

CAREER CONNECTIONS CHARTER HIGH SCHOOL

ALLEGHENY COUNTY, PENNSYLVANIA

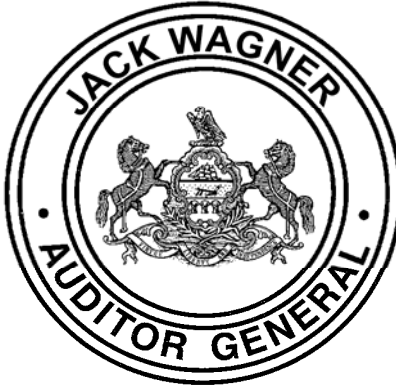
PERFORMANCE AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2006, 2005 AND 2004,

AND IN CERTAIN AREAS EXTENDING BEYOND JUNE 30, 2006

WITH FINDING AND RECOMMENDATIONS

THROUGH DECEMBER 14, 2007

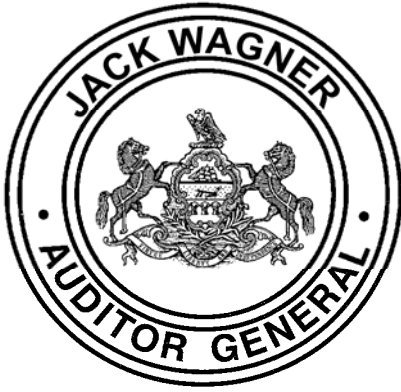


CAREER CONNECTIONS CHARTER HIGH SCHOOL
ALLEGHENY COUNTY, PENNSYLVANIA
AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2006, 2005 AND 2004,
AND IN CERTAIN AREAS EXTENDING BEYOND JUNE 30, 2006
WITH FINDING AND RECOMMENDATIONS
THROUGH DECEMBER 14, 2007

CAREER CONNECTIONS CHARTER HIGH SCHOOL
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The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Mr. Jeffrey S. Kelly, Board President
Career Connections Charter High School
4412 Butler Street
Pittsburgh, Pennsylvania 15201

Dear Governor Rendell and Mr. Kelly:

We have conducted a performance audit of the Career Connections Charter High School for the years ended June 30, 2006, 2005 and 2004, and in certain areas extending beyond June 30, 2006. Our audit was conducted pursuant to 72 P.S. § 403 and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

To plan and perform our audit of the Career Connections Charter High School, we considered the school's internal controls pertinent to our audit objectives. Based on our consideration of these internal controls, we determined audit procedures for the purpose of reporting on our audit objectives, but not to provide assurances on the effectiveness of the school's internal controls. However, any significant internal control deficiencies found during our audit were included in our report.

The results of our tests indicated that, in all significant respects, the Career Connections Charter High School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit, except as noted in the following finding.

Independent Auditor's Report (Continued)

The finding is discussed in detail in the Conclusion section of this report:

Finding – Violations of the Public Official and Employee Ethics Act.

We believe that our recommendations, if implemented by the charter school, will help ensure compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

Sincerely,

December 14, 2007

/s/
JACK WAGNER
Auditor General

cc: Ms. Sharon Zaborowski, Board Secretary
Mr. Timothy McElhone, Board Treasurer
Mr. F.J. Mike Hepler, Board of Trustees
Sister Gregory Schessler, Board of Trustees
Mr. William McAnulty, Board of Trustees
Mr. Larry Rosen, Board of Trustees
Ms. Louise Dickinson, Board of Trustees
Dr. Brian White, Chief Executive Officer

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT
HISTORY OF CHARTER SCHOOLS IN PENNSYLVANIA

History of Charter Schools in Pennsylvania

Pennsylvania's charter schools were established by the Charter School Law (Law), enacted through Act 22 of 1997. In the preamble of the Law, the General Assembly stated its intent to provide teachers, parents, pupils, 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 pupil learning, encourage the use of different and innovative teaching methods, and offer parents and students expanded educational choices.²

The Law 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 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.⁷

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

¹ 24 P.S. § 17-1702-A.

² Id.

³ 24 P.S. § 17-1717-A (a).

⁴ 24 P.S. § 17-1717-A (c).

⁵ 24 P.S. § 17-1717-A (d).

⁶ 24 P.S. § 17-1717-A (f).

⁷ 24 P.S. § 17-1721-A (a).

⁸ 24 P.S. § 17-1720-A.

