

PERFORMANCE AUDIT

I-LEAD Charter School Berks County, Pennsylvania

February 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Mr. Angel Figueroa, Chief Executive Officer
I-LEAD Charter School
401 Penn Street
Reading, Pennsylvania 19601

Mr. Anthony Montemurro, Chairperson
I-LEAD Charter School
401 Penn Street
Reading, Pennsylvania 19601

Dear Mr. Figueroa and Mr. Montemurro:

We have conducted a performance audit of the I-LEAD Charter School (Charter School) for the period July 1, 2015 through June 30, 2019, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the Charter School's performance in the following areas as further described in the appendix of this report:

- Financial Stability
- Lease Agreements
- Accountability
- Certification
- Personnel: Salaries and Bonuses
- Budgeting Processes
- Sunshine Law Compliance

We also evaluated the application of best practices in the area of school safety. Due to the sensitive nature of this issue and the need for the full results of this review to be confidential, we did not include the full results in this report. However, we communicated the complete results of our review of school safety to Charter School officials, the Pennsylvania Department of Education, and other appropriate officials as deemed necessary.

The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 403), and in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit found that the Charter School performed adequately in the areas listed above, except as noted in the following finding:

- I-LEAD Charter School Did Not Comply with the Public School Code's Fire and Emergency Drill Requirements

Mr. Angel Figueroa
Mr. Anthony Montemurro
Page 2

We appreciate the Charter School's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

February 11, 2020

cc: **I-LEAD CHARTER SCHOOL** Board of Trustees

Table of Contents

	Page
Background Information	1
Finding	7
Finding – I-LEAD Charter School Did Not Comply with the Public School Code’s Fire and Emergency Drill Requirements	7
Status of Prior Audit Findings and Observations	12
Appendix: Audit Scope, Objectives, and Methodology	13
Distribution List	17

Background Information

School Characteristics 2018-19 School Year ^A	
County	Berks
Number of School Buildings	1
Total Teachers	24
Total Full or Part-Time Support Staff	22
Total Administrators	5
Total Enrollment for Most Recent School Year	391
Current Authorizing School Districts	Reading School District
Number of Sending School Districts	10
Date Charter School Originally Chartered	January 5, 2011

A - Source: Information provided by the Charter School administration and is unaudited.

Mission Statement^A

The I-LEAD Charter School in Reading, Pennsylvania, provides 9th through 12th grade youth who are disconnected from school with the opportunity to re-engage in their education and transition successfully into adulthood. Youth will be prepared to be productively-engaged citizens in the 21st Century economy as community leaders and entrepreneurs through an educational model that integrates life skills and academic skills.

Current Status of Charter Renewal

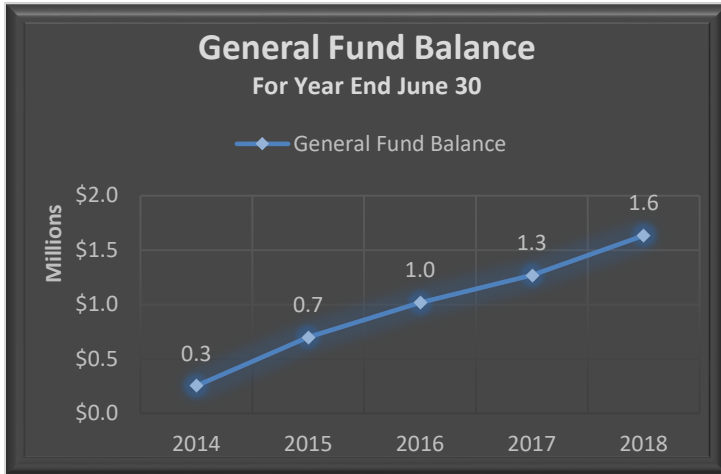
The I-LEAD Charter School's (Charter School) future is uncertain as of the completion of our audit work. The Charter School has been involved in litigation related to the revocation of its charter by the chartering district, the Reading School District, since September 2015. This litigation has yet to be resolved. In addition, the Charter School's last approved charter expired on June 30, 2019. A timely renewal application was submitted to the chartering district, but the chartering district has taken no action on the renewal due to the ongoing litigation.

