

PERFORMANCE AUDIT

Nittany Valley Charter School Centre County, Pennsylvania

August 2015



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Ms. Kara Martin
Chief Executive Officer
Nittany Valley Charter School
1612 Norma Street
State College, Pennsylvania 16801

Mr. Robert Etchells
Board President
Nittany Valley Charter School
1612 Norma Street
State College, Pennsylvania 16801

Dear Ms. Martin and Mr. Etchells:

We conducted a performance audit of the Nittany Valley Charter School (Charter School) to determine its compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). Our audit covered the period October 30, 2013 through April 8, 2015, except as otherwise stated in the report. Additionally, compliance specific to state subsidies and reimbursements was determined for the school years ended June 30, 2010, 2011, and 2012. Our audit was conducted pursuant to Section 403 of The Fiscal Code, 72 P.S. § 403, and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit found material noncompliance with relevant requirements, as detailed in the two audit findings in this report. A summary of these results is presented in the Executive Summary section of the audit report.

Our audit findings and recommendations have been discussed with the Charter School's management, and their responses are included in the audit report. We believe the implementation of our recommendations will improve the Charter School's operations and facilitate compliance with legal and administrative requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale".

Eugene A. DePasquale
Auditor General

August 14, 2015

cc: **NITTANY VALLEY CHARTER SCHOOL** Board of Trustees

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Executive Summary

Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the Charter School. Our audit sought to answer certain questions regarding the Charter School's compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures.

Our audit scope covered the period October 30, 2013 through April 8, 2015, except as otherwise stated in the audit scope, objectives, and methodology section of the report. Compliance specific to state subsidies and reimbursements was determined for the 2009-10, 2010-11, and 2011-12 school years.

Charter School Background

The Charter School, located in Centre County, Pennsylvania, opened in August 1998. It was originally chartered on April 1998, for a period of five years by the State College Area School District. The Charter School's mission states: "The mission of the Charter School is: To provide a flexible learning environment with small classes and a high teacher-student ratio where individualized instructional programs are designed to meet the need of the whole child. We believe that school must be able to accommodate each child's individual learning style and developmental pace, and respond not only to their intellectual needs, but also equally importantly to their emotional, social, and physical needs. To provide opportunities for students to interact with a variety of instructional materials, as well as to stress

the importance of learning from each other, from adults, and from community resources. We believe experiences outside the classroom setting are an essential component of learning. To involve parents as an integral part of the overall school program. To integrate the learning process with a personal understanding of the natural environment."

During the 2011-12 school year, the Charter School provided educational services to 48 pupils from 5 sending school districts through the employment of 10 teachers, 3 full-time and part-time support personnel, and 1 administrator. The Charter School received \$646,863 in tuition payments from school districts required to pay for their students attending the Charter School in the 2011-12 school year.

Adequate Yearly Progress

The Charter School made Adequate Yearly Progress (AYP) for the 2011-12 school year by meeting all AYP measures.

AYP is a key measure of school performance established by the federal No Child Left Behind Act (NCLB) of 2001 requiring that all students reach proficiency in Reading and Math by 2014. For a school to meet AYP measures, students in the school must meet goals or targets in three areas: (1) Attendance (for schools that do not have a graduating class) or Graduation (for schools that have a high school graduating class), (2) Academic Performance, which is based on tested students' performance on the Pennsylvania

System of School Assessment (PSSA), and (3) Test Participation, which is based on the number of students that participate in the PSSA. Schools are evaluated for test performance and test participation for all students in the tested grades (3-8 and 11) in the school. AYP measures determine whether a school is making sufficient annual progress towards the goal of 100 percent proficiency by 2014.

Audit Conclusion and Results

Our audit found material noncompliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures, as detailed in the two audit findings within this report.

Finding No. 1: Incorrect Billing Procedures Resulted in Tuition Billing Inaccuracies Totaling a Net

Underpayment of \$34,254. Our audit of the Charter School's tuition revenue found that the Charter School failed to perform a year-end billing reconciliation for the 2009-10, 2010-11, and 2011-12 school years, resulting in tuition billing inaccuracies to their sending districts (see page 12).