⁹ Pennsylvania Department of Education, Basic Education Circular, "Charter Schools," Issued 10/1/2004.

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT
HISTORY OF CHARTER SCHOOLS IN PENNSYLVANIA

History of Charter Schools in Pennsylvania (Continued)

Act 88 of 2002 amended the Law to allow for the establishment of cyber charter schools, which conduct a significant portion of their curriculum and instruction through the Internet or other electronic means.¹⁰ Unlike charter schools, cyber charter schools must submit their application to the Department of Education (DE), which determines whether the application for charter should be granted or denied. However, if DE denies the application, the applicant can still appeal the decision to the State Charter School Appeal Board. In addition, DE is responsible for renewing and revoking the charters of cyber charter schools.¹¹ As of September 14, 2007, there are 122 charter schools operating in Pennsylvania, 11 of which are cyber charter schools.¹² According to DE, nearly 50,000 children are enrolled in these schools.¹³

¹⁰ 24 P.S. § 17-1703-A.

¹¹ 24 P.S. § 17-1745-A (a), (f).

¹² DE expects the total number of charter schools to increase by five to seven for the 2007-08 school year based on new charter school applications pending final approval.

¹³ Department of Education Web site at http://www.pde.state.pa.us/charter_schools/site/default.asp.

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT
BACKGROUND

Background

Located in Allegheny County, the Career Connections Charter High School, opened in September of 1999. The Career Connections Charter High School was originally chartered on February 24, 1999 for a period of three years by the Pittsburgh School District. The charter was renewed on April 24, 2002 for a period of 5 years and on March 21, 2007, for an additional period of five years.

According to the charter school's mission statement, the Career Connections Charter High School seeks to provide a safe, learning environment that prepares all students for a productive life. The teaching of skills that help to achieve career goals is to be accomplished through a strong teacher-parent-student partnership. The school will prepare its students to make informed vocational choices through small classes, an interdisciplinary curriculum, innovative teaching techniques and an internship component.

During the 2005-06 school year, the Career Connections Charter High School provided educational services to 351 students from 8 sending school districts through the employment of 6 administrators, 31 teachers, and 4 full-time and part-time support personnel. The charter school also provided educational services to 320 students during the 2004-05 school year, and 343 students during the 2003-04 school year.

Expenditures for the school years¹⁴ 2005-06, 2004-05 and 2003-04 were \$4,200,788, \$3,532,446 and \$2,897,914, respectively. Revenues of \$4,307,181, \$3,550,453 and \$3,310,752 supporting these expenditures were derived from local, state, and federal sources for the 2005-06, 2004-05 and 2003-04 school years, respectively (see Summary of Charter School Revenue, page 7). State revenue was received in the form of reimbursements for other program subsidies, rental and sinking fund¹⁵ payments, health services, Social Security and Medicare Taxes, and retirement obligations (see Appendix III Schedule of State Revenue, page 17).

¹⁴ A "school year" is synonymous to a "fiscal year" and covers the time period from July 1st to June 30th.

¹⁵ A "sinking fund" is an account established to repay monies that were borrowed through a bond issue.

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT
BACKGROUND (Continued)

Background (Continued)

The charter school derives the majority of its operating revenue from the school districts whose students attend the charter school. These sending school districts are required by Section 1725-A of the Charter School Law¹⁶ and instructions from the Department of Education (DE) to provide the charter school with a calculation of allowable expenditures referred to as “selected expenditures” for non-special education students and special education students,¹⁷ based upon the school districts’ general fund budgeted expenditures and average daily membership (ADM) for the immediately preceding school year. (ADM refers to the number of days each student is enrolled at the charter school or school district over the course of the school year. This average is used to calculate various subsidies and reimbursements for school districts and charter schools.) This funding calculation is to be paid to the charter school by the sending school districts, based on the actual ADM of their students who attend the charter school (see Appendix II Schedule of Local Revenue, page 15).

¹⁶ 24 P.S. § 17-1725-A.

¹⁷ Charter schools receive additional funding for special education students as calculated on the basis of 24 P.S. § 17-1725-A(a)(3).