Furthermore, the owner of the building, I-LEAD Charter School, Inc., where the Charter School is located, has recently entered into discussions to sell the building. I-LEAD Charter School, Inc. is a separate, non-profit entity that, according to its Mission Statement, was created to support the local community by helping to strengthen citizens as effective community leaders. If I-LEAD Charter School, Inc. sells the building, the Charter School's options would be to lease space from the new owner, relocate, or close.

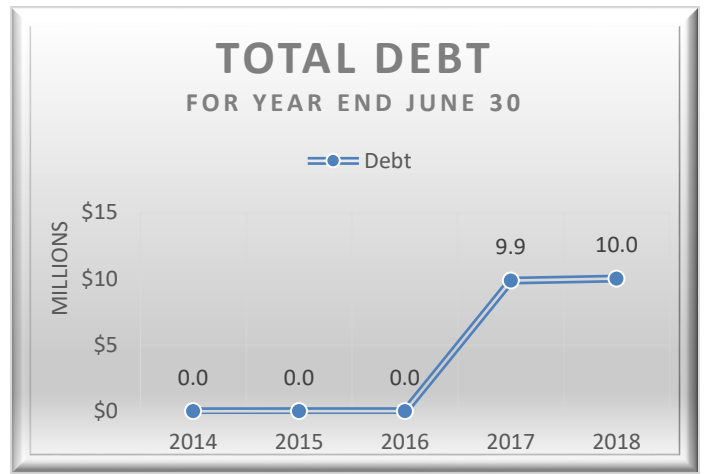
Despite the lack of a renewed charter and ongoing negotiations to sell the building, the Charter School has continued with its daily operations. As of January 17, 2020, Charter School management and the Board of Trustees informed us that they have no intentions to terminate operations.

Financial Information

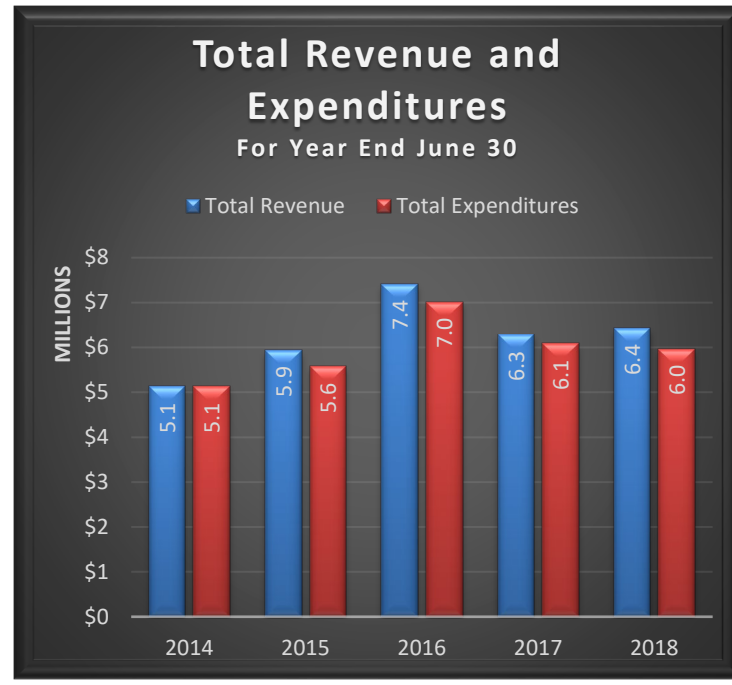
The following pages contain financial information about the Charter School obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE’s public website. This information was not audited and is presented for **informational purposes only**.



