



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, March 18, 2020 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. Audit Committee, Committee of the Entire Board
 - a. Ratification of Financial Audit Report for the 2018-2019 School Year (to follow) – K. Yeselavage/ D. Biondo

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

- V. Oral Reports
 - a. Executive Director's Report (MSR attached) – J. Swan
 - i. Grant Award (attached)
 - ii. CSI Status Update
 - iii. Enrollment and Staffing Report
 - iv. State Testing Update
 - v. Graduation Plans
 - vi. COVID-19 Response Update
 - b. Financial Report (attached) – K. Yeselavage

- VI. Consent Items
 - a. Approval of Minutes from the February 5, 2020 Board Meeting and Strategic Planning Retreat (attached)
 - b. Approval of Staffing Report (attached)
 - c. Approval of POBL Invoice(s) for January and February (attached)
 - d. Approval of School Calendar for the 2020-2021 School Year (attached)
 - e. Approval of Revision(s) to the 2019-2020 School Year State Specific School Handbook: Chaperone / Students Driving to Sanctioned Events Policy (attached)
 - f. Approval of Revision(s) to Employee Handbook: Expiration of Educational Credentials and Work at Home Policies (attached)

- VII. Action Items
 - a. Approval of Accounting Software Vendor (to follow) – K. Yeselavage
 - b. Approval of PowerSchool Proposal for HR Systems (attached) – J. Swan

- VIII. Information Items
 - a. Outreach Plan for the 2020-2021 School Year (attached) – S. Stuccio/ J. Rotar
 - b. State Account Relations (STAR) Update – A. Jay/ L. Johnson
 - i. Board Support Update
 - c. Partner School Leadership Team (PSLT) Update – M. Brown
 - d. Renewal Statement of Agreement (SOA) with POBL Update – D. Taylor/ J. Swan/ A. Jay

- IX. Strategic Planning
 - a. Approval of Expenditure for STEM Kits: Aquaphoenix Quote (attached) – J. Swan

- X. Adjournment and Confirmation of Next Meeting – Wednesday, April 15, 2020 at 9:00 a.m.

MONTHLY SCHOOL REPORT

School & Date Selection

School

Reach Cyber Charter School

Report Date

February 29, 2020

Currently Enrolled

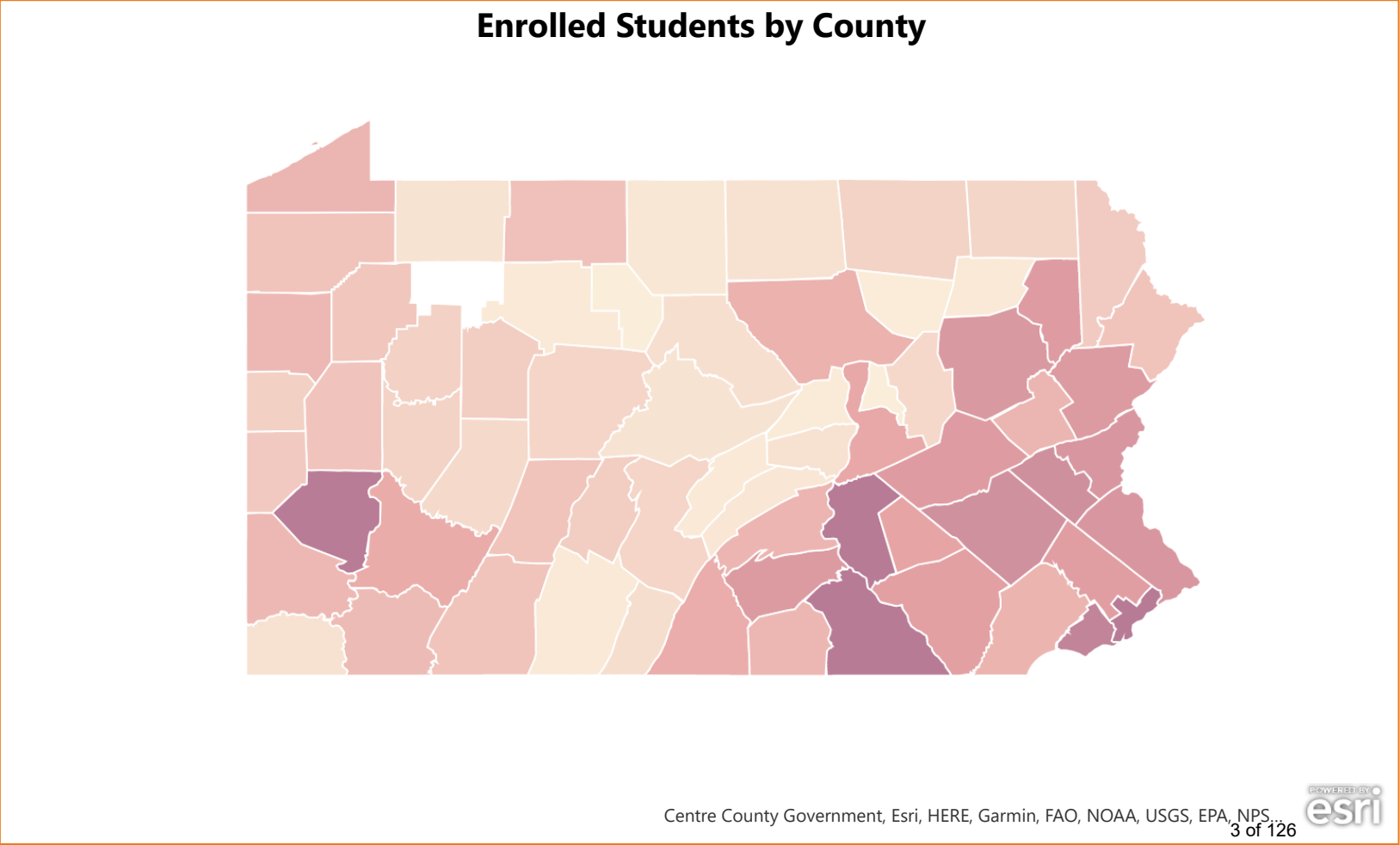
3728

Total YTD Enrolled

4738

Enrollment Services Complete (Stage 4)

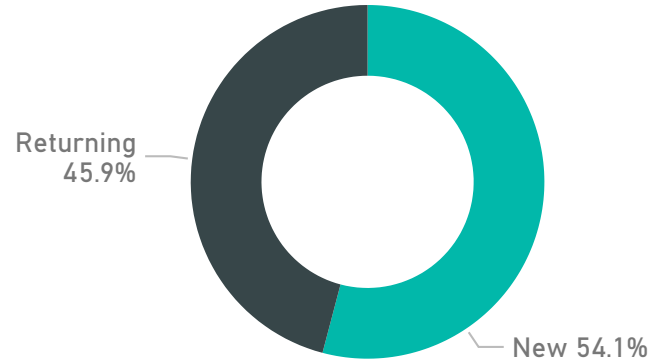
4904



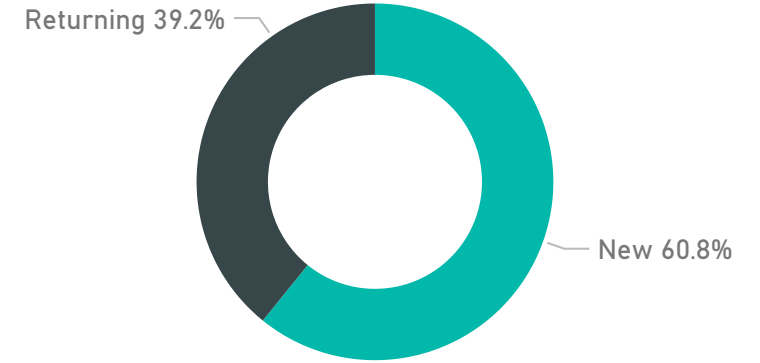
Reach Cyber Charter School

February 29, 2020

New and Returning



New and Returning Prior Year



Current Enrollment Month-Over-Month Change

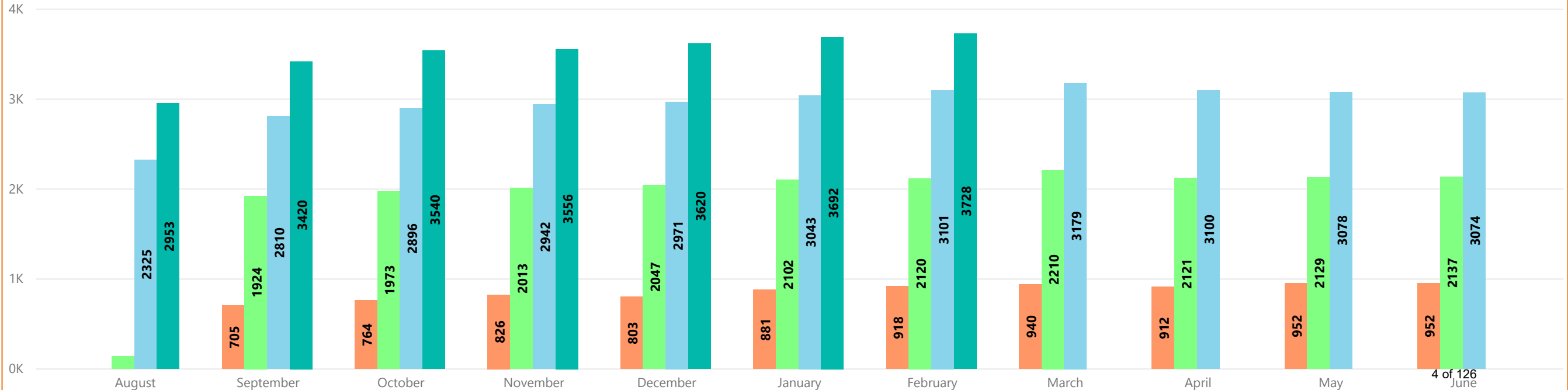
1%

Current Enrollment Year-Over-Year Change

20%

Monthly Student Current Enrollment Comparison

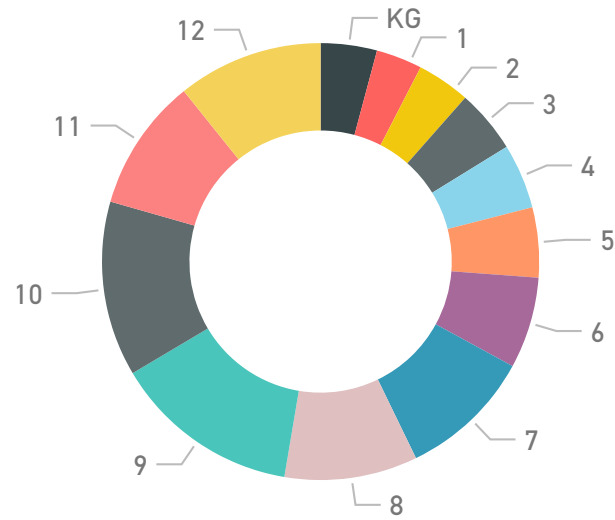
schoolYear ● 2016-2017 ● 2017-2018 ● 2018-2019 ● 2019-2020



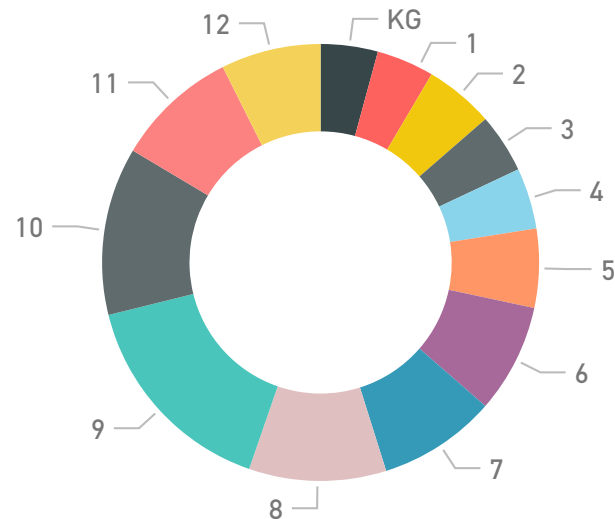
Reach Cyber Charter School

February 29, 2020

Enrolled Students by Final Grade



Enrolled Students Prior Year by Final Grade



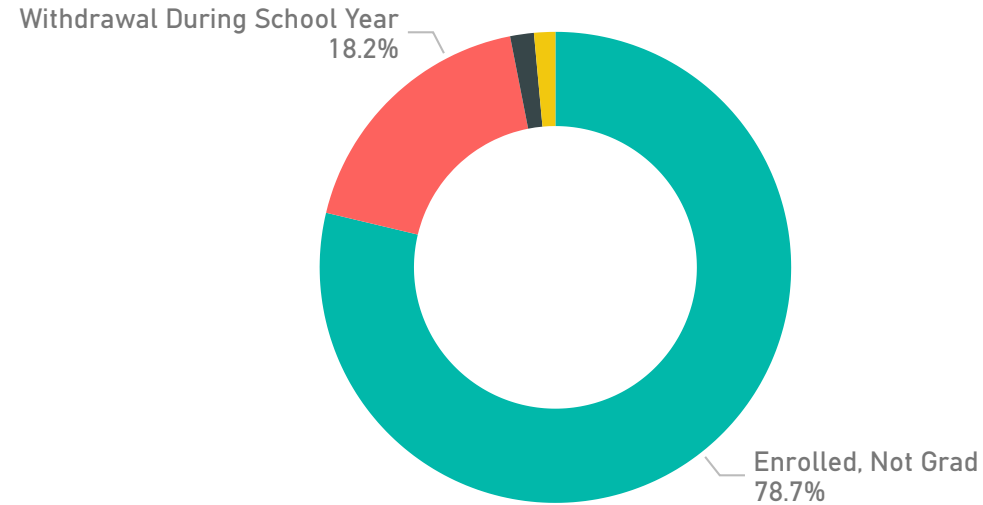
Grade Distribution

ReportPeriod GradeDistribution	SameMonthPriorYear		PriorEOY		LastMonth		CurrentMonth	
	Students	%CT Students	Students	%CT Students	Students	%CT Students	Students	%CT Students
PK-2	422	14%	418	14%	419	11%	429	12%
KG	131	4%	129	4%	151	4%	155	4%
1	132	4%	127	4%	125	3%	127	3%
2	159	5%	162	5%	143	4%	147	4%
3-5	457	15%	458	15%	536	15%	547	15%
3	136	4%	130	4%	173	5%	175	5%
4	140	5%	143	5%	180	5%	179	5%
5	181	6%	185	6%	183	5%	193	5%
6-8	836	27%	843	27%	968	26%	987	26%
6	250	8%	252	8%	244	7%	252	7%
7	271	9%	270	9%	360	10%	368	10%
8	315	10%	321	10%	364	10%	367	10%
9-12	1386	45%	1355	44%	1769	48%	1765	47%
9	491	16%	469	15%	504	14%	515	14%
10	385	12%	369	12%	476	13%	483	13%
11	281	9%	273	9%	348	9%	366	10%
12	229	7%	244	8%	441	12%	401	11%
Total	3101	100%	3074	100%	3692	100%	3728	100%

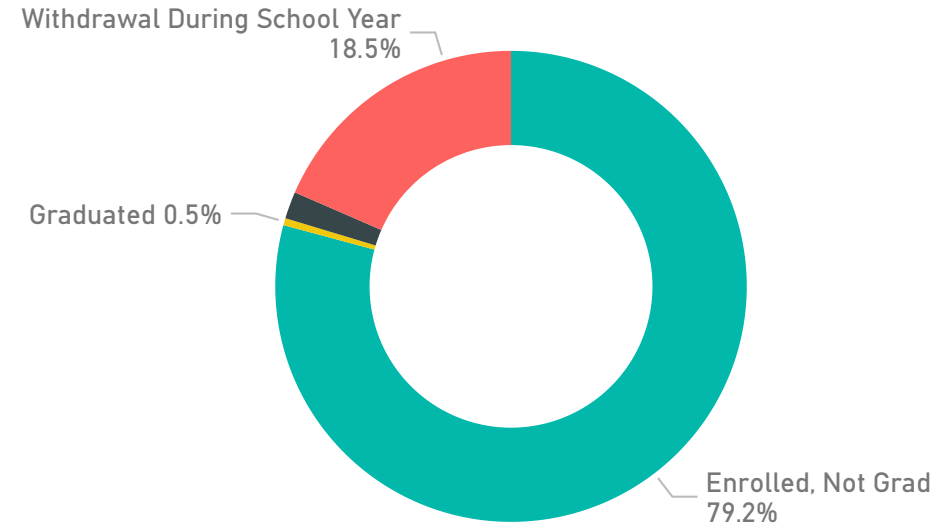
Reach Cyber Charter School

February 29, 2020

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	3104	79%	3074	74%	3696	82%	3730	79%
Graduated	19	0%	19	0%	23	1%	69	1%
Prior To Engagement	73	2%	79	2%	69	2%	77	2%
Withdrawal During School Year	724	18%	975	24%	741	16%	862	18%
Total	3920	100%	4147	100%	4529	100%	4738	100%

Enrollment Services Complete (Stage 4)

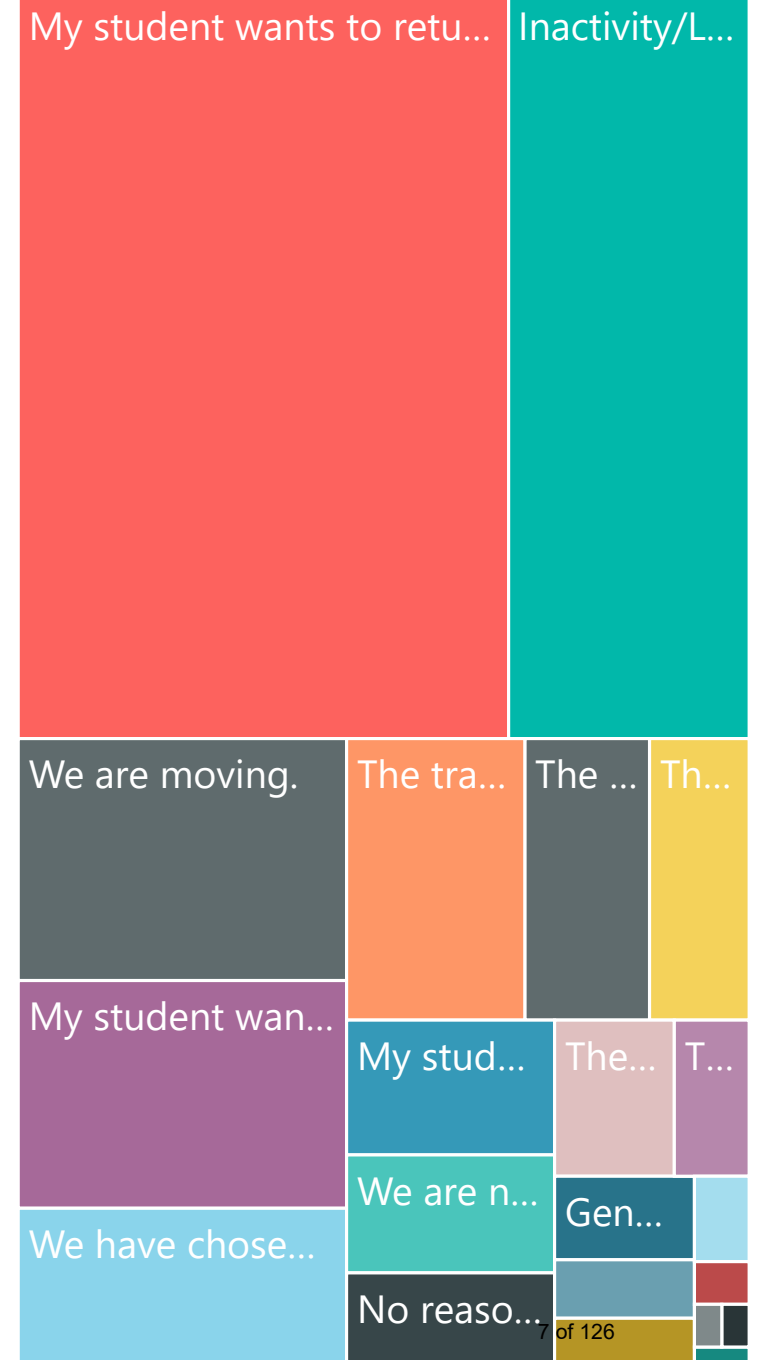
4904

Reach Cyber Charter School

February 29, 2020

Withdrawal Reason

WD Reason	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
			13	16
Another Reason	17	26	1	1
Applying for next school year		1		
Different/Better Schooling Option (Not related to socialization)	434	524	279	314
Generally dissatisfied with curriculum/course options			7	10
Getting started with the school was too difficult	1	2		
Inactivity	150	236	113	154
Life change	67	108		
Mismatch Academic	10	15		
Mismatch Family Schedule	5	5		
No longer able to provide a Learning Coach			21	21
No Reason Given			13	17
Program not flexible enough			16	16
Program takes too much of Learning Coach's time			24	24
Program takes too much of student's time			9	10
Pursuing GED	18	31	22	24
Student wants more socialization	8	9	57	64
Technical Difficulties	1	3	1	1
The curriculum is too hard			26	30
Transition to virtual school too difficult			33	43
Unhappy with the school	12	14	4	4
We are moving			58	68
We have chosen to home school			44	45



