

| CERTIFICATION VERIFICATION FORM | | | | | | | | |
|---------------------------------|---------------------|---|---|----------------------------|---|-------------------------------------|--|---|
| PDE-414 | | | | | | | | |
| Staff No. | PA Certified Yes/No | Name of employee (List all names in alphabetical order) | Areas of Certification Type of Certificate | Grades Teaching or Serving | All Areas of Assignment Subject Areas Teaching or Services Provided | Number of Hours Worked in Assignmnt | Percentage of Time in Certified Position | Percentage of Time in Areas Not Certified |
| 1 | Yes | Abreu, Laura | Spanish PK-12 Elementary K-6 - Instructional II | HS | Spanish | FT | 100 | 0 |
| 2 | Yes | Addlesberger, Amanda | Mid-Level English 6-9 Elementary K-6 - Instructional II | MS | Middle School Data Specialist | FT | 100 | 0 |
| 3 | Yes | Albanese, Michelle | Grades PK-4 - Instructional I | ES | Kindergarten | FT | 100 | 0 |
| 4 | No | Allen, Mark | No Certificate - Qualified as per charter regulations | K-12 | Director of Academics | FT | 0 | 100 |
| 5 | Yes | Allen, Samantha | Elementary & Secondary School Counselor PK-12 - Instructional I | ES | School Counselor | FT | 100 | 0 |
| 6 | Yes | Anderson, Heather | Bus-Computer-Info Tech PK-12 and Technology Education PK-12 - Instructional II; Inst Technology Specialist PK-12 - Educational Specialist I | HS | AP Computer Science - Computer Aided Design -Energy Power Transportation Technology | FT | 100 | 0 |
| 7 | Yes | Andress, Edith | Biology 7-12 Chemistry 7-12 General Science 7-12 - Instructional II | HS | Chemistry Zoology | FT | 100 | 0 |
| 8 | Yes | Antar, Yassara | Physics 7-12 Mathematics 7-12 - Instructional II | HS | Physics Probability Statistics | FT | 100 | 0 |
| 9 | Yes | Antonucci, Patrick | Mathematics 7-12 - Instructional II | HS | Algebra 1 Calculus Statistics | FT | 100 | 0 |
| 10 | Yes | Arnone, Marc | General Science 7-12 Biology 7-12 - Instructional I | HS | Earth Space Sci - Biology | FT | 100 | 0 |
| 11 | Yes | Ashe, Patricia | Mathematics 7-12 - Instructional I | HS | Algebra 1 Consumer Math Geometry | FT | 100 | 0 |
| 12 | Yes | Atmajian, Cara | English 7-12 - Instructional II | HS | English 11 -AP Lang/Comp -Public Speaking | FT | 100 | 0 |
| 13 | Yes | Ault, Megan | Elementary K-6 - Instructional II | ES | Grade 3 | FT | 100 | 0 |
| 14 | Yes | Barch, Amy | Elementary K-6 Reading Specialist - Instructional II | ES | Grade 1 | FT | 100 | 0 |
| 15 | Yes | Barlat, Benedicte | Spanish PK-12 French PK-12 - Instructional II | HS | French | FT | 100 | 0 |
| 16 | Yes | Baskwill, Jeffrey | Mathematics 7-12 - Instructional II | USP | Algebra 1 Statistics Geometry | FT | 100 | 0 |
| 17 | Yes | Becker, Lara | Special Education N-12 - Instructional II | SpEd-ES | Resource Teacher | FT | 100 | 0 |
| 18 | Yes | Bennett, Lisa | Music K-12 - Instructional II | CPFA | Vocal Music | FT | 100 | 0 |
| 19 | Yes | Berman, Adam | Biology 7-12 Chemistry 7-12 Physics 7-12 Earth and Space Science 7-12 Technology Education PK-12 - Instructional II | HS | Biology -Physics -Intro to Engineering | FT | 100 | 0 |
| 20 | Yes | Black, Mary | Special Education N-12 Early Childhood N-3 - Instructional II | SpEd - ES | Resource Teacher | FT | 100 | 0 |
| 21 | Yes | Boccasini, Sarah | Early Childhood N-3 Elementary K-6 Special Education PK-12 Mid-Level English 6-9 Reading Specialist PK-12 - Instructional II | MS | Reading Specialist | FT | 100 | 0 |
| 22 | Yes | Borusky, Ryan | Social Studies 7-12 - Instructional II | MS | Social Studies | FT | 100 | 0 |
| 23 | Yes | Boyce, Alexis | Elementary K-6 Special Education PK-12 Mid Level Mathematics 6-9 Reading Specialist PK-12 - Instructional II | SpEd -LS | Resource Teacher | FT | 100 | 0 |
| 24 | Yes | Bradley, Michele | Health & Physical Educ PK-12 - Instructional II; Special Education 7-12-Instructional II | MS | Health Safety Physical Education | FT | 100 | 0 |
| 25 | Yes | Bridgewater, Paula | Mathematics 7-12- Instructional I | HS | Pre-Algebra -Algebra -Geometry | FT | 100 | 0 |
| 26 | Yes | Brooks, Nicole | Grades PK-4 - Instructional I | ES | Grade 2 | FT | 100 | 0 |
| 27 | Yes | Burns, Caitlin | Grades 4-8 (All subjects 4-6 Mathematics 7-8) - Instructional II | MS | Grade 6-8 Math Interventionist | FT | 100 | 0 |
| 28 | Yes | Campi, Bridget | Elementary K-6 Reading Specialist PK-12- Instructional II | ES | Kindergarten | FT | 100 | 0 |
| 29 | Yes | Caratello, Danielle | Special Education PK-8- Instructional I; Grades PK-4 Instructional I | SpEd -ES | Resource Teacher | FT | 100 | 0 |
| 30 | No | Carey, Lisa | Communications/Media Stud Dance - College Major - Qualified as per charter regulations | CPFA | Dance | FT | 100 | 0 |
| 31 | Yes | Castillo, Carlos | Spanish PK-12 - Instructional II; Principal PK-12 - Administrative I | HS | Spanish | FT | 100 | 0 |
| 32 | Yes | Castle, Jamie | Biology 7-12 Chemistry 7-12 - Instructional II | USP | Biology Chemistry | FT | 100 | 0 |
| 33 | Yes | Clark, Amber | Elementary & Secondary School Counselor PK-12- Educational Specialist I | MS - GUID | School Counselor | FT | 100 | 0 |
| 34 | Yes | Clevenger, Tammara | Social Studies 7-12 Special Education 7-12 - Instructional I | HS | Resource Teacher | FT | 100 | 0 |

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|-----------|---------------------|---|---|----------------------------|---|-------------------------------------|--|---|
| 35 | Yes | Clothier, Cheryl | Elementary K-6 - Instructional II Health & Physical Educ; Principal K-12 - Administrative II | ES | Elementary School Data and Intervention Specialist | FT | 100 | 0 |
| 36 | Yes | Cole, Tiffany | Early Childhood N-3 Elementary K-6 Mid-Level Mathematics 6-9 Reading Specialist PK-12 - Instructional II English as a Second Language (ESL) PK-12- Program Specialist I | MS | Grade 6 Math | FT | 100 | 0 |
| 37 | Yes | Constable, Kathryn | Reading Specialist PK-12 Ment and/or Phys Handicapped K-12 - Instructional II | K-12 | High School Data Specialist | FT | 100 | 0 |
| 38 | Yes | Cooper, Steven | Elementary K-6 - Instructional II | ES | Grade 4 | FT | 100 | 0 |
| 39 | Yes | Cose, Brynn | Special Education PK-8- Instructional I; Grades PK-4 Instructional I | SpEd -LS | Resource Teacher | FT | 100 | 0 |
| 40 | No | Council, Jonathan | Video Productions degree -not yet qualified under charter regs | CPFA | Video Production Teacher | FT | 0 | 100 |
| 41 | Yes | Crisafio, Julie | French PK-12 - Instructional II | MS | French | FT | 100 | 0 |
| 42 | Yes | Crosby, Jocelyn | Music PK-12 - Instructional II | HS | Music Theory Composition Appreciation | FT | 100 | 0 |
| 43 | Yes | Culleiton, Brynn | Elementary K-6 - Instructional I | ES | Grade 1 | FT | 100 | 0 |
| 44 | Yes | Currie, Zachary | English 7-12 - Instructional I | HS | English 9 | FT | 100 | 0 |
| 45 | Yes | Daniel, Holly | English as a Second Language (ESL) PK-12 - Program Specialist Japanese PK-12 - Instructional II | K-12 ESL | English as a Second Language | FT | 100 | 0 |
| 46 | Yes | Dawson, Cassidy | Elementary & Secondary School Counselor PK-12- Educational Specialist I | HS | High School School Counselor | FT | 100 | 0 |
| 47 | Yes | Day, Kristina | Early Childhood N-3 Elementary K-6 - Instructional II | ES | Reading Specialist Grades 3-5 | FT | 100 | 0 |
| 48 | Yes | DeGuzman, Nicole | English 7-12 - Instructional II | HS | English 9 English 10 | FT | 100 | 0 |
| 49 | Yes | DeJoseph, Erin | Social Studies 7-12 Citizenship 7-12 - Instructional II English as a Second Language ESL PK-12 - Program Specialist | USP | Economics -Street Law | FT | 100 | 0 |
| 50 | Yes | Devinney, Mollie | Biology 7-12- Instructional II | MS | General Science Grade 8 | FT | 100 | 0 |
| 51 | Yes | DiCamillo, John | Elementary K-6 - Instructional II | MS | English Language Arts Grade 6 | FT | 100 | 0 |
| 52 | Yes | DiCicco, Bob | Mathematics 7-12 Mid-Lev Mathematics 6-9 Mid-Lev English 6-9 Elementary K-6 - Instructional II | HS | Algebra 1 Consumer Math | FT | 100 | 0 |
| 53 | Yes | DiFerdinando, Lauren | Elementary School Counselor K-6 Secondary School Counselor 7-12 - Educational Specialist II | GUID MS | School Counselor | FT | 100 | 0 |
| 54 | Yes | Dinh, Mai | Grades PK-4 - Instructional I | ES | Grade 2 | FT | 100 | 0 |
| 55 | Yes | DiPaolo, Jill | Elementary K-6 Special Education PK-12 - Instructional II Elementary School Counselor K-6 Secondary School Counselor 7-12 - Educational Specialist I | HS - GUID | High School Counselor | FT | 100 | 0 |
| 56 | Yes | Disciullo, Anne | Mathematics 7-12 - Instructional II | HS | Algebra 2 | FT | 100 | 0 |
| 57 | Yes | Donegan, Jessica | Elementary K-6 Mid-Level English 6-9 Mid-Level Mathematics 6-9 Reading Specialist K-12 - Instructional II | ES | Grade 4 | FT | 100 | 0 |
| 58 | Yes | Doogan, Daniel | Social Studies- Instructional I | HS | US History US Government | FT | 100 | 0 |
| 59 | Yes | Duerr, Amy | Special Education N-12 - Instructional I | SpEd -HS | Resource Teacher | FT | 100 | 0 |
| 60 | No | Duncan, Toni | Dance; Marketing - Qualified as per charter regulations | CPFA | Dance | FT | 0 | 100 |
| 61 | Yes | Efthimiadou, Michelle | Elementary K-6, English 7-12, Mentally and/or Physically Handicapped K-12 Mid-Level Mathematics 7-9,Reading Specialist PK-12 - Instructional II | SpEd - HS | Resource Teacher | FT | 100 | 0 |
| 62 | Yes | Epps, Joshua | Special Education PK-12 Elementary K-6 - Instructional I | SPED -ES | Resource Teacher | FT | 100 | 0 |
| 63 | Yes | Esposito, Salvatore | Health & Physical Education PK-12 - Instructional I | ES | Health, Safety, and Physical Education | FT | 100 | 0 |
| 64 | Yes | Fabrizio, Cristen | Elementary K-6 - Instructional II | ES | Grade 3 | FT | 100 | 0 |
| 65 | Yes | Ferris, Elizabeth | Elementary K-6 - Instructional II | ES | Grade 4 | FT | 100 | 0 |
| 66 | Yes | Flagler, John | English 7-12 - Instructional I | HS | English 12 | FT | 100 | 0 |