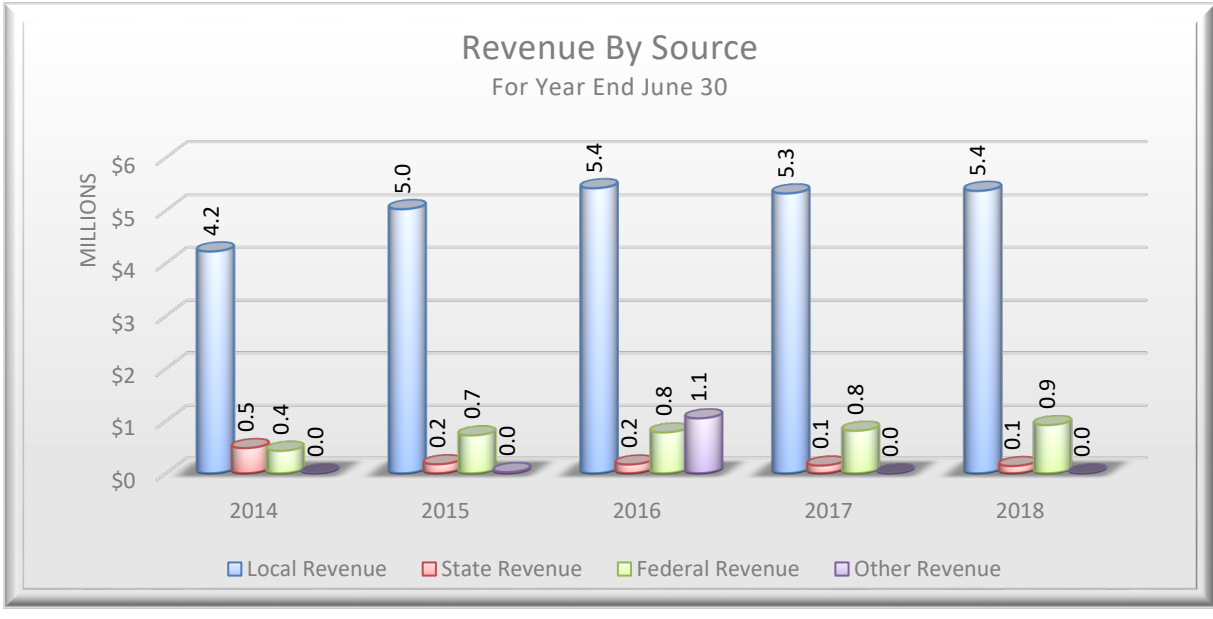
Note: General Fund Balance is comprised of the Charter School’s Committed, Assigned and Unassigned Fund Balances.



Note: Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits, Compensated Absences and Net Pension Liability.



Financial Information Continued

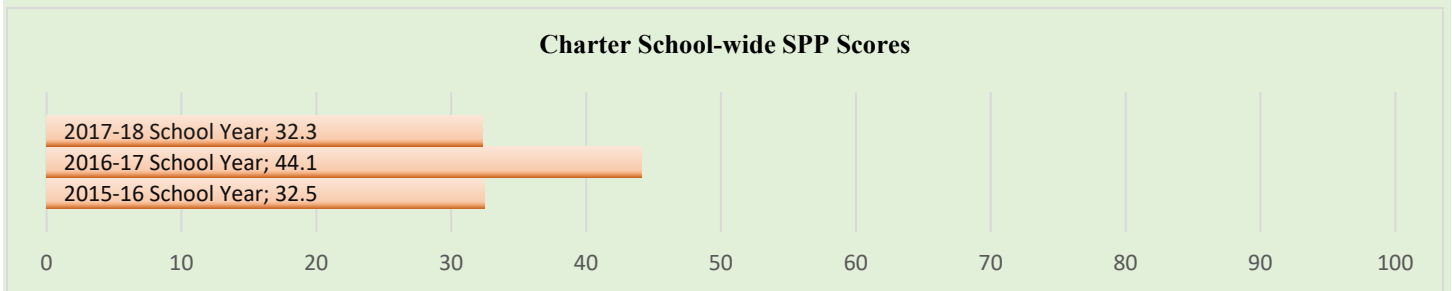


Academic Information

The graphs on the following pages present the Charter School-wide School Performance Profile (SPP) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the Charter School obtained from PDE's data files for the 2015-16, 2016-17, and 2017-18 school years.¹ These scores are provided in this audit report for **informational purposes only**, and they were not audited by our Department.²

What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. PDE issues a SPP score annually using a 0-100 scale for all school buildings in the Commonwealth, which is calculated based on standardized testing (i.e., PSSA and Keystone exam scores), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.