Reach Cyber Charter School

February 29, 2020

Household Data

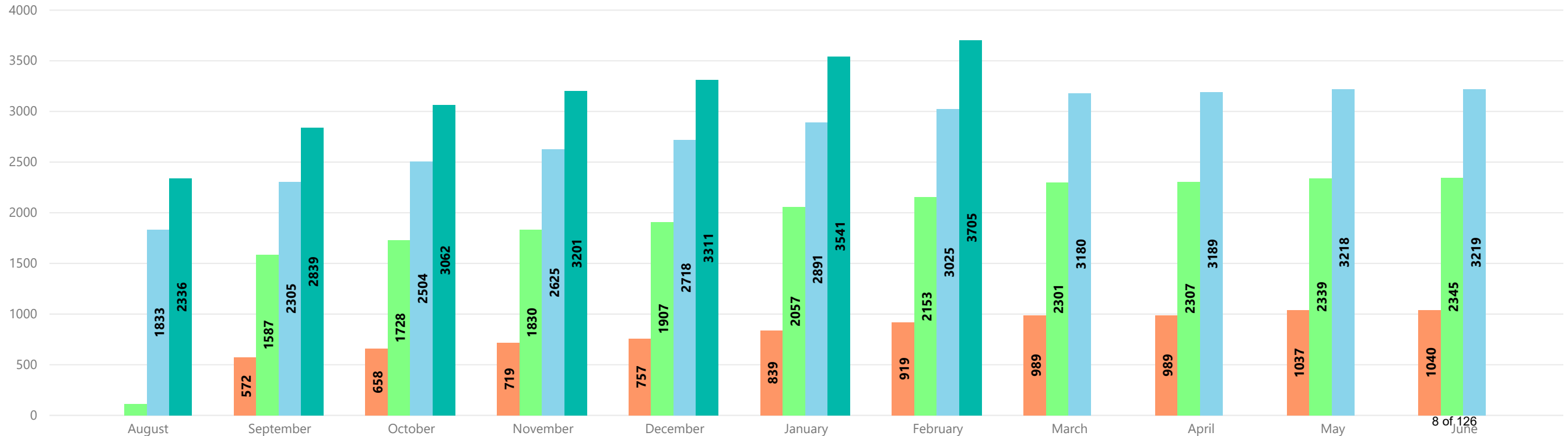
Household Data	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
Active	2425	2422	2927	2956
Graduated	19	19	23	68
WD During School Year	584	780	606	705
WD Prior To Engagement	64	71	66	72

Students Per Active Household

SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
1.28	1.27	1.26	1.26

Monthly Total Households

schoolYear ● 2016-2017 ● 2017-2018 ● 2018-2019 ● 2019-2020



Reach Cyber Charter School February 29, 2020

Ethnicity

Ethnicity	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
Hispanic or Latino	425	427	509	520
Not Hispanic or Latino	2674	2645	3181	3206

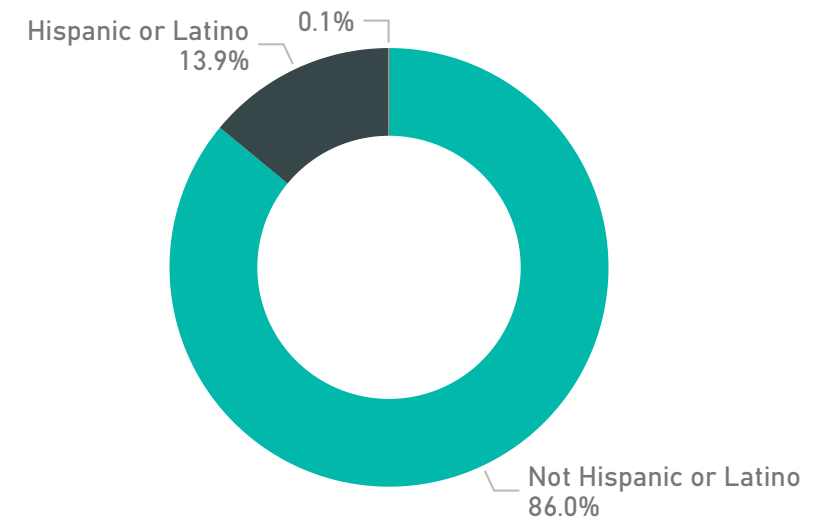
Race

Race	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
American Indian or Alaskan Native	123	127	150	150
Asian	68	68	75	73
Black/African American	876	891	1125	1142
Native Hawaiian or Other Pacific Islander	35	40	46	43
White	2307	2267	2680	2694

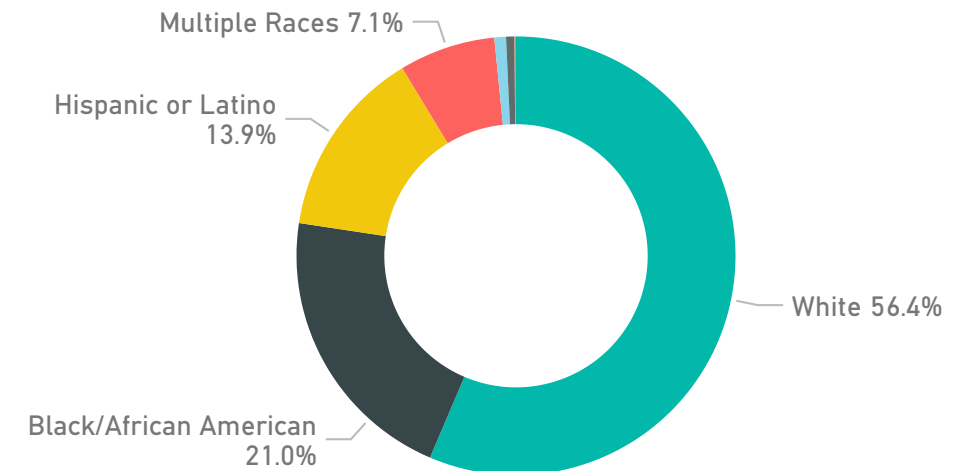
Distinct Race/Ethnicity

Distinct Race/Ethnicity	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
American Indian or Alaskan Native	21	20	24	23
Asian	32	28	30	32
Black/African American	599	621	761	782
Hispanic or Latino	425	427	509	520
Multiple Races	214	219	272	264
Native Hawaiian or Other Pacific Islander	2	2	2	2
Not Indicated	2	2	2	2
White	1806	1755	2092	2103

Enrolled Students by Ethnicity



Enrolled Students by Distinct Race/Ethnicity



Reach Cyber Charter School

February 29, 2020

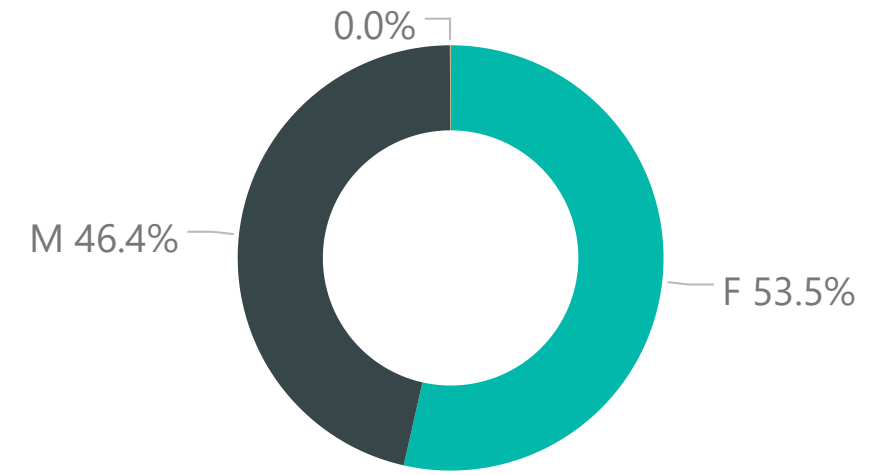
Gender

Gender	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
	1	1	1	1
F	1711	1721	1982	1996
M	1389	1352	1708	1730
X			1	1

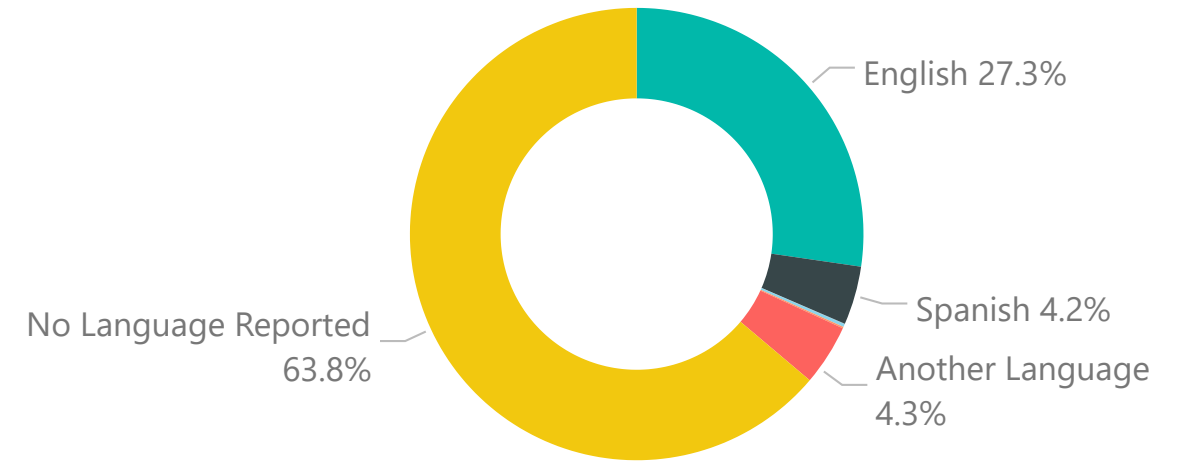
Primary Language

Home Language	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
English	1291	1236	1043	1018
Spanish	86	90	152	156
Russian	5	5	3	1
Arabic	19	17	10	8
Urdu	1	1	3	4
Another Language	187	183	161	162
No Language Reported	1512	1542	2320	2379

Enrolled Students by Gender



Enrolled Students by Language



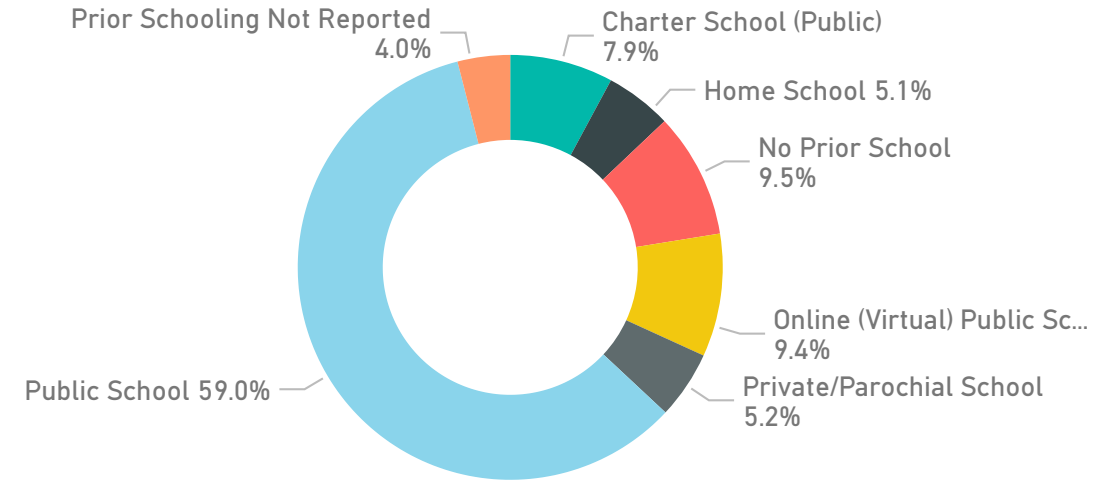
Reach Cyber Charter School February 29, 2020

Prior Schooling

Prior Schooling	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
Charter School (Public)	228	243	294	293
Home School	196	196	192	189
No Prior School	297	274	370	355
Online (Virtual) Public School	297	287	348	349
Private/Parochial School	152	166	185	192
Public School	1812	1793	2150	2201
Prior Schooling Not Reported	119	115	153	149

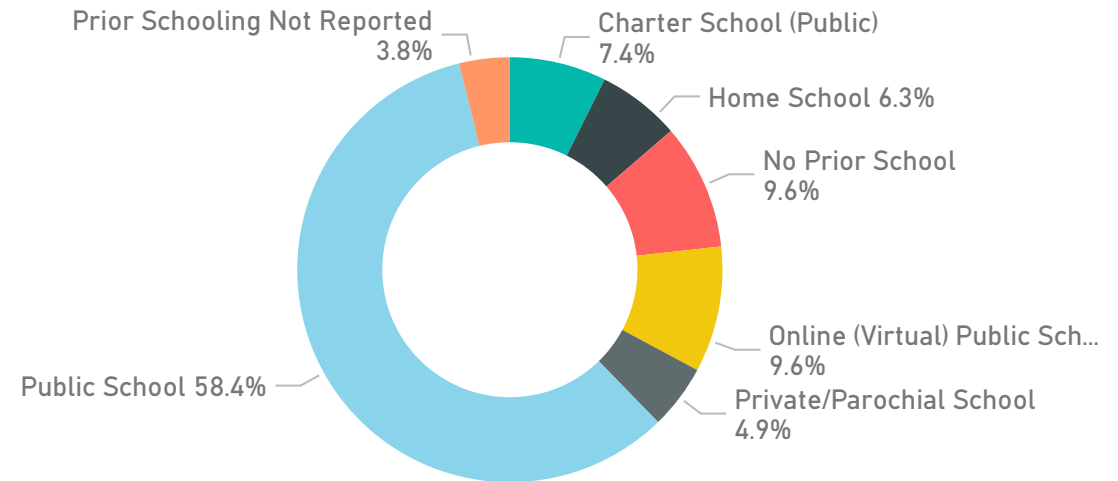
Prior Schooling

February 29, 2020



Prior Schooling

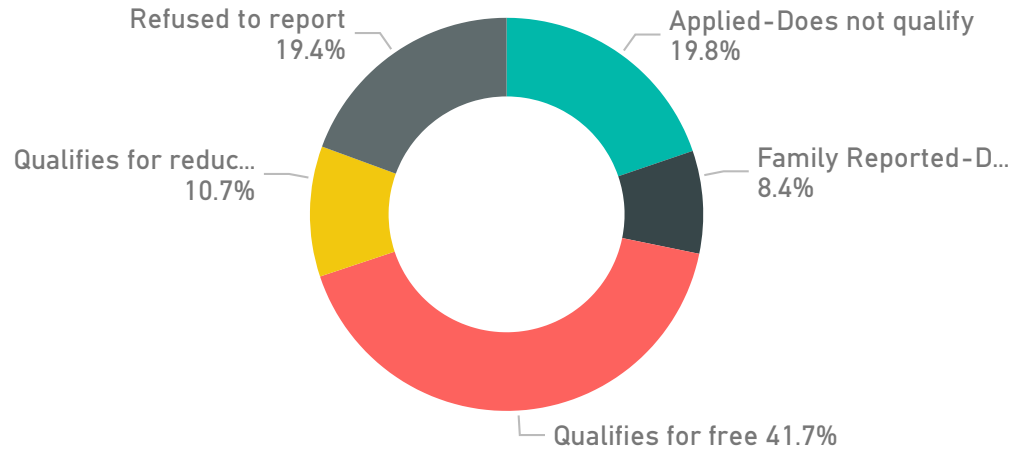
February 28, 2019



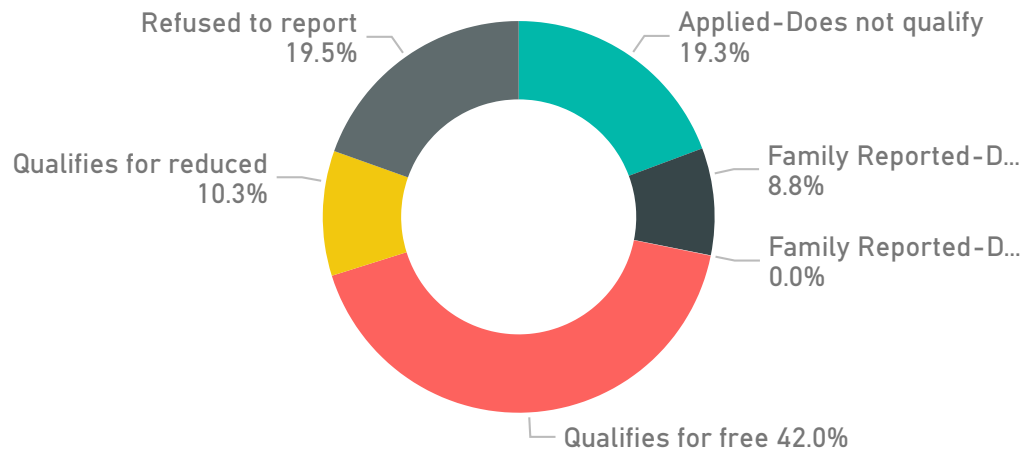
Reach Cyber Charter School

February 29, 2020

FARM Eligibility
February 29, 2020

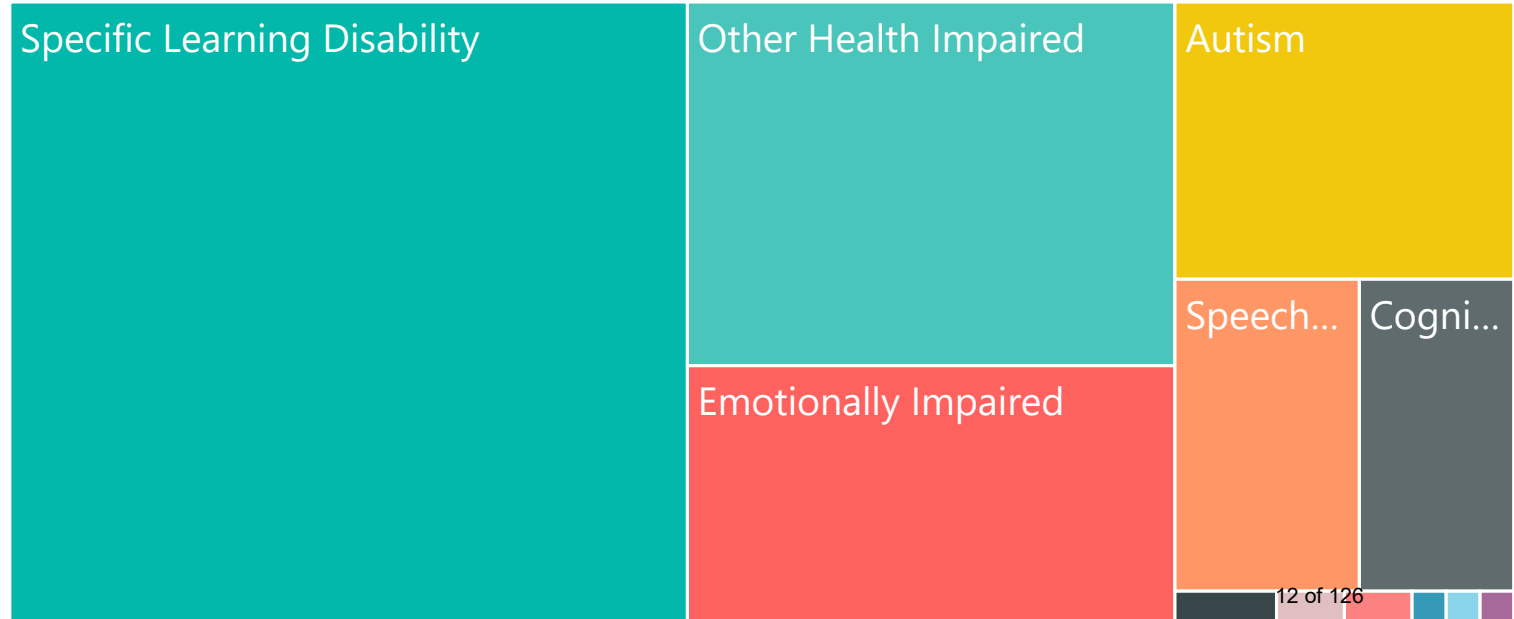


FARM Eligibility
February 28, 2019



Disability

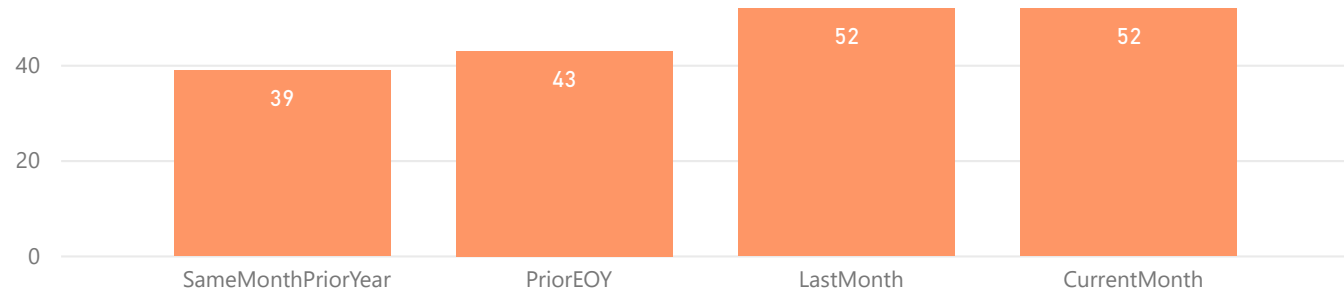
Disability	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
Autism	64	65	79	80
Cognitive Disability	23	20	41	41
Emotionally Impaired	90	84	109	108
Hearing Impaired	3	3	1	1
Multiple Disabilities	2	2	1	1
Other	24	22	2	3
Other Health Impaired	115	131	148	151
Physical Disability	1	1	1	1
Specific Learning Disability	244	239	344	360
Speech/Language Impaired	41	45	48	49
Traumatic Brain Injury	1	1	2	2
Visually Impaired	1	1	2	2