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| 67 | Yes | Focht, Loren | Special Education N-12 Elementary K-6 - Instructional II | SpEd MS | Resource Teacher | FT | 100 | 0 |
| 68 | Yes | Foster, Devin | Earth and Space Science, General Science 7-12 Instructional I | HS | Earth Space Sci - Astronomy | FT | 100 | 0 |
| 69 | Yes | Francisco, Amanda | Special Education N-12 Elementary K-6 - Instructional II | SpEd MS/HS | Resource Teacher | FT | 100 | 0 |
| 70 | Yes | Freiko, Janee | Music PK-12 - Instructional I | ES | Music Grades 6-8 | FT | 100 | 0 |
| 71 | Yes | Fuiman, Joseph | Art K-12 - Instructional II | CPFA | Studio Art 2-D Design -Drawing Painting Illustration -Ceramics - Sculpture | FT | 100 | 0 |
| 72 | Yes | Garrow, Darlene | Special Education N-12 Early Childhood N-3 - Instructional II | SPED -MS | Resource Teacher | FT | 100 | 0 |
| 73 | Yes | Gerstle, David | Social Studies 7-12 - Instructional I | MS | Social Studies World Studies American Nation | FT | 100 | 0 |
| 74 | No | Greenfield, Jason | Drama/TheatArt/Stage - College Major - Qualified as per charter regulations | CPFA | Acting | FT | 0 | 100 |
| 75 | Yes | Greiser, Wayne | Bus-Computer-InfoTech PK-12 Elementary K-6 - Instructional I | HS | Business Mgmt Game Design Microsoft Money Mgmt | FT | 100 | 0 |
| 76 | Yes | Griffel, Erica | Elementary K-6 Reading Specialist K-12 - Instructional II | ES | Grade 4 | FT | 100 | 0 |
| 77 | Yes | Grodzki, Julie | Early Childhood N-3 Elementary K-6 - Instructional II | ES | Grade 5 | FT | 100 | 0 |
| 78 | Yes | Gross, Barbara | Bus-Computer-Info Tech PK-12; Family-Consumer Sci PK-12 - Instructional II | HS | Fund of Comp Sci -Technology Exploration | FT | 100 | 0 |
| 79 | Yes | Guerrero, Melissa | Art PK-12 - Instructional II | HS | Arts and Culture -Found of Art and Design -Art Illustration | FT | 100 | 0 |
| 80 | Yes | Gunn, Kierstyn | Elementary & Secondary School Counselor PK-12 - Instructional I | HS Guid | School Counselor | FT | 100 | 0 |
| 81 | Yes | Hardin, John | Principal PK-12 - Administrative I; Supvr Curriculum & Inst PK-12 - Supervisory; English 7-12 Communications 7-12 - Instructional II | HS | High School Principal | FT | 100 | 0 |
| 82 | Yes | Harp, Amber | Social Studies 7-12 Ment and/or Phys Handicapped K-12 - Instructional I | SpEd -HS | Resource Teacher | FT | 100 | 0 |
| 83 | Yes | Harrigan, Shannon | Social Studies 7-12 English 7-12 - Instructional II | HS | World History AP Psychology | FT | 100 | 0 |
| 84 | Yes | Harris, Kristin | Early Childhood N-3 - Instructional II | ES | Grade 2 | FT | 100 | 0 |
| 85 | Yes | Harris, Valerie | Elementary K-6 - Instructional II Masters Equivalency K-12 - Letter of Equivalency | Leadership | Supervisor of Induction | FT | 0 | 100 |
| 86 | Yes | Hartzell, Tammy | School Nurse - Educational Specialist II | K-12 | School Nurse | FT | 100 | 0 |
| 87 | Yes | Henley, Kevin | English 7-12 Social Studies 7-12 - Instructional II | HS | Economics -English 12 | FT | 100 | 0 |
| 88 | Yes | Hitesman, Elizabeth | Special Education PK-12 English 7-12 - Instructional II | SpEd MS | Resource Teacher | FT | 100 | 0 |
| 89 | Yes | Hocker, Hannah | Elementary K-6 - Instructional I English as a Second Language ESL PK-12 - Program Specialist | ES | Grade 1 | FT | 100 | 0 |
| 90 | Yes | Holden, Brian | Social Studies 7-12 - Instructional II | HS | Sociology -World History | FT | 100 | 0 |
| 91 | Yes | Hoover, Angela | Principal K-12 - Administrative I; Elementary K-6 - Instructional II | ELEM | Elementary Principal | FT | 100 | 0 |
| 92 | Yes | Hopson, Martin | English 7-12 - Instructional I | HS | American Literature -Language Arts | FT | 100 | 0 |
| 93 | Yes | Humbert, Heather | Art PK-12 - Instructional II | MS | Elementary Art | FT | 100 | 0 |
| 94 | Yes | Intelicato, Emily | General Science 7-12 - Instructional II | HS | General Science -Forensic Science | FT | 100 | 0 |
| 95 | Yes | Jackson, Tessa | Earth and Space Science, General Science 7-12 Instructional I | MS | Grade 7 Science | FT | 100 | 0 |
| 96 | Yes | Johnson, Karla | Principal PK-12 - Administrative II; Physics 7-12 -Instructional II | MS | Middle School Principal | FT | 100 | 0 |
| 97 | Yes | Johnson, Katelyn | Elementary K-6 - Instructional I | HS | Instructional Coach | FT | 100 | 0 |
| 98 | Yes | Johnson, Kathleen | Citizenship 7-12 - Instructional I | USP | World Civilizations -Liberty&Democracy | FT | 100 | 0 |
| 99 | Yes | Juliano, David | Social Studies 7-12 - Instructional II | HS | US Government | FT | 100 | 0 |
| 100 | Yes | Kaelin, Rebecca | Bus-Computer-Info Tech PK-12 - Instructional I | HS | Business - Marketing | FT | 100 | 0 |
| 101 | Yes | Kang, Dawn | Mathematics 7-12 - Instructional II | MS | Grade 8 Math | FT | 100 | 0 |
| 102 | Yes | Kaplan, Julie | Social Studies 7-12 - Instructional II | HS | AP US Government & Politics -AP Psychology | FT | 100 | 0 |
| 103 | Yes | King, Brittany | Biology 7-12 - Instructional II | HS | Biology | FT | 100 | 0 |

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|-----------|---------------------|---|--|----------------------------|---|-------------------------------------|--|---|
| 104 | Yes | Kirk, Jessica | Elementary School Counselor K-6 Secondary School Counselor 7-12 - Educational Specialist II | ES GUID | School Counselor | FT | 100 | 0 |
| 105 | Yes | Kline, Cynthia | Grades PK-4 - Instructional I - Grades 5-6 - Instructional I | ES | Grade 5 | FT | 100 | 0 |
| 106 | Yes | Knox, Diana | Early Childhood N-3 Elementary K-6 Reading Specialist PK-12 - Instructional II | ES | Grade 1 | FT | 100 | 0 |
| 107 | Yes | Kofeldt, Courtney | English 7-12 - Instructional II - Educational Technology | HS | Supervisor of Educational Technology | FT | 100 | 0 |
| 108 | Yes | Kotch, Nicole | Health & Physical Education - Instructional II | HS | Health Safety and Physical Education | FT | 100 | 0 |
| 109 | Yes | Kulp-Woodruff, Deborah | Ment and/or Phys Handicapped K-12 - Instructional II | SpEd HS | Supervisor of Special Education | FT | 100 | 0 |
| 110 | Yes | Laurelli, Ellen | Elementary K-6 Mid-Level English 6-9 Special Education PK-12 Reading Specialist PK-12 - Instructional II | SpEd HS | Resource Teacher | FT | 100 | 0 |
| 111 | Yes | Laureys, Kristin | Biology 7-12 Chemistry 7-12 - Instructional I | HS | Bio - Anatomy & Physiology - Environmental Science | FT | 100 | 0 |
| 112 | Yes | Leone, Jennifer | Elementary K-6 Mid-Level Science 6-9 - Instructional II | MS | Grade 6 Science | FT | 100 | 0 |
| 113 | Yes | Lewis, Hannah | English as a Second Language PK-12 English 7-12 Social Studies 7-12 - Instructional II | MS | Grade 7/8 Language Arts | FT | 100 | 0 |
| 114 | Yes | Logue, Michael | Principal PK-12 - Administrative Provisional I; Social Studies 7-12 - Instructional II | HS | High School Asst. Principal | FT | 100 | 0 |
| 115 | Yes | Loladze, Aimee | Biology 7-12 - Instructional I | USP | Earth&Space and Physical Science | FT | 100 | 0 |
| 116 | Yes | Mackey, Kirsten | Mathematics 7-12 Grades 4-8 All Subjects 4-6 Mathematics 7-8 - Instructional I | USP | Algebra Pre-Alg Pre-Calculus & Trig | FT | 100 | 0 |
| 117 | Yes | Madison, Eric | Mathematics - Instructional II | HS | Algebra 1 Algebra 2 Geometry | FT | 100 | 0 |
| 118 | Yes | Majersky, Maria | Mathematics 7-12 - Instructional I | HS | Algebra 2 Pre-Calculus | FT | 100 | 0 |
| 119 | Yes | Makin, Holly | Special Education N-12 Elementary K-6 - Instructional II | SpEd - Life Skills | Resource Teacher | FT | 100 | 0 |
| 120 | Yes | Malkasian, Alison | Special Education PK-12 Elementary K-6 - Instructional II | SpEd - Life Skills | Resource Teacher | FT | 100 | 0 |
| 121 | Yes | Malvestuto, Andrea | Elementary School Counselor K-6, Secondary School Counselor 7-12 - Educational Specialist II | ES | School Counselor | FT | 100 | 0 |
| 122 | Yes | Maniscalco, Stephen | Health& Physical Educ PK-12 - Instructional II | ES | Health Safety & Physical Education Elementary | FT | 100 | 0 |
| 123 | Yes | Marks, Christine | General Science 7-12 - Instructional I; Secondary School Counselor 7-12 - Educational Specialist II | HS Guid | School Counselor | FT | 100 | 0 |
| 124 | Yes | Marks, Kyra | Elementary (K-6) Ment and/or Phys Handicapped - Instructional I | SpEd - ES | Resource Teacher | FT | 100 | 0 |
| 125 | Yes | Markward, John | Physics 7-12 Chemistry 7-12 - Instructional II | USP | Physics AP Chemistry | FT | 100 | 0 |
| 126 | Yes | Martin, Megan | English 7-12 Social Studies 7-12 Citizenship 7-12 - Instructional I | MS | Grade 7 Language Arts | FT | 100 | 0 |
| 127 | Yes | Maurer, Julianna | Special Education PK-8- Instructional I; Grades PK-4 Instructional I; Autism PK-12-Endorsement | SpEd - MS | Resource Teacher | FT | 100 | 0 |
| 128 | Yes | McCartney, Ryan | Social Studies 7-12 Special Education 7-12 - Instructional I | SpEd HS | Resource Teacher | FT | 100 | 0 |
| 129 | Yes | McCunney, Michelle | Art PK-12 - Instructional II | MS | Art Grades 6-8 | FT | 100 | 0 |
| 130 | Yes | McGinty, Shavaun | Elementary School Counselor K-6 - Educational Specialist II | Guid - Leadership | Supervisor of Guidance Department | FT | 100 | 0 |
| 131 | Yes | McGowan, Rachel | Elementary and Secondary School Counselor PK-12 English 7-12 Grades 4-8 (All Subjects 4-6 English Language Arts and Reading 7-8) - Instructional I | USP | English Literature & Composition | FT | 100 | 0 |
| 132 | Yes | McGowan, Rebecca | Technology Education PK-12 Bus-Computer-Info Tech PK-12 Elementary K-6 - Instructional II | HS | Business Law Accounting Google Apps Python Marketing | FT | 100 | 0 |
| 133 | Yes | McNeila, Amber | English 7-12 - Instructional I | MS | Language Arts Grade 8 | FT | 100 | 0 |
| 134 | Yes | Miller, Katherine | Mathematics 7-12 - Instructional II | MS | Grade 7 Mathematics | FT | 100 | 0 |
| 135 | Yes | Morrow, Victoria | English 7-12 Special Education 7-12 -Instructional I | SpEd HS | IEP Compliance Monitor - Resource Teacher | FT | 100 | 0 |
| 136 | Yes | Naylor, Jill | English 7-12 -Instructional II | HS | English 10 English 12 Journalism | FT | 100 | 0 |