Finding No. 2: Required Surety Bonds are Lacking. Our audit of the Charter School's current insurance and bond coverage found that the Board Secretary and Board Treasurer were not properly bonded to protect the Charter School should malfeasance occur (see page 15).

Status of Prior Audit Findings and Observations. This is the first audit of the Charter School. Therefore, there are no prior findings or observations.

Background Information on Pennsylvania Charter Schools

Description of Pennsylvania Charter Schools:

Charter and cyber charter schools are taxpayer-funded public schools, just like traditional public schools. There is no additional cost to the student associated with attending a charter or cyber charter school. Charter and cyber charter schools operate free from many educational mandates, except for those concerning nondiscrimination, health and safety, and accountability.

Pennsylvania ranks high compared to other states in the number of charter schools:

According to the Center for Education Reform, Pennsylvania has the 7th highest charter school student enrollment, and the 10th largest number of operating charter schools, in the United States.

Source: "National Charter School and Enrollment Statistics 2010." October, 2010.

Pennsylvania Charter School Law

Pennsylvania's charter schools were established by the CSL, enacted through Act 22 of 1997, as amended. In the preamble of the Law, the General Assembly stated its intent to provide teachers, parents, students, and community members with the opportunity to establish schools that were independent of the existing school district structure.¹ In addition, the preamble provides that charter schools are intended to, among other things, improve student learning, encourage the use of different and innovative teaching methods, and offer parents and students expanded educational choices.²

The CSL permits the establishment of charter schools by a variety of persons and entities, including, among others, an individual; a parent or guardian of a student who will attend the school; any nonsectarian corporation not-for-profit; and any nonsectarian college, university or museum.³ Applications must be submitted to the local school board where the charter school will be located by November 15 of the school year preceding the school year in which the charter school will be established,⁴ and that board must hold at least one public hearing before approving or rejecting the application.⁵ If the local school board denies the application, the applicant can appeal the decision to the State Charter School Appeal Board,⁶ which is comprised of the Secretary of Education and six members appointed by the Governor with the consent of a majority of all of the members of the Senate.⁷

¹ 24 P.S. § 17-1702-A.

² *Id.*

³ 24 P.S. § 17-1717-A (a).

⁴ *Id.* § 17-1717-A (c).

⁵ *Id.* § 17-1717-A (d).

⁶ *Id.* § 17-1717-A (f).

⁷ 24 P.S. § 17-1721-A (a).

With certain exceptions for charter schools within the School District of Philadelphia, initial charters are valid for a period of no less than three years and no more than five years.⁸ After that, the local school board can choose to renew a school's charter every five years, based on a variety of information, such as the charter school's most recent annual report, financial audits, and standardized test scores. The board can immediately revoke a charter if the school has endangered the health and welfare of its students and/or faculty. However, under those circumstances, the board must hold a public hearing on the issue before it makes its final decision.⁹

Act 88 of 2002 amended the CSL to distinguish cyber charter schools, which conduct a material portion of their curriculum and instruction through the Internet or other electronic means, from brick-and-mortar charter schools that operate in buildings similar to school districts.¹⁰ Unlike brick-and-mortar charter schools, cyber charter schools must submit their application to the Pennsylvania Department of Education (PDE), which determines whether the application for a charter should be granted or denied.¹¹ However, if PDE denies the application, the applicant can still appeal the decision to the State Charter School Appeal Board.¹² In addition, PDE is responsible for renewing and revoking the charters of cyber charter schools.¹³ Cyber charter schools that had their charter initially approved by a local school district prior to August 15, 2002, must seek renewal of their charter from PDE.¹⁴

Funding of Pennsylvania Charter Schools:

Brick-and-mortar charter schools and cyber charter schools are funded in the same manner, which is primarily through tuition payments made by school districts for students who have transferred to a charter or cyber charter school.

The Charter School Law requires a school district to pay a per-pupil tuition rate for its students attending a charter or cyber charter school.

