Other revenues	2,530
Total revenues	26,797,381
Expenditures	
Instruction	17,361,619
Support services	6,272,152
Capital outlay	142,318
Total expenditures	23,776,089
Net Change In Fund Balance	3,021,292
Fund Balance - Beginning of Year	2,059,897
Fund Balance - End of Year	\$ 5,081,189

See accompanying notes to financial statements.

DRAFT Reach Cyber Charter School
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 3,021,292

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceeds depreciation in the current period.

Depreciation expense	(42,183)
Capital outlays	<u>142,318</u>

Change in Net Position of Governmental Activities **\$ 3,121,427**

See accompanying notes to financial statements.

DRAFT **Reach Cyber Charter School**

Notes to Financial Statements

June 30, 2018

Note 1 Background and Summary of Significant Accounting Policies

Reach Cyber Charter School (the School) is organized as a nonprofit corporation in Pennsylvania to operate a charter school in accordance with Pennsylvania Act 22 of 1997. The School was granted a charter which ends on June 30, 2019. The charter may be renewed for additional five year periods.

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report on the School as a whole. The statement of activities demonstrates the degree to which the direct expenses of the School's function are offset by program revenues.

The fund financial statements (governmental fund balance sheet and statement of governmental fund revenues, expenditures and changes in fund balance) report on the School's general fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements:

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The government reports the following major governmental fund:

General Fund – The General Fund is the operating fund of the School and accounts for all revenues and expenditures of the School.

DRAFT Reach Cyber Charter School

Notes to Financial Statements

June 30, 2018

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Amounts reported as program revenues include a per-student subsidy from local school districts as well as federal and state grants. Internally dedicated resources are reported as general revenues rather than as program revenues.

Method of Accounting

The School has adopted the provision of Statement No. 34 (“Statement 34”) of the Governmental Accounting Standards Board “*Basic Financial Statements – and Managements’ Discussion and Analysis – for State and Local Governments.*” Statement 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position and a statement of activities. It requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These calculations are defined as follows:

- Invested in capital assets, net of related debt – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- Restricted – This component of net position consists of constraints placed on asset use through external constraints imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – This component of net position typically includes unrestricted liquid assets.

The School implemented GASB No. 54, *Fund Balance Reporting and Governmental Type Definition*. In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The School classified prepaid expenses and security deposit as being nonspendable as these items are not expected to be converted to cash.

DRAFT **Reach Cyber Charter School**

Notes to Financial Statements

June 30, 2018

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Method of Accounting (Continued)

- Restricted - included amounts restricted by external sources, such as creditors or grantors, or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees.
- Assigned - includes amounts that the School intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.
- Unassigned - includes all amounts that are not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual budget is adopted for the General Fund.

The Budgetary Comparison Schedule should present both the original and the final appropriated budgets for the reporting period. The School only has a general fund budget; therefore, the original budget filed and accepted by the Pennsylvania Department of Education is the final budget as well.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Periodically, the School may maintain deposits in excess of the Federal Deposit Insurance Corporation's limit of \$250,000 with financial institutions.

DRAFT Reach Cyber Charter School
Notes to Financial Statements
June 30, 2018

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The School's cash is considered to be cash on hand and demand deposits.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. The School does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Capital assets of the School are depreciated using the straight-line method over the useful lives of the assets; furniture and fixtures (6-7 years) and equipment (3-6 years).

Advertising Costs

All costs associated with advertising and promotions are recorded as expenditures in the year incurred.

Income Tax Status

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The School adopted the provisions of ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management evaluated the School's tax positions and concluded that the School had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The School files a Return of Organizations Exempt from Income Tax annually. The School's returns for 2017 and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Note 2 Cash

The School's cash and cash equivalents balance at June 30, 2018, was \$11,054,558. The actual amount of cash on deposit in the School's bank accounts at June 30, 2018 was \$11,080,160. As of June 30, 2018, the School's bank balance was exposed to custodial credit risk as follows:

Uninsured and collateralized with securities held by the pledging bank's trust department, not in the School's name	<u>\$ 10,830,160</u>
Insured amount	<u>\$ 250,000</u>

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School's uninsured deposits may not be returned. The School does not have a policy for custodial credit risk.

**DRAFT Reach Cyber Charter School
Notes to Financial Statements
June 30, 2018**

Note 3 Receivables

Receivables as of June 30, 2018 consist primarily of subsidies from federal, state, and local authorities. Receivables are shown net of an allowance for uncollectible accounts of \$59,807.