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT
BACKGROUND (Continued)

SUMMARY OF CHARTER SCHOOL REVENUE

[UNAUDITED]

<u>CHARTER SCHOOL REVENUES</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Local Revenue*	\$3,972,179	\$3,238,469	\$2,978,412
Federal Revenue	152,355	138,579	177,252
State Revenue	<u>182,647</u>	<u>173,405</u>	<u>155,088</u>
<u>TOTAL REVENUE</u>	<u><u>\$4,307,181</u></u>	<u><u>\$3,550,453</u></u>	<u><u>\$3,310,752</u></u>

*Local revenue represents both local and state taxpayer dollars paid through the sending school district.

Note: Refer to Appendices for support schedules of all dollar figures.

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT
OBJECTIVES, SCOPE AND METHODOLOGY

OBJECTIVES AND SCOPE

The objectives of our audit was to determine if the Career Connections Charter High School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures pertaining to charter schools in Pennsylvania. The objectives included in our audit of the Career Connections Charter High School were:

- to determine overall compliance with the Public School Code of 1949¹⁸ (Code) and the Charter School Law (Law);¹⁹
- to determine whether at least 75 percent of the charter school’s professional staff members, including teachers and administrators, were properly certified and, if applicable, teaching in their areas of certification in accordance with Section 1724-A(a) of the Law;²⁰
- to determine whether the charter school complied with Sections 1109 and 1209 of the Code,²¹ to which charter schools are made subject by Section 1724-A(b) of the Law,²² requiring that non-certified professional employees of the charter school present evidence that they are: 1) at least 18 years of age, 2) a U.S. citizen, and 3) certified by a licensed Pennsylvania physician to be neither mentally nor physically disqualified from successful performance of the duties of a professional employee of the charter school;
- to determine whether the charter school satisfied instructional time requirements of a minimum of 180 days of instruction or 900 hours per year of instruction at the elementary level, or 990 hours per year of instruction at the secondary level pursuant to Section 1715-A(9) of the Law;²³
- to verify membership numbers reported to the Department of Education (DE) and determine whether average daily membership and tuition billings were accurate;

¹⁸ 24 P.S. § 1-101 *et seq.*

¹⁹ 24 P.S. § 17-1701-A *et seq.*

²⁰ 24 P.S. § 17-1724-A(a).

²¹ 24 P.S. §§ 11-1109 and 12-1209.

²² 24 P.S. § 17-1724-A(b).

²³ 24 P.S. § 17-1715-A(9).

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT
OBJECTIVES, SCOPE AND METHODOLOGY

OBJECTIVES AND SCOPE (Continued)

- . to determine whether the charter school complied with the compulsory attendance provisions in accordance with both Section 1327 of the Code²⁴ and Chapter 11 of the State Board of Education Regulations²⁵ (Regulations) and, if not, whether the charter school removed days in excess of ten consecutive unexcused absences from the school's reported membership totals pursuant to Section 11.24 of the Regulations;²⁶
- . to determine whether each of the charter school's trustees and administrators complied with the Code and the Public Official and Employee Ethics Act²⁷ (Ethics Act) by filing their Statement of Financial Interests Forms and to determine whether any violations of the Ethics Act occurred or any potential conflicts of interests exist;
- . to determine whether the charter school complied with Section 1303-A of the Code²⁸ requiring the charter school to obtain a Memorandum of Understanding with their local law enforcement agency;
- . to determine whether the charter school is in compliance with Section 1724-A(c) of the Law²⁹ requiring that all employees of the charter school be enrolled in the Public School Employees' Retirement System at the time of filing the charter school application unless the board of trustees has a retirement plan that covers the employees or the employees are enrolled in another retirement program; and
- . to determine whether the charter school is in compliance with Section 1728-A of the Law³⁰ requiring each charter school to assess whether it is meeting the goals of its charter and to submit a report of its assessment to DE no later than August 1 of each year.

Unless otherwise indicated, the scope of our audit covered the years ended June 30, 2006, 2005 and 2004.

²⁴ 24 P.S. § 13-1327 (Charter schools are subject to the compulsory school attendance requirements of the Code pursuant to Section 17-1732-A(a) of the Law, 24 P.S. § 17-1732-A(a).)

²⁵ 22 Pa. Code, Chapter 11.

²⁶ 22 Pa. Code § 11.24.

²⁷ 65 Pa.C.S. § 1101 *et seq.*

²⁸ 24 P.S. § 13-1303-A(c).

²⁹ 24 P.S. § 17-1724-A(c).

³⁰ 24 P.S. § 17-1728-A.