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| 137 | Yes | Ndau, Kristina | Grades 4-8 (All Subjects 4-6 Mathematics 7-8 Science 7-8) - Instructional I | MS | Grade 7 Math/Science | FT | 100 | 0 |
| 138 | Yes | Oeste, Caitlin | English 7-12 - Instructional I | HS | English 9 Film as Literature | FT | 100 | 0 |
| 139 | Yes | Okcuoglu, Daphne | Art PK-12 - Instructional II | CPFA | Photography -Digital Studio Photography | FT | 100 | 0 |
| 140 | Yes | Olson, Brenda | Elementary K-6 Mid-Level English 7-9 - Instructional II | ES | Grade 5 | FT | 100 | 0 |
| 141 | Yes | Owens, Rose | Instructional I - Grades 4-8 (All subjects 4-6 English/Language Arts and Reading 7-8); Instructional I Special Education PK-8 (9226) | ES | Grade 5 | FT | 100 | 0 |
| 142 | Yes | Packer, Cory | Elementary K-6 - Instructional I | ES | Grade 4 | FT | 100 | 0 |
| 143 | Yes | Paffas, Basil | Social Studies 7-12 English 7-12 - Instructional I | HS | World History US Government | FT | 100 | 0 |
| 144 | Yes | Palivoda, Sheri | Elementary K-6 Mid-level English 7-9 Library Science K-12 English 7-12 - Instructional II; English as a Second Language (ESL) K-12 - Program Specialist | MS | Language Arts Grades 6-8 | FT | 100 | 0 |
| 145 | Yes | Palmer, William | Mathematics 7-12 Physics 7-12 Chemistry 7-12 - Instructional II | HS | Algebra 1 Pre-Algebra | FT | 100 | 0 |
| 146 | Yes | Pardus, Merissa | Special Education PK-12 Early Childhood N-3 - Instructional I | SpEd - Life Skills | Resource Teacher | FT | 100 | 0 |
| 147 | Yes | Park, Ewan | Social Studies - Instructional II; Principal K-12 - Administrative | USP | AP MicroEconomics -American Law & International Relations -AP European History | FT | 100 | 0 |
| 148 | Yes | Parris, Lynn | English 7-12 - Instructional II | USP | AP English Language & Composition -Creative Writing | FT | 100 | 0 |
| 149 | Yes | Parris, Patric | Social Studies 7-12 - Instructional II | USP | AP US History -World Civilizations | FT | 100 | 0 |
| 150 | Yes | Payne, Donna | Reading Specialist - Instructional II Ment and/or Phys Handicapped K-12 - Instructional II | SpEd HS | Resource Teacher | FT | 100 | 0 |
| 151 | Yes | Perez, Audrey | Chemistry 7-12- Instructional II; General Science- Instructional II | HS | Chemistry | FT | 100 | 0 |
| 152 | Yes | Perri, Melissa | Grades 4-8 (All Subjects 4-6, Science 7-8)- Instructional I; Grades 4-8 (All subjects 4-6, Mathematics 7-8)- Instructional I | MS | Grade 6 Math -Grade 7 Science | FT | 100 | 0 |
| 153 | Yes | Petro, Robert | Biology Chemistry General Science Earth and Space Science Social Studies7-12 - Instructional II | USP | Chemistry Astronomy PhysicalScience Earth&Space | FT | 100 | 0 |
| 154 | Yes | Pettit, Todd | English 7-12 Mid-Lev Citiz Ed 6-9 - Instructional II | HS | English 10 Mythology | FT | 100 | 0 |
| 155 | Yes | Pfaff, Megan | Elementary K-6 Reading Specialist PK-12 - Instructional II | ES | Grade 3 | FT | 100 | 0 |
| 156 | Yes | Piccione, Joseph | Social Studies Mid-level Mathematics 7-9 General Science - Instructional II | HS | US History -World History | FT | 100 | 0 |
| 157 | Yes | Priar, Heather | Elementary & Secondary School Counselor PK-12- Educational Specialist I | Guid - HS | School Counselor | FT | 100 | 0 |
| 158 | Yes | Propato, Gabriella | English 7-12 - Instructional I | HS | English 11 Creative Writing | FT | 100 | 0 |
| 159 | Yes | Propfe, Tyler | Music PK-12 - Instructional I | ES | Music-Elementary | FT | 100 | 0 |
| 160 | Yes | Przeworski, Katherine | Biology 7-12 - Instructional I | USP | Biology AP Environmental Science | FT | 100 | 0 |
| 161 | Yes | Putt, Jeffrey | Accounting 7-12 Marketing 7-12 Marketing-Dist Ed Tchr Coord 7-12 Data Processing 7-12 Bus-Computer-Info Tech Instructional II; Principal PK-12 - Administrative I | HS | Coding in HTML and CSS -Graphic Communications -Mobile Programming -Technology Concepts | FT | 100 | 0 |
| 162 | Yes | Reading, Danielle | Elementary K-6 - Instructional II | ES | Grade 3 | FT | 100 | 0 |
| 163 | Yes | Redcay, Ashley | English 7-12 - Social Studies 7-12 - English as Second Language - Intrstuctional I | MS | Social Studies Grade 7 | FT | 100 | 0 |
| 164 | Yes | Reddig, Jennifer | Mathematics 7-12 - Instructional I | USP | Algebra 2 | FT | 100 | 0 |
| 165 | No | Reich, Seth | Theatre Degree - Qualified as per charter regulations | CPFA | Musical Theatre and Acting | FT | 0 | 100 |
| 166 | Yes | Reigner, Kevin | Elementary K-6 Mid-Level English 6-9 Mid-Level Mathematics 6-9 Mid-Level Science 6-9 - Instructional II | MS | 6-8 Science and Math Teacher | FT | 100 | 0 |
| 167 | Yes | Reilly, Christine | Special Education PK-12 Elementary K-6 - Instructional I | SpEd-HS | Resource Teacher | FT | 100 | 0 |