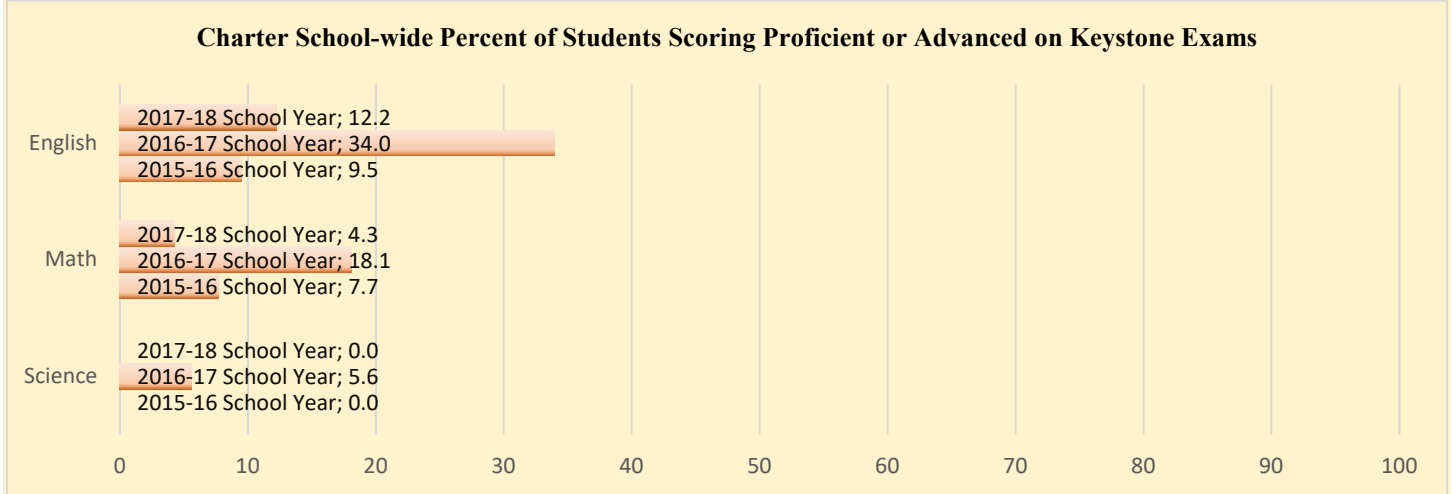
¹ PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publically available website.

² Information regarding the Pennsylvania System of School Assessment (PSSA) results are not presented because the PSSA exams are given to students in Grades 3-8 and the Charter School is a Grades 9-12 school.

Academic Information Continued

What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until the 2020-21 school year.³ In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using four performance levels: Below Basic, Basic, Proficient, and Advanced, and the goal is to score Proficient or Advanced for each course requiring the test.

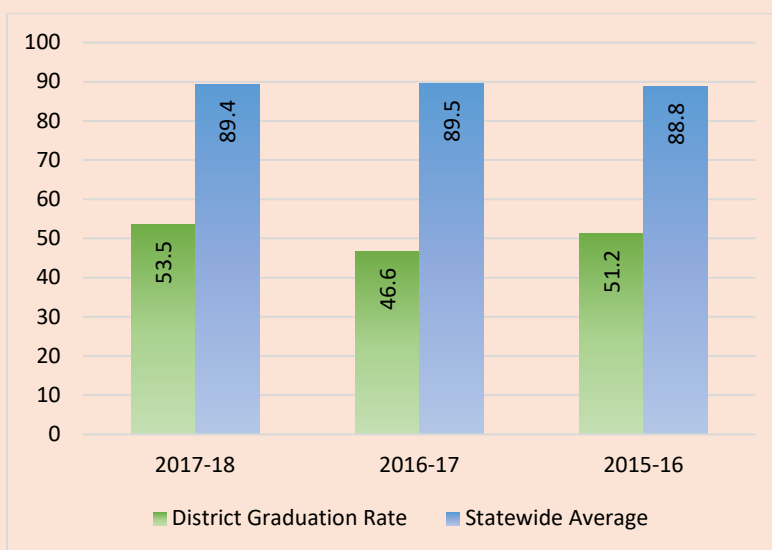


³ Act 39 of 2018, effective July 1, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement for an additional year until the 2020-21 school year. See 24 P.S. § 1-121(b)(1).

Academic Information Continued

What is a 4-Year Cohort Graduation Rate?

PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year. Data specific to the 4-year cohort graduation rate is presented in the graph below.⁴



The Charter School Law

The board of a charter or cyber charter school is responsible for governance of the school. Specifically, under the Charter School Law (CSL), the board has the authority to decide matters related to the operation of the school, including, but not limited to, budgeting, curriculum, and operating procedures, subject to the school's charter.⁵ In addition, the Pennsylvania Supreme Court has ruled that a charter board must retain ultimate authority over the general operations of the school, not the founder or any management company hired by the board.⁶

The CSL also designates board members and administrators with management or operational oversight responsibilities of charter and cyber charter schools as public officials subject to the Ethics Act.⁷ Moreover, the CSL requires board members and meetings to comply with the Sunshine Act and open meeting requirements.⁸

⁴ PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate.aspx>.

⁵ 24 P.S. § 17-1716-A(a) is applicable to cyber charter schools by way of its incorporation through 24 P.S. § 17-1749-A(a)(1).

⁶ *W. Chester Area Sch. Dist. v. Collegium Charter Sch.*, 760 A.2d 452 (Pa. Cmwlth. 2000).

⁷ CSL sections 24 P.S. §§ 17-1715-A(11)-(12) and 17-1749-A(a)(1) make the Ethics Act, 65 Pa.C.S. § 1101 *et seq.*, applicable to charter schools and cyber charter schools.

⁸ The Sunshine Act, 65 P.S. § 701 *et seq.*, is incorporated through 24 P.S. §§ 1716-A(c) and 1749-A(a)(1) of the CSL.

Finding

Finding

I-LEAD Charter School Did Not Comply with the Public School Code's Fire and Emergency Drill Requirements

Criteria relevant to the finding:

Section 1517(a) of the Public School Code (PSC) requires:

“Except as provided under subsection (a.1), in all school buildings of school entities where fire-escapes, appliances for the extinguishment of fires, or proper and sufficient exits in case of fire or panic, either or all, are required by law to be maintained, fire drills shall be periodically conducted, **not less than one a month**, by the teacher or teachers in charge, under rules and regulations to be promulgated by the chief school administrator under whose supervision such school entities are. In such fire drills, the pupils and teachers shall be instructed in, and made thoroughly familiar with, the use of the fire-escapes, appliances and exits. **The drill shall include the actual use thereof, and the complete removal of the pupils and teachers**, in an expeditious and orderly manner, by means of fire-escapes and exits, from the building to a place of safety on the grounds outside.” (Emphases added.) See 24 P.S. § 15-1517(a) (as amended by Act 55 of 2017, effective November 6, 2017).

Our review of the I-LEAD Charter School's (Charter School) fire drill data for the 2017-18 and 2018-19 school years disclosed that the Charter School failed to conduct monthly fire drills as required by Section 1517(a) of the Public School Code (PSC).⁹ Furthermore, our review of security drill data for the 2018-19 school year disclosed that the Charter School also failed to conduct a school security drill during the first 90 days of school as required by Section 1517(a.1) of the PSC.¹⁰ In addition, we also found that the Charter School did not properly file its 2017-18 fire drill report with the Pennsylvania Department of Education (PDE), as required.

The mandatory fire and security drill requirements of the PSC should be closely followed by all school entities across the Commonwealth in an effort to help prepare students and staff for potential emergency situations. To determine compliance with these requirements, we requested and reviewed the 2017-18 Fire Drill Accuracy Certification Statement (ACS) and 2018-19 Fire Evacuation and Security Drill ACS required to be filed with PDE for the Charter School's building, along with supporting documentation to evidence the reported drills. The months of September through May were reviewed for both school years since drills are required to be conducted with students and staff present.

2017-18 School Year

Our review of the Charter School's "Emergency Evacuation Drill" forms disclosed that monthly fire drills were not conducted as required by the PSC. Specifically, we found that the Charter School only conducted four of the nine fire drills required for the nine months reviewed from September 2017 through May 2018. Additionally, we found that the Charter School failed to timely and properly file its 2017-18 Fire Drill ACS report with PDE, which was due on August 14, 2018.

The Charter School submitted a signed ACS report to PDE on August 20, 2018; however, the fire drill data was not included. As stated in the criteria boxes on the left, the chief school administrator must certify by signature to PDE that the drills were conducted in accordance with the PSC. A chief school administrator signing a certification must be aware that by submitting the fire and security drill data to PDE, he/she is asserting that the information is true and that there is verified evidence of

⁹ 24 P.S. § 15-1517(a) (as amended by Act 55 of 2017, effective November 6, 2017).

¹⁰ 24 P.S. § 15-1517(a.1) (as amended by Act 39 of 2018, effective July 1, 2018).