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT
OBJECTIVES, SCOPE AND METHODOLOGY

METHODOLOGY

Our audit was conducted under authority of 72 P.S. § 403, and does not supplant the local annual audit required by the Public School Code.

The proper administration of a charter school requires its board of trustees to establish and maintain internal controls to provide reasonable assurances that specific charter school objectives will be achieved. Charter school trustees are responsible for the adoption and use of policies and procedures that promote the economical and efficient execution of its assigned duties and responsibilities. In completing our audit, we obtained an understanding of the charter school's internal controls as they relate to the charter school's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit. We evaluated and tested documents, files, reports, agreements, and systems, and performed analytical procedures to the extent necessary to satisfy our audit objectives. Additionally, we interviewed selected administrators and operations personnel.

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT

CONCLUSION

The results of our tests indicate that, with respect to the audit objectives and items tested, the Career Connections Charter High School complied with most of the applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit. For example, we determined that Career Connections Charter High School met the following provisions:

- the charter school demonstrated that at least 75 percent of its professional staff, including administrators and teachers, were properly certified and, if applicable, teaching in their areas of certification in accordance with Section 1724-A(a) of the Law;³¹
- the charter school demonstrated compliance with Sections 1109 and 1209 of the Code,³² to which charter schools are made subject by Section 1724-A(b) of the Law,³³ requiring that noncertified professional employees of the charter school present evidence that they are: 1) at least 18 years of age, 2) a U.S. citizen, and 3) certified by a licensed Pennsylvania physician to be neither mentally nor physically disqualified from successful performance of the duties of a professional employee of the charter school;
- the charter school satisfied instructional time requirements of a minimum of 180 days of instruction or 900 hours per year of instruction at the elementary level, or 990 hours per year of instruction at the secondary level pursuant to Section 1715-A(9) of the Law;³⁴
- the charter school validated membership numbers reported to DE and that its ADM and tuition billings were accurate;
- the charter school complied with the compulsory attendance provisions in accordance with both Section 1327 of the Public School Code³⁵ and Chapter 11 of the State Board of Education Regulations;³⁶

³¹ 24 P.S. § 17-1724-A(a).

³² 24 P.S. §§ 11-1109 and 12-1209.

³³ 24 P.S. § 17-1724-A(b).

³⁴ 24 P.S. § 17-1715-A(9).

³⁵ 24 P.S. § 13-1327; Please note that charter schools are subject to the compulsory school attendance requirements of the Public School Code pursuant to Section 17-1732-A(a) of the Law, 24 P.S. § 17-1732-A(a).

³⁶ 22 Pa. Code, Chapter 11.

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT

CONCLUSION (Continued)

- the charter school complied with Section 1303-A of the Code³⁷ requiring the charter school to obtain a Memorandum of Understanding with their local law enforcement agency;
- the charter school is in compliance with Section 1724-A(c) of the Law³⁸ requiring that all employees be enrolled in the Public School Employees' Retirement System; and
- the charter school submitted its annual reports assessing whether or not it met the goals of its charter to DE as required by Section 1728-A of the Law.³⁹

However, we determined that the Career Connections Charter High School did not comply with other applicable state laws, regulations, contracts, grant requirements, and administrative procedures related to our objectives, as noted in the finding listed below. The finding and recommendations were reviewed with representatives of the Career Connections Charter High School, and their comments have been included in this report.

Finding – Violations of the Public Official and Employee Ethics Act

Our audit of charter school records for the calendar years ended December 31, 2005, 2004 and 2003 found that 12 members of the Career Connections Charter High School Board of Trustees, who served during some period covered in this audit report, failed to file their annual Statements of Financial Interests with the State Ethics Commission, as follows:

- for 2006, three board members, including the vice-president;
- for 2005, four board members, including the president and the vice-president; and
- for 2004, all board members and officers.

³⁷ 24 P.S. § 13-1303-A(c).

³⁸ 24 P.S. § 17-1724-A(c).

³⁹ 24 P.S. § 17-1728-A.

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT

Finding (Continued)

The chart below provides a summary of this information.

**Statement of Financial Interests Summary Chart
For the Calendar Years Ended December 31, 2005, 2004, and 2003**

<u>Position</u>	<u>Number of Individuals Who Failed to File Statements of Financial Interest</u>
Board President	1
Board Vice-President	1
Board Secretary	1
Board Treasurer	1
Board Member-at-Large	8

Of the Statements of Financial Interests forms that were on file for the audit period, we found no evidence of potential conflicts of interests.