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| 168 | Yes | Ricciardi, Kimberly | Art K-12 Family-Consumer Sci K-12 - Instructional II | CPFA | Food Science -Child Development -Sculpture -AP Studio Art 3-D Design - Sculpture/Ceramics | FT | 100 | 0 |
| 169 | Yes | Roberts, Allyson | Music PK-12 - Instructional II | CPFA | Piano -Music Theory & Composition | FT | 100 | 0 |
| 170 | Yes | Robinson, AnneMarie | Art K-12 - Instructional I | CPFA | 6-12 Art Teacher | FT | 100 | 0 |
| 171 | Yes | Rosle, Kathryn | English 7-12 - Instructional II | HS | English 9 -English 11 -Children's Literature | FT | 100 | 0 |
| 172 | Yes | Roth, Merridith | Health & Physical Educ PK-12 - Instructional I | HS | Health Safety and Physical Education | FT | 100 | 0 |
| 173 | Yes | Rudzinski, Jennifer | English 7-12 - Instructional II Instructional Coach PK-12 Endorsement | HS | High School Instructional Coach | FT | 100 | 0 |
| 174 | Yes | Saldutti, Nico | Grades PK-4 - Instructional I | ES | Grade 4 | FT | 100 | 0 |
| 175 | Yes | Sammarone, Chelsea | Social Studies 7-12 - Instructional I | HS | United States Government | FT | 100 | 0 |
| 176 | Yes | Sarno, Amy | English 7-12 - Instructional II | MS | Remedial Middle School Program Coordinator | FT | 100 | 0 |
| 177 | Yes | Schelling, Jennifer | Elementary K-6 Reading Specialist PK-12 - Instructional II | ES | Elementary Instructional Coach | FT | 100 | 0 |
| 178 | Yes | Schultz, Sarah | Social Studies 7-12 Special Education 7-12 - Instructional II | SpEd | Resource Teacher | FT | 100 | 0 |
| 179 | Yes | Sherrieb, Brady | Special Education PK-12 Elementary K-6 - Instructional I | SpEd - ES Life Skills | Resource Teacher | FT | 100 | 0 |
| 180 | Yes | Sikora, Stephanie | Family-Consumer Sci PK-12 Bus-computer-Info Tech PK-12 - Instructional I | MS | Technology Exploration -Coding in HTML | FT | 100 | 0 |
| 181 | Yes | Slusser, Daniel | Health & Physical Educ PK-12 - Instructional I | MS | Health Safety and Physical Education | FT | 100 | 0 |
| 182 | Yes | Smith, Danielle | Elementary K-6 Mid-Level English 6-9 Special Education PK-12 Reading Specialist PK-12 - Instructional II | ES | Reading Specialist Grades K-2 | FT | 100 | 0 |
| 183 | Yes | Smith, Jeff | Mathematics 7-12 Mid-Level Mathematics 6-9 Elementary K-6 ReadingSpecialist PK-12 Special Education PK-12 Bus-Computer-Info Tech PK-12 - Instructional II | HS | Math 10 -Pre-Alg -Algebra -Geometry | FT | 100 | 0 |
| 184 | Yes | Sommar, Albert | Mathematics 7-12 Physics 7-12 Technology Education PK-12 - Instructional II | USP | Calculus -Multivariable Calc -Pre-Calculus & Trig | FT | 100 | 0 |
| 185 | No | Speer, Ericka | Dance Education - Qualified as per charter regulations | CPFA | Dance | FT | 0 | 100 |
| 186 | Yes | Stefanski, MaryBeth | Secondary School Counselor - Educational Specialist II | USP | School Counselor | FT | 100 | 0 |
| 187 | Yes | Stiles, Christopher | Principal K-12 - Administrative I; Social Studies 7-12 Spanish K-12 - Instructional II | USP | Principal of University Scholars Program | FT | 100 | 0 |
| 188 | Yes | Strellec, Christina | English 7-12 Social Studies 7-12- Instructional II | HS | Resource Teacher | FT | 100 | 0 |
| 189 | Yes | Strevig, Jacob | General Science 7-12 Biology 7-12 - Instructional I | HS | Biology Teacher | FT | 100 | 0 |
| 190 | Yes | Suski, Amy | Elementary K-6 TechnologyEducation PK-12 - Instructional I | ES | Coding and Technology Grades 1-5 | FT | 100 | 0 |
| 191 | Yes | Swink, Tammy | School Nurse - Educational Specialist II | CPFA | School Nurse | FT | 100 | 0 |
| 192 | Yes | Takac, Kristina | Mathematics - Instructional II; Equivalency - Master's | HS | Algebra 1 -Geometry | FT | 100 | 0 |
| 193 | Yes | Todd, Melina | Ment and/or Phys Handicapped K-12 - Instructional II | SPED-HS | Resource Teacher | FT | 100 | 0 |
| 194 | Yes | Todorovac, Erin | English 7-12 - Instructional II | USP | American and British Literature | FT | 100 | 0 |
| 195 | Yes | Toland, Michelle | Spanish PK-12 - Instructional II | HS | Spanish | FT | 100 | 0 |
| 196 | Yes | Tope, Laura | Biology 7-12 - Instructional II | HS | Middle School Science | FT | 100 | 0 |
| 197 | No | Townsend, Sean | Theatre Degree - Qualified as per Charter Regulations | CPFA | Guitar | FT | 0 | 100 |
| 198 | Yes | Ulrich, Jennifer | Spanish PK-12 - Instructional II | HS | Spanish | FT | 100 | 0 |
| 199 | Yes | Urbine, Colleen | Elementary K-6 Special Education PK-12 - Instructional II - Educational Specialist I | ES | Grade 2 | FT | 100 | 0 |
| 200 | Yes | VanEtten, Michael | Elementary K-6 Mid-Level Mathematics 6-9 Mid-Level English 6-9 - Instructional II | ES | Math Interventionist - Grades 3-5 | FT | 100 | 0 |
| 201 | Yes | VanHassent, Daniel | Social Studies 7-12- Instructional I | HS | AP Human Geography -Psychology -World History | FT | 100 | 0 |
| 202 | Yes | Victorius, Emily | Elementary K-6 Reading Specialist PK-12 - Instructional II | ES | Grade 1 | FT | 100 | 0 |
| 203 | Yes | Voyten, Shawn | Special Education PK-12 Social Studies 7-12 - Instructional II | SpEd HS | Resource Teacher | FT | 100 | 0 |

| Staff No. | PA Certified Yes/No | Name of employee (List all names in alphabetical order) | Areas of Certification Type of Certificate | Grades Teaching or Serving | All Areas of Assignment Subject Areas Teaching or Services Provided | Number of Hours Worked in Assignmmt | Percentage of Time in Certified Position | Percentage of Time in Areas Not Certified |
|-----------|---------------------|---|--|----------------------------|---|-------------------------------------|--|---|
| 204 | Yes | Walker, Rebecca | Elementary & Secondary School Counselor PK-12- Educational Specialist I | HS Guid | School Counselor | FT | 100 | 0 |
| 205 | Yes | Walsh, Julianne | English 7-12 Social Studies 7-12- Instructional I | HS | English 9 English 11 English 12 | FT | 100 | 0 |
| 206 | Yes | Walton, Benjamin | English 7-12 - Instructional II | HS | English 12 | FT | 100 | 0 |
| 207 | Yes | Waltz, Kristen | Social Studies 7-12 - Instructional I | HS | Economics US History World History | FT | 100 | 0 |
| 208 | Yes | Werner, Danielle | Elementary K-6 Special Education PK-12 - Instructional II | ES | Grade 2 | FT | 100 | 0 |
| 209 | Yes | West, Thomas | Music PK-12 - Instructional II | CPFA | Orchestra | FT | 100 | 0 |
| 210 | Yes | Wilkocz, Christopher | Elementary K-6 - Instructional II | MS | Social Studies Grade 6 | FT | 100 | 0 |
| 211 | Yes | Williams, Lauren | Elementary K-6 Special Education PK-12 Reading Specialist P-12 - Instructional II English as a Second Language (ESL) PK-12- Program Specialist I | SpEd ES | Resource Teacher | FT | 100 | 0 |
| 212 | Yes | Willis, Brooke | Citizenship 7-12 English 7-12 Special Education 7-12 - Instructional I | ES | Middle School Instructional Coach | FT | 100 | 0 |
| 213 | Yes | Wilson, Irene | English as a Second Language PK-12 Elementary K-6 Mid-Level Math - Intstructional II | ES | Grade 1 | FT | 100 | 0 |
| 214 | Yes | Wilson, Sherrie | Speech Correction K-12 - Instructional II | K-12 | Speech Therapist | FT | 100 | 0 |
| 215 | Yes | Wright, Whitney | Social Studies 7-12 - Instructional I | K-12 | Supervisor of Curriculum | FT | 100 | 0 |
| 216 | Yes | Yund, Nick | Citizenship 7-12 Social Studies 7-12 Grades 4-8 (All subjects 4-6 Social Studies 7-8) - Instructional I | MS | American Nation -World Studies | FT | 100 | 0 |
| 217 | Yes | Zuri, William | Mathematics 7-12 - Instructional II | MS | Mathematics Grades 7-8 | FT | 100 | 0 |
| | | | Total Number of Administrators (do not include CEO) _5____ | | | | | |
| | | | Total Number of Teachers ___189___ Counselors ___11___ School Nurses ___2___ Others ___10___ | | | | | |
| | | | Total Number of Professional Staff _217____ | | | | | |

Preliminary Statement of Revenues, Exp
 Include ALL Fun
 as of June 30, 20

Name of School PA Leadership Charter School

Address of School 1332 Enterprise Drive, West Chester, PA 19380

CEO Signature James Hanak

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

EXPENDITURES

| 1000 | INSTRUCTION |
|-------------|---|
| 1100 | REGULAR PROGRAMS - ELEMENTARY / SECONDARY |
| 1200 | SPECIAL PROGRAMS - ELEMENTARY / SECONDARY |
| 1300 | VOCATIONAL EDUCATION |
| 1400 | OTHER INSTRUCTIONAL PROGRAMS - ELEMENTARY / SECONDARY |
| 1600 | ADULT EDUCATION PROGRAMS |
| 1700 | HIGHER EDUCATION PROGRAMS |
| 1800 | PRE-KINDERGARTEN |
| 2000 | SUPPORT SERVICES |
| 2100 | SUPPORT SERVICES - PUPIL PERSONNEL |
| | 2110 Supervision of Pupil Personnel Services |
| | 2120 Guidance Services |
| | 2130 Attendance Services |
| | 2140 Psychological Services |
| | 2150 Speech Pathology and Audiology Services |
| | 2160 Social Work Services |
| | 2170 Student Accounting Services |
| | 2190 Other Pupil Personnel Services |
| 2200 | SUPPORT SERVICES - INSTRUCTIONAL STAFF |
| | 2210 Supervision of Educational Media Services |
| | 2220 Technology Support Services |
| | 2230 Educational Television Services |
| | 2240 Computer-Assisted Instruction Support Services |
| | 2250 School Library Services |
| | 2260 Instruction and Curriculum Development Services |
| | 2270 Instructional Staff Professional Development Services |
| | 2280 Nonpublic Support Services |
| 2300 | SUPPORT SERVICES - ADMINISTRATION |
| | 2310 Board Services |
| | 2320 Board Treasurer Services |
| | 2340 Staff Relations and Negotiations Services |
| | 2350 Legal Services |
| | 2360 Office of the Superintendent (Executive Director) Services |

| | | |
|-------------|------|--|
| | 2370 | Community Relations Services |
| | 2380 | Office of the Principal Services |
| | 2390 | Other Administration Services |
| | | |
| 2400 | | SUPPORT SERVICES - PUPIL HEALTH |
| | | |
| 2500 | | SUPPORT SERVICES - BUSINESS |
| | 2510 | Fiscal Services |
| | 2520 | Purchasing Services |
| | 2530 | Warehousing and Distributing Services |
| | 2540 | Printing, Publishing and Duplicating Services |
| | 2590 | Other Support Services - Business |
| | | |
| 2600 | | OPERATION AND MAINTENANCE OF PLANT SERVICES |
| | 2610 | Supervision of Operation and Maintenance of Plant Services |
| | 2620 | Operation of Buildings Services |
| | 2630 | Care and Upkeep of Grounds Services |
| | 2640 | Care and Upkeep of Equipment Services |
| | 2650 | Vehicle Operations and Maintenance Services (Other than Student Transportation Vehicles) |
| | 2660 | Security Services |
| | 2690 | Other Operation and Maintenance of Plant Services |
| | | |
| 2700 | | STUDENT TRANSPORTATION SERVICES |
| | 2710 | Supervision of Student Transportation Services |
| | 2720 | Vehicle Operation Services |
| | 2730 | Monitoring Services |
| | 2740 | Vehicle Servicing and Maintenance Services |
| | 2750 | Nonpublic Transportation |
| | 2790 | Other Student Transportation Services |
| | | |
| 2800 | | SUPPORT SERVICES - CENTRAL |
| | 2810 | Planning, Research, Development and Evaluation Services |
| | 2820 | Information Services |
| | 2830 | Staff Services |
| | 2840 | Data Processing Services |
| | 2850 | State and Federal Agency Liaison Services |
| | 2860 | Management Services |
| | 2890 | Other Support Services Central |
| | | |
| 2900 | | OTHER SUPPORT SERVICES - CENTRAL |
| | 2990 | Pass-Thru Funds |
| | | |
| 3000 | | OPERATION OF NON-INSTRUCTIONAL SERVICES |
| 3100 | | FOOD SERVICES |
| | | |
| 3200 | | STUDENT ACTIVITIES |
| | 3210 | School Sponsored Student Activities |
| | 3250 | School Sponsored Athletics |
| | | |
| 3300 | | COMMUNITY SERVICES |
| | 3310 | Community Recreation |
| | 3320 | Civic Services |
| | 3330 | Public Library Services |
| | 3340 | Custody and Child Care |
| | 3350 | Welfare Activities |
| | 3390 | Other Community Services |
| | | |

| | |
|---------------------------|--|
| 3400 | SCHOLARSHIPS AND AWARDS |
| | |
| 4000 | FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT SERVICES |
| 4100 | SITE ACQUISITION SERVICES - ORIGINAL AND ADDITIONAL |
| | |
| 4200 | EXISTING SITE IMPROVEMENT SERVICES |
| | |
| 4300 | ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS DEVELOPMENT - ORIGINAL AND ADDITIONAL |
| | |
| 4400 | ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS - IMPROVEMENTS |
| | |
| 4500 | BUILDING ACQUISITION AND CONSTRUCTION SERVICES - ORIGINAL AND ADDITIONAL |
| | |
| 4600 | EXISTING BUILDING IMPROVEMENT SERVICES |
| | |
| 5000 | OTHER EXPENDITURES AND FINANCING USES |
| 5100 | DEBT SERVICE / OTHER EXPENDITURES AND FINANCING USES |
| | |
| 5200 | FUND TRANSFERS |
| | |
| 5300 | TRANSFERS INVOLVING COMPONENT UNITS |
| | |
| 5400 | INTRAFUND TRANSFERS OUT |
| | |
| 5800 | SUSPENSE ACCOUNT |
| | |
| 5900 | BUDGETARY RESERVE |
| | |
| | |
| TOTAL EXPENDITURES | |