Pennsylvania Charter School Funding

The Commonwealth bases the funding for charter schools on the principle that the state's subsidies should follow the students, regardless of whether they choose to attend traditional public schools or charter schools. According to the CSL, the sending school district must pay the charter/cyber charter school a per-pupil tuition rate based on its own budgeted costs, minus specified expenditures,

⁸ 24 P.S. § 17-1720-A.

⁹ PDE, Basic Education Circular, "Charter Schools," Issued 10/1/2004.

¹⁰ 24 P.S. §§ 17-1703-A, 17-1741-A *et seq.*

¹¹ 24 P.S. § 17-1745-A(d).

¹² *Id.* § 17-1745-A(f)(4).

¹³ 24 P.S. § 17-1741-A(a)(3).

¹⁴ 24 P.S. § 17-1750-A(e).

for the prior school year.¹⁵ For special education students, the same funding formula applies, plus an additional per-pupil amount based upon the sending district's special education expenditures divided by a state-determined percentage specific to the 1996-97 school year.¹⁶ The CSL also requires that charter schools bill each sending school district on a monthly basis for students attending the Charter School.¹⁷

Typically, charter schools provide educational services to students from multiple school districts throughout the Commonwealth. For example, a charter school may receive students from ten neighboring, but different, sending school districts. Moreover, students from numerous districts across Pennsylvania attend cyber charter schools.

Under the Public School Code of 1949 (PSC), as amended, the Commonwealth also pays a reimbursement to each sending school district with students attending a charter school that amounts to a mandatory percentage rate of total charter school costs.¹⁸ Commonwealth reimbursements for charter school costs are funded through an education appropriation in the state's annual budget. However, the enacted state budget for the 2011-12 fiscal year eliminated funding of the Charter School reimbursement previously paid to sending school districts.¹⁹

¹⁵ See 24 P.S. § 17-1725-A(a)(2).

¹⁶ See *Id.* §§ 17-1725-A(a)(3); 25-2509.5(k).

¹⁷ See 24 P.S. § 17-1725-A(a)(5).

¹⁸ See 24 P.S. § 25-2591.1. Please note that this provision is contained in the general funding provisions of the PSC and not in the CSL.

¹⁹ Please note that the general funding provision referenced above (24 P.S. § 25-2591.1) has not been repealed from the PSC and states the following: "For the fiscal year 2003-2004 and each fiscal year thereafter, if insufficient funds are appropriated to make Commonwealth payments pursuant to this section, such payments shall be made on a pro rata basis." Therefore, it appears that state funding could be restored in future years.

Audit Scope, Objectives, and Methodology

Scope

What is a school performance audit?

School performance audits allow the Pennsylvania Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each local education agency (LEA). The results of these audits are shared with the LEA's management, the Governor, the Pennsylvania Department of Education (PDE), and other concerned entities.

Our audit, conducted under the authority of Section 403 of The Fiscal Code, 72 P.S. § 403, is not a substitute for the local annual audit required by the PSC, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit covered the period October 30, 2013 through April 8, 2015, except for the verification of professional employee certification which was performed for the period July 1, 2009 through November 22, 2013.

Regarding state subsidy and reimbursements, our audit covered the 2009-10, 2010-11, and 2011-12 school years.

For the purposes of our audit work and to be consistent with PDE reporting guidelines, we use the term *school year* rather than fiscal year throughout this report. A school year covers the period July 1 to June 30.

Objectives

What is the difference between a finding and an observation?

Our performance audits may contain findings and/or observations related to our audit objectives. Findings describe noncompliance with a statute, regulation, policy, contract, grant requirement, or administrative procedure. Observations are reported when we believe corrective action should be taken to remedy a potential problem not rising to the level of noncompliance with specific criteria.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws and defined business practices. Our audit focused on assessing the Charter School's compliance with applicable state laws, contracts, grant requirements, and administrative procedures. However, as we conducted our audit procedures, we sought to determine answers to the following questions, which serve as our audit objectives:

- ü Was the Charter School in overall compliance with the PSC²⁰ and the CSL?²¹

²⁰ 24 P.S. § 1-101 *et seq.*

²¹ 24 P.S. § 17-1701-A *et seq.*

- ü Was the Charter School operating in compliance with accountability provisions included in the CSL specific to its approved charter and governance structure?