*Criteria relevant to the finding
(continued):*

Section 1517(a.1) of the PSC requires:

“Within ninety (90) days of the commencement of the school year after the effective date of this subsection and within ninety (90) days of the commencement of each school year thereafter, each school entity shall conduct one school security drill per school year in each school building in place of a fire drill required under subsection (a). After ninety (90) days from the commencement of each school year, each school entity may conduct two school security drills per school year in each school building in place of two fire drills required under subsection (a).” See 24 P.S. § 15-1517(a.1) (as amended by Act 39 of 2018, effective July 1, 2018).

Further, Sections 1517(b) and (e) of the PSC also require:

“(b) Chief school administrators are hereby required to see that the provisions of this section are faithfully carried out in the school entities over which they have charge.

(e) On or before the tenth day of April of each year, each chief school administrator shall certify to the Department of Education that the emergency evacuation drills and school security drills herein required have been conducted in accordance with this section.” See 24 P.S. § 15-1517(b) and (e) (as amended by Act 55 of 2017, effective November 6, 2017).

accuracy.¹¹ Therefore, it is difficult to understand why the ACS report was signed by the Chief Academic Officer and submitted to PDE without any fire drill data.

PDE notified the Charter School about the missing fire drill data and offered the Charter School an extension of time to submit the required data. According to Charter School officials, the extension deadline was missed due to staff turnover and the required fire drill data was never submitted to PDE.

2018-19 School Year

In June 2018, the fire drill provisions in the PSC were amended to require school entities to conduct one school security drill in place of a fire drill during the first 90 days of the school year. School entities may also substitute a maximum of two additional security drills for two fire drills during the remainder of the school year. These changes went into effect for the 2018-19 school year.

We reviewed the Charter School’s documentation to determine if the required security drill and fire drills were conducted during our review months from September 2018 through May 2019. We found that no drills of any type were conducted from September 2018 through January 2019, and fire drills were conducted from February through May 2019. As such, the Charter School did not perform the required school security drill and only conducted four fire drills during the nine months reviewed. This information was accurately recorded on the ACS report filed with PDE. For the five months for which no drills were conducted, the Charter School included a comment noting “*weather condition*” as the reason for not conducting fire drills for each of those months. The PSC does not provide for any exceptions (including weather conditions) for not conducting a fire drill each and every month.

Upon further questioning about the missed security drill, the Chief Academic Officer/Principal of the Charter School explained that it simply was not able to conduct a security drill during the first 90 days of school. We were also informed that the Charter School worked with an outside vendor and that all staff were trained on active shooter and threat awareness in October 2018. However, this training does not fulfill or replace the PSC’s requirement to conduct a security drill with students and staff present within the first 90 days of school.

¹¹ Please note that while a certification is different from an affidavit, in that a certification is not typically signed or certified by a notary public but it is, nonetheless, taken under oath. See <https://legaldictionary.net/sworn-statement/>.

*Criteria relevant to the finding
(continued):*

According to the Pennsylvania Department of Education (PDE) guidance emailed to all public school entities on October 7, 2016, and its Basic Education Circular entitled, Fire Drills and School Bus Evacuations, annual certification of the completion of fire drills must be provided to PDE. Beginning with the 2016-17 school year, annual reporting was required through the Pennsylvania Information Management System (PIMS) and fire drill certifications require each school entity to report the date on which each monthly fire drill was held. Fire Drill Accuracy Certification Statements must be electronically submitted to PDE by July 31 following the end of a school year. Within two weeks of the electronic PIMS submission, a printed, signed original must be sent to PDE's Office for Safe Schools. *See* <https://www.education.pa.gov/Policy-Funding/BECS/Purdons/Pages/FireDrillsSecurityBusEvac.aspx> which was last updated on August 7, 2018.

The 2017-18 Fire Drill Accuracy Certification Statement and the 2018-19 Fire Evacuation and Security Drill Accuracy Certification Statement that the chief school administrator was required to sign and file with PDE states, in part:

"I acknowledge that 24 PS 15-1517 ...[requires that] fire drills shall be periodically conducted, not less than one a month...under rules and regulations to be promulgated by the district superintendent under whose supervision such schools are... District superintendents are hereby required to see that the provisions of this section are faithfully carried out in the schools over which they have charge.