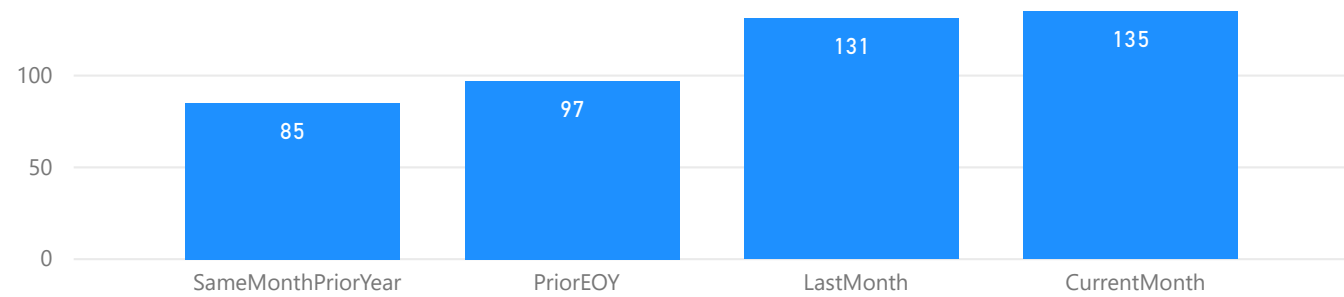
Reach Cyber Charter School

February 29, 2020

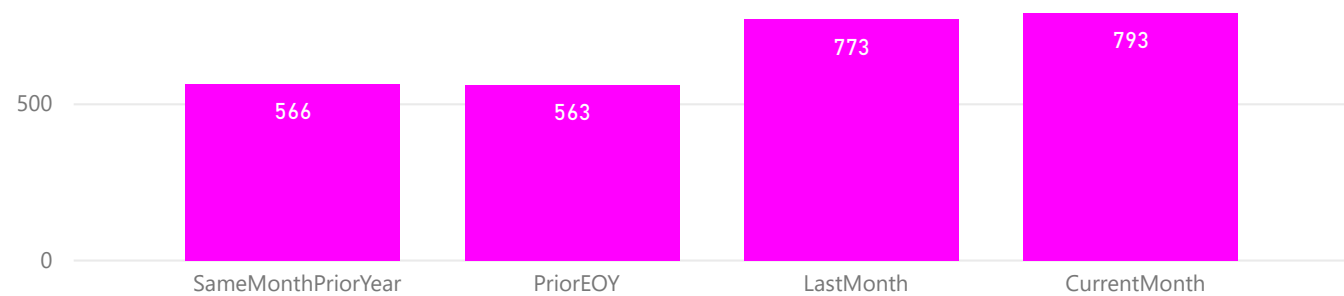
Gifted



Plan504



IEP



Currently Enrolled

3728

Gifted

1%

Plan504

4%

IEP

21%

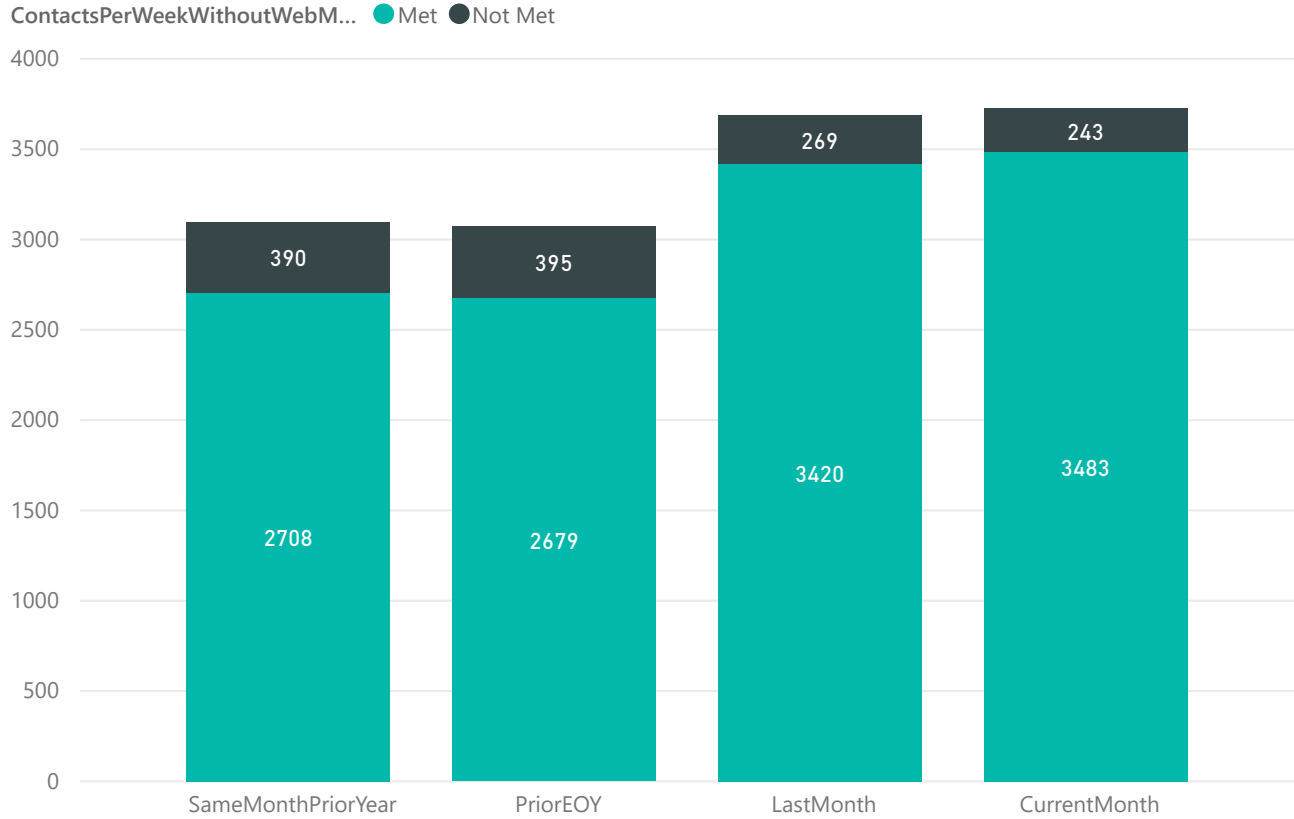
Not in Special Population

74%

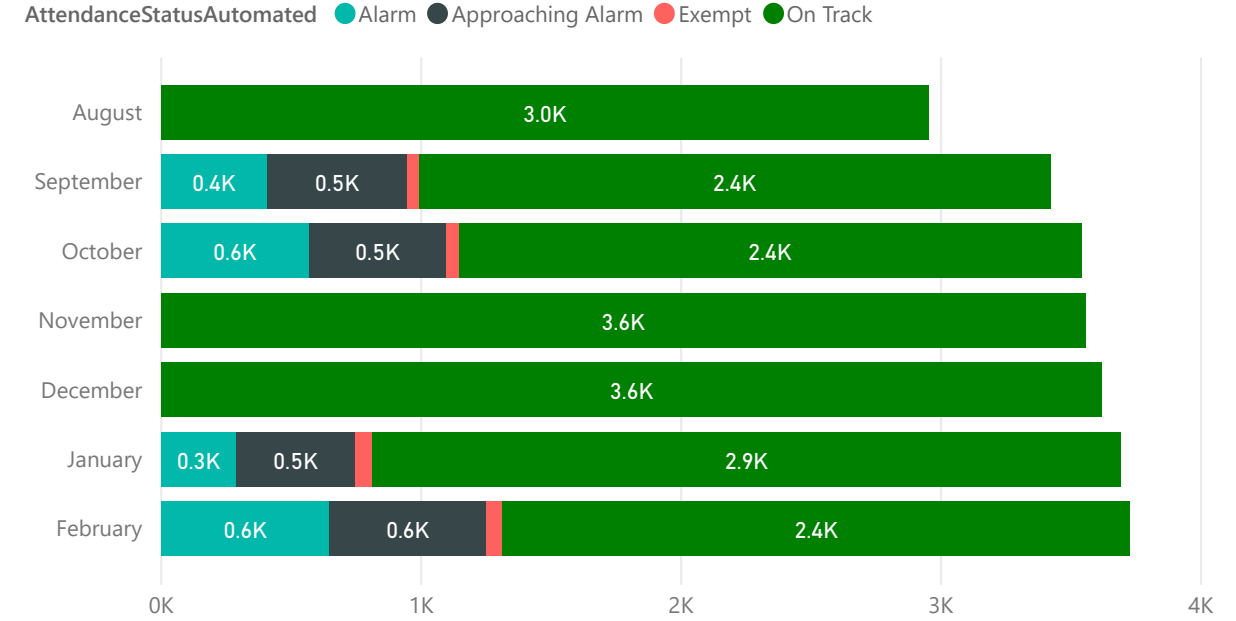
Reach Cyber Charter School

February 29, 2020

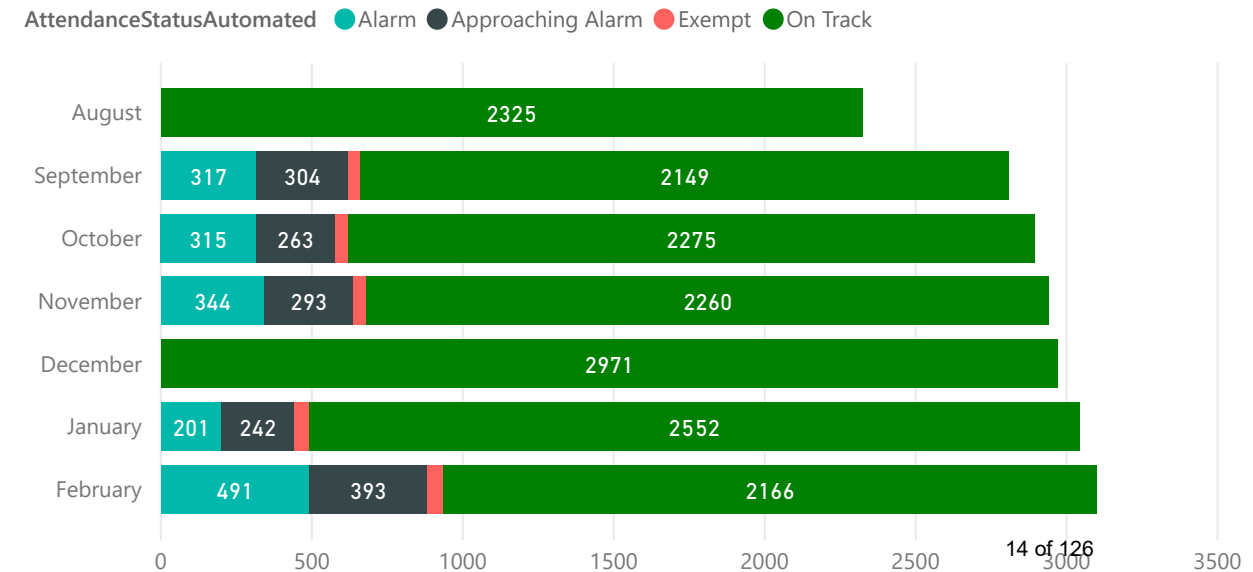
Contacts Per Week



School Year: 2019-2020



School Year: 2018-2019



Currently Enrolled

3728

Reach Cyber Charter School

February 29, 2020

Average Participation

GradeDistribution	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
PK-2	100%	98%	100%	101%
3-5	95%	101%	100%	97%
6-8	89%	100%	100%	89%
9-12	80%	96%	100%	87%
Total	87%	98%	100%	90%

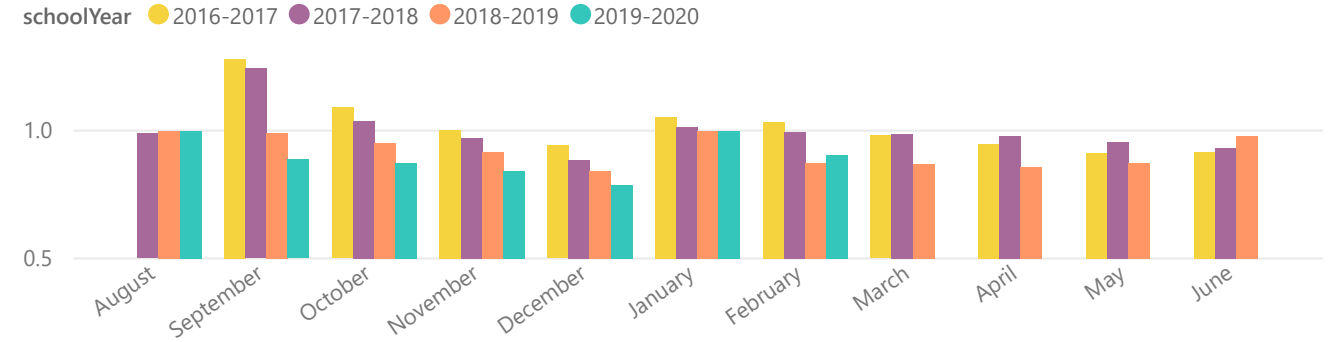
Average Performance

GradeDistribution	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
PK-2	84%	83%	84%	85%
3-5	72%	75%	77%	75%
6-8	68%	70%	75%	71%
9-12	70%	71%	76%	71%
Total	72%	73%	77%	73%

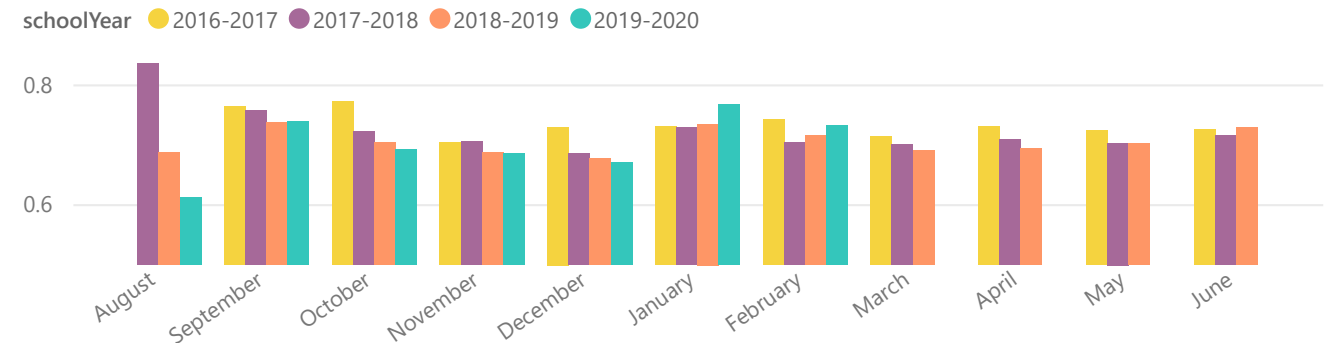
Average Attendance

GradeDistribution	SameMonthPriorYear	PriorEOY	LastMonth	CurrentMonth
PK-2	106%	112%	105%	103%
3-5	109%	116%	108%	107%
6-8	105%	111%	104%	101%
9-12	100%	108%	100%	98%
Total	104%	111%	103%	101%

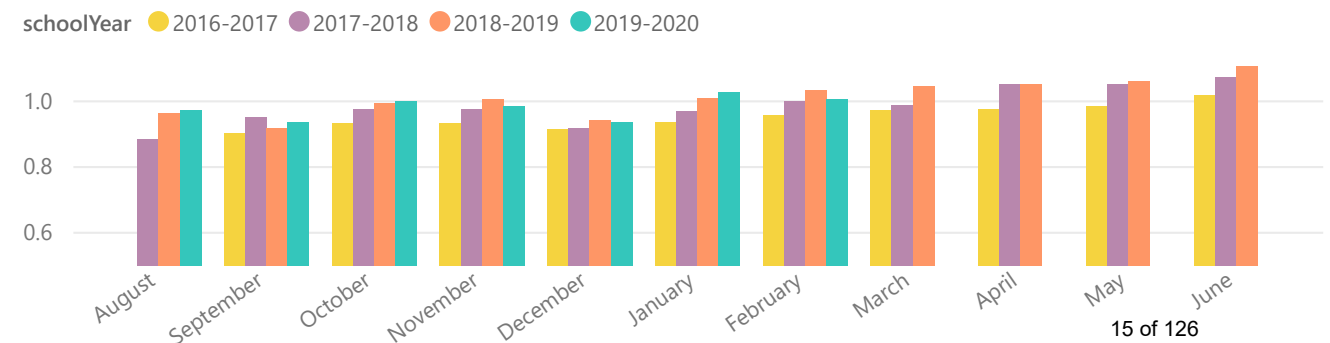
Average Total Participation



Average Total Performance



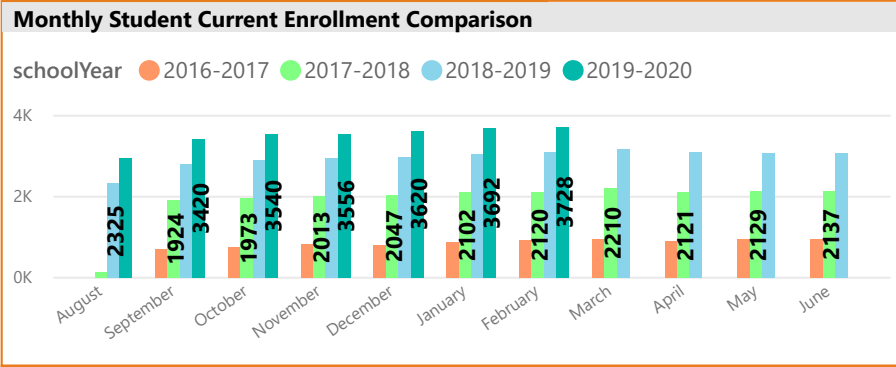
Average Total Attendance



Currently Enrolled	Total YTD Enrolled
3728	4738
Enrollment Services Complete (Stage 4)	
4904	