Public office is a public trust sustained by assuring the people of the impartiality and honesty of public officials and public employees. Accordingly, the Public Official and Employee Ethics Act (Ethics Act), requires all candidates for public office, public officials and certain public employees to annually complete a Statement of Financial Interests for the preceding calendar year, no later than May 1st of each year they hold their positions and the year after leaving such positions.⁴⁰

The Ethics Act specifically requires public officials and certain public employees to disclose matters on the Statement of Financial Interests that currently or potentially create conflicts of interest with their public duties. When a public official does not properly file a required disclosure, the public cannot examine the disclosure in order to determine whether conflicts of interest exist. This in turn erodes the public's trust. In addition, a board members' failure to file the Statement of Financial Interests constitutes a violation of the Ethics Act.

Section 1104(d) of the Ethics Act, which pertains to the failure to file the required Statement of Financial Interests, provides, in pertinent part, as follows:

No public official shall be allowed to take the oath of office or enter or continue upon his duties, nor shall he receive compensation from public funds, unless he has filed a statement of financial interests . . .⁴¹

Likewise, Section 1109(b) of the Ethics Act provides, in pertinent part, that any person who is required to file a Statement of Financial Interests but fails to do so may be found guilty of a misdemeanor and may be fined not more than \$1,000 or imprisoned for not more than one year.⁴²

⁴⁰ 65 Pa.C.S. § 1101 *et seq.*

⁴¹ 65 Pa.C.S. § 1104(d).

⁴² 65 Pa.C.S. § 1109(b).

CAREER CONNECTIONS CHARTER HIGH SCHOOL
PERFORMANCE AUDIT REPORT

Finding (Continued)

Finally, Section 1109(f) of the Ethics Act provides, in pertinent part, that any person who is required to file a Statement of Financial Interests but fails to do so in a timely manner or who files a deficient Statement of Financial Interests may be subject to a civil penalty, at a rate of not more than \$25 for each day such statement remains delinquent or deficient, with a maximum penalty under this chapter of \$250.⁴³

A copy of this finding will be forwarded to the State Ethics Commission for additional review and investigation, as it deems necessary.

Recommendations

The board of trustees should:

- seek the advice of its solicitor in regard to the board of trustees' responsibility when administrators and members fail to file Statements of Financial Interests; and
- develop procedures to ensure that all individuals required to file Statements of Financial Interests do so in compliance with the Ethics Act.

Response of Management

Management provided the following response agreeing with the finding:

The requirement for annual Ethics Forms is well established and should have been on file for the individuals identified. It is important to note that all of the individuals mentioned had dutifully submitted the required form in either preceding years or terms, and again in subsequent years or terms, indicating no financial or personal conflicts in their capacity as a board member. In 2004, the organization had two different CEO's which contributed to the omission of the completed forms. Issuing the forms will be a standard agenda item at the board's annual re-organization meeting to avoid future recurrences.

Additionally, the solicitor will be asked to draft a policy to be adopted by the board mandating timely compliance.

⁴³ 65 Pa.C.S. § 1109(f).

CAREER CONNECTIONS CHARTER HIGH SCHOOL
APPENDIX I

[UNAUDITED]

Schedule of Local Revenue

The charter school reported local revenue for the years ended June 30, 2006, 2005 and 2004 as follows:

<u>LOCAL REVENUE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Earnings on Investments	\$ 19,623	\$ 9,609	\$ 4,961
Federal Revenue Received From Other PA Public Schools	48,402	-	-
Contributions and Donations From Private Sources	30,290	40,217	400
Student Activities Fund	-	-	10,148
Payments from Sending School Districts ⁴⁴			
Burrell	7,060	6,627	6,163
Chartiers Valley	7,853	-	-
Fox Chapel Area	-	11,737	-
Penn Hills	94,221	45,304	55,872
Pittsburgh	3,561,368	2,883,856	2,671,928
Shaler Area	15,822	9,393	1,743
Sto-Rox	7,735	3,319	7,389
West Mifflin Area	-	3,020	7,556
Wilkinsburg Borough	128,441	153,469	179,971
Woodland Hills	51,364	71,918	32,281
<u>TOTAL PAYMENTS</u>	<u>\$3,972,179</u>	<u>\$3,238,469</u>	<u>\$2,978,412</u>

⁴⁴ These dollar amounts represent actual payments made to the Career Connections Charter High School from the sending school districts.