To address this objective:

- The auditors reviewed the approved charter and any amendments.
- In addition, the auditors reviewed board policies and procedures, for the 2009-10, 2010-11, and 2011-12 school years, IRS 990 forms for the 2009, 2010, and 2011 calendar years, and charter school annual reports for the 2009-10, 2010-11, and 2011-12 school years.

- ü Were the Charter School’s Board of Trustees and administrators free from apparent conflicts of interest and in compliance with the CSL, the PSC, the Public Official and Employee Ethics Act, and the Sunshine Act?

- To address this objective, the auditors reviewed Statements of Financial Interest for all Board of Trustees and administrators, board meeting minutes, and any known outside relationships with the Charter School and/or its authorizing school district for the calendar years ending December 2010, 2011, and 2012.

- ü Were at least 75 percent of the Charter School’s teachers properly certified pursuant to Section 1724-A of the CSL, and did all of its noncertified teachers in core content subjects meet the “highly qualified teacher” requirements under the federal NCLB of 2001?

- To address this objective, the auditors reviewed and evaluated certification documentation and teacher course schedules for all teachers and administrators for the period July 1, 2009 through November 22, 2013.

Ü Did the Charter School require its non-certified professional employees to provide evidence that they are at least 18 years of age and a U.S. citizen pursuant to Section 1724-A(b) of the CSL and that they have a pre-employment medical examination certificate pursuant to Section 1418(a) of the PSC?

- To address this objective, the auditors reviewed personnel files and supporting documentation for all non-certified professional employees for the period July 1, 2009 through November 22, 2013.

Ü Did the Charter School accurately report its membership numbers to PDE, and were its average daily membership (ADM) and tuition billings accurate?

To address this objective:

- The auditors reviewed charter school tuition rates and tuition billings for all sending school districts for the 2009-10, 2010-11, and 2011-12 school years.
- In addition, the auditors reviewed the Charter School's membership reports, instructional time summaries, and supporting documentation for the 2009-10, 2010-11, and 2011-12 school years.

Ü Did the Charter School ensure that the membership data it reported to PDE through the Pennsylvania Information Management System was complete, accurate, valid, and reliable for the most current year available?

To address this objective:

- The auditors randomly selected 5 out of 48 total registered students from the vendor software listing and verified that each child was appropriately registered with the Charter School.

- ü Did the Charter School provide its employees with a retirement plan, such as the Public School Employees' Retirement System (PSERS), as required by Section 1724-A(c) of the CSL, and were employees enrolled in PSERS eligible to receive plan benefits?

To address this objective:

- The auditors reviewed the approved Charter and any amendments.
- In addition, the auditors reviewed board meeting minutes, personnel listings, payroll reports, and PSERS wage reports for all employees for the 2011-12 school year.

- ü Did the Charter School take appropriate steps to ensure school safety, including maintaining a current Memorandum of Understanding (MOU) with local law enforcement?

To address this objective:

- The auditors reviewed a variety of documentation including MOU(s), safety plans, training schedules, anti-bullying policies, and after action reports to assess whether the Charter School is in compliance with relevant safe schools requirements in the PSC²² and with best practices for ensuring school safety. Generally, the auditors evaluate the age of the safety plan, whether it is being practiced through training, whether the Charter School has an after action process for trying to improve on the results of its training exercises, and whether the Charter School has a current MOU with local law enforcement.

- ü In addition, the auditors conducted an on-site review of the Charter School's building to assess whether it had implemented basic physical safety practices based on national best practices.

²² 24 P.S. § 13-1301-A *et seq.*

Methodology

What are internal controls?

Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as:

- Effectiveness and efficiency of operations.
- Relevance and reliability of operational and financial information.
- Compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures.

Government Auditing Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our results and conclusions based on our audit objectives.