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

Pennsylvania Leadership Charter School

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

Year Ended June 30, 2019

**Pennsylvania Leadership Charter School
Table of Contents
Year Ended June 30, 2019**

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Year Ended June 30, 2019**

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Independent Auditor's Report

To the Board of Trustees
Pennsylvania Leadership Charter School
West Chester, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of Pennsylvania Leadership 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of Pennsylvania Leadership 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, budgetary comparison information and pension and OPEB 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 Pennsylvania Leadership 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 October 30, 2019 on our consideration of Pennsylvania Leadership 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 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 Pennsylvania Leadership Charter School's internal control over financial reporting and compliance

SD Associates P.C.

Certified Public Accountants
Elkins Park, Pennsylvania

October 30, 2019

Pennsylvania Leadership Charter School Management's Discussion and Analysis June 30, 2019

The Board of Trustees of Pennsylvania Leadership 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 \$5,693,651 due primarily to increased student enrollment and rates.
- At the close of the current fiscal year, the School reports an ending fund balance of \$18,153,539. This balance was the result of a \$8,407,130 surplus for the year ended June 30, 2019.
- The School's cash balance at June 30, 2019 was \$12,553,130, representing an increase of \$5,796,719 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.

Component Unit

The School includes Friends of Pennsylvania Leadership Charter School (Friends) in its report. Although legally separate, this component unit is important because of the nature of its relationship with the School.

Pennsylvania Leadership 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 two fund types, the governmental general fund and the fiduciary fund.

Most 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.

The School is the fiduciary for its students' activities funds. The School's fiduciary assets and liabilities are reported in a separate Statement of Fiduciary Net Position. We exclude these assets and liabilities from the School's other financial statements because the School cannot use these assets to finance its operations. The School is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

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 and pension and OPEB information 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.

**Pennsylvania Leadership Charter School
Management's Discussion and Analysis
June 30, 2019**

Government-Wide Financial Analysis (continued)

| | 2019 | 2018 |
|---|---------------------|---------------------|
| Assets | | |
| Other assets | \$ 23,646,629 | \$ 14,683,044 |
| Capital assets, net | 4,829,448 | 4,547,884 |
| | 28,476,077 | 19,230,928 |
| Deferred Outflows of Resources | 3,645,278 | 4,754,610 |
| Liabilities | | |
| Other liabilities | 7,683,797 | 6,941,364 |
| Net pension liability | 30,051,000 | 31,658,000 |
| Net OPEB liability | 1,306,000 | 1,306,000 |
| | 39,040,797 | 39,905,364 |
| Deferred Inflows of Resources | 6,610,143 | 9,016,151 |
| Net Position | \$ (13,529,585) | \$ (24,935,977) |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, liabilities and deferred inflows of resources exceeds assets and deferred outflows of resources by \$13,529,585 as of June 30, 2019, a decrease of \$11,406,392 from June 30, 2018.

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 revenues of \$47,257,366 exceeded expenditures of \$35,850,974 by \$11,406,392, an increase of \$3,118,621 as compared to the preceding year.

| | 2019 | 2018 |
|-------------------------------------|---------------|---------------|
| Revenues | | |
| Program revenues | | |
| Local educational agency assistance | \$ 46,008,456 | \$ 40,266,214 |
| State sources | 51,967 | 41,465 |
| Federal sources | 989,206 | 1,085,269 |
| General revenues | | |
| Other sources | 207,737 | 120,767 |
| Total revenues | 47,257,366 | 41,513,715 |

**Pennsylvania Leadership Charter School
Management's Discussion and Analysis
June 30, 2019**

Government-Wide Financial Analysis (continued)

| | | |
|---------------------------|------------------------|------------------------|
| Expenditures | | |
| Instruction | 23,136,171 | 20,411,382 |
| Support services | 11,256,444 | 11,451,198 |
| Noninstructional services | 71,905 | 58,002 |
| Interest expense | 108,560 | 97,499 |
| Depreciation-unallocated | <u>1,277,894</u> | <u>1,207,863</u> |
| Total expenditures | <u>35,850,974</u> | <u>33,225,944</u> |
| Change in net position | 11,406,392 | 8,287,771 |
| Net position, beginning | <u>(24,935,977)</u> | <u>(33,223,748)</u> |
| Net position, ending | <u>\$ (13,529,585)</u> | <u>\$ (24,935,977)</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 \$18,153,539.

Budget Variations

The actual revenues represent an increase from budgeted revenues of \$6,517,790 due mainly to increased enrollment and an increase in rates.

Actual expenditures increased \$512,662 over the budget due mainly to increased instruction costs, capital outlay and debt service, net of a decrease in support costs.

Capital Asset and Debt Administration

Capital Assets

Primary Government

As of June 30, 2019, the School's investment in capital assets for its governmental activities totaled \$4,829,448 (net of accumulated depreciation). This investment in capital assets includes building improvements, office furniture, and computer equipment.

Major capital assets purchases during the year included the following:

- Capital expenditures of \$1,513,352 for computer equipment.
- Capital expenditures of \$168,923 for building and land improvements.

Pennsylvania Leadership Charter School Management's Discussion and Analysis June 30, 2019

Capital Asset and Debt Administration (Continued) **Capital Assets (Continued)**

Component Unit

As of June 30, 2019, Friend's capital assets totaled \$9,159,613 (net of accumulated depreciation). Capital assets include land and buildings

Major capital assets purchases during the year included the following:

- Capital expenditures of \$5,401,791 for new real property.

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

Long-Term Debt

Primary Government

The School has numerous capital lease arrangements, which were entered into for the purchase of computer equipment. Additional information on the School's debt obligations can be found in Notes 7 and 8 of this report.

Component Unit

There was no debt related to Friends as of June 30, 2019.

Economic Factors and Next Year's Budgets and Rates

The School is anticipating that primary source of revenue, the per student subsidy provided by the local school districts, will increase by approximately \$2,000,000 for fiscal year 2019-2020 due to an increase in enrollment from approximately 3,060 to 3,160 students, and per-student rates that will increase by approximately 2%.

Future Events that will Financially Impact the School

Anticipated enrollment for fiscal year 2019-2020 will be approximately 3,160 students. The resulting additional revenue (previous paragraph) will be partially offset with the costs of additional instruction and support services.

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 Business Office, Pennsylvania Leadership Charter School, 1332 Enterprise Drive, West Chester, Pennsylvania 19380.

Pennsylvania Leadership Charter School
Statement of Net Position
June 30, 2019

| | Primary Government | |
|--|----------------------------|---------------------|
| | Governmental Activities | Component Unit |
| Assets | | |
| Cash and investments | \$ 12,553,130 | \$ 52,545 |
| State subsidies receivable | 47,018 | - |
| Federal subsidies receivable | 217,598 | - |
| Local subsidies receivable | 2,621,080 | - |
| Prepaid expenses | 457,837 | 4,066 |
| Property and equipment, net | 4,829,448 | 9,159,613 |
| Due from Friends of PA Leadership Charter School | 7,715,327 | - |
| Investments | 7,533 | - |
| Security deposits | 27,106 | - |
| Total assets | <u>28,476,077</u> | <u>9,216,224</u> |
| Deferred Outflows of Resources | | |
| Deferred outflows of resources | <u>3,645,278</u> | <u>-</u> |
| Liabilities | | |
| Accounts payable and accrued expenses | 5,558,411 | - |
| Accrued compensated absences | 50,738 | - |
| Capital lease obligations | | |
| Due within one year | 1,072,139 | - |
| Due after one year | 998,566 | - |
| Loan payable | | |
| Due within one year | 3,943 | - |
| Due to Pennsylvania Leadership Charter School | - | 7,715,327 |
| Net OPEB liability | 1,306,000 | - |
| Net pension liability | <u>30,051,000</u> | <u>-</u> |
| Total liabilities | <u>39,040,797</u> | <u>7,715,327</u> |
| Deferred Inflows of Resources | | |
| Deferred inflows of resources | <u>6,610,143</u> | <u>-</u> |
| Net Position | | |
| Invested in capital assets, net of related debt | 2,758,743 | - |
| Unrestricted | <u>(16,288,328)</u> | <u>1,500,897</u> |
| Total net position | <u>\$ (13,529,585)</u> | <u>\$ 1,500,897</u> |

See accompanying notes to financial statements.

**Pennsylvania Leadership 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>Grants and Contributions</u> | <u>Primary Governmental Activities</u> | <u>Component Unit</u> |
| Governmental Activities | | | | | |
| Instruction | \$ 23,136,171 | \$ 30,950,235 | \$ 989,206 | \$ 8,803,270 | |
| Support services | 11,256,444 | 15,058,221 | 51,967 | 3,853,744 | |
| Noninstructional services | 71,905 | 58,691 | - | (13,214) | |
| Depreciation - unallocated | 1,277,894 | - | - | (1,277,894) | |
| Interest expense | 108,560 | - | - | (108,560) | |
| Total governmental activities | <u>35,850,974</u> | <u>46,067,147</u> | <u>1,041,173</u> | <u>11,257,346</u> | |
| Component Unit | | | | | |
| Rental income and expense | <u>\$ 258,773</u> | <u>\$ 888,901</u> | <u>\$ -</u> | | \$ 630,128 |
| General Revenues | | | | | |
| Other revenues | | | | <u>149,046</u> | <u>-</u> |
| Change in net position | | | | 11,406,392 | 630,128 |
| Net Position - Beginning of Year | | | | <u>(24,935,977)</u> | <u>870,769</u> |
| Net Position - End of Year | | | | <u>\$ (13,529,585)</u> | <u>\$ 1,500,897</u> |

See accompanying notes to financial statements.