Reach Cyber Charter School
February 29, 2020

Current Enrollment Month-Over-Month Change
1%
Current Enrollment Year-Over-Year Change
20%



Total YTD Enrollment

ReportPeriod Withdrawal Category	SameMonthPriorYear		CurrentMonth	
	Student Count	%CT Student Count	Student Count	%CT Student Count
Enrolled, Not Grad	3104	79%	3730	79%
Graduated	19	0%	69	1%
Prior To Engagement	73	2%	77	2%
Withdrawal During School Year	724	18%	862	18%
Total	3920	100%	4738	100%

New & Returning

ReportPeriod New or Returning	SameMonthPriorYear		CurrentMonth	
	Students	%CT Students	Students	%CT Students
New	1886	60.82%	2017	54.10%
Returning	1215	39.18%	1711	45.90%

Household Data

Household Data	SameMonthPriorYear	CurrentMonth
Active	2425	2956
Graduated	19	68
WD During School Year	584	705
WD Prior To Engagement	64	72

Students Per Active Household

	SameMonthPriorYear	CurrentMonth
	1.28	1.26

Grade Distribution

ReportPeriod GradeDistribution	SameMonthPriorYear		CurrentMonth	
	Students	%CT Students	Students	%CT Students
PK-2	422	14%	429	12%
KG	131	4%	155	4%
1	132	4%	127	3%
2	159	5%	147	4%
3-5	457	15%	547	15%
3	136	4%	175	5%
4	140	5%	179	5%
5	181	6%	193	5%
6-8	836	27%	987	26%
6	250	8%	252	7%
7	271	9%	368	10%
8	315	10%	367	10%
9-12	1386	45%	1765	47%
9	491	16%	515	14%
10	385	12%	483	13%
11	281	9%	366	10%
12	229	7%	401	11%
Total	3101	100%	3728	100%

Withdrawal Reason

Withdrawal Reason	SameMonthPriorYear
Another Reason (EOY Import; See Parent ITW)	
Applying for next year	
Different/Better Schooling Option (Not related to socialization)	
Enrollment was intended to be short term and is no longer needed for my student.	
Generally dissatisfied with curriculum/course options	
Getting started with the school was too difficult	
Inactivity	
Inactivity/Lack of Attendance	
Life change	
Mismatch Academic	
Mismatch Family Schedule	
My student is pursuing GED	
My student wants to return to a traditional school setting for other (non-socialization related) reasons.	
My student wants to return to a traditional school setting for socialization reasons.	
No reason provided	
Pursue GED	
Student wants more socialization	

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**Reach Cyber Charter School
February 29, 2020**

Gender		
Gender	SameMonthPriorYear	CurrentMonth
	1	1
F	1711	1996
M	1389	1730
X		1

Primary Language		
Home Language	SameMonthPriorYear	CurrentMonth
English	1291	1018
Spanish	86	156
Russian	5	1
Arabic	19	8
Urdu	1	4
Another Language	187	162
No Language Reported	1512	2379

Disability		
Disability	SameMonthPriorYear	CurrentMonth
Autism	64	80
Cognitive Disability	23	41
Emotionally Impaired	90	108
Hearing Impaired	3	1
Multiple Disabilities	2	1
Other	24	3
Other Health Impaired	115	151
Physical Disability	1	1
Specific Learning Disability	244	360
Speech/Language Impaired	41	49
Traumatic Brain Injury	1	2
Visually Impaired	1	2

Gifted		
Gifted	SameMonthPriorYear	CurrentMonth
Yes	39	52

Plan 504		
Plan504	SameMonthPriorYear	CurrentMonth
504	85	135

IEP		
IEP	SameMonthPriorYear	CurrentMonth
IEP	566	793

Gifted	Plan504
1%	4%
IEP	Not in Special Population
21%	74%

Ethnicity		
Ethnicity	SameMonthPriorYear	CurrentMonth
Hispanic or Latino	425	520
Not Hispanic or Latino	2674	3206

Distinct Race/Ethnicity		
Distinct Race/Ethnicity	SameMonthPriorYear	CurrentMonth
American Indian or Alaskan Native	21	23
Asian	32	32
Black/African American	599	782
Hispanic or Latino	425	520
Multiple Races	214	264
Native Hawaiian or Other Pacific Islander	2	2
Not Indicated	2	2
White	1806	2103

Race		
Race	SameMonthPriorYear	CurrentMonth
American Indian or Alaskan Native	123	150
Asian	68	73
Black/African American	876	1142
Native Hawaiian or Other Pacific Islander	35	43
White	2307	2694

Household FARM Eligibility		
HouseholdFARMEligibility	SameMonthPriorYear	CurrentMonth
Applied-Does not qualify	496	595
Family Reported-Does not qualify	232	259
Family Reported-Does not qualify,Refused to report	1	
Qualifies for free	1008	1156
Qualifies for reduced	255	325
Refused to report	500	594

Prior Schooling		
Prior Schooling	SameMonthPriorYear	CurrentMonth
Charter School (Public)	228	293
Home School	196	189
No Prior School	297	355
Online (Virtual) Public School	297	349
Private/Parochial School	152	192
Public School	1812	2201
Prior Schooling Not Reported	119	149

Reach Cyber Charter School
February 29, 2020

Contacts Per Week

ContactsPerWeekWithoutWebMail	SameMonthPriorYear	CurrentMonth
Met	2708	3483
Not Met	390	243

Attendance Status

AttendanceStatusAutomated	SameMonthPriorYear	CurrentMonth
Alarm	491	647
Approaching Alarm	393	604
Exempt	51	62
On Track	2166	2415

Average Participation

GradeDistribution	SameMonthPriorYear	CurrentMonth
PK-2	100%	101%
3-5	95%	97%
6-8	89%	89%
9-12	80%	87%
Total	87%	90%

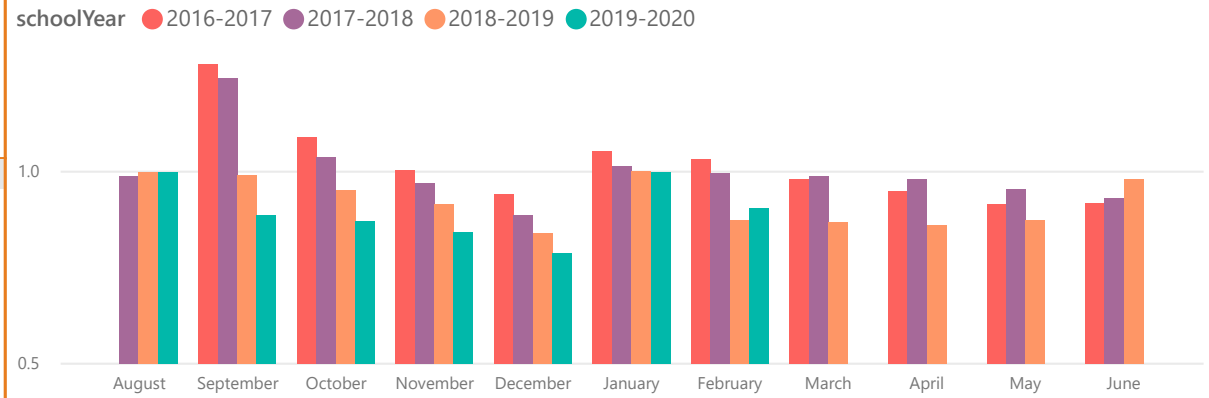
Average Performance

GradeDistribution	SameMonthPriorYear	CurrentMonth
PK-2	84%	85%
3-5	72%	75%
6-8	68%	71%
9-12	70%	71%
Total	72%	73%

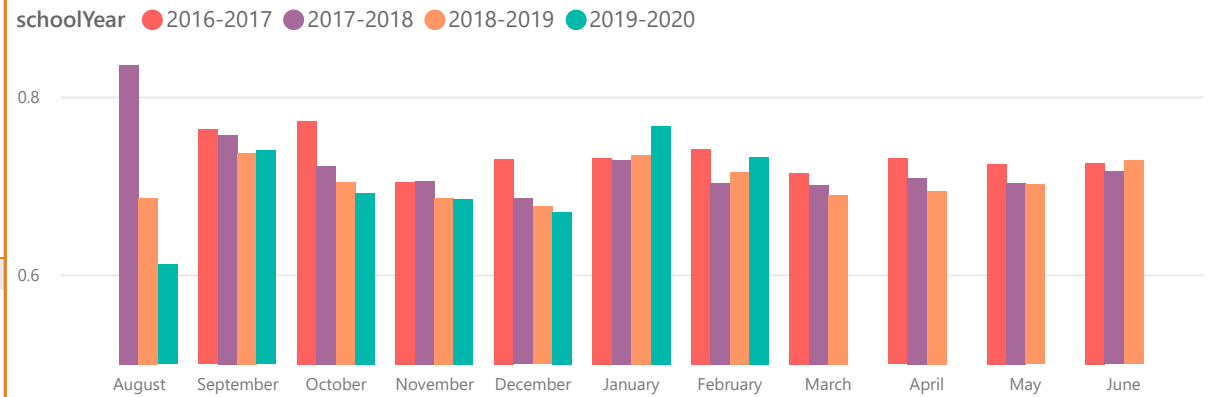
Average Attendance

GradeDistribution	SameMonthPriorYear	CurrentMonth
PK-2	106%	103%
3-5	109%	107%
6-8	105%	101%
9-12	100%	98%
Total	104%	101%

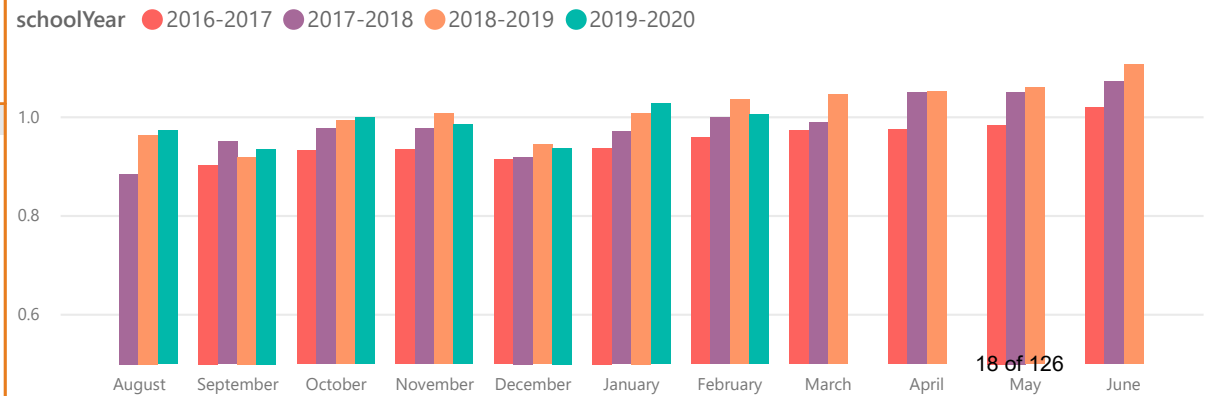
Average Total Participation



Average Total Performance



Average Total Attendance





March 6, 2020

MS JANE SWAN
CHIEF EXECUTIVE OFFICER
REACH CYBER CS
750 EAST PARK DRIVE SUITE 204
HARRISBURG PA 17111

Dear Ms. Swan:

This letter outlines the estimated 2020 school improvement allocation for your local education agency's (LEA) Comprehensive Support and Improvement (CSI) school.

Consistent with the commitments outlined in Pennsylvania's Every Student Succeeds Act (ESSA) State Plan, CSI schools will receive a formula-driven grant for school year 2020 based on the Title I, Part A formula, with additional resources allocated to schools serving at least 20 English Learners. CSI schools will receive additional formula-driven funding in the third and fourth years of the school improvement cycle (*i.e.*, 2021 and 2022), provided schools make timely and thorough reports to the Pennsylvania Department of Education (PDE) and demonstrate wise use of funds.

The estimated school-level allocation is detailed below:

School	Allocation
Reach Cyber CS	\$75,000

Funds will be made available in Spring 2020, through the standard Federal Programs application system. Additional information will be shared with your LEA in March.

ESSA requires that strategies funded through Title I, Part A meet the three highest tiers of evidence (strong, moderate, or promising) as defined in the statute. Through the new Evidence Resource Center (ERC; www.evidenceforpa.org), PDE aims to support schools and LEAs in understanding ESSA's evidence provisions and in identifying and selecting evidence-based strategies that are best fit to your school improvement needs and local context.

As always, thank you for your partnership in Pennsylvania's system of continuous school improvement and for all your efforts on behalf of students.

Sincerely,

Matthew S. Stem
Deputy Secretary
Office of Elementary and Secondary Education

Reach Cyber Charter School
Revenue and Expense Statement
For the Period Ended February 29, 2020

	January-20 Actual	February-20 Actual	YTD Actual	Annual Forecast	Annual Budget	Forecast vs Budget	Forecast vs. Budget Variance
Forecasted Enrollment							
Forecasted ADM				3,587	3,942	(355)	-9.0%
Forecasted Total Enrollment				5,200	6,046	(846)	-14.0%
Forecasted Funded Enrollment				3,603	3,892	(289)	-7.4%
Revenue							
State Funding	6,318,131.12	5,592,797.04	33,115,154.58	52,235,950.35	54,781,728.00	(2,545,777.65)	-4.6%
Federal Funding	78,618.26	300,713.86	948,587.56	1,712,754.90	1,752,427.00	(39,672.10)	-2.3%
Other Funding	21,982.70	17,819.97	154,914.38	220,675.00	21,000.00	199,675.00	950.8%
Total Revenue	6,418,732.08	5,911,330.87	34,218,656.52	54,169,380.25	56,555,155.00	(2,385,774.75)	-4.2%
Program Expenses							
Compensation Expense							
Administration Staff	363,720.18	356,425.56	2,699,678.43	4,922,177.96	5,013,020.00	90,842.04	1.8%
Instructional Staff	1,706,928.65	1,705,956.78	11,005,436.20	21,324,495.38	22,560,802.00	1,236,306.62	5.5%
Total Compensation Expense	2,070,648.83	2,062,382.34	13,705,114.63	26,246,673.35	27,573,822.00	1,327,148.65	4.8%
Fee Based Expenses							
Enrollment/Unit Based Fees	2,102,161.33	2,154,454.54	12,467,491.65	21,250,593.54	23,213,988.00	1,963,394.46	8.5%
Total Fee Based Expenses	2,102,161.33	2,154,454.54	12,467,491.65	21,250,593.54	23,213,988.00	1,963,394.46	8.5%
Other School Expenses							
Assessment	10,863.29	2,761.69	68,782.28	438,588.21	482,000.00	43,411.79	9.0%
Employee Related	25,866.23	13,888.21	206,143.13	461,000.00	489,000.00	28,000.00	5.7%
Facilities	50,127.91	61,607.57	550,821.41	934,120.00	668,120.00	(266,000.00)	-39.8%
Governance	6,097.44	7,688.36	146,413.48	214,618.00	197,500.00	(17,118.00)	-8.7%
Instructional	2,332.29	14,205.60	282,071.12	1,853,260.00	743,260.00	(1,110,000.00)	-149.3%
Professional Services	4,875.00	80,052.30	192,696.86	322,000.00	315,000.00	(7,000.00)	-2.2%
Student Related	190,720.02	183,322.77	1,218,427.84	2,475,278.84	2,667,000.00	191,721.16	7.2%
Pending Allocation	(12,565.56)	(12,195.18)	22,656.43	-	-	-	0.0%
Total Other School Expenses	278,316.62	351,331.32	2,688,012.55	6,698,865.05	5,561,880.00	(1,136,985.05)	-20.4%
Total Program Expenses	4,451,126.78	4,568,168.20	28,860,618.83	54,196,131.94	56,349,690.00	2,153,558.06	3.8%
Net Increase (Decrease)	1,967,605.30	1,343,162.67	5,358,037.69	(26,751.69)	205,465.00	(232,216.69)	
Beginning fund balance	11,622,680.79	13,590,286.09	9,575,411.07	9,575,411.07			
Ending fund balance	13,590,286.09	14,933,448.76	14,933,448.76	9,548,659.38			

**Reach Cyber Charter School
Balance Sheet
February 29, 2020**

ASSETS

Cash and Short Term Investments:

Cash:Checking	\$	7,086,298.73
Cash:Money Market Account		10,499,844.70

Total Cash and Short Term Investments		17,586,143.43
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Other Current Assets:

Current State Receivables - FY20		956,105.63
PY State Receivables - FY19		2,133,887.63
PY State Receivables - FY18 & FY17		140,718.06
SHARRS Receivable - FY19		46,592.75
Allowance for Doubtful Accounts		(298,557.67)
Prepaid Rent		38,819.79

Total Other Current Assets		3,017,566.19
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Fixed Assets:

Property Plant & Equipment:

Computer Hardware		48,121.10
Leasehold Improvements		206,918.35
Furniture		103,706.34
Accum Depr:Computer Hardware		(39,014.08)
Accum Depr:Leasehold Improvements		(62,762.02)
Accum Depr: Furniture		(35,264.29)

Net Fixed Assets		221,705.40
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Other Assets:

Security Deposit		8,916.65
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Total Other Assets		8,916.65
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Total Assets	\$	20,834,331.67
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LIABILITIES

Current Liabilities:

Due to (from) Pearson Online & Blended Learning	\$	5,274,636.36
Pension Payable		160,349.64
Payroll Taxes Payable		167.95
Accounts Payable		2,861.31
Accrued Expenses		121,532.56
Payable to District		119,629.70

Total Current Liabilities		5,679,177.52
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Total Liabilities		5,679,177.52
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FUND BALANCE

Invested in Capital		221,705.40
Reserved Fund Balance		4,619,078.25
Undesignated Fund Balance		10,314,370.51

Ending Fund Balance		15,155,154.16
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Total Liabilities and Fund Balance	\$	20,834,331.67
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Reach Cyber Charter School
Schedule of Revenue
For the Period Ended February 29, 2020

	January-20 Actual	February-20 Actual	YTD Actual	Annual Forecast	Annual Budget	Actuals vs. Budget Variance
Revenue						
State Funding						
Regular Education Funding	4,091,064.69	3,600,632.84	21,603,797.03	34,111,258.47	35,942,309.00	(1,831,050.53)
State- Prior Year		88,325.54	88,325.54	88,325.54	-	88,325.54
Special Education Funding	2,227,066.43	1,903,838.66	11,423,032.01	18,036,366.34	18,839,419.00	(803,052.66)
Total State Funding	6,318,131.12	5,592,797.04	33,115,154.58	52,235,950.35	54,781,728.00	(2,545,777.65)
Federal						
Title I	59,142.93	236,571.56	768,857.93	887,144.00	1,072,000.00	(184,856.00)
Title IIA	9,427.43	12,855.20	73,703.43	96,414.00	153,000.00	(56,586.00)
Title III	-	-	-	1,284.00	-	1,284.00
IDEA	-	-	-	581,314.90	466,000.00	115,314.90
Title IV	4,500.40	18,001.60	45,003.20	67,506.00	60,000.00	7,506.00
CSI	5,547.50	33,285.50	61,023.00	77,665.00	-	77,665.00
Erate	-	-	-	1,427.00	1,427.00	-
Total Federal & Other Programs Funding	78,618.26	300,713.86	948,587.56	1,712,754.90	1,752,427.00	(39,672.10)
Other Funding						
Interest Income	21,952.32	17,362.29	144,683.62	204,000.00	10,000.00	194,000.00
Student Activities Income	30.38	457.68	10,230.76	16,675.00	11,000.00	5,675.00
Total Other Funding	21,982.70	17,819.97	154,914.38	220,675.00	21,000.00	199,675.00
Total Revenue	6,418,732.08	5,911,330.87	34,218,656.52	54,169,380.25	56,555,155.00	(2,385,774.75)