I certify that drills were conducted in accordance with 24 PS 15-1517 and that information provided on the files and summarized on the above School Safety Report is correct and true to the best of my knowledge"

Under Section 1517(b) of the PSC, the chief school administrator is required to ensure that all requirements of Section 1517 are "faithfully carried out in the schools over which they have charge." Given that the Charter School failed to conduct the one required security drill and 10 of the 18 total drills reviewed for the two years, the Chief Academic Officer/Principal of the Charter School did not fulfill this mandate.

In conclusion, it is vitally important that the Charter School's students and staff regularly participate in fire drills and other security drills throughout the school year. Further, it is essential that the Charter School accurately report fire and security drill data to PDE pursuant to PDE's reporting requirements and guidance, and that the data has been double-checked for accuracy by properly trained personnel.

Recommendations

The *I-LEAD Charter School* should:

1. Conduct security and fire drills in compliance with the PSC for all future school years.
2. Submit a complete and accurate ACS report annually by the deadline set by PDE.
3. Ensure personnel in charge of completing and submitting ACS reports are trained with regard to PDE's reporting requirements and that the Chief School Administrator is aware of his fire and security drill obligations and certification requirements.

Management Response

I-LEAD Charter School management provided the following response:

Response to recommendation #1

In general, ILCS agrees with the findings presented regarding fire drills. Since its inception, ILCS has maintained a consistent practice of conducting fire drills and ensuring full fire code compliance, as well as other training to ensure student security while at school. ILCS appreciates the opportunity to strengthen its practices in this area, particularly regarding strict compliance with PDE's requirements, including reporting.

While ILCS did not conduct fire drills for the months of September 2018 through January 2019 due to various scheduling issues, the school did conduct a fire drill in August of 2018. The school conducted successful training for all staff regarding active shooter and threat awareness in October 2018 in conjunction with the Reading Police Department, which was within the first 90 days of the school year. The Reading Police Department sent a letter stating that ILCS staff were the most engaged the department had ever worked with.

Previous training and drills were conducted in the spring of 2017 which included the Reading Police Department, Berks County Sheriff's department, county support personnel, staff and students. Most recently (Fall of 2019), a full security drill was conducted with all stakeholders with future plans to conduct additional drills throughout the school year. A contract with the Berks County Intermediate Unit's Safe School Division has been created to provide additional support in maintaining compliance and updates in regulation with PA Public School Code for future school years. All training and drills are discussed monthly during ILCS safety meetings with the chief school administrators to ensure compliance. ILCS will ensure that all required fire and safety drills will be conducted in a timely manner.

Response to recommendation #2

During the 2017-2018 year, ILCS did complete four of nine fire drills required and documented them per PDE expectations. At the end of the year, the ACS was completed, however an extension was needed due to additional information needed. A request for time extension was granted by PDE. In August of 2018 ILCS experienced staff turnover in the PIMS administrator position and the ACS for the 2017/2018 school year was not resubmitted on time. A signed copy of the ACS was provided to PDE, however never uploaded to PIMS. As a result, practices have been refined since 2018 and all training and submissions are discussed weekly during PIMS meetings with the chief school administrators to ensure compliance with all requirements and timelines set forth by PDE. Since 2017/2018 all ACS reports have been submitted accurately and on time.

Response to recommendation #3

Since August 2018, the PIMS administrator has been provided additional supports and training via the BCIU and PDE. In addition, an additional administrator has been trained in the event of an unforeseen vacancy to assure all submissions are correct and submitted on time. I-LEAD Charter School has established a monthly drill schedule that includes collaborating with the Reading Police Department to conduct monthly fire drills and security drills within the first 90 days of school. A contract with the Berks County Intermediate Unit's Safe School Division has been created to provide additional support in maintaining compliance and updates in regulation with PA Public School Code for future school years. All

training and drills are discussed monthly during safety meetings with chief school administrators to ensure compliance.

Auditor Conclusion

We are pleased that the Charter School agrees with the finding, and we appreciate the explanations regarding the Charter School's enhanced school safety measures. We continue to encourage the Charter School to implement our recommendations related to fire and school security drill compliance. We will evaluate the Charter School's corrective actions during the next regularly scheduled audit.

Status of Prior Audit Findings and Observations

This is the first audit of the I-LEAD Charter School; therefore, there are no prior audit findings or observations.