**Pennsylvania Leadership Charter School
Balance Sheet-Governmental Fund
June 30, 2019**

| | Total Governmental Funds |
|--|--------------------------------|
| Assets | |
| Cash and cash equivalents | \$ 12,553,130 |
| State subsidies receivable | 47,018 |
| Federal subsidies receivable | 217,598 |
| Local subsidies receivable | 2,621,080 |
| Prepaid expenses | 457,837 |
| Advance to Friends of PA Leadership Charter School | 7,715,327 |
| Investments | 7,533 |
| Security deposits | 27,106 |
| Total assets | \$ 23,646,629 |
| Liabilities | |
| Accounts payable and accrued expenses | \$ 5,493,090 |
| Fund Balance | |
| Nonspendable | 7,742,433 |
| Committed | 9,100,000 |
| Unassigned | 1,311,106 |
| | 18,153,539 |
| Total liabilities and fund balance | \$ 23,646,629 |

See accompanying notes to financial statements.

Pennsylvania Leadership 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 \$ 18,153,539

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

| | | |
|--------------------------|-------------|-----------|
| Property and equipment | 13,184,656 | |
| Accumulated depreciation | (8,355,208) | |
| | | 4,829,448 |

Long-term liabilities that pertain to governmental funds, including notes payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year end are:

| | | |
|---------------------------------------|--------------|--|
| Capital lease obligations | (2,070,705) | |
| Loan payable | (3,943) | |
| Accounts payable and accrued expenses | (116,059) | |
| Net pension liability | (30,051,000) | |
| Net OPEB liability | (1,306,000) | |

Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.

| | | |
|--------------------------------|-------------|--|
| Deferred inflows of resources | (6,610,143) | |
| Deferred outflows of resources | 3,645,278 | |
| | | |

Total Net Position of Governmental Activities **\$ (13,529,585)**

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

| | General Fund |
|---|-----------------|
| Revenues | |
| Local education agency assistance | \$ 46,008,456 |
| Federal sources | 989,206 |
| State sources | 51,967 |
| Other sources | 207,737 |
| Total revenues | 47,257,366 |
| Expenditures | |
| Instruction | 24,809,937 |
| Support services | 12,285,762 |
| Noninstructional services | 71,905 |
| Capital outlay | 1,682,275 |
| Debt service | 1,501,170 |
| Total expenditures | 40,351,049 |
| Revenues in Excess of Expenditures | 6,906,317 |
| Other Financing Sources | |
| Proceeds from capital leases | 1,500,813 |
| Net Change in Fund Balance | 8,407,130 |
| Fund Balance - Beginning of Year | 9,746,409 |
| Fund Balance - End of Year | \$ 18,153,539 |

See accompanying notes to financial statements.

**Pennsylvania Leadership 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 \$ 8,407,130

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.

| | | |
|----------------------|-------------|---------|
| Capital outlay | 1,682,275 | |
| Depreciation expense | (1,277,894) | |
| | 404,381 | 404,381 |

The governmental funds report note proceeds as financing sources, while repayment of note principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. The net effect of these differences in the treatment of notes payable is as follows:

| | | |
|--|-------------|-----------|
| Proceeds from capital leases | (1,500,813) | |
| Principal payments on long-term debt | 1,392,611 | |
| Accounts payable and accrued expenses, long-term | (57,521) | |
| | (165,723) | (165,723) |

Asset impairments are not reported in governmental funds because governmental funds measure only the flow of current financial resources. (122,817)

Governmental funds report School pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

| | | |
|---|-----------|-----------|
| Change in accrued compensated absences | (20,256) | |
| School pension and OPEB contributions | 2,559,328 | |
| Cost of benefits earned net of employee contributions | 344,349 | |
| | 2,883,421 | 2,883,421 |

Change in Net Position of Governmental Activities **\$ 11,406,392**

**Pennsylvania Leadership Charter School
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2019**

| | Agency Fund |
|---------------------------|------------------------|
| Assets | |
| Cash and cash equivalents | <u>\$ 11,714</u> |
| Liabilities | |
| Other current liabilities | <u>11,714</u> |
| Net Position | <u>\$ -</u> |

See accompanying notes to financial statements.

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 1 Background and Summary of Significant Accounting Policies

Pennsylvania Leadership Charter School (the School) is a nonprofit corporation established pursuant to the Pennsylvania Nonprofit Corporation Law of 1988. The mission of the school is to leverage technology on behalf of students who need a more personalized approach to education to maximize their potential and meet the highest performance standards. This mission is accomplished through a uniquely individualized learning program that combines the best in virtual education with very real connections among students, family, teachers, and the community. The School's charter expired at the end of the 2013-2014 school year, and has been extended while the Pennsylvania Department of Education processes the re-authorization application.

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.

Reporting Entity

The School implemented Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This Statement amends GASB Statement No. 14, *The Financial Reporting Entity* to provide additional guidance to determine whether certain organizations should be reported as component units based on the nature and significance of their relationship with the School.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component unit, Friends of Pennsylvania Leadership Charter School (Friends).

Friends is a legally separate, tax-exempt component unit of the School. The School does not appoint the majority of the Board of Friends. Because Friends owns the buildings that are leased to the School for its operations, and because the School advanced funds to Friends for the acquisition of the buildings and for operating expenses without specified repayment terms, Friends is considered a component unit of the School. Friends is reported in separate financial statements because of the difference in its reporting model, as further described below.

Friends is a private nonprofit organization that reports its financial results in accordance with the Accounting Standards Codification (ASC). Most significant to Friend's operations and reporting model is ASC Topic 958, Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

As of June 30, 2019, the School had advanced \$7,715,327 to Friends in connection with the building acquisitions and operating costs.

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

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

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 90 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The funds utilized by the School and brief descriptions of their accounting purposes are as follows:

Governmental Fund - The fund listed below is the fund through which most governmental functions are furnished.

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

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the School in a trustee capacity or as an agent for individuals. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

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

The School does not maintain any Trust Funds but maintains Agency Funds for the Activity Funds of student clubs, classes and organizations.

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, a statement of activities and changes in net position. 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 net 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 consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed for the included program.

Fund Balances - Governmental Funds

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

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

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

Fund Balances - Governmental Funds (continued)

- 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 employee advances, security deposits, and advance to Friends of PA Leadership Charter School as being nonspendable as these items are not expected to be converted to cash.

- 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. The School committed \$7,600,000 towards future operating costs and funding issues, and \$1,500,000 towards the increasing costs of the PSERS retirement program.

- 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.

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

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

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.

Deposits and Investments

The School's cash and cash equivalents are considered to be cash on hand and demand deposits. The School's investments consist of obligations of the U.S. Treasury, certain corporate bonds and certain exchange traded funds. Investments are reported at fair value.

Prepaid Expenditures

Prepaid expenditures include payments to vendors for services applicable to future accounting periods.

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; leasehold improvements (7 - 39 years) and furniture and equipment (5 - 7 years).

Long-Lived Assets

The School and Friends evaluate long-lived assets, which include rental property subject to depreciation, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value. Management has not identified any impairments at June 30, 2019.

Deferred Outflows/Inflows of Resources

Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of net position and related disclosures. In compliance with Statement No. 63, the statement of net position includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

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

Deferred Outflows/Inflows of Resources (continued)

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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

Pensions

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

General Information About the Pension Plan

Plan Description

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

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

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

Pensions (Continued)

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service. Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code), multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

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

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

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

Pensions (Continued)

Contributions

Member Contributions:

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

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

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

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

Employer Contributions:

The School's contractually required contribution rate for fiscal year ended June 30, 2019 was 32.60% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School were \$2,526,712 for the year ended June 30, 2019.

Other Postemployment Benefits

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

General Information about the Health Insurance Premium Assistance Program

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

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

Other Postemployment Benefits (Continued)

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2018 there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance program if they satisfy the following

- Have 24.5 or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate of the HOP or employer-sponsored health insurance program.

Pension Plan Description

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2018 there were no assumed future benefit increases to participating eligible retirees.

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

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

Other Postemployment Benefits (Continued)

Employer Contributions

The school Schools' contractually required contribution rate for the fiscal year ended June 30, 2019 was 0.83% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School were \$64,330 for the year ended June 30, 2019.

Note 2 Cash and Investments

Cash

The School's cash and cash equivalents balance at June 30, 2019 was \$12,553,130. The actual amount of cash on deposit in the School's bank accounts at June 30, 2019 was \$12,594,908. As of June 30, 2019, the School's bank balance was exposed to custodial credit risk as follows:

| | |
|---|--------------|
| Uninsured and collateralized with securities held by the pledging bank's trust department, not in the School's name | \$11,717,129 |
| Insured amount | \$ 877,779 |

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.

Investments

At June 30, 2019, the School's investment balances were as follows:

| Investment Type | Maturity | Fair Value | Rating |
|-----------------|----------------------|------------|---------------|
| Corporate Bonds | Average - 4.75 years | \$ 7,533 | BBB (Average) |

Fair Value of Investments

The School measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 2 Cash and Investments (Continued)

Investments (Continued)

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

As of June 30, 2019, all of the School's investments are classified in Level 1.

Interest Rate Risk. The School does not have any restrictions in any of its investment policies that limit investment maturities.

Credit Risk. The School's investment policy is to apply the "prudent investor" standard: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Concentration of Credit Risk. The School places no limit on the amount that may be invested in any one issuer.

Note 3 Receivables

Receivables as of June 30, 2019 consist primarily of subsidies from federal, state, and local authorities. The School has established a reserve for uncollectible receivables of \$50,000 based on prior experience.

Note 4 Capital Assets

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

| | Balance, 7/1/18 | Additions | Dispositions | Balance, 6/30/19 |
|--------------------------------|--------------------|--------------|--------------|---------------------|
| Computer equipment | \$ 5,474,005 | \$ 1,513,352 | \$ (740,333) | \$ 6,247,024 |
| Furniture | 1,234,209 | - | - | 1,234,209 |
| Equipment | 356,776 | - | - | 356,776 |
| Software | 3,451,110 | - | - | 3,451,110 |
| Building improvements | 1,726,613 | 168,923 | - | 1,895,536 |
| | 12,242,713 | 1,682,275 | (740,333) | 13,184,655 |
| Less: accumulated depreciation | 7,694,829 | 1,277,894 | (617,516) | 8,355,207 |
| | \$ 4,547,884 | \$ 404,381 | \$ (122,817) | \$ 4,829,448 |

Depreciation expense for the year ended June 30, 2019 was \$1,277,894.

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 5 Bank Line of Credit

The School maintains a \$2,000,000 line of credit from First Resource Bank. The line bears interest at 5.25%. The line is secured by School assets. As of June 30, 2019, \$2,000,000 was available to draw upon.

Note 6 Funding

The School receives funding from various local districts on a monthly basis based on enrollment. The rate of funding is determined on an annual basis. The School also received federal funding under various title grants.

Note 7 Commitments

Operating Leases

The School leases various facilities and equipment under operating agreements expiring through July, 2032. In addition to the basic rent, the school is required to pay all real estate taxes, occupancy costs, insurance and maintenance. Total rent expense for the year ended June 30, 2019 was \$1,575,251.