Note 4 Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance, 7/1/17	Additions	Deletions	Balance, 6/30/18
Equipment and furniture	111,253	142,318	-	253,571
Less: accumulated depreciation	16,065	42,183	-	58,248
	\$ 95,188	\$ 100,135	\$ -	\$ 195,323

Depreciation expense was \$42,183 for the year ended June 30, 2018.

Note 5 Funding

The School received funding from various local school districts on a monthly basis based on enrollment. The rate of funding per student is determined on an annual basis.

Note 6 Lease Commitment

The School entered into a lease agreement with Connections Education, LLC (CE) to lease a facility in Harrisburg, Pennsylvania under an operating lease agreement that expires August 31, 2022, plus two three-year renewal options. In addition to the basic rentals, the School is subject to additional costs including taxes, occupancy, and maintenance. Rent expense was \$174,598 for the year ended June 30, 2018.

Future minimum lease payments are as follows as of June 30, 2018:

Year ended June 30,	
2019	\$ 185,262
2020	190,820
2021	196,544
2022	202,441
2023	33,909
	\$ 623,714

DRAFT Reach Cyber Charter School

Notes to Financial Statements

June 30, 2018

Note 7 Retirement Plan

The School provides pension benefits for all of its employees through the Reach Cyber Charter School 403(b) Plan. Employees are required to participate from the date of employment, with a mandatory minimum contribution of 5%. The School will match the employees' contributions dollar for dollar up to 5% of their compensation. School contributions to the plan for the year ended June 30, 2018 totaled \$258,677.

Note 8 Risk Management

The School is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School carries commercial insurance for such risks.

Note 9 Grants

The School participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2018 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 10 Professional Services Agreement

The School entered into an agreement with Connections Educations, LLC (CE) for curriculum, school management services, instruction, technology and other services. The agreement expires on June 30, 2019.

Under the contract, CE will provide direct materials/services or procurement and payment of services for the following:

1. Instructional materials as approved by the board.
2. Administrative personnel, including health and other benefits, as approved
3. Educational support services for participating families.
4. Training and other professional development as approved by the Board.
5. Hardware and software as approved by the Board.
6. Technical support for any hardware and software provided under the contract.
7. Maintenance of student records.
8. Services to special needs students as required by law.
9. Administrative services including expenditures for a facility and capital, both
10. Financial, treasury and other reporting as required by law.
11. Student recruiting and community education

**DRAFT Reach Cyber Charter School
Notes to Financial Statements
June 30, 2018**

Note 10 Professional Services Agreement (Continued)

12. General school management.

For all services, the School reimburses CE according to the terms of the contract based on documentation that is reviewed and approved by the Board. Total charges from CE amounted to \$14,318,385 for the year ended June 30, 2018.

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Required Supplementary Information

DRAFT Reach Cyber Charter School
Governmental Fund Budgetary Comparison Schedule
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Revenues/ Expenditures</u>	<u>Budget</u>
Revenues				
Local educational agency assistance	\$ 21,103,301	\$ 21,103,301	\$ 25,956,836	\$ 4,853,535
Federal sources	667,000	667,000	838,015	171,015
Other revenues	-	-	2,530	2,530
Total revenues	<u>21,770,301</u>	<u>21,770,301</u>	<u>26,797,381</u>	<u>5,027,080</u>
Expenditures				
Instruction	15,117,524	15,117,524	17,361,619	(2,244,095)
Support services	3,568,764	3,568,764	6,272,152	(2,703,388)
Capital outlay	-	-	142,318	(142,318)
Total expenditures	<u>18,686,288</u>	<u>18,686,288</u>	<u>23,776,089</u>	<u>(5,089,801)</u>
Net Change in Fund Balance	3,084,013	3,084,013	3,021,292	(62,721)
Fund Balance, Beginning	<u>2,059,897</u>	<u>2,059,897</u>	<u>2,059,897</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,143,910</u>	<u>\$ 5,143,910</u>	<u>\$ 5,081,189</u>	<u>\$ (62,721)</u>

See accompanying notes to financial statements.

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Other Reports Required By Government Auditing Standards

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**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees
Reach Cyber Charter School
Harrisburg, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Reach Cyber Charter School (the School) as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon, dated May 2, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Reach Cyber Charter School in a separate letter dated May 2, 2019.