Reach Cyber Charter School
Schedule of Fees
For the Period Ended February 29, 2020

	January-20 Actual	February-20 Actual	YTD Actual	Annual Forecast	Annual Budget	Forecast vs Budget
SCHEDULE OF COMPENSATION:						
Administrative Compensation						
Salaries - Administration	265,681.38	263,307.54	2,011,724.70	3,651,682.91	3,686,044.00	34,361.09
Benefits - Administration	58,449.90	57,927.66	442,579.44	803,370.25	810,930.00	7,559.75
Pension - Administration	13,284.19	13,165.49	91,812.89	173,810.69	184,302.00	10,491.31
Taxes - Administration	26,304.71	22,024.87	153,561.40	293,314.12	331,744.00	38,429.88
Total Administrative Compensation	363,720.18	356,425.56	2,699,678.43	4,922,177.96	5,013,020.00	90,842.04
Instructional Compensation						
Salaries - Teachers	1,246,151.89	1,255,619.68	8,177,595.91	15,796,477.09	16,588,825.00	792,347.91
Benefits - Teachers	274,153.42	274,077.52	1,792,186.80	3,470,499.45	3,649,541.00	179,041.55
Pension - Teachers	62,307.62	62,290.38	384,086.48	765,521.14	829,441.00	63,919.86
Taxes - Teachers	124,315.72	113,969.20	651,567.02	1,291,997.70	1,492,995.00	200,997.30
Total Instructional Compensation	1,706,928.65	1,705,956.78	11,005,436.20	21,324,495.38	22,560,802.00	1,236,306.62
Total Compensation	2,070,648.83	2,062,382.34	13,705,114.63	26,246,673.35	27,573,822.00	1,327,148.65
SCHEDULE OF FEES:						
Enrollment/Unit Based Fees						
Curriculum and Instructional Support Services	641,308.33	657,185.00	3,804,580.43	6,488,434.59	7,182,191.00	693,756.41
Direct Course Instruction Support	15,548.00	10,313.20	84,566.40	140,688.76	-	(140,688.76)
Enrollment/Placement/Student Support Services	319,475.00	329,685.00	2,357,980.10	3,717,331.06	4,238,552.00	521,220.94
Facilities Support Services	2,083.33	2,083.34	16,666.67	25,000.00	25,000.00	-
Professional Development Services	38,125.00	38,250.00	190,362.50	345,738.75	365,977.00	20,238.25
School Business Support Services	57,920.00	59,072.00	286,922.72	526,576.56	567,716.00	41,139.44
School Operations Support Services	235,300.00	239,980.00	1,165,623.55	2,139,217.29	2,306,347.00	167,129.71
School Staff Support Services/Human Resources Support	144,875.00	145,350.00	723,377.50	1,313,807.25	1,390,714.00	76,906.75
Short Term Substitute Teachers	5,400.00	14,700.00	65,700.00	96,631.58	-	(96,631.58)
Student Connexus License	253,400.00	258,440.00	1,255,286.90	2,303,772.47	2,483,758.00	179,985.53
Student Technology Assistance Services	388,726.67	399,396.00	2,516,424.88	4,153,395.22	4,653,733.00	500,337.78
Total Enrollment/Unit Based Fees	2,102,161.33	2,154,454.54	12,467,491.65	21,250,593.54	23,213,988.00	1,963,394.46
Total Fee Based Expenses	2,102,161.33	2,154,454.54	12,467,491.65	21,250,593.54	23,213,988.00	1,963,394.46

**Reach Cyber Charter School
Schedule of Other Expenses
For the Period Ended February 29, 2020**

	January-20 Actual	February-20 Actual	YTD Actual	Annual Forecast	Annual Budget	Forecast vs. Budget Variance
SCHEDULE OF OTHER SCHOOL EXPENSES:						
Assessment						
Student Testing & Assessment	10,863.29	2,761.69	68,782.28	438,588.21	482,000.00	43,411.79
Total Assessment	10,863.29	2,761.69	68,782.28	438,588.21	482,000.00	(43,411.79)
Employee Related						
Staff Recruiting/Background Checks	-	-	559.62	35,000.00	50,000.00	15,000.00
Staff Training/Prof. Dvlpmt	17,660.06	7,192.00	162,191.09	250,000.00	250,000.00	-
Team Building	-	-	-	18,000.00	27,000.00	9,000.00
Travel- Nurse	-	-	-	3,000.00	7,000.00	4,000.00
Travel and Conferences	8,206.17	6,696.21	43,392.42	155,000.00	155,000.00	-
Total Employee Related	25,866.23	13,888.21	206,143.13	461,000.00	489,000.00	28,000.00
Facilities						
Capital Outlay	-	-	95,485.00	145,000.00	145,000.00	-
Copiers/ Reproduction	191.38	183.79	2,248.67	19,000.00	19,000.00	-
Internet	2,782.41	1,263.92	8,195.48	26,000.00	26,000.00	-
Maintenance & Repairs	266.26	1,658.36	9,464.31	30,000.00	30,000.00	-
Office Postage	1,346.50	3,093.95	7,558.11	24,000.00	24,000.00	-
Office Supplies	4,140.73	2,029.47	18,770.86	53,000.00	53,000.00	-
Office Rent	38,037.21	42,128.53	272,948.96	450,000.00	191,000.00	(259,000.00)
Other School Expense	-	-	-	11,000.00	11,000.00	-
Rent Operating Expense	-	-	-	16,120.00	21,120.00	5,000.00
Small Office Equipment	1,567.00	1,057.88	121,149.55	140,000.00	140,000.00	-
Telephone	1,796.42	10,191.67	15,000.47	20,000.00	8,000.00	(12,000.00)
Total Facilities	50,127.91	61,607.57	550,821.41	934,120.00	668,120.00	(266,000.00)
Governance						
Accreditation	-	-	1,200.00	1,200.00	-	(1,200.00)
Banking Fees	449.45	241.36	3,453.71	6,000.00	5,000.00	(1,000.00)
Board-Related Expenses	200.00	-	738.04	15,000.00	20,000.00	5,000.00
Dues	5,447.99	7,447.00	79,840.73	80,000.00	48,000.00	(32,000.00)
External Audit	-	-	-	15,000.00	20,000.00	5,000.00
D&O Insurance	-	-	2,418.00	2,418.00	4,500.00	2,082.00
Insurance Expenses	-	-	58,763.00	95,000.00	100,000.00	5,000.00
Total Governance	6,097.44	7,688.36	146,413.48	214,618.00	197,500.00	(17,118.00)
Instructional						
Other Curriculum	-	5,735.39	87,349.39	100,000.00	90,000.00	(10,000.00)
STEM Programmatic Expenses	2,332.29	8,470.21	194,721.73	1,753,260.00	653,260.00	(1,100,000.00)
Total Instructional	2,332.29	14,205.60	282,071.12	1,853,260.00	743,260.00	(1,110,000.00)
Professional Services						
Accounting Services	-	80,052.30	157,185.30	240,000.00	240,000.00	-
Legal Services	4,875.00	-	35,414.27	75,000.00	75,000.00	-
Other Consultants	-	-	97.29	7,000.00	-	(7,000.00)
Total Professional Services	4,875.00	80,052.30	192,696.86	322,000.00	315,000.00	(7,000.00)
Student Related						
Community Coordinators	-	750.00	8,000.00	10,000.00	10,000.00	-
Contracted Pupil Health Support	5,000.00	-	5,000.00	9,000.00	12,000.00	3,000.00
School Discretionary Targeted Outreach	700.00	12,198.86	18,898.86	50,000.00	50,000.00	-
Extracurricular Activities	-	-	-	86,443.73	95,000.00	8,556.27
Graduation Expense	-	20,013.01	40,895.72	55,947.03	45,000.00	(10,947.03)
Student Technology Support Stipend	-	1,245.50	290,795.98	974,539.36	1,071,000.00	96,460.64
SPEd Related Services	174,547.85	137,613.42	780,247.75	1,209,302.34	1,329,000.00	119,697.66
Student Activities	10,472.17	11,501.98	74,589.53	80,046.37	55,000.00	(25,046.37)
Total Student Related	190,720.02	183,322.77	1,218,427.84	2,475,278.84	2,667,000.00	191,721.16
Pending Allocation						
Expenses Pending Allocation	(12,565.56)	(12,195.18)	22,656.43	-	-	-
Total Pending Allocation	(12,565.56)	(12,195.18)	22,656.43	-	-	-
Total Other Expenses	278,316.62	351,331.32	2,688,012.55	6,698,865.05	5,561,880.00	(1,136,985.05)



Reach Cyber Charter School
MINUTES OF THE BOARD OF DIRECTORS MEETING AND STRATEGIC PLANNING RETREAT
Wednesday, February 5, 2020 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 9:08 a.m. when all participants were present and able to hear each other.

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

Guests: Jane Swan, School Leader; Karen Yeselavage, LeAnn Ritchie, Greg McCurdy, Jordann (J.D.) Smith, Scott Stuccio, Rachel Graver, John McMurray and Christine Miller, School Staff; Kevin Corcoran, Charter Choices, Financial Consultant; Amanda Jay, Heather Woodward and Megann Arthur, Pearson Online and Blended Learning (POBL) staff (in person); Andy Gribbin, Kelly McConnell and Erik Wiedman, School Staff; Pat Hennessey, Board Counsel; Melissa Brown, Megan Holston, Gary Corkran, Pearson Online and Blended Learning (POBL) staff (via phone).

II. Public Comment

There were no public comments made at this time.

III. Audit Committee, Committee of the Entire Board

a. Review and Acceptance of Financial Audit Report for the 2018-2019 School Year

Ms. Yeselavage reviewed the audit report, as included in the Board materials, noting that the audit firm documented no material weaknesses. She highlighted specific aspects of the report, and indicated that the result was an unqualified opinion; she stated that the result was the best the school can achieve. Mr. Biondo further provided all attendees with details on his involvement in the process, and recommendation to be appointed Board Designee to finalize the report and submit to the necessary parties by the deadline, to allow additional time for Board member review of all documentation. There being no further discussion, a motion was made and seconded as follows:

RESOLVED, that the Board Treasurer as Board Designee to Review and Finalize the 2018-2019 School Year Financial Audit Report and Submit to the Necessary Parties by the Deadline, is hereby approved.

The motion passed unanimously.

IV. Routine Business

a. Approval of Agenda

Mr. Taylor asked the Board to review the agenda distributed prior to the meeting. Following brief discussion, the Board indicated their intent to table Action Item (b) Ratification of Renewal Statement of Agreement (SOA) with Pearson Online and Blended Learning (POBL), and add an Information Item to provide an update on the current progress toward a finalized agreement. There being no further changes noted, a motion was made and seconded as follows:

RESOLVED, that the Agenda for the February 5, 2020 Meeting of the Reach Cyber Charter School Board of Directors, as amended, is hereby approved.

The motion passed unanimously.

V. Oral Reports

a. Executive Director's Report

Ms. Swan reviewed the Monthly School Report (MSR) data in detail with the Board.

i. CSI Status Update

Ms. Swan provided an update on progress toward specific benchmarks within the school's improvement plan.

ii. Enrollment and Staffing Report

Ms. Swan discussed current enrollment numbers, advising that the school's most recent enrollment was 3,716 students. Board members had discussion on the school's consistent growth, and the success of specific recruitment efforts. Ms. Swan further provided an update on staffing levels at the school.

b. Financial Report

Ms. Yeselavage 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. Yeselavage further provided a brief update on preparations underway for the transition of certain financial and accounting services at the school.

VI. Consent Items

Mr. Taylor asked the Board Members whether there were any items from the Consent Items that they wanted moved to Action Items for discussion, or tabled. There was brief discussion regarding the proposed MOUs with OverDrive, Iron Pigs and The Franklin Institute. There being no changes noted, a motion was made and seconded as follows:

RESOLVED, the Consent Items:

- a. Approval of Minutes from the December 4, 2019 Board Meeting and Strategic Planning Retreat;
- b. Approval of Staffing Report;

- c. Approval of POBL Invoice(s) for November and December;
- d. Approval of the 2020-2021 School Year General School Handbook;
- e. Approval of the 2020-2021 School Year State Specific School Handbook;
- f. Approval of Revised Fiscal Controls Policy;
- g. Ratification of Renewal Charter Choices Contract; and
- h. Ratification of Memorandums of Understanding (MOUs) with Local Universities; are hereby approved.

The motion passed unanimously.

VII. Action Items

a. Approval of Outreach Recruitment Target for the 2020-2021 School Year

Ms. Swan reviewed the outreach recruitment target for the 2020-2021 school year of 3,964 students and sought Board input in regard to the number. Following this discussion, Board members agreed the proposed number was a good target to set for the upcoming school year based on staffing and budget. There being no further discussion, a motion was made and seconded as follows:

RESOLVED, that the outreach recruitment target for the 2020-2021 school year, as discussed, is hereby approved.

The motion passed unanimously.

b. Ratification of Renewal Statement of Agreement (SOA) with Pearson Online and Blended Learning (POBL)

This item was tabled for ratification and moved to Information Items earlier in the meeting.

c. Approval of Revisions to Staffing Model

Ms. Swan presented this item to the Board. She provided the Board with an update regarding proposed changes to the school's staffing model, to include an Accounting Specialist and Director of Human Resources positions for the next school year. Ms. Swan briefly highlighted qualifications for each, as detailed in the job descriptions included in the Board materials. There being no further discussion, a motion was made and seconded as follows:

RESOLVED, that the revisions to Staffing Model, as presented, are hereby approved.

The motion passed unanimously.

d. Approval of RFP for Accounting Systems

Ms. Yeselavage reviewed the background and documentation associated with the school's plan to seek RFPs for accounting systems for use beginning in the 2020-2021 school year. Board members had brief discussion on the RFP process anticipated and the thorough documentation provided. There being no further discussion, a motion was made and seconded as follows:

RESOLVED, that the RFP for Accounting Systems, as presented, is hereby approved.

The motion passed unanimously.

VIII. Information Items

a. State and Strategic Client Relations (SSCR) Update

Ms. Jay advised the Board of the recent renaming of her department to STAR (State Account Relations); she related that the support of STAR would remain the same to the Board and school. She further provided the Board with an update on recent legislative activities in the state, which may impact the school. The Board had discussion regarding state legislative activities, including the governor's proposed budgetary cuts to virtual schools.

b. Budget Development Process Update

Ms. Yeselavage reviewed the 2020-2021 budget development process with the Board, advising of her additional role in the process for the next school year based on the transition of certain financial and accounting services from POBL to the school that are included in the renewal SOA terms. She further advised the Board that the process starts with the outreach recruitment target for anticipated student enrollment in the next school year, and includes input from the Board and school leader. Ms. Yeselavage further reviewed the anticipated budget development schedule, including the final budget consideration likely to be in May.

c. Partner School Leadership Team (PSLT) Update

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

i. School Operations Metrics

Ms. Brown presented to the Board on behalf of Pearson Online & Blended Learning's (POBL) School Leadership Team. She reviewed the Operations Metrics 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. Board members discussed metrics data with Ms. Brown.

Board members had discussion regarding creative ways to incentivize staff development of new instructional methods and strategies.

Statement of Agreement (SOA) with POBL Update

Mr. Taylor requested that Ms. Swan provide the Board with an update, and Ms. Swan advised that discussions regarding the terms of the renewal SOA were ongoing with Board Counsel.

Mr. Biondo resumed the Board's discussion regarding the governor's proposed budget, and the potential impact of funding for virtual charter schools. Board members had discussion regarding future budget planning for the school with all participants.

IX. EXECUTIVE SESSION – Pursuant to 65 Pa. C.S. §§ 708(a)(1) – to discuss any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of performance, promotion or disciplining of any specific prospective public officer or employee or current public officer or employee

The Board entered into an Executive Session at 9:56 a.m. for the purpose of completing the School Executive Director's Mid-year Review. The Board cited the following for entering into the Executive Session: To discuss any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of performance, promotion or disciplining of any specific prospective public officer or employee or current public officer or employee, pursuant to 65 Pa. C.S. §§ 708(a)(1). Board members entered into the Executive Session via a roll call vote. Board members present were: David Taylor, Dave Biondo, Joe Harford, Alex Schuh, Gail Hawkins Bush and Paul Donecker. Guests present at the request of the Board were: Melissa Brown and Megann Arthur. All other attendees left the meeting at this time.

[Ms. Hennessey joined the meeting via phone at 10:02 a.m.]

Open Session resumed at 10:27 a.m. via a roll call vote. No action was taken during Executive Session.

[The Board took a brief recess at 10:28 a.m.]

[At 10:45 a.m., Ms. Swan, Ms. Richey, Ms. Graver, Mr. McMurray, Mr. Smith, Mr. McGurdy, Ms. Yeselavage, Ms. Jay, and Ms. Woodward re-joined the meeting in person and the meeting resumed.]

X. Strategic Planning

a. Career Pathways Programs Update

Mr. Smith presented this item to the Board. He reviewed program specifics within Credly, including the students' ability to have Microsoft office credentials and profile, and the metatags that are associated with the program. Mr. Smith further explained that students will have the opportunity to earn industry recognized credentials through completed coursework; he further reviewed the pathways badges and other advantages to students post-graduation.

b. Strategic Planning Discussion

Ms. Woodward began discussions with the Board. She briefly reviewed the first strategic plan created by the Board, progress and success of specific goals, and general high level direction and goals as communicated by the school's leadership team in recent meetings. The Board and school leadership team members discussed areas where the school is excelling based on student performance data and student and family feedback, as well as areas with opportunities for improvement and development. Mr. McMurray reviewed specific STEM activities for students as result of community partnerships, i.e. the DaVinci Science Center and many others.

[Ms. Brown left the meeting at 11:40 a.m.]

Ms. Richey provided a detailed review of OverDrive and the program's impact on graduation rates. All participants continued reviewing progress and new initiatives within the strategic plan goals, focusing on areas for improving student success, assisting students struggling with personal challenges, including specific staff training for support.

Board members indicated their desire to enter into an Executive Session to discuss the SOA with POBL with their Board Counsel.

EXECUTIVE SESSION – Pursuant to 65 Pa. C.S. §§ 708(a)(5) – to review and discuss agency business which, if conducted in public, would violate a lawful privilege or lead to the disclosure of information or confidentiality protected by law, including matters related to the initiation and conduct of investigations of possible or certain violations of the law and quasi-judicial deliberations

The Board entered into an Executive Session at 12:10 p.m. upon a motion being made, seconded and confirmed via roll call vote of all Board members present. The Board cited the following for entering into the Executive Session: to review and discuss agency business which, if conducted in public, would violate a lawful privilege or lead to the disclosure of information or confidentiality protected by law, including matters related to the initiation and conduct of investigations of possible or certain violations of the law and quasi-judicial deliberations, pursuant to 65 Pa. C.S. §§ 708(a)(5) . Board members present were: David Taylor, Joe Harford, Dave Biondo, Gail Hawkins-Bush, Paul Donecker and Alex Schuh.

Guests present at the request of the Board were: Pat Hennessey, Jane Swan and Karen Yeselavage. All other attendees left the meeting at this time.

There being no further discussion and upon a motion being made, seconded and confirmed via roll call vote of all Board members present, the Board resumed Open Session at 12:34 p.m. No action was taken during Executive Session.

XI. Adjournment and Confirmation of Next Meeting – TBD

Mr. Taylor inquired if there was any other business or discussion. Board members discussed the current board meeting schedule for the remainder of the school year, and the optimum timing for the next meeting, based on needs of the school. The Board indicated their intent to schedule their next regular board meeting on Wednesday, March 18, 2020 at 9:00 a.m. There being no further business or discussion, a motion was made and seconded as follows:

RESOLVED, that the next meeting date is March 18, 2020 at 9:00 a.m. at the school location and via teleconference, is hereby approved; and

FURTHER RESOLVED, that the Board being at the end of its agenda, the meeting was adjourned at 12:35 p.m., is hereby approved.

The motions passed unanimously.