The Charter School's management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the Charter School is in compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the Charter School's internal controls, including any information technology controls, as they relate to the Charter School's compliance with relevant requirements that we consider to be material within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal control that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

Our audit examined the following:

- Records pertaining to professional employee certification, state ethics compliance, student health services, special education, open enrollment, and student enrollment.
- Items such as Board of Trustees' meeting minutes, pupil membership records, IRS 990 forms, and reimbursement applications.
- Tuition receipts and deposited state funds.

Additionally, we interviewed selected administrators and support personnel associated with the Charter School's operations.

Findings and Observations

Finding No. 1

Incorrect Billing Procedures Resulted in Tuition Billing Inaccuracies Totaling a Net Underpayment of \$34,254

Criteria relevant to the finding:

Section 1725-A(2) of the PSC, 24 P.S. 17-1725-A(2), provides in part:

“For non-special education students, the charter school shall receive for each student enrolled no less than the budgeted total expenditure [of the sending school district] per average daily membership of the prior school year. . . . This amount shall be paid by the district of residence of each student.”

Section 1725-A(3) of the PSC, 24 P.S. 17-1725-A(3), provides:

“For special education students, the charter school shall receive for each student enrolled the same funding as for each non-special education student as provided in clause (2), plus an additional amount determined by dividing the district of residence's total special education expenditure by the product of multiplying the combined percentage of section 2509.5(k) [regarding the Commonwealth's special education payments to school districts] times the district of residence's total average daily membership for the prior school year. This amount shall be paid by the district of residence of each student.”

Our audit of the Charter School's tuition revenue for the 2009-10, 2010-11, and 2011-12 school years found that the Charter School incorrectly billed seven Pennsylvania school districts for students enrolled in the Charter School. We found that the Charter School failed to perform a year-end billing reconciliation resulting in inaccuracies in the tuition billings totaling a net underpayment of \$34,254. The table below describes the effect for each of the sending districts.

School District	Tuition (Over)/Underpaid by Districts			Total (Over)/ Underpayment
	2009-10	2010-11	2011-12	
State College Area	\$ 6,960	\$23,693	\$ 2,121	\$32,774
Bellefonte Area	885	0	6,710	7,595
Philipsburg-Osceola Area	0	0	(1,241)	(1,241)
Penns Valley Area	178	0	0	178
Bald Eagle Area	2,528	(8,967)	(296)	(6,735)
Tyrone Area	<u>0</u>	<u>1,683</u>	<u>0</u>	<u>1,683</u>
Total Net Underpayment	<u>\$10,551</u>	<u>\$16,409</u>	<u>\$ 7,294</u>	<u>\$34,254</u>

The CSL requires tuition payments to be made in 12 equal monthly installments during the period students are enrolled. This method of billing does not necessarily reflect actual membership days, since students from the sending school districts may enter or withdraw during the school year after monthly billings are done.

The PSC provides, as outlined in the text box below, that the ADM must be included in the ADM of the district of residence for each student enrolled in a charter school.

In order for the Charter School to be able to provide an accurate ADM to the sending school districts, the Charter

*Criteria relevant to the finding
(continued):*

Section 1725-A(5) of the PSC, 24 P.S. 17-1725-A(5), provides in part:

“Payments shall be made to the charter school in twelve (12) equal monthly payments, by the fifth day of each month, within the operating school year. A student enrolled in a charter school shall be included in the average daily membership of the student’s district of residence for the purpose of providing basic education funding payments . . . ”

School should complete an end-of-year reconciliation listing each non-special and special education student, the entry date, the withdrawal date (if applicable), the ADM, the tuition rate, and the total paid by the sending district per month. Only through this process are sending school districts assured that they are paying tuition for the actual number of days a student was enrolled at the charter school.

As a result of the Charter School’s failing to prepare a year-end reconciliation process, the sending school districts paid tuition to the Charter School which was not based on actual membership days.

Recommendations

The *Nittany Valley Charter School* should:

1. Prepare a year-end billing reconciliation for all sending school districts.
2. Prepare revised tuition invoices for the 2009-10, 2010-11, and 2011-12 school years to correct the billing errors.