Purpose of this Report

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



Certified Public Accountants
Elkins Park, Pennsylvania

May 2, 2019

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Single Audit Requirements

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**Reach Cyber Charter School
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Federal Grantor/ Pass-Through Grantor	Federal CFDA Number	Pass- Through Grantor's Number	Grant Period	Program or Award	Accrued (Deferred) Revenue 7/1/2017	Total Received for the Year	Revenue Recognized	Federal Expenditures	Accrued (Deferred) Revenue 6/30/2018
U.S. Department of Education									
<u>Pass-Through PA Department of Education</u>									
Title I - Improving Basic Programs	84.010	013-181150	7/1/17-9/30/18	\$ 617,265	\$ -	\$ 224,114	\$ 617,265	\$ 617,265	\$ 393,151
Title I - Improving Basic Programs	84.010	013-171150	8/25/17-9/30/17	189,680	189,680	189,680	-	-	-
					189,680	413,794	617,265	617,265	393,151
Title II - Improving Teacher Quality	84.367	020-181150	7/1/17-9/30/18	72,867	-	30,496	72,867	72,867	42,371
Title II - Improving Teacher Quality	84.367	020-171150	8/25/17-9/30/17	26,904	26,904	26,904	-	-	-
					26,904	57,400	72,867	72,867	42,371
Title IV - Student Support and Academic Enrichment	84.424	144-181150	7/1/17-9/30/18	10,000	-	7,333	10,000	10,000	2,667
<u>Pass-Through Capital Area Intermediate Unit</u>									
Individuals with Disabilities Education Act Part B	84.027	N/A	7/1/17-6/30/18	135,991	-	135,991	135,991	135,991	-
Individuals with Disabilities Education Act Preschool	84.173	N/A	7/1/17-6/30/18	1,104	-	1,104	1,104	1,104	-
Total Special Education Cluster					-	137,095	137,095	137,095	-
Total U.S. Department of Education					\$ 216,584	\$ 615,622	\$ 837,227	\$ 837,227	\$ 438,189

See notes to schedule of expenditures of federal awards.

DRAFT Reach Cyber Charter School

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Reach Cyber Charter School (the School) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

Note 2 Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 Indirect Cost Rate

The School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees
Reach Cyber Charter School
Harrisburg, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Reach Cyber Charter School's (the School) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2018. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance **DRAFT**

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants
Elkins Park, Pennsylvania

May 2, 2019

DRAFT Reach Cyber Charter School Schedule of Findings and Questioned Costs Year Ended June 30, 2018

A. Summary of Audit Results

1. The Independent Auditor's Report expresses an unmodified opinion on the basic financial statements of Reach Cyber Charter School.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting.
3. No instances of noncompliance material to the financial statements of Reach Cyber Charter School which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance.
5. The independent auditor's report on compliance for the major federal award programs for Reach Cyber Charter School expresses an unqualified opinion.
6. There were no audit findings, which were required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was Title I, CFDA #84.010.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Reach Cyber Charter School did not qualify as a low-risk auditee.

B. Findings-Financial Statement Audit

None.

C. Findings and Questioned Costs-Major Federal Award Programs Audit

None.

Letter of Agreement

This Letter of Agreement is established as of _____, 2019 between IMMACULATA UNIVERSITY (IMMACULATA) and REACH CYBER CHARTER SCHOOL (REACH). The following agreement outlines the mutual benefits and protections in effect.

Mutual Benefit

Cohort. IMMACULATA agrees to provide doctoral courses at a twenty five (25%) tuition discount for the benefit of students enrolled in the doctoral program in Educational Leadership in which a minimum of 12 students are enrolled as a part of an online cohort. Students have the rights and responsibilities of graduate students enrolled in corresponding graduate courses conducted on the campus of IMMACULATA, including library privileges. This agreement shall remain in effect until the cohort(s) completes the academic program or unless indicated by the written notice of either party.

Employer Discount. IMMACULATA agrees to offer an employer discount of twenty percent (20%) on the full standard tuition charged by IMMACULATA to any qualifying REACH employee for each course in "eligible programs" offered through the College of Graduate Studies in which such REACH employee is enrolled for as long as such student remains a verified REACH employee and during the term in which this Agreement is in effect. A student who receives this discount, and who thereafter ceases to be a REACH employee before completion of a course for which discounted tuition has been assessed, will be allowed to complete that course in the term at the discounted rate. Under this agreement, this tuition discount is only valid for REACH employees taking eligible courses offered through IMMACULATA's College of Graduate Studies and is the only applicable discount based on full standard tuition available to REACH employees. IMMACULATA agrees to waive its Application Fee for REACH employees under this Agreement.