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

| Year Ending June 30, | Equipment | Facilities | Total |
|----------------------|-----------|---------------|---------------|
| 2020 | \$ 58,920 | \$ 1,346,894 | \$ 1,405,814 |
| 2021 | 14,976 | 1,167,413 | 1,361,870 |
| 2022 | 11,232 | 1,167,413 | 1,178,645 |
| 2023 | - | 1,167,413 | 1,167,413 |
| 2024 | - | 997,013 | 1,167,413 |
| Thereafter | - | 5,488,493 | 5,488,493 |
| | \$ 85,128 | \$ 11,334,639 | \$ 11,769,648 |

Capital Lease Obligations

Equipment, furniture and improvements costing \$4,858,307 with a net book value of \$3,274,933 are held under capital leases, with interest rates ranging from 4% to 6.4% per annum. The following is a schedule of future minimum lease payments required as of June 30, 2019:

| Year Ending June 30, | Principal | Interest | Total |
|-----------------------|--------------|-----------|--------------|
| 2020 | \$ 1,072,139 | \$ 90,736 | \$ 1,162,875 |
| 2021 | 704,043 | 38,484 | 742,527 |
| 2022 | 294,523 | 6,936 | 301,459 |
| | 2,070,705 | 136,156 | 2,206,861 |
| Less: current portion | 1,072,139 | 90,736 | 1,162,875 |
| | \$ 998,566 | \$ 45,420 | \$ 1,043,986 |

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 8 Long-term Debt

There is a loan payable to the Sustainable Energy Fund, payable in 36 monthly payments of \$3,956 including interest at 4% per annum, maturing in July 2019. The loan is collateralized by the related equipment. \$ 3,943

The following is a summary of the changes in noncurrent liabilities reported in Statement of Net Position for the year ended June 30, 2019:

| | Balance 7/1/2018 | Additions | Reductions | Balance 6/30/2019 | Due Within One Year |
|---------------------------|---------------------|---------------------|---------------------|----------------------|------------------------|
| Obligations under capital | | | | | |
| leases | \$ 1,916,196 | \$ 1,500,813 | \$ 1,346,304 | \$ 2,070,705 | \$ 1,072,139 |
| Loan payable | 50,251 | - | 46,308 | 3,943 | 3,943 |
| Compensated absences | 30,481 | 20,257 | - | 50,738 | - |
| Accrued expenses | 7,800 | 57,521 | - | 65,321 | 65,321 |
| | <u>\$ 2,004,728</u> | <u>\$ 1,578,591</u> | <u>\$ 1,392,612</u> | <u>\$ 2,190,707</u> | <u>\$ 1,141,403</u> |

Interest expense was \$108,560 for the year ended June 30, 2019.

Note 9 Related Party Transactions

As of June 30, 2019, the School advanced \$7,715,327 to Friends for the purchase of the facilities and operating expenses. No stated interest rate or repayment terms exist.

The School leases its main facilities from Friends under operating leases expiring through July 2032 (see Note 7). Rent expense was \$888,868 for the year ended June 30, 2019.

Note 10 Friends of Pennsylvania Leadership Charter School - Discretely Presented Component Unit

Organization

Friends operates as a non-profit organization established under the laws of the Commonwealth of Pennsylvania to provide public educational school facilities, including land, buildings and improvements, for the benefit of the School.

Financial Statement Presentation

Friends follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities, which requires Friends to report net assets according to two classes: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are available for general use to support operations. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor imposed restrictions are perpetual in

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 10 **Friends of Pennsylvania Leadership Charter School - Discretely Presented Component Unit**
(Continued)

Financial Statement Presentation (Continued)

nature, where the donor stipulates that resources be maintained in perpetuity. There are no donor restrictions as of June 30, 2019. FASB ASC 958 also requires recognition of contributions, including donated services meeting certain criteria, at fair values. FASB ASC 958 establishes standards for general-purpose external financial statements for not-for-profit organizations.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

Income Tax Status

Friends is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Uncertain Tax Positions

Friends recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not that the positions will be sustained upon examination by the taxing authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

As of June 30, 2019, Friends had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements. Additionally, Friends had no interest or penalties related to income taxes. Friends files an income tax return in the U.S. federal jurisdiction.

Cash and Cash Equivalents

Friends considers all highly liquid instruments with original maturities of three months or less when purchased to be cash equivalents.

Capital Assets

Building and improvements are stated at cost, less accumulated depreciation. Expenditures for additions and betterments are capitalized; maintenance and repairs are charged to current operations as incurred. Depreciation has been calculated on such assets using the straight-line method over 39 years.

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 10 Friends of Pennsylvania Leadership Charter School - Discretely Presented Component Unit
(Continued)

Capital Assets (Continued)

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

| | Balance, 7/1/18 | Additions | Dispositions | Balance, 6/30/19 |
|--------------------------------|--------------------|--------------|--------------|---------------------|
| Building | \$ 4,110,874 | \$ 4,331,791 | \$ - | \$ 8,442,665 |
| Land | 1,000,000 | 1,070,000 | - | 2,070,000 |
| | 5,110,874 | 5,401,791 | - | 10,512,665 |
| Less: accumulated depreciation | 1,155,085 | 197,967 | - | 1,353,052 |
| | \$ 3,955,789 | \$ 5,203,824 | \$ - | \$ 9,159,613 |

Depreciation expense for the year ended June 30, 2019 was \$197,967.

Concentration of Credit Risk

Friends places its cash, which may at times be in excess of FDIC insurance limits, with high quality financial institutions and attempts to limit the amount of credit exposure with any one institution.

100% of the total rental revenue of Friends for the year ended June 30, 2019 was generated from the School through direct leased property.

Related-Party Arrangements

Friends leases its rental facilities to the School under long-term operating leases expiring through July 2032. Rent under the leases for the year ended June 30, 2019 was \$888,868. All costs of operating the facilities, such as utilities, assessments and taxes, etc., are paid by the School.

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

| Year ended June 30, | |
|---------------------|---------------|
| 2020 | \$ 997,013 |
| 2021 | 997,013 |
| 2022 | 997,013 |
| 2023 | 997,013 |
| 2024 | 997,013 |
| Thereafter | 5,488,498 |
| | \$ 10,473,563 |

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

**Note 10 Friends of Pennsylvania Leadership Charter School - Discretely Presented Component Unit
(Continued)**

Related-Party Arrangements (Continued)

As of June 30, 2019, the School advanced \$7,715,327 to Friends for the purchase of the facilities and operating expenses. No stated interest rate or repayment terms exist.

Note 11 Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the School reported a liability of \$30,051,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2017 to June 30, 2018. The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2019, the School's proportion was .0626%, which was a decrease of .0015% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the School recognized pension expense of (\$344,349). At June 30, 2019, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Net difference between projected and actual investment earnings | \$ 147,000 | \$ - |
| Difference between expected and actual experience | 242,000 | 465,000 |
| Changes in proportions | 6,000 | 5,956,000 |
| Changes in assumptions | 560,000 | - |
| Difference between employer contributions and proportionate share of total contributions | 68,237 | - |
| Contributions subsequent to the measurement date | 2,526,712 | - |
| | \$ 3,549,949 | \$ 6,421,000 |

The \$2,526,712 reported as deferred outflows of resources related to pensions resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 11 Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

| | Year Ending June 30: | |
|--|-------------------------|----------------|
| | 2020 | \$ (2,727,302) |
| | 2021 | \$ (1,404,495) |
| | 2022 | \$ (1,157,452) |
| | 2023 | \$ (109,081) |
| | 2024 | \$ 567 |

Note 12 Actuarial Assumptions

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

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

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

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

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of |
|----------------------|----------------------|---------------------------------------|
| Global public equity | 20.0% | 5.2% |
| Fixed income | 36.0% | 2.2% |
| Commodities | 8.0% | 3.2% |

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 12 Actuarial Assumptions (Continued)

| | | |
|-------------------------|--------|------|
| Absolute return | 10.0% | 3.5% |
| Risk parity | 10.0% | 3.9% |
| Infrastructure/MLPs | 8.0% | 5.2% |
| Real Estate | 10.0% | 4.2% |
| Alternative investments | 15.0% | 6.7% |
| Cash | 3.0% | 0.4% |
| Financing (LIBOR) | -20.0% | 0.9% |
| | | 100% |

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2018.

Discount Rate

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

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

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1% Decrease | Current Discount Rate 7.25% | 1% Increase 8.25% |
|---|---------------|-----------------------------------|-------------------------|
| School's proportionate share of the net pension liability | \$ 37,250,000 | \$ 30,051,000 | \$ 23,964,000 |

Pension Plan Fiduciary Net Position

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

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 13 OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the School reported a liability of \$1,306,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2017 to June 30, 2018. The School's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2019, the School's proportion was .0626%, which was a decrease of .0015% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the School recognized OPEB expense of \$31,715. At June 30, 2019, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Changes in proportion | \$ 21,000 | \$ 140,000 |
| Changes of assumptions | - | 49,000 |
| Difference between expected and actual experience | 8,000 | - |
| Net difference between projected and actual investment earnings | 2,000 | - |
| Difference between employer contributions and proportionate share of total contributions | - | 143 |
| Contributions subsequent to the measurement date | 64,330 | - |
| | \$ 95,330 | \$ 189,143 |

The \$64,330 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | Year Ending June 30: | |
|--|-------------------------|-------------|
| | 2020 | \$ (32,045) |
| | 2021 | \$ (32,045) |
| | 2022 | \$ (32,045) |
| | 2023 | \$ (31,007) |
| | 2024 | \$ (31,000) |

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 14 Actuarial Assumptions

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

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.98% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2016 determined the employer contribution rate for fiscal year 2018.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates and retirement ages were based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 Combined Disabled Tables with age set back 7 years for males and 3 years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits.)

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

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 14 Actuarial Assumptions (Continued)

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

| OPEB - Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------|-------------------|--|
| Cash | 5.9% | 0.03% |
| US Core Fixed Income | 92.8% | 1.2% |
| Non-US Developed Fixed | 1.3% | 0.4% |
| | 100% | |

The above was the Board's adopted asset allocation policy and best estimates of geometrical real rates of return for each major asset class as of June 30, 2018.