REACH Staffing Report

New Hires

Name	Area	Compensation	Bonus Potential	Start Date
Bac. Kara	Teacher – Special Ed	\$56,500.00	0.04	02/18/2020
Howell, Marcella M.	Teacher - Secondary	\$61,000.00	0.04	02/25/2020
Kioalicas, Krista M.	Teacher – Special Ed	\$60,500.00	0.04	03/10/2020

Departing Employees

Name	Area	Last Day of Work	Reason for Leaving
Wenrich, Adrienne C.	Teacher – Secondary	02/14/2020	Family Reason
Williams, Olivia L.	School Admin Asst I	02/28/2020	Mutual Agreement

Promotion / Position Changes

Name	Former Position	New Position	Compensation	Bonus Potential	Start Date

Kara Bac (Sweeney)

130 Republic Ave.
Indianola, PA 15051
Cellular 412-728-3951
Knsweeney02@yahoo.com

Position Desired

Full-time teaching position

Qualification Highlights

- Pennsylvania State certified Elementary Teacher K-6
- Special Education certified N-12
- M.A. Ed. Curriculum and Instruction

Experience

Pressley Ridge- Pittsburgh Day School
Special Education Teacher, Sept. 2015-Present
Secondary Emotional Support

- Wrote and implemented IEP's and Re-evaluation Reports
- Experience with running IEP meetings
- Administered formal testing, such as KTEA3, Keystones and PSSA's
- Implemented positive behavior support plans
- Wrote and taught lesson plans
- Collaborated with colleagues
- Daily data collection on IEP goals
- Wrote daily communication sheets to parents
- Individual, small group and whole class instruction
- Community Based Instruction trips

Allegheny Intermediate Unit 3, Pittsburgh, PA
Long term Substitute Teacher, 2013-2014
Elementary Autistic Support: August- October
Secondary Autistic Support: October- June

- Wrote and implemented IEP's and Re-evaluation Reports
- Administered formal testing, such as Vineland
- Implemented positive behavior plans
- Wrote and taught lesson plans
- Collaborated with colleagues
- Organized community based instruction trips
- Daily data collection
- Wrote daily communication sheets to parents

Allegheny Intermediate Unit 3, Pittsburgh, PA

Teacher (Full-time Sub), 2009 – 2015

- Taught, assisted and observed special education classes in grades K through age 21. Developed daily lesson and unit plans, and stimulated creativity through effective use of materials and integrating subject matter effectively
- Applied classroom management skills and curriculum knowledge
- Attended teacher in-services and staff meetings, maintaining strong relationships with fellow staff and administrators

Autism Society of America, Pittsburgh, PA

Lead Teacher (S.P.E.A.K. summer program), 2009 - 2019

- Developed and instructed community based instruction lesson plans
- Took attendance
- Evaluated and took data on ESY goals
- Implemented behavior plans
- Planned and carried out community based instruction trips to various stores, restaurants and attractions
- Collaborated with colleagues
- Attended staff meetings and trainings
- Utilized varied teaching techniques to meet the needs of visual, kinesthetic and auditory learners for all subject areas

Education

M.A.Ed., Curriculum and instruction **2011**
University of Phoenix., Pittsburgh, PA
GPA 3.9

B.A., Elementary Education, and Special Education, **2009**
Westminster College, New Wilmington, PA
GPA: 3.6

Skills

- Student Evaluation/ Data Collection
- Writing IEP's and RR's
- Individualized and Small Group Instruction
- Classroom Management
- Lesson Plans
- Collaborating with co-workers

Licenses

Intern, Inst. I, Voc. I, Ed. Spec. I,
PA Dept. of Education

Workshops

Therapeutic Crisis Intervention Training
Nonviolent Crisis Intervention Training
Anti-Bullying Workshop
S.M.A.R.T Board Training
Mandated Reporting
Reading Mastery Training
Collaborative Problem Solving
PASA scorer in Harrisburg
Ukeru Training

Honors

Dean's List, 2009
Westminster College
Graduated Cum Laude

Marcella M. Howell

Objective To utilize my varied teaching and administrative experience to bring a fresh approach to online learning and student support.

Teaching Experience

Title I and High School Math Teacher

November 2017 – present, Gillingham Charter School, Pottsville, PA

- Charlotte Mason methodology
- unique mathematics approach
- testing coordinator, data team

Online Course Facilitator

July 2008 – present, Sevenstar Academy

- Mathematics, SAT Prep, and Leadership courses
- provide feedback and grading, implement progress and pace policy
- frequent contact with students, parents, and partner schools

Private Tutor

July 2008 – present, self-employed

- tutor homeschool and school students in high school and college math, SAT prep, writing
- live and virtual classes and tutoring, using virtual white boards

Academic Support Director

April 2014 – July 2016, Sevenstar Academy, Cincinnati, OH

- assisted Enrollment office in inquiry and follow-up process
- evaluated admissions and progress for full-time diploma students
- worked with parents and partner schools to recover student progress
- addressed discipline referrals
- conducted remote online standardized testing
- supported teachers with progress and plagiarism concerns
- professional written and verbal communication regarding Sevenstar program, courses, and concerns
- supported principal in day-to-day operations of school program

Secondary Mathematics Teacher

August 1991 – July 2008, Blue Mountain High School, Schuylkill Haven, PA

- basic and consumer math, algebra 1, algebra 2, geometry, algebra 3, statistics, SAT Prep
- taught special education, ESL, vocational, college-prep, and honors students
- designed and implemented new courses
- analyzed curriculum content and sequence, aligned courses with state standards
- incorporated technology in instruction (including Smart Board)

Related Experience

Homeschool Teacher

2008 – present, Schuylkill Haven, PA

- four children, grades K-12
- eclectic curriculum choices, to fit teacher and student strengths

Homeschool Evaluator, Testing Coordinator

2007 – present, Schuylkill, Berks, Lebanon Counties, PA

- evaluate student portfolios to assist compliance with PA Home Education Law
- coordinate and administer state-required standardized tests

Education

B. S. Secondary Education – Mathematics

August 1987 – May 1991, Kutztown University, Kutztown, PA

Pennsylvania Teaching Certificate: Secondary Education, Mathematics

30 graduate credits

Education and School Leadership

March 1994 – August 2006, Kutztown University, Wilkes University, Alvernia University

References

Dr. Kristin Bird, Education Consultant, Administrator	(513) 535-3918
Joyce Deer, Online Math Teacher	(601) 684-2574
James Shields, Pastor, Retired Teacher	(570) 573-5466

1439 South Route 183
Schuylkill Haven, PA 17972

Phone 570-640-9992
Email: marcihowell@gmail.com

Krista M. Kioalicas
1391 Spreading Oak Drive
Pittsburgh, PA 15220
Mobile: 724-944-0633
Email:kmm1535@yahoo.com

OBJECTIVE: To obtain a position that allows me to utilize my passion of working with students with varying ability levels.

EDUCATION:

M.Ed. K-12 Administration **August 2016**
California University of PA

B.S.Ed. Major: Elementary EducationK-6/Special Education N-12 /English 7-12 **May 2012**
Slippery Rock University
Q.P.A. 3.9

B.S.B.A. Major: Marketing **May 2007**
Slippery Rock University
Q.P.A 3.75

RELATED WORK EXPERIENCE:

Commonwealth Charter Academy **August 2012-Present**

Middle School Language Arts Reading Master Teacher /Special Educator

- Provide virtual Learning Support Services to middle school and high school students via use of Learning Management System.
- Provide daily Language Arts/Reading instruction as it relates to PA and Common Core Standards.
- Develop and Implement IEPs.
- Develop Measurable Annual Goals and Progress Monitoring.
- Collaborate with General Education Teachers regarding instruction and accommodations/modifications.
- Administer the PASA, PSSA, and Keystone Exams.
- Comply with Special Education Laws.
- Participate with department to revamp reading intervention at the secondary level.
- Develop transition planning and agency services for qualifying students.
- Experienced in Read 180 and System 44 curriculum.
- Design lessons to accommodate the varying learning styles and academic needs of students with varying abilities.

- Maintain weekly phone/email communication with all stakeholders, including parents regarding student progress, needs, and support.
- Identify students at risk for retention and engagement: work with team, families to reengage students in their learning.

Pressley Ridge School for Autism

Special Education Teacher

Summer 2012

Extended School Year Program (ESY)

- Taught curriculum aligned with goals in students' IEPs.
- Educated students from ages 6-21 on the Autism Spectrum.
- Developed Positive Behavior Intervention Plans.
- Documented student progress.
- Communicated with family members regarding student achievement.

Little Treasures Learning Center

May 2010-May 2012

Group Supervisor/ Preschool Teacher

- Taught preschool curriculum aligned with PA Early Learning Standards.
- Plan daily lessons for children ages 2-4 years old.
- Communicate with parents and staff members regarding child care and daily activities.
- Attend professional development trainings and utilize trainings in the classroom.
- Design and execute classroom management routines and procedures.

Big Beaver Falls Area School District

Day to Day Substitute Teacher-Elementary Grades K-6

August 2009-August 2010

- Complete all daily lessons left by classroom teacher.
- Communicate on daily basis with administration and co-workers regarding daily lessons and activities.
- Assist with proctoring the PSSA and 4-Sight Assessment Tests.
- Assist teachers as a classroom aide to students with Moderate to Severe Behavior Disorders and Specific Learning Disabilities on a per diem basis.

OTHER PROFESSIONAL EXPERIENCE:

Lincare Inc.

August 2007-August 2009

Medical Equipment Sales Representative

- Provide sales presentations and manage a sales territory over a tri-county area.

- Communicate products and features of respiratory medications and equipment to medical professionals and hospitals.
- Maintain knowledge and growth of over 100 medical equipment features and respiratory medications.
- Met and exceeded monthly sales quotas.
- Maintain professional relationships with over 100 clients within the medical field.

SPECIAL SKILLS:

- Computer proficient: Strong knowledge using Learning Management Systems including, Connexus and Blackboard.
- Experienced use of reading and math intervention programs and benchmark assessments (AimsWeb, DIBELS, I-Ready).
- Help develop and implement a school wide reading intervention initiative at the middle school level.
- Scholastic Read 180/System 44 experience.
- Strong professional communication and presentation skills outlined in my experiences communicating with students and families as well as my business background experiences.



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: 1-800-843-0019
Email:
poblsalesops@pearson.com
Tax ID No:

Invoice Number : 91000004431
Date : 17-FEB-2020
Due Date :
Payment Terms :
Customer Account : 3924545
Project Number : 82037947
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 \$2,591,145.67	Make Checks Payable to:	Bank Wire to:
Tax Total : USD \$0.00	Pearson Online & Blended Learning	Bank Name :
Invoice Total : USD \$2,591,145.67	32369 Collection Center Drive	Bank Address :
Amount Due : USD \$2,591,145.67	Chicago, IL 60693-0323	ABA ACH No :
		ABA Wire No :
		SWIFT Code :
		A/C No :
		Bank Account Name :



Invoice Number: 91000004431							Page 2 of 2
Project Number	Project Agreement Number	Description	Quantity	List Price	Net Price	Tax	Line Total
82037947	Reach	Direct Charges	7		2,434,764.65	0.00	2,434,764.65
82037947	Reach	Other Charges	1		30,040.00	0.00	30,040.00
82037947	Reach	Pass Through	19		126,341.02	0.00	126,341.02

To pay your invoice online: Visit <https://ipay2.bizsys.pearson.com/register> to register.
 Already registered? Access your online account by visiting <https://ipay2.bizsys.pearson.com>

Invoice Total	Subtotal	Total Tax	Invoice Total
	USD	USD	USD
	\$2,591,145.67	\$0.00	\$2,591,145.67



Pearson

Charges for the Following Period:

Jan-20

Compensation Expenses

Benefits - Administration	\$ 58,499.90
Benefits - Instructional	274,153.42
	<hr/> 332,653.32

Enrollment/Unit Based Charges

Curriculum and Instructional Support Services	641,308.33
Student Technology Assistance Services	388,726.67
Enrollment/Placement/Student Support Services	319,475.00
Student Connexus License	253,400.00
School Operations Support Services	235,300.00
School Business Support Services	57,920.00
Professional Development Services	38,125.00
School Staff Support Services/Human Resources Support	144,875.00
Facilities Support Services	2,083.33
Direct Course Instruction	15,548.00
	<hr/> 2,096,761.33

Pass Through Expenses

80,270.05

Short Term Substitute Teaching Services

5,400.00

Withholdings

78,814.76

Credit for Non-Billable Earnings Paid By the Schools

(32,743.79)

Live Speech

30,040.00

Total Amount Due

\$ 2,591,195.67



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: 1-800-843-0019
Email:
poblsalesops@pearson.com
Tax ID No:

Invoice Number : 91000004626
Date : 10-MAR-2020
Due Date :
Payment Terms :
Customer Account : 3924545
Project Number : 82037947
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 \$2,683,490.69	Make Checks Payable to:	Bank Wire to:
Tax Total : USD \$0.00	Pearson Online & Blended Learning	Bank Name :
Invoice Total : USD \$2,683,490.69	32369 Collection Center Drive	Bank Address :
Amount Due : USD \$2,683,490.69	Chicago, IL 60693-0323	ABA ACH No :
		ABA Wire No :
		SWIFT Code :
		A/C No :
		Bank Account Name :



Invoice Number: 91000004626							Page 2 of 2
Project Number	Project Agreement Number	Description	Quantity	List Price	Net Price	Tax	Line Total
82037947	Reach	Direct Charges	7		2,486,459.72	0.00	2,486,459.72
82037947	Reach	Pass Through	18		204,816.97	0.00	160,700.97
82037947	Reach	Rev Jan'20 LiveSpeech	1		36,330.00	0.00	36,330.00

To pay your invoice online: Visit <https://ipay2.bizsys.pearson.com/register> to register.
 Already registered? Access your online account by visiting <https://ipay2.bizsys.pearson.com>

Invoice Total	Subtotal	Total Tax	Invoice Total
	USD	USD	USD
	\$2,683,490.69	\$0.00	\$2,683,490.69



Pearson

Charges for the Following Period:

Feb-20

Compensation Expenses

Benefits - Administration	\$ 57,927.66
Benefits - Instructional	274,077.52
	<hr/> 332,005.18

Enrollment/Unit Based Charges

Curriculum and Instructional Support Services	657,185.00
Student Technology Assistance Services	399,396.00
Enrollment/Placement/Student Support Services	329,685.00
Student Connexus License	258,440.00
School Operations Support Services	239,980.00
School Business Support Services	59,072.00
Professional Development Services	38,250.00
School Staff Support Services/Human Resources Support	145,350.00
Facilities Support Services	2,083.34
Direct Course Instruction	10,313.20
	<hr/> 2,139,754.54

Pass Through Expenses 88,574.57

Short Term Substitute Teaching Services 14,700.00

Withholdings 93,270.12

Credit for Non-Billable Earnings Paid By the Schools (21,143.72)

Live Speech 36,330.00

Total Amount Due \$ 2,683,490.69



To: Reach Cyber Charter School Board
From: Katie Senft
Re: 2020-2021 School Calendar
Date: February 19, 2020

Attached is a draft calendar for the 2020-2021 school year. This calendar has been carefully reviewed by your school principal and the Director of Schools, and represents 180 student days. Once board-approved, this calendar will become the official school calendar for 2020-2021 and will be added to the State-Specific School Handbook Supplement.

3.4.1 REACH School Calendar

Note: The School Status Legend below the calendar reflects the possible school statuses for each event. All events which show a status of School In Session indicates they are school days for students. All events which show any other status indicates they are NOT school days for students. Please refer to the legend to determine whether teachers and/or administrator staff are available for each event according to its status.

Event	School Status	Date
<i>First Day of School</i>	School and Office Open	September 2, 2020
Labor Day	School and Office Closed	September 7, 2020
Veterans' Day	School and Office Closed	November 11, 2020
Thanksgiving Break	School and Office Closed	November 26-27, 2020
	School and Office Closed	November 30, 2020
Winter Break	School and Office Closed	December 24, 2020-January 1, 2021
Martin Luther King, Jr. Day	School and Office Closed	January 18, 2021
<i>First Semester End Date</i>	NA	January 22, 2021
Teacher Work Day	Staff Work Day	January 25, 2021
<i>Second Semester Start Date</i>	NA	January 26, 2021
Presidents' Day	School and Office Closed	February 15, 2021
Spring Break	School and Office Closed	April 2, 2021
	School and Office Closed	April 5, 2021
Memorial Day	School and Office Closed	May 31, 2021
<i>Last Day of School</i>	School and Office Open	June 4, 2021
School Closed - Additional Administrator/12 Month Employee Days: November 11, 2020; November 30, 2020; February 15, 2021; April 2, 2021; April 5, 2021		

School Status Legend:

School Closed/Office Open = Students and Teachers are not in school but Admin are on duty

School and Office Closed = No one is in school

School and Office Open = Everyone is in school

Staff Work Day = Students are not in school but Admin and Teachers are on duty



From: Amy Pymm
To: Reach Cyber Charter School Board of Directors
Re: School-Specific Handbook Supplement for 2019-2020

Attached for board approval are multiple updates to the School-Specific Handbook Supplement. Once approved, the updates will be reflected in the 2019-2020 School Supplement and all future supplements, including 2020-2021, and the revised Supplement will be posted on the Virtual Library.

For your convenience, a summary of the changes to the Reach School Handbook Supplement is provided below:

Students Driving To Sanctioned Events

~~First and foremost, we~~The school highly recommends to Caretakers that students not be permitted to drive unaccompanied to Reach sanctioned events ("~~Event~~event(s)"). Preferred options include having Caretakers or designated adults drive and supervise students, or having students use public transportation options. However, under certain circumstances students may need or wish to drive to an ~~Event~~event without supervision from an adult. In order to be able to drive unaccompanied to a Reach sanctioned ~~Event~~event, students must meet the following guidelines:

- Must be ~~18-16~~16 years of age. ~~Where students are under the age of 18, even though states may permit minors to drive, an adult is required to supervise a minor at an Event.~~
- Must possess a valid driver's license.
- Must use a currently registered, inspected, and insured vehicle.
- Must be a student in good standing, with good attendance, and with no disciplinary actions noted in the student's file
- ~~Obtain school permission to drive unaccompanied to events.~~

In addition, it is the responsibility of the student who attends an Event event without a Caretaker or designated adult to do the following:

- Document parental permission to drive to Events events for the current school year by submitting a completed and signed *Sanctioned Event Student Driving and Attendance Authorization* to the School (form available from the Virtual Library or the school Caretaker's DataView).
 - ~~Document school permission to drive to events by obtaining the Lead School Administrator's (or designee) signature on the *Sanctioned Event Student Driving and Attendance Authorization*.~~
 - Obey all time schedules.
 - Obey all school rules including maintaining acceptable attendance and disciplinary standards. If a student arrives late, privileges may be revoked.
 - Adhere to school rules and procedures for Eventsevents.
1. Under no circumstances shall the school be responsible for students who make their own personal travel arrangements and/or are not accompanied by an adult. The conduct of unaccompanied student drivers at Events events shall remain the responsibility of their Caretakersparents/ legal guardians. If a student driving to or from an Event event is involved in an accident, Reach shall not be liable for any injuries or damage; all liability rests with the student, his/her Caretaker-parents/ legal guardians and/or any insurance maintained by the Caretaker-parents/ legal guardians and/or the student.

Under no circumstances shall students drive other students to an Eventevent. If a student nevertheless permits another student or students to ride with him/her, Reach shall not be liable for any injuries or damage to any parties. The student, the student's parents/ legal guardiansCaretaker, and/or any insurance maintained by the parents/ legal guardiansCaretaker and/or the student, will be responsible for any and all injuries and/or any damage that may occur.

*Please let us know if we can aid in the review process in any way or if you require further information on this policy.

MEMO

To: REACH Connections Academy Board of Directors

From: Sarah Savage

Re: Employee Handbook

Attached for board approval are two policy updates to the Employee Handbook: “Expiration of Educational Credentials” and “Work from Home.” Once board-approved, these updates will be reflected in the handbook and posted on the Virtual Library.

EXPIRATION OF EDUCATION CREDENTIALS

Some staff, as a condition of employment, must maintain valid credentials. It is the staff member’s responsibility to be aware of the expiration date(s) associated with such credentials and to take steps to renew credentials as needed. Compliance Services will monitor the expiration of such credentials and provide staff members with any notice required by federal or state law or regulation of such expiration.

Failure to maintain and/or renew required credentials may result in disciplinary action, up to and including unpaid leave, suspension or termination. School staff should reach out to their manager with any questions on required credentials.