(a) Eligible programs in the College of Graduate Studies include all Master's level degree, certification, and certificate programs offered by IMMACULATA. The discount does not apply to fees. Students in the College of Graduate Studies must submit employer verification prior to registration in order to receive the employer tuition discount. The discount will not be applied retroactively.

(b) IMMACULATA and REACH agree to develop a joint mutually agreed ongoing marketing plan to promote the relationship created by this Agreement. In this regard, IMMACULATA representatives shall have reasonable access to REACH employees; both parties agree to keep in contact and visit on an as needed basis. It is ultimately the responsibility of REACH to notify eligible employees of the availability of this tuition discount.

Indemnification

Indemnity by IMMACULATA. IMMACULATA agrees to defend, indemnify and hold REACH harmless from any and all damages, including reasonable attorney fees, resulting from any claim arising or alleged to have arisen out of (a) any breach by IMMACULATA of this Agreement; (b) the negligent, intentionally wrongful or otherwise tortious acts of IMMACULATA's employees, representatives, agents or independent contractors; and (c) any claim against REACH by any individual employed by IMMACULATA or performing for IMMACULATA under this Agreement, including but not limited to workers' compensation claims, and any claim involving medical malpractice, employment discrimination, tort or contract law. IMMACULATA further agrees to defend, indemnify and hold REACH harmless from any and all damages, including reasonable attorney's fees, resulting from any claim arising or alleged to have arisen out of any dangerous or defective condition, whether known or unknown, in the building, facilities or equipment furnished by IMMACULATA and used in connection with the graduate programs at IMMACULATA.

Indemnity by REACH. REACH agrees to defend, indemnify and hold IMMACULATA harmless from any and all damages, including reasonable attorney fees, resulting from any claim arising or alleged to have arisen out of: (a) any breach by REACH of this Agreement; (b) the negligent, intentionally wrongful or otherwise tortious acts of REACH's employees, representatives, agents or independent contractors; and (c) any claim against REACH and/or IMMACULATA by any individual employed by REACH or performing for REACH under this Agreement, including but not limited to workers' compensation claims, and any claim involving medical malpractice, employment discrimination, tort or contract law. ~~REACH further agrees to defend, indemnify and hold~~

IMMACULATA harmless from any and all damages, including reasonable attorney's fees, resulting from any claim arising or alleged to have arisen out of any dangerous or defective condition, whether known or unknown, in the building, facilities or equipment furnished by REACH and used in connection with the graduate programs at IMMACULATA at REACH sites.

Insurance

Insurance by IMMACULATA. IMMACULATA, at its expense, shall carry and maintain in force at all times relevant hereto insurance of the type and with minimum coverage limits as follows:

- (a) Workers' Compensation/Employer Liability as required by statute;
- (b) Commercial general liability (Occurrence Form), including contractual liability, in a combined limit for bodily injury and property damage in the amount of One Million Dollars (\$1,000,000.00) per occurrence;
- (c) All other insurance required by law.

Insurance by REACH at its expense, shall carry and maintain in force at all times relevant insurance.

Notices. All notices which are required or permitted in this Agreement shall be sufficient and shall be then deemed given if and when given in writing and hand delivered or sent by registered or certified mail, return receipt requested, postage prepaid, by telecopy (with confirmation received) or by nationally recognized courier service as follows:

If to IMMACULATA UNIVERSITY:

Dr. Angela Tekely
Vice President for Academic Affairs
Immaculata University
Immaculata, PA 19345
Phone: 610-647-4400
Fax: 610-647-7884

If to REACH CYBER CHARTER SCHOOL:

Name _____
Title _____
Address Line 1 _____
Address Line 2 _____
Phone: _____
Fax: _____

Commented [SS1]: Will need to be filled in.

INTENDING TO BE LEGALLY BOUND, the parties have signed this Letter of Agreement.

Immaculata University

REACH CYBER CHARTER SCHOOL

Title: Vice President for Academic Affairs

Title: Superintendent

Today's date

Today's date