Discount rate

The discount rate used to measure the Total OPEB Liability was 2.98%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.98% which represents the S&P 20 year Municipal Bond Rate at June 30, 2018, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the System Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2018, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2017, 93,380 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2017, 1,077 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 14 Actuarial Assumptions (Continued)

The following presents the System net OPEB liability for June 30, 2018, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if health care cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

| | Dollar Amounts in Thousands | | |
|---------------------------|-----------------------------|--------------------------|--------------|
| | 1% Decrease | Current Trend Rate | 1% Increase |
| System net OPEB liability | \$ 1,305,000 | \$ 1,305,000 | \$ 1,305,000 |

Sensitivity of the School's Proportionate Share of the OPEB liability to changes in the discount rate

The following presents the net OPEB liability, calculated using the discount rate of 2.98%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.98%) or 1-percentage point higher (3.98%) than the current rate:

| | 1% Decrease | Current Discount | 1% Increase |
|--|--------------|---------------------|----------------|
| | 1.98% | 2.98% | 3.98% |
| School's proportionate share of the net OPEB liability | \$ 1,484,000 | \$ 1,305,000 | \$ 1,156,000 |

OPEB plan fiduciary net position

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

Note 15 Retirement Plan

The School also provides pension benefits through the Pennsylvania Leadership Charter School 403(b) Plan, a defined contribution plan (the Plan). All employees are eligible to participate. Participants make elective salary reduction contributions to the Plan. Mandatory employee contributions of 5% of eligible employee's compensation are also made by employees hired after July 1, 2014. The Plan provides for an employer contribution of 5% of compensation for employees who are contributing mandatory employee contributions. Employer contributions to the Plan for the year ended June 30, 2019 totaled \$375,240.

Pennsylvania Leadership Charter School
Notes to Financial Statements
June 30, 2019

Note 16 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 17 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 18 Litigation

The School is, from time to time, involved in claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, at this time, the ultimate resolution of these matters will not have an adverse effect on the financial position of the School.

Supplementary Information

**Pennsylvania Leadership Charter School
Governmental Fund Budgetary Comparison Schedule
Year Ended June 30, 2019**

| | Budget | Actual Revenues/ Expenditures | Variance With Budget |
|---|----------------------|--|---------------------------------|
| Revenues | | | |
| Local educational agency assistance | \$ 39,622,255 | \$ 46,008,456 | \$ 6,386,201 |
| State sources | 42,070 | 51,967 | 9,897 |
| Federal sources | 996,806 | 989,206 | (7,600) |
| Other sources | 78,445 | 207,737 | 129,292 |
| | <u>40,739,576</u> | <u>47,257,366</u> | <u>6,517,790</u> |
| Expenditures | | | |
| Instruction | 25,355,016 | 24,809,937 | 545,079 |
| Support services | 11,521,953 | 12,285,762 | (763,809) |
| Noninstructional services | 69,725 | 71,905 | (2,180) |
| Capital outlay | 2,108,837 | 1,682,275 | 426,562 |
| Debt service | 1,808,180 | 1,501,170 | 307,010 |
| | <u>40,863,711</u> | <u>40,351,049</u> | <u>512,662</u> |
| Revenues in Excess of Expenditures | (124,135) | 6,906,317 | (7,030,452) |
| Other Financing Sources | | | |
| Proceeds from capital leases | 1,734,277 | 1,500,813 | 233,464 |
| Net Change in Fund Balance | 1,610,142 | 8,407,130 | (6,796,988) |
| Fund Balance, Beginning | <u>9,746,409</u> | <u>9,746,409</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 11,356,551</u> | <u>\$ 18,153,539</u> | <u>\$ (6,796,988)</u> |

See accompanying notes to financial statements.

**Pennsylvania Leadership Charter School
Schedule of the School's Proportionate Share of the Net
Pension Liability and Contributions**

Last 10 Fiscal Years*

Schedule of the School's Proportionate Share of the Net Pension Liability

| Fiscal Year | PSERS Net Pension Liability | | School's Covered Employee Payroll | School's Proportionate Share of NPL as a % of Covered- Employee Payroll | Plan Fiduciary Net Position as a % of Total Pension Liability |
|--------------------|------------------------------------|---|--|--|--|
| | School's Proportion | School's Proportionate Share | | | |
| 6/30/2013 | 0.1005% | \$ 41,141,000 | \$ 12,896,700 | 319.00% | 54.49% |
| 6/30/2014 | 0.1010% | \$ 39,977,000 | \$ 12,892,589 | 310.08% | 57.24% |
| 6/30/2015 | 0.0818% | \$ 35,432,000 | \$ 10,530,432 | 336.47% | 54.36% |
| 6/30/2016 | 0.0714% | \$ 35,384,000 | \$ 9,247,797 | 382.62% | 50.14% |
| 6/30/2017 | 0.0641% | \$ 31,658,000 | \$ 8,531,433 | 371.07% | 51.84% |
| 6/30/2018 | 0.0626% | \$ 31,051,000 | \$ 8,429,289 | 368.37% | 54.00% |

Schedule of School Contributions

| Fiscal Year | Contractually Required Contributions | Contributions Recognized by PSERS | Contribution Deficiency (Excess) | Covered- Employee Payroll | Contributions as a % of Total Covered- Employee Payroll |
|--------------------|---|--|---|--|--|
| | | | | | |
| 6/30/2015 | \$ 2,117,367 | \$ 2,117,367 | \$ - | \$ 10,530,432 | 20.11% |
| 6/30/2016 | \$ 2,282,883 | \$ 2,282,883 | \$ - | \$ 9,247,797 | 24.69% |
| 6/30/2017 | \$ 2,413,467 | \$ 2,413,467 | \$ - | \$ 8,531,433 | 28.29% |
| 6/30/2018 | \$ 2,628,022 | \$ 2,628,022 | \$ - | \$ 8,429,289 | 31.18% |
| 6/30/2019 | \$ 2,526,712 | \$ 2,526,712 | | \$ 7,750,649 | 32.60% |

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

See accompanying notes to financial statements.

**Pennsylvania Leadership Charter School
Schedule of the School's Proportionate Share of the Net
OPEB Liability and Contributions**

Last 10 Fiscal Years*

Schedule of the School's Proportionate Share of the Net OPEB Liability

| Fiscal Year | PSERS Net OPEB Liability | | School's Covered Employee Payroll | School's Proportionate Share of OPEB as a % of Covered- Employee Payroll | Plan Fiduciary Net Position as a % of Total OPEB Liability |
|--------------------|---------------------------------|---|--|---|---|
| | School's Proportion | School's Proportionate Share | | | |
| 6/30/2016 | 0.0714% | \$ 1,538,000 | \$ 9,247,797 | 16.63% | 5.47% |
| 6/30/2017 | 0.0641% | \$ 1,306,000 | \$ 8,531,433 | 15.31% | 5.73% |
| 6/30/2018 | 0.0626% | \$ 1,306,000 | \$ 8,429,289 | 15.49% | 5.56% |

Schedule of School Contributions

| Fiscal Year | Contractually Required Contributions | Contributions Recognized by PSERS | Contribution Deficiency (Excess) | Covered- Employee Payroll | Contributions as a % of Total Covered- Employee Payroll |
|--------------------|---|--|---|--|--|
| 6/30/2018 | \$ 69,723 | \$ 69,723 | \$ - | \$ 8,429,289 | 0.83% |
| 6/30/2019 | \$ 64,330 | \$ 64,330 | | 7,750,649 | 0.83% |

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

See accompanying notes to financial statements.

**Pennsylvania Leadership Charter School
Notes to Required Supplementary Information
Year Ended June 30, 2019**

Note 1 Changes in Benefit Terms

None.

Note 2 Changes in Assumptions

None.

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
Pennsylvania Leadership Charter School
West Chester, 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, the aggregate discretely presented component unit, and each major fund of Pennsylvania Leadership 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 October 30, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Certified Public Accountants
Elkins Park, Pennsylvania

October 30, 2019

Single Audit Requirements

**Pennsylvania Leadership 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 | Total Received for the Year | Accrued (Deferred) Revenue 7/1/2018 | 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 | 013-191045 | 7/1/18-9/30/19 | \$ 649,397 | \$ 568,505 | | \$ 329,761 | \$ 329,761 | \$ (238,744) |
| Title I - Improving Basic Programs | 84.010 | 013-181045 | 7/1/17-9/30/18 | 541,313 | - | (85,849) | 85,849 | 85,849 | - |
| | | | | | 568,505 | (85,849) | 415,610 | 415,610 | (238,744) |
| Title II - Improving Teacher Quality | 84.367 | 020-191045 | 7/1/18-9/30/19 | 87,291 | 76,416 | | 77,900 | 77,900 | 1,484 |
| Title II - Improving Teacher Quality | 84.367 | 020-181045 | 7/1/17-9/30/18 | 77,691 | - | (12,073) | 12,073 | 12,073 | - |
| | | | | | 76,416 | (12,073) | 89,973 | 89,973 | 1,484 |
| Title IV - Student Support and Academic Enrichment | 84.424 | 144-191045 | 7/1/18-9/30/19 | 39,225 | 28,765 | - | 28,504 | 28,504 | (261) |
| <u>Pass-Through Chester County Intermediate Unit</u> | | | | | | | | | |
| Individuals with Disabilities Education | | | | | | | | | |
| Act Part B | 84.027 | N/A | 7/1/18-9/30/19 | 455,119 | - | - | 455,119 | 455,119 | 455,119 |
| Individuals with Disabilities Education | | | | | | | | | |
| Act Part B | 84.027 | N/A | 7/1/17-9/30/18 | 393,111 | 131,037 | 131,037 | - | - | - |
| | | | | 848,230 | 131,037 | 131,037 | 455,119 | 455,119 | 455,119 |
| Totals | | | | | \$ 804,723 | \$ 33,115 | \$ 989,206 | \$ 989,206 | \$ 217,598 |

See notes to schedule of expenditures of federal awards.

**Pennsylvania Leadership 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 Pennsylvania Leadership 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
Pennsylvania Leadership Charter School
West Chester, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Pennsylvania Leadership 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.

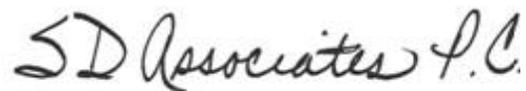
Report on Internal Control Over Compliance

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

October 30, 2019

Pennsylvania Leadership 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 Pennsylvania Leadership Charter School.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting.
3. No instances of noncompliance material to the financial statements of Pennsylvania Leadership Charter School which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance.
5. The independent auditor's report on compliance for the major federal award programs for Pennsylvania Leadership Charter School expresses an unmodified opinion.
6. There were no 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 IDEA, CFDA #84.027.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Pennsylvania Leadership Charter School does not qualify as a low-risk auditee.

B. Findings-Financial Statement Audit

None

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

There were no findings and questioned costs for federal awards, which would include audit findings as defined in the Uniform Guidance.



June 18, 2018

Dr. James Hanak
CEO
Pennsylvania Leadership CS
1332 Enterprise Drive
West Chester, PA 19380

Dear Dr. Hanak:

I thank you and your staff for participating in the Federal Programs Consolidated Review for the 2017-18 school year. This review indicates that your Title I, Title II Part A, Title III (if applicable) and Title IV programs are in complete compliance with current statute, regulations, and guidance released by the United States Department of Education.

You can print off a copy of your completed Monitoring Instrument at <http://www.federalmonitor.com/pa> using the same username and password that you received in your monitoring notification letter sent to you in December/January. If you have any questions, please feel free to contact your regional coordinator at 717.783.2193.

Thank you for your cooperation.

Sincerely,

Susan McCrone
Chief
Division of Federal Programs

cc: Project File 2017-18
/ljw

CAV Home

This is the 2017-2018 CAV for Pennsylvania Leadership Charter School

There are no issues that need to be addressed on this assessment.

Documents

No documents are currently available.