PROVISIONS

Work-at-home schedules will always be determined by leadership in ways that best address school needs. The School Leader may require the same designated work-at-home days to be taken by the staff member each week (e.g. every Friday of the week) unless a rotating schedule is determined and maintained by leadership. With advanced approval from their supervisor, a staff member’s work-at-home days can be changed on a particular week.

A staff member’s “home” location is the address listed for that staff member in Ultipro. Requests to work from anywhere other than the address in Ultipro requires supervisor approval.

Unless a specific business need permits and is approved by Human Resources, employees will not be permitted to work outside of the United States.

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.



PowerSchool Group LLC
 150 Parkshore Dr., Folsom, CA 95630
 Quote #: Q-352972 - 1

Quote Expiration Date: 3/31/2020

Prepared By: Steven Swift
 Customer Name: Reach Cyber Charter School
 Enrollment: 4,000
 # of Schools: 1.00
 Contract Term: 39 Months
 Start Date: 4/1/2020
 End Date: 6/30/2023

Customer Contact: Gregory McCurdy
 Title: Director of Special Education
 Address: 750 East Park Drive Suite 204
 City: Harrisburg
 State/Province: Pennsylvania
 Zip Code: 17111
 Phone #: (717) 323-2055

Product Description	Quantity	Unit	Extended Price
License and Subscription Fees			
UT Applicant Tracking	4,000.00	Students	USD 4,591.23
UT Applicant Tracking One Time Discount	1.00	Each	USD -916.23
Unified Talent Records	4,000.00	Students	USD 14,117.26
UT Records One Time Discount	1.00	Each	USD -2,817.26
UT SchoolSpring Job Board Unlimited	4,000.00	Students	USD 0.00

License and Subscription Totals: **USD 14,975.00**

Professional Services and Setup Fees			
Unified Talent Applicant Tracking Implementation - Basic	1.00	Each	USD 2,250.00
Unified Talent Records Implementation - Basic	1.00	Each	USD 3,750.00
UT SchoolSpring Job Board Implementation Remote	4,000.00	Students	USD 0.00

Professional Services and Setup **USD 6,000.00**
 Fee Totals:

Quote Total

Year One Total	USD 20,975.00
-----------------------	----------------------

PowerSchool hereby agrees to allow the Customer to make the following non-standard payments for the current annual term:

Due Date	Payment Amount
5/1/2020	USD 6,000.00
7/1/2020	USD 14,975.00
Payment Total	USD 20,975.00

Annual Ongoing Fees

UT Applicant Tracking	4,000.00	Students	USD 3,675.00
-----------------------	----------	----------	--------------

Unified Talent Records	4,000.00	Students	USD 11,300.00
UT SchoolSpring Job Board Unlimited	4,000.00	Students	USD 0.00

Annual Ongoing Fees Total: **USD 14,975.00**

Fees charged in subsequent periods within the duration of this quote will be subject to an annual uplift. On-Going PowerSchool Subscription/Maintenance and Support fees are invoiced at the then current rates and enrollment per terms of the Master Services Agreement. Any applicable state sales tax has not been added to this quote. Subscription Start and Expiration Dates shall be as set forth above, which may be delayed based upon the date that PowerSchool receives your purchase order. If this quote includes promotional pricing, such promotional pricing may not be valid for the entire duration of this quote. All PowerSchool invoices must be paid within thirty (30) days of the date on the invoice. All purchase orders must contain the exact quote number stated within. Customer agrees that purchase orders are for confirming this order and its own internal purposes, and no other. Treatment of purchases orders are governed as provided in the Master Services Agreement referenced below.

By execution of this quote, or its incorporation, this and future purchases of subscriptions or services from PowerSchool are subject to and incorporate the terms and conditions found at <https://www.powerschool.com/wp-content/uploads/PowerSchool-Service-Agreements/PowerSchool-MASTER-SERVICES-AGREEMENT-01-01-20.pdf>.

THE PARTIES BELOW ACKNOWLEDGE THAT THEY HAVE READ THE AGREEMENT, UNDERSTAND IT AND AGREE TO BE BOUND BY ITS TERMS.

POWERSCHOOL GROUP LLC

Reach Cyber Charter School

Signature:



Signature: _____

Printed Name: Gregg Clevenger

Printed Name: _____

Title: Chief Financial Officer

Title: _____

Date: 3-4-2020

Date: _____



Reach Cyber Charter School

Outreach Summary and Enrollment Metrics

March 2020



INTRODUCTION

The Family Marketing team is pleased to share the 2019–2020 Marketing Outreach Summary for Reach Cyber Charter School (Reach Cyber). The outreach plan was developed holistically in conjunction with Reach Cyber staff, the Family Marketing team, and industry experts from companies such as Google. The objective of the outreach plan is to meet the target enrollment goal approved by the Reach Cyber board by attracting and retaining Pennsylvania families. To do so, we:

- regularly gather school leader and marketing representative feedback
- evaluate the local legislative, media, and competitive landscape
- review prior-year metrics for all outreach campaigns
- consider new opportunities and trends in the educational space

Informed by the results from the 2019–2020 school year, we've developed the 2020–2021 enrollment metrics, which have been approved by the Reach Cyber board and are included in this report.

I invite you to connect with Jolie Rotar, marketing program manager, if you have any questions or suggestions. We look forward to receiving your feedback.

Sincerely,

Laura Sitler
Vice President, Family Marketing
Pearson Online and Blended Learning (OBL)



SUMMARY OF OUTREACH SERVICES

Pearson OBL provides marketing expertise and services to Reach Cyber Charter School.

- primary and secondary market research
- branding and advertising campaigns, digital guide, and promotional literature
- integrated multichannel communications, such as events, email, direct mail, media, print, digital, and outbound telemarketing
- comprehensive digital strategy, including school website and robust online advertising campaigns
- public relations, including national and local media, reputation management, and crisis communications
- social media strategy and management
- logistics expertise and support for community outreach
- data collection, management, and analysis
- ongoing evaluation of metrics to gauge the effectiveness of efforts
- marketing program management to develop strategy, oversee tactical execution, and facilitate communication
- campaigns to support family engagement and retention



SUMMARY OF 2019 OUTREACH ACHIEVEMENTS

1. Ran national cable and local television advertising, which covered every major market in Pennsylvania, generating more than 54 million combined impressions among women ages 25–49.
2. 8,727 families learned about Reach Cyber via paid online ads on search engines, Facebook, and Instagram.
3. 79 positive/neutral secured news stories highlighted online school benefits, online school families, etc., reaching more than 15 million in circulation and viewership.
4. Sent 531,030 direct mail pieces, covering prospective families across the state.
5. Attracted 51,598 visitors to the Reach Cyber website (a 34.3 percent year-over-year [YOY] increase), engaging with 3,555 families (a 4 percent YOY increase) and converting 836 to applicants.
6. Implemented website improvements, such as new online chat tool, redesigned family interest forms, and a new integrated video player tool to showcase videos and interactive site content.
7. Increased follower engagements on Reach Cyber’s Facebook page by 157 percent and page followers by 9 percent.
8. Increased Club ORANGE membership by 20 percent and added 60 social media advocates to new closed Club ORANGE Facebook group.
9. Reach Cyber earned \$10,050 (402 enrollments) through parent referrals.
10. Conducted 168 community outreach activities that resulted in 163 enrollments.
11. Virtual events (Online Parent Perspective, Virtual Info Session, and the Sneak Peek) performed strongly and had the largest registrations, attends, and enrolls.



2019 NEWS HIGHLIGHTS

- feature coverage of the school’s STEM program—*WYOU-TV, WBRE-TV*
- profile of bullied student who started a GSA chapter at Reach Cyber—*Press Enterprise, Press Enterprise Online, QueerPGH*
- coverage of Reach Cyber graduates—*WBCB-TV Online, News Channel 36 Online, WFMJ-TV Online*

Technology

Carnegie Science Center partners with cyber school

Email Share in Share Tweet Save Print Order Reprints



Exterior of the \$33 million, four-floor, 48,000-square-foot expansion of the PPG Science Pavilion at Carnegie Science Center on the North Side. JOE WOJCIK

By Julia Mericle – Reporter, Pittsburgh Business Times
Jan 16, 2019, 4:21pm EST

IN THIS ARTICLE
Technology Industry

The Carnegie Science Center announced a partnership with Reach Cyber Charter School to further develop STEM education beginning this month, according to a news release.

News Sports A&E Business Opinion Obituaries Multimedia Lifestyle e-Edition Classifieds Tools

Berks County students part of Reach Cyber Charter School inaugural graduation

From Reach Cyber Charter School Jun 20, 2019 Comments



Reach Cyber Charter School Class of 2019.
Photo by Amanda Piccirilli-Hall

Several hundred families, friends and classmates attended the first Reach Cyber Charter School graduation ceremony earlier this month and 12 students from Berks County are part of Reach Cyber's inaugural class, the Class of 2019. The tuition-free online school held an in-person commencement for its seniors on June 7 at the West Shore Evangelical Free Church in Mechanicsburg.

PRESS ENTERPRISE

THE SHOOTING WILL START ON A SATURDAY: GAME COMMISSION MOVES OPENING DAY OF DEER SEASON PAGE 6 B1
WEDNESDAY, APRIL 10, 2019 \$1

Bullying inspires teen to start club

Group about more than LGBT issues, cyber student says

By SESAN SCHWARTZ
PHOTO BY JAMES

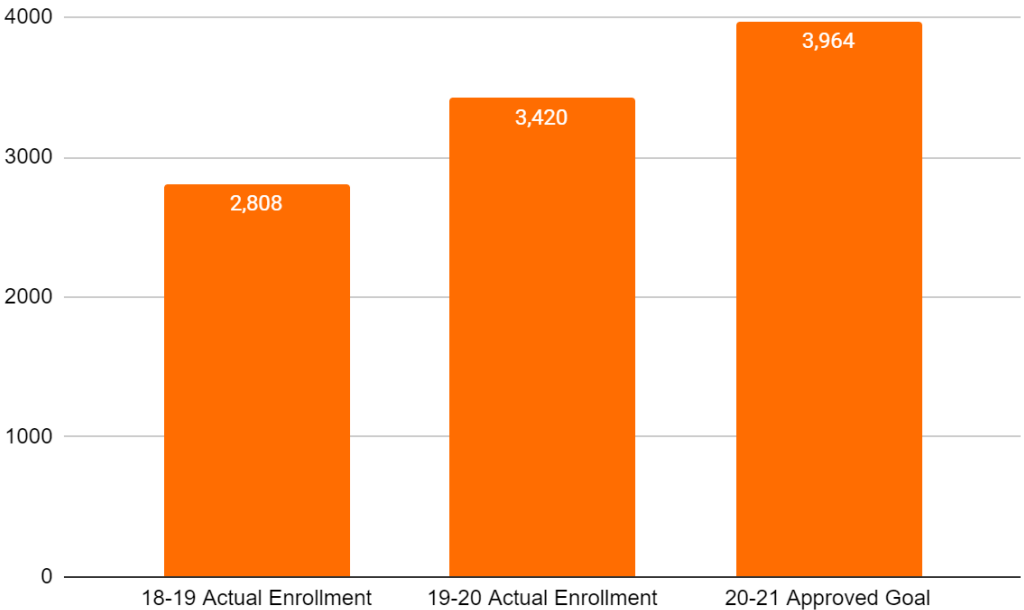
BERWICK — When a classmate at Aaron Redis' cyber school started saying the same homophobic things that drove him out of public school five years earlier, Redis decided to take a stand.

It's sometimes impossible to change other people's minds, said the 17-year-old from




2019 SCHOOL ENROLLMENT HIGHLIGHTS

Enrollment in Reach Cyber Charter School increased by 22 percent over last year. The main factor that contributed to the goal was the 9 percent application increase YOY, resulting in a 4 percent increase in new students and 39 percent increase in returning students.



For 2020–2021, a target enrollment of 3,964 has been approved by the board.



QUOTE FORM



AquaPhoenix Scientific, Inc.

860 Gitts Run Rd
Hanover, PA 173318123
Tel: (717) 632-1291
Fax: 1 (717) 633-1285
Email: sales@aquaphoenixsci.com

Quote No. : Q2001553

REFERENCE WHEN ORDERING

Customer Number: C2824
Customer: Pearson Online & Blended Learning
Requested by: REACH
Quoted by: Amanda Krajan
Date : 1/24/2020

TERMS: 30 Days
FOB Hanover, PA
Quote valid for 30 days
Lead time depends on
availability of order in items.
Shipping charges will apply.

Special Instructions:

Quantity	Code	Description	Unit Price	PRICE
800	PS-5501-KIT	Reach K-2 STEM Kit	172.98	138,384.00
1000	PS-5502-KIT	Reach 3-5 STEM Kit	161.19	161,190.00
1800	PS-5503-KIT	Reach 6-8 STEM Kit	128.50	231,300.00
2750	PS-5504-KIT	Reach 9-12 STEM Kit	156.54	430,485.00
50	PS-5505-KIT	Computer Science Pi Course	442.84	22,142.00

Please Refer to Quote # when Placing Your Order

TOTAL: \$983,501.00 USD

Please Note - There may be a restocking fee associated with returned items. A \$4.00 processing and handling fee may be applied to all collect shipments.



March 4, 2020

To the Board of Trustees

Reach Cyber Charter School

We have audited the financial statements of the governmental activities and the major fund of Reach Cyber Charter School for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 6, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Reach Cyber Charter School are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2019. We noted no transactions entered into by Reach Cyber Charter School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the government wide financial statements financial statements was:

Management's estimate of depreciation and amortization is based on the estimated useful lives of the underlying assets. We evaluated the key factors and assumptions used to develop the depreciation and amortization expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts is based on a historical analysis of collectability. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 4, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Reach Cyber Charter School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Reach Cyber Charter School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Governmental Fund Budgetary Comparison Schedule, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

Very truly yours,



SD Associates, P.C.

Reach Cyber Charter School
Financial Statements
And
Independent Auditor's Report
Year Ended June 30, 2019

**Reach Cyber Charter School
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Year Ended June 30, 2019**

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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, 2019, 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

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, 2019, 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

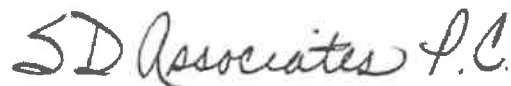
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Reach Cyber Charter School's basic financial statements. 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*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2020, 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

March 4, 2020

Reach Cyber Charter School Management's Discussion and Analysis June 30, 2019

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, 2019. We encourage readers to consider the information presented here in conjunction with the School's financial statements.

Financial Highlights

- Total revenues increased by approximately \$16,360,000 due primarily to increased enrollment.
- At the close of the current fiscal year, the School reports an ending fund balance of \$9,575,411. This balance was the result of a \$4,494,222 surplus for the year ended June 30, 2019.
- The School's cash balance at June 30, 2019 was \$11,622,324 representing an increase of \$567,766 from June 30, 2018.

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.

Reach Cyber Charter School

Management's Discussion and Analysis

June 30, 2019

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.

	2019	2018
Assets		
Current assets	\$ 16,505,435	\$ 12,810,129
Noncurrent assets	165,931	204,240
	<u>16,671,366</u>	<u>13,014,369</u>
Current Liabilities	<u>6,938,941</u>	<u>7,737,857</u>
Net Position	<u>\$ 9,732,425</u>	<u>\$ 5,276,512</u>

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 \$9,732,425 as of June 30, 2019.

**Reach Cyber Charter School
Management's Discussion and Analysis
June 30, 2019**

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, 2019, the School's total revenues of \$43,157,274 exceeded expenditures of \$38,701,361 by \$4,455,913.

	<u>2019</u>	<u>2018</u>
Revenues		
Program revenues		
Local educational agency assistance	\$ 41,618,219	\$ 25,956,836
Federal sources	1,399,315	838,015
State sources	81,089	-
General revenues		
Other	58,651	2,530
Total revenues	<u>43,157,274</u>	<u>26,797,381</u>
Expenditures		
Instruction	28,522,547	17,361,619
Support services	10,048,774	6,272,152
Noninstructional services	82,042	-
Depreciation	47,998	42,183
Total expenditures	<u>38,701,361</u>	<u>23,675,954</u>
Change in net position	4,455,913	3,121,427
Net position, beginning	<u>5,276,512</u>	<u>2,155,085</u>
Net position, ending	<u>\$ 9,732,425</u>	<u>\$ 5,276,512</u>

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 \$9,575,411.

Budget Variations

Actual revenues were \$6,945,216 higher than the budget due to increases as follows:

**Reach Cyber Charter School
Management's Discussion and Analysis
June 30, 2019**

Budget Variations (Continued)

Local educational agency assistance	\$ 6,648,661
Federal sources	229,315
State sources	81,089
Other revenues	(13,849)
	\$ 6,945,216

Actual expenditures were \$4,320,370 higher than the budget due to increases (decreases) as follows:

Instruction	\$ 4,092,622
Support services	645,899
Noninstructional services	(121,458)
Capital outlay	(296,693)
	\$ 4,320,370

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2019, the School's investment in capital assets for its governmental activities totaled \$157,014 (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 \$9,689 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 \$8,915,000 for fiscal year 2019-2020 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.

**Reach Cyber Charter School
Management's Discussion and Analysis
June 30, 2019**

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.

Reach Cyber Charter School
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 11,622,324
Receivable from school districts, net of allowance	4,161,200
Federal subsidies receivable	658,556
State subsidies receivable	46,593
Prepaid expenses	16,762
Property and equipment, net	157,014
Security deposit	8,917
Total assets	16,671,366
Liabilities	
Accounts payable and accrued expenses	1,137,256
Accrued salaries and benefits	2,598,041
Compensated absences	41,391
Due to Connections Education, LLC	2,418,834
Due to school districts	743,419
Total liabilities	6,938,941
Net Position	
Invested in capital assets, net	157,014
Unrestricted	9,575,411
Total net position	\$ 9,732,425

See accompanying notes to financial statements.

**Reach Cyber Charter School
Statement of Activities
Year Ended June 30, 2019**

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Instruction	\$ 28,522,547	\$ 30,775,653	\$ 1,399,315	3,652,421
Support services	10,048,774	10,842,566	81,089	874,881
Noninstructional services	82,042	8,305	-	(73,737)
Depreciation expense	47,998	-	-	(47,998)
Total governmental activities	<u>\$ 38,701,361</u>	<u>\$ 41,626,524</u>	<u>\$ 1,480,404</u>	4,405,567
General Revenues				
				50,346
				<u>4,455,913</u>
				5,276,512
				<u>\$ 9,732,425</u>

See accompanying notes to financial statements.

Reach Cyber Charter School
Balance Sheet-Governmental Fund
June 30, 2019

	General Fund
Assets	
Cash and cash equivalents	\$ 11,622,324
Receivable from school districts, net of allowance	4,161,200
Federal subsidies receivable	658,556
State subsidies receivable	46,593
Prepaid expenses	16,762
Security deposit	8,917
Total assets	\$ 16,514,352
Liabilities	
Accounts payable and accrued expenses	\$ 1,137,256
Accrued salaries and benefits	2,598,041
Compensated absences	41,391
Due to Connections Education, LLC	2,418,834
Due to school districts	743,419
Total liabilities	6,938,941
Fund Balances	
Nonspendable	25,679
Unassigned	9,549,732
Total fund balances	9,575,411
Total liabilities and fund balances	\$ 16,514,352

See accompanying notes to financial statements.

Reach Cyber Charter School
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2019

Total Fund Balance for Governmental Funds	\$	9,575,411
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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	263,261	
Accumulated depreciation and amortization	<u>(106,247)</u>	
		<u>157,014</u>

Total Net Position of Governmental Activities	\$	<u>9,732,425</u>
--	----	------------------

Reach Cyber Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund
Year Ended June 30, 2019

	General Fund
Revenues	
Local educational agency assistance	\$ 41,618,219
Federal sources	1,399,315
State sources	81,089
Other revenues	58,651
Total revenues	43,157,274
Expenditures	
Instruction	28,522,547
Support services	10,048,774
Noninstructional services	82,042
Capital outlay	9,689
Total expenditures	38,663,052
Net Change In Fund Balance	4,494,222
Fund Balance - Beginning of Year	5,081,189
Fund Balance - End of Year	\$ 9,575,411

See accompanying notes to financial statements.