The *Pennsylvania Department of Education* should, in the event that a sending district owing tuition refuses to pay the Charter School:

3. Deduct the amounts due from the sending school district’s basic education funding and credit the amounts due to the Charter School.

Management Response

Management stated the following:

“The first that the need for year-end reconciliation was brought to my attention, as then Business Manager, was by [an employee] from State College Area School District by email in August, 2009. I contacted [a PDE employee], the Head of Charter Schools at PDE, for clarification and he told me that if the reconciliation report had never been requested before by the districts, then he didn’t see why I would have to complete this report.

The next time I heard about the fact that I should be completing a year-end reconciliation form for each school district was during this, our first, audit by the state. I completed reconciliations for the 2013-14 school year for each of our billing districts, and will continue to do so moving forward.

I would like it noted that I accounted for changes in student population during the monthly invoicing and was almost always undercharging the districts.

As recommended, I will prepare year-end reconciliation reports for the three school years in question for all sending districts.”

Auditor Conclusion

We are pleased that the administration has taken the necessary corrective action to ensure that the Charter School is receiving the appropriate tuition for the students receiving educational services.

Finding No. 2

Required Surety Bonds are Lacking

Criteria relevant to the finding:

The PSC, 24 P.S. § 17-1732-A, specifies that Sections 431 and 436 of the PSC are applicable to charter schools.

Section 431, 24 P.S. § 4-431, provides in part:

“Before he enters upon the duties of his office the secretary of the board of school directors shall furnish . . . for the faithful performance of his duties, a bond, in such amount and with such surety or sureties as may be required of him, and approved by the board of school directors.”

Section 4-436, 24 P.S. § 4-436, provides in part:

“Every person elected treasurer of any school district . . . shall, before entering upon the duties of his office, furnish . . . a proper bond, in such amount and with such corporate surety as the board of school directors therein may approve, conditioned for the faithful performance of his duties as school treasurer. . . .

The school treasurer shall not enter upon the duties of his office until his bond, with the proper corporate surety or securities, has been furnished to, and approved by, the board of school directors.”

Our audit of the Charter School’s current insurance and bond coverage found that certain employees were not properly bonded to ensure the Charter School is protected should malfeasance occur.

The Board Secretary and Board Treasurer were not properly bonded, as required by the PSC. The Charter School’s bylaws lack any requirements for the Board Secretary and Board Treasurer to be bonded.

In addition, our review of the job descriptions for the positions of the Chief Executive Officer (CEO) and the Director of Education found that neither of the positions were required to be bonded, despite the fact that these individuals are the only persons authorized to sign checks.

Prudent business practice dictates that any and all employees whose duties include fiscal activities such as budgeting, depositing funds, authorizing expenditures, recording transactions in an accounting system, or performing reconciliations should be bonded as a means to protect taxpayer funds in the case of financial fraud, embezzlement, or loss.

The Charter School’s CEO was not aware that bonds were required for the individuals in these positions.

Recommendations

The *Nittany Valley Charter School* should:

1. Consult with its solicitor regarding the type and amount of surety bonds required for the Board Secretary, Board Treasurer, and all other Charter School employees, to adequately protect the institution.
2. Obtain the required surety bonds and annually confirm the premium renewal to ensure that the institution is protected.

Management Response

Management stated the following:

“We were unaware of this requirement, but have already obtained the Applications for Bond for Public Officials from our Insurance Company and will begin to have the School Board Secretary and Treasurer bonded in accordance with Public School Code. Additionally, as advised by the findings of this audit, the employee(s) of Nittany Valley Charter School who are responsible for dealing with the fiscal activity will also be bonded as a means of prudent business practices.”

Auditor Conclusion

We are pleased that the administration has taken the necessary steps to ensure that the Board Treasurer and Board Secretary are appropriately bonded to ensure compliance with the PSC.

Status of Prior Audit Findings and Observations

This is the first audit of the Charter School. Therefore, there are no prior findings or observations.

Distribution List

This report was initially distributed to the CEO of the Charter School, the Board of Trustees, and the following stakeholders:

The Honorable Tom W. Wolf
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This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.