CAREER CONNECTIONS CHARTER HIGH SCHOOL
APPENDIX II

[UNAUDITED]

Schedule of Federal Revenue

The charter school reported federal revenue for the years ended June 30, 2006, 2005 and 2004, as detailed in the following schedule:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>FEDERAL REVENUE</u>			
NCLB, Title 1, Improving the Academic Achievement of the Disadvantaged	\$129,844	\$120,286	\$131,896
NCLB, Title II, Preparation/Training/Recruitment HQ Teachers/Principal	16,193	17,401	12,725
NCLB, Title V, Promoting Informed Parental Choice and Innovative Programs	541	892	795
NCLB, Title IV, 21 st Century Schools	5,777	-	-
IDEA and NCLB Grants	-	-	31,836
<u>TOTAL FEDERAL REVENUE</u>	<u>\$152,355</u>	<u>\$138,579</u>	<u>\$177,252</u>

CAREER CONNECTIONS CHARTER HIGH SCHOOL
APPENDIX III

[UNAUDITED]

Schedule of State Revenue

The charter school reported state revenue for the years ended June 30, 2006, 2005 and 2004, as detailed in the following schedule:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>STATE REVENUE</u>			
Alternative Education	\$ 28,533	\$ 40,053	\$ 44,610
Rental and Sinking Fund Payments	41,447	36,740	31,016
Health Services	5,152	5,351	5,188
Social Security and Medicare Taxes	72,037	59,096	53,723
Retirement	<u>35,478</u>	<u>32,165</u>	<u>20,551</u>
<u>TOTAL STATE REVENUE</u>	<u>\$182,647</u>	<u>\$173,405</u>	<u>\$155,088</u>

CAREER CONNECTIONS CHARTER HIGH SCHOOL
APPENDIX IV

Description of State Revenue (Source: Pennsylvania Accounting Manual)

Alternative Education

Revenue received from the Commonwealth as subsidy for alternative education. Alternative education is specialized educational instruction and support services to students that must be removed from regular classrooms because of disruptive behavior.

Rental and Sinking Fund Payments

Revenue received from the Commonwealth as a full or partial subsidy payment for approved lease rentals, sinking fund obligations, or any approved charter school debt obligations for which the Department of Education has assigned a lease number.

Health Services

Revenue received from the Commonwealth as subsidy for health services. Payments are made in accordance with Section 2505.1 of the Public School Code and include revenue for medical, dental, nurse and health services.

Social Security and Medicare Taxes

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of the Social Security and Medicare taxes for covered employees who are not federally funded.

Retirement

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of retirement contributions for active members of the Public School Employees' Retirement System.

BUREAU OF SCHOOL AUDITS

AUDIT REPORT DISTRIBUTION LIST

This report was initially distributed to the chief executive officer of the charter school, the board of trustees, our website address at www.auditorgen.state.pa.us, and the following:

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Gerald Zahorchak, D.Ed.
Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

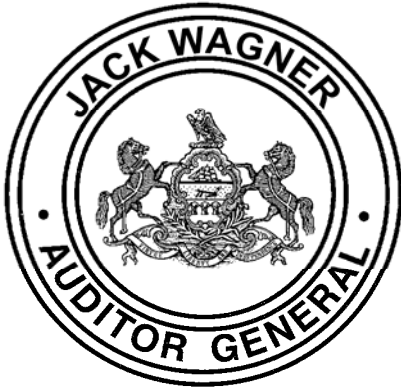
The Honorable Robin L. Wiessmann
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mr. Mark Roosevelt
Superintendent
Pittsburgh School District
341 South Bellefield Avenue
Pittsburgh, PA 15213

Senator Gibson Armstrong
Chair, Senate Appropriations Committee
281 Main Capitol Building
Harrisburg, PA 17120

Senator Gerald LaValle
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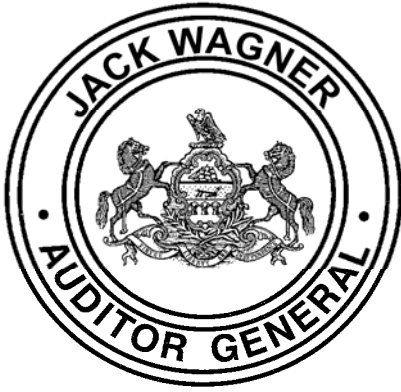
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