**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, 2019**

Net Change in Fund Balances - Total Governmental Funds	\$ 4,494,222
---	---------------------

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	(47,998)
Capital outlays	<u>9,689</u>

Change in Net Position of Governmental Activities	\$ <u>4,455,913</u>
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Reach Cyber Charter School

Notes to Financial Statements

June 30, 2019

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 expired on June 30, 2019. The School is going through the charter renewal process and expects to receive a new charter agreement. The School will continue to operate through the process.

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:

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

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

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

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

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.

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

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.

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

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).

Compensated Absences

It is the School's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the School does not have a policy to pay any amounts when employees separate from service. Employees will be paid for prorated unused vacation for that calendar year only based on the number of full calendar months worked that year.

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 2018, 2017 and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Note 2 Cash and Cash Equivalents

The School's cash and cash equivalents balance at June 30, 2019, was \$11,622,324. The actual amount of cash on deposit in the School's bank accounts at June 30, 2019 was \$13,832,256. As of June 30, 2019, the School's bank balance was exposed to custodial credit risk as follows:

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

Note 2 Cash and Cash Equivalents (Continued)

Uninsured and collateralized with securities held by the pledging bank's trust department, not in the School's name \$ 13,582,256

Insured amount \$ 250,000

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.

Note 3 Receivables

Receivables as of June 30, 2019 consist primarily of subsidies from federal, state, and local authorities. Receivables are shown net of an allowance for uncollectible accounts of \$396,085.

Note 4 Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance, 7/1/18	Additions	Deletions	Balance, 6/30/19
Equipment and furniture	253,571	9,689	-	263,260
Less: accumulated depreciation	58,248	47,998	-	106,246
	<u>\$ 195,323</u>	<u>\$ (38,309)</u>	<u>\$ -</u>	<u>\$ 157,014</u>

Depreciation expense was \$47,998 for the year ended June 30, 2019.

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. The School also leases additional space on a month-to-month basis. In addition to the basic rentals, the School is subject to additional costs including taxes, occupancy, and maintenance. Rent expense was \$191,262 for the year ended June 30, 2019.

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

Note 6 Lease Commitment (Continued)

Future minimum lease payments are as follows as of June 30, 2019:

Year ended June 30,	
2020	\$ 411,400
2021	467,858
2022	481,893
2023	80,707
	\$ 1,441,858

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, 2019 totaled \$609,613.

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, 2019 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 expired on June 30, 2019 in conjunction with the charter expiration and will remain in effect until a new agreement is signed upon the School receiving a new charter agreement.

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

Note 10 Professional Services Agreement (Continued)

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 by the Board where required
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 of which require Board approval
10. Financial, treasury and other reporting as required by law
11. Student recruiting and community education
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 \$17,563,271 for the year ended June 30, 2019.

Required Supplementary Information

**Reach Cyber Charter School
Governmental Fund Budgetary Comparison Schedule
Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual	Variance With Budget
	Original	Final	Revenues/ Expenditures	
Revenues				
Local educational agency assistance	\$ 34,969,558	\$ 34,969,558	\$ 41,618,219	\$ 6,648,661
Federal sources	1,170,000	1,170,000	1,399,315	229,315
State sources	-	-	81,089	81,089
Other revenues	-	72,500	58,651	(13,849)
Total revenues	<u>36,139,558</u>	<u>36,212,058</u>	<u>43,157,274</u>	<u>6,945,216</u>
Expenditures				
Instruction	24,429,925	24,429,925	28,522,547	(4,092,622)
Support services	9,402,875	9,402,875	10,048,774	(645,899)
Noninstructional services		203,500	82,042	121,458
Capital outlay	306,382	306,382	9,689	296,693
Total expenditures	<u>34,139,182</u>	<u>34,342,682</u>	<u>38,663,052</u>	<u>(4,320,370)</u>
Net Change in Fund Balance	2,000,376	1,869,376	4,494,222	2,624,846
Fund Balance, Beginning	<u>5,081,189</u>	<u>5,081,189</u>	<u>5,081,189</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 7,081,565</u>	<u>\$ 6,950,565</u>	<u>\$ 9,575,411</u>	<u>\$ 2,624,846</u>

See accompanying notes to financial statements.

Other Reports Required By Government Auditing Standards

**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, 2019 and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon, dated March 4, 2020.

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

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*.

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.

A handwritten signature in black ink that reads "SD Associates P.C." in a cursive, slightly slanted script.

Certified Public Accountants
Elkins Park, Pennsylvania

March 4, 2020

Single Audit Requirements

**Reach Cyber Charter School
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

Federal Grantor/ Pass-Through Grantor	Federal CFDA Number	Pass- Through Grantor's Number	Grant Period	Program or Award	Accrued (Deferred) Revenue 7/1/2018	Total Received for the Year	Revenue Recognized	Federal Expenditures	Accrued (Deferred) Revenue 6/30/2019
U.S. Department of Education									
Pass-Through PA Department of Education									
Title I - Improving Basic Programs									
	84.010	013-191150	7/1/18-9/30/19	\$ 901,962	\$ -	\$ 632,077	\$ 901,962	\$ 901,962	\$ 269,885
	84.010	013-181150	7/1/17-9/30/18	617,265	393,151	393,151	-	-	-
					393,151	1,025,228	901,962	901,962	269,885
Title II - Improving Teacher Quality									
	84.367	020-191150	7/1/18-9/30/19	103,664	-	70,129	103,664	103,664	33,535
	84.367	020-181150	7/1/17-9/30/18	72,867	42,371	42,371	-	-	-
					42,371	112,500	103,664	103,664	33,535
Title IV - Student Support and Academic Enrichment									
	84.424	144-191150	7/1/18-9/30/19	44,925	-	38,889	41,879	41,879	2,990
	84.424	144-181150	7/1/17-9/30/18	10,000	2,667	2,667	-	-	-
					2,667	41,556	41,879	41,879	2,990
Pass-Through Capital Area Intermediate Unit									
	84.365	N/A	7/1/18-6/30/19	1,091	-	1,091	1,091	1,091	-
Individuals with Disabilities Education									
	84.027	N/A	7/1/18-6/30/19	350,459	-	-	350,459	350,459	350,459
Individuals with Disabilities Education									
	84.173	N/A	7/1/18-6/30/19	260	-	-	260	260	260
					-	-	350,719	350,719	350,719
Total U.S. Department of Education					\$ 438,189	\$ 1,180,375	\$ 1,399,315	\$ 1,399,315	\$ 657,129

See notes to schedule of expenditures of federal awards.

Reach Cyber Charter School
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

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, 2019. 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.

**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, 2019. 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, 2019.

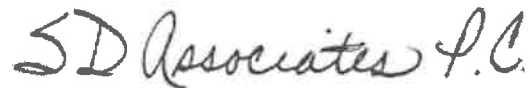
Report on Internal Control Over Compliance

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

March 4, 2020

Reach Cyber Charter School
Financial Statements
And
Independent Auditor's Report
Year Ended June 30, 2019

**Reach Cyber Charter School
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Year Ended June 30, 2019**

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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, 2019, 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

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, 2019, 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

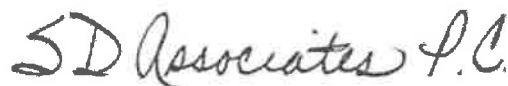
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Reach Cyber Charter School's basic financial statements. 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*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2020, 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

March 4, 2020

Reach Cyber Charter School Management's Discussion and Analysis June 30, 2019

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, 2019. We encourage readers to consider the information presented here in conjunction with the School's financial statements.

Financial Highlights

- Total revenues increased by approximately \$16,360,000 due primarily to increased enrollment.
- At the close of the current fiscal year, the School reports an ending fund balance of \$9,575,411. This balance was the result of a \$4,494,222 surplus for the year ended June 30, 2019.
- The School's cash balance at June 30, 2019 was \$11,622,324 representing an increase of \$567,766 from June 30, 2018.

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.

Reach Cyber Charter School

Management's Discussion and Analysis

June 30, 2019

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.

	2019	2018
Assets		
Current assets	\$ 16,505,435	\$ 12,810,129
Noncurrent assets	165,931	204,240
	16,671,366	13,014,369
 Current Liabilities	 6,938,941	 7,737,857
 Net Position	 \$ 9,732,425	 \$ 5,276,512

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 \$9,732,425 as of June 30, 2019.

**Reach Cyber Charter School
Management's Discussion and Analysis
June 30, 2019**

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, 2019, the School's total revenues of \$43,157,274 exceeded expenditures of \$38,701,361 by \$4,455,913.

	<u>2019</u>	<u>2018</u>
Revenues		
Program revenues		
Local educational agency assistance	\$ 41,618,219	\$ 25,956,836
Federal sources	1,399,315	838,015
State sources	81,089	-
General revenues		
Other	58,651	2,530
Total revenues	<u>43,157,274</u>	<u>26,797,381</u>
 Expenditures		
Instruction	28,522,547	17,361,619
Support services	10,048,774	6,272,152
Noninstructional services	82,042	-
Depreciation	47,998	42,183
Total expenditures	<u>38,701,361</u>	<u>23,675,954</u>
 Change in net position	4,455,913	3,121,427
Net position, beginning	<u>5,276,512</u>	<u>2,155,085</u>
 Net position, ending	<u>\$ 9,732,425</u>	<u>\$ 5,276,512</u>

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 \$9,575,411.

Budget Variations

Actual revenues were \$6,945,216 higher than the budget due to increases as follows:

**Reach Cyber Charter School
Management's Discussion and Analysis
June 30, 2019**

Budget Variations (Continued)

Local educational agency assistance	\$ 6,648,661
Federal sources	229,315
State sources	81,089
Other revenues	(13,849)
	<u>\$ 6,945,216</u>

Actual expenditures were \$4,320,370 higher than the budget due to increases (decreases) as follows:

Instruction	\$ 4,092,622
Support services	645,899
Noninstructional services	(121,458)
Capital outlay	(296,693)
	<u>\$ 4,320,370</u>

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2019, the School's investment in capital assets for its governmental activities totaled \$157,014 (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 \$9,689 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 \$8,915,000 for fiscal year 2019-2020 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.

**Reach Cyber Charter School
Management's Discussion and Analysis
June 30, 2019**

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.

Reach Cyber Charter School
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 11,622,324
Receivable from school districts, net of allowance	4,161,200
Federal subsidies receivable	658,556
State subsidies receivable	46,593
Prepaid expenses	16,762
Property and equipment, net	157,014
Security deposit	8,917
Total assets	16,671,366
Liabilities	
Accounts payable and accrued expenses	1,137,256
Accrued salaries and benefits	2,598,041
Compensated absences	41,391
Due to Connections Education, LLC	2,418,834
Due to school districts	743,419
Total liabilities	6,938,941
Net Position	
Invested in capital assets, net	157,014
Unrestricted	9,575,411
Total net position	\$ 9,732,425

See accompanying notes to financial statements.

**Reach Cyber Charter School
Statement of Activities
Year Ended June 30, 2019**

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Instruction	\$ 28,522,547	\$ 30,775,653	\$ 1,399,315	3,652,421
Support services	10,048,774	10,842,566	81,089	874,881
Noninstructional services	82,042	8,305	-	(73,737)
Depreciation expense	47,998	-	-	(47,998)
Total governmental activities	<u>\$ 38,701,361</u>	<u>\$ 41,626,524</u>	<u>\$ 1,480,404</u>	4,405,567
General Revenues				
				50,346
				<u>4,455,913</u>
				5,276,512
				<u>\$ 9,732,425</u>

See accompanying notes to financial statements.

**Reach Cyber Charter School
Balance Sheet-Governmental Fund
June 30, 2019**

	General Fund
Assets	
Cash and cash equivalents	\$ 11,622,324
Receivable from school districts, net of allowance	4,161,200
Federal subsidies receivable	658,556
State subsidies receivable	46,593
Prepaid expenses	16,762
Security deposit	8,917
	\$ 16,514,352
Liabilities	
Accounts payable and accrued expenses	\$ 1,137,256
Accrued salaries and benefits	2,598,041
Compensated absences	41,391
Due to Connections Education, LLC	2,418,834
Due to school districts	743,419
	6,938,941
Fund Balances	
Nonspendable	25,679
Unassigned	9,549,732
	9,575,411
Total liabilities and fund balances	\$ 16,514,352

See accompanying notes to financial statements.

**Reach Cyber Charter School
 Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2019**

Total Fund Balance for Governmental Funds		\$ 9,575,411
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>		
Equipment and furniture		263,261
Accumulated depreciation and amortization		(106,247)
		157,014
Total Net Position of Governmental Activities		\$ 9,732,425

See accompanying notes to financial statements.

Reach Cyber Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund
Year Ended June 30, 2019

	General Fund
Revenues	
Local educational agency assistance	\$ 41,618,219
Federal sources	1,399,315
State sources	81,089
Other revenues	58,651
Total revenues	43,157,274
Expenditures	
Instruction	28,522,547
Support services	10,048,774
Noninstructional services	82,042
Capital outlay	9,689
Total expenditures	38,663,052
Net Change In Fund Balance	4,494,222
Fund Balance - Beginning of Year	5,081,189
Fund Balance - End of Year	\$ 9,575,411

See accompanying notes to financial statements.

**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, 2019**

Net Change in Fund Balances - Total Governmental Funds	\$ 4,494,222
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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	(47,998)
Capital outlays	<u>9,689</u>
Change in Net Position of Governmental Activities	<u>\$ 4,455,913</u>

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

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 expired on June 30, 2019. The School is going through the charter renewal process and expects to receive a new charter agreement. The School will continue to operate through the process.

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:

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

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

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

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

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.

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

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.

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

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).

Compensated Absences

It is the School's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the School does not have a policy to pay any amounts when employees separate from service. Employees will be paid for prorated unused vacation for that calendar year only based on the number of full calendar months worked that year.

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 2018, 2017 and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Note 2 Cash and Cash Equivalents

The School's cash and cash equivalents balance at June 30, 2019, was \$11,622,324. The actual amount of cash on deposit in the School's bank accounts at June 30, 2019 was \$13,832,256. As of June 30, 2019, the School's bank balance was exposed to custodial credit risk as follows:

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

Note 2 Cash and Cash Equivalents (Continued)

Uninsured and collateralized with securities held by the pledging bank's trust department, not in the School's name \$ 13,582,256

Insured amount \$ 250,000

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.

Note 3 Receivables

Receivables as of June 30, 2019 consist primarily of subsidies from federal, state, and local authorities. Receivables are shown net of an allowance for uncollectible accounts of \$396,085.

Note 4 Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance, 7/1/18	Additions	Deletions	Balance, 6/30/19
Equipment and furniture	253,571	9,689	-	263,260
Less: accumulated depreciation	58,248	47,998	-	106,246
	<u>\$ 195,323</u>	<u>\$ (38,309)</u>	<u>\$ -</u>	<u>\$ 157,014</u>

Depreciation expense was \$47,998 for the year ended June 30, 2019.

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. The School also leases additional space on a month-to-month basis. In addition to the basic rentals, the School is subject to additional costs including taxes, occupancy, and maintenance. Rent expense was \$191,262 for the year ended June 30, 2019.

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

Note 6 Lease Commitment (Continued)

Future minimum lease payments are as follows as of June 30, 2019:

Year ended June 30,	
2020	\$ 411,400
2021	467,858
2022	481,893
2023	80,707
	\$ 1,441,858

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, 2019 totaled \$609,613.

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, 2019 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 expired on June 30, 2019 in conjunction with the charter expiration and will remain in effect until a new agreement is signed upon the School receiving a new charter agreement.

Reach Cyber Charter School
Notes to Financial Statements
June 30, 2019

Note 10 Professional Services Agreement (Continued)

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 by the Board where required
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 of which require Board approval
10. Financial, treasury and other reporting as required by law
11. Student recruiting and community education
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 \$17,563,271 for the year ended June 30, 2019.

Required Supplementary Information

**Reach Cyber Charter School
Governmental Fund Budgetary Comparison Schedule
Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Revenues/ Expenditures</u>	
Revenues				
Local educational agency assistance	\$ 34,969,558	\$ 34,969,558	\$ 41,618,219	\$ 6,648,661
Federal sources	1,170,000	1,170,000	1,399,315	229,315
State sources	-	-	81,089	81,089
Other revenues	-	72,500	58,651	(13,849)
Total revenues	<u>36,139,558</u>	<u>36,212,058</u>	<u>43,157,274</u>	<u>6,945,216</u>
Expenditures				
Instruction	24,429,925	24,429,925	28,522,547	(4,092,622)
Support services	9,402,875	9,402,875	10,048,774	(645,899)
Noninstructional services		203,500	82,042	121,458
Capital outlay	306,382	306,382	9,689	296,693
Total expenditures	<u>34,139,182</u>	<u>34,342,682</u>	<u>38,663,052</u>	<u>(4,320,370)</u>
Net Change in Fund Balance	2,000,376	1,869,376	4,494,222	2,624,846
Fund Balance, Beginning	<u>5,081,189</u>	<u>5,081,189</u>	<u>5,081,189</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 7,081,565</u>	<u>\$ 6,950,565</u>	<u>\$ 9,575,411</u>	<u>\$ 2,624,846</u>

See accompanying notes to financial statements.

Other Reports Required By Government Auditing Standards

**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, 2019 and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon, dated March 4, 2020.

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.

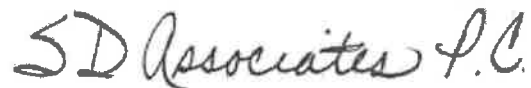
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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*.

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.

A handwritten signature in cursive script that reads "SD Associates P.C.".

Certified Public Accountants
Elkins Park, Pennsylvania

March 4, 2020

Single Audit Requirements

**Reach Cyber Charter School
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

Federal Grantor/ Pass-Through Grantor	Federal CFDA Number	Pass- Through Grantor's Number	Grant Period	Program or Award	Accrued (Deferred) Revenue 7/1/2018	Total Received for the Year	Revenue Recognized	Federal Expenditures	Accrued (Deferred) Revenue 6/30/2019
U.S. Department of Education									
<u>Pass-Through PA Department of Education</u>									
Title I - Improving Basic Programs	84.010	013-191150	7/1/18-9/30/19	\$ 901,962	\$ -	\$ 632,077	\$ 901,962	\$ 901,962	\$ 269,885
Title I - Improving Basic Programs	84.010	013-181150	7/1/17-9/30/18	617,265	393,151	393,151	-	-	-
					393,151	1,025,228	901,962	901,962	269,885
Title II - Improving Teacher Quality	84.367	020-191150	7/1/18-9/30/19	103,664	-	70,129	103,664	103,664	33,535
Title II - Improving Teacher Quality	84.367	020-181150	7/1/17-9/30/18	72,867	42,371	42,371	-	-	-
					42,371	112,500	103,664	103,664	33,535
Title IV - Student Support and Academic Enrichment	84.424	144-191150	7/1/18-9/30/19	44,925	-	38,889	41,879	41,879	2,990
Title IV - Student Support and Academic Enrichment	84.424	144-181150	7/1/17-9/30/18	10,000	2,667	2,667	-	-	-
					2,667	41,556	41,879	41,879	2,990
<u>Pass-Through Capital Area Intermediate Unit</u>									
Title III - Language Instruction	84.365	N/A	7/1/18-6/30/19	1,091	-	1,091	1,091	1,091	-
Individuals with Disabilities Education Act Part B	84.027	N/A	7/1/18-6/30/19	350,459	-	-	350,459	350,459	350,459
Individuals with Disabilities Education Act Preschool	84.173	N/A	7/1/18-6/30/19	260	-	-	260	260	260
Total Special Education Cluster					-	-	350,719	350,719	350,719
Total U.S. Department of Education					\$ 438,189	\$ 1,180,375	\$ 1,399,315	\$ 1,399,315	\$ 657,129

See notes to schedule of expenditures of federal awards.

Reach Cyber Charter School
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

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, 2019. 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.

**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, 2019. 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, 2019.

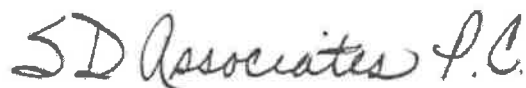
Report on Internal Control Over Compliance

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

March 4, 2020

**Reach Cyber Charter School
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019**

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 material weaknesses or 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 material weaknesses or 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.