Appendix: Audit Scope, Objectives, and Methodology

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 LEA management, the Governor, the Pennsylvania Department of Education (PDE), and other concerned entities.

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,¹² is not a substitute for the local annual financial audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

Scope

Overall, our audit covered the period July 1, 2015 through June 30, 2019. In addition, the scope of each individual audit objective is detailed on the following pages.

The I-LEAD Charter School's (Charter School) 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, and administrative procedures (relevant requirements).¹³ In conducting our audit, we obtained an understanding of the Charter School's internal controls, including any information technology controls, if applicable, that we considered to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls 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.

¹² 72 P.S. §§ 402 and 403.

¹³ 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; and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, annual financial reports, annual budgets, new or amended policies and procedures, and the independent audit report of the Charter School's basic financial statements for the fiscal years July 1, 2015 through June 30, 2019. We also determined if the Charter School had key personnel or software vendor changes since the prior audit.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws, regulations, third-party studies, and best business practices. Our audit focused on the Charter School's efficiency and effectiveness in the following areas:

- School Safety
- Financial Stability
- Lease Agreements
- Accountability
- Certification
- Personnel: Salaries and Bonuses
- Budgeting Processes
- Sunshine Law Compliance

As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives:

- Did the Charter School take actions to ensure it provided a safe school environment?¹⁴
 - ✓ To address this objective, we reviewed a variety of documentation including, but not limited to, safety plans, training schedules, anti-bullying policies, and fire drill reports. In addition, we conducted an on-site walk-through of the Charter School's building to assess whether the Charter School had implemented basic safety practices.¹⁵

The results of our procedures related to compliance with fire drill requirements can be found in the finding in this report. Due to the sensitive nature of school safety, the full results of our review of this objective area are not described in our audit report, but are shared with Charter School officials, PDE, and other appropriate officials deemed necessary.

- Was the Charter School in a stable financial position?
 - ✓ To address this objective, we reviewed the Charter School's annual financial reports, budgets, and independent auditor's reports for fiscal years 2013-14 through 2017-18. The financial and statistical data was used to calculate the Charter School's General Fund balance, operating position, debt ratio, and current ratio. These financial indicators were deemed appropriate for assessing the Charter School's financial stability. The financial indicators are based on best business practices established by several agencies, including Pennsylvania Association of School

¹⁴ 24 P.S. § 13-1301-A *et seq.*

¹⁵ Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and emergency preparedness.

Business Officials, the Colorado Office of the State Auditor, and the National Forum on Education Statistics. In addition, we completed a five-year trend analysis of expense categories.

The results of our procedures for this objective did not disclose any reportable conditions.

- Were the Charter School's lease agreements approved by the Board of Trustees (Board)? Also, did the Charter School qualify for state reimbursement under the Charter School Lease Reimbursement Program, and were the actual reimbursement amounts correct?
 - ✓ To address this objective, we obtained the lease agreements for the Charter School. We then reviewed the terms of the leases and determined if the leases were approved by the Board. We also determined the Charter School's eligibility to receive state lease reimbursement, and we obtained and reviewed the Lease Reimbursement Program Forms¹⁶ for the 2015-16, 2016-17, and 2017-18 school years and compared the data reported on those forms to actual lease payments to determine whether the Charter School received the correct reimbursements.

Our review of this objective resulted in no reportable conditions.

- Was the Charter School operating in compliance with accountability provisions included in the Charter School Law specific to its approved charter?
 - ✓ To address this objective, we obtained and reviewed the Charter School's original application for a charter, approved original charter, prior charter renewals, charter amendment requests and adjudications, the current renewal application, and the results of related legal proceedings to determine if the original application met the requirements of the Charter School Law¹⁷ and if the Charter School is operating in accordance with its charter.

Our procedures for this objective did not disclose any reportable conditions. However, we noted that the Charter School's charter expired in June 2019 and has not been renewed by the authorizing school district as of the date of this report.

- Did the Charter School comply with Charter School Law requiring that at least 75 percent of the professional staff members hold appropriate State certification?¹⁸ Also, did all noncertified Charter School teachers have the required background clearances?
 - ✓ To address this objective, we obtained the 2018-19 school year Professional Personnel Listing, along with the corresponding professional staff assignments. We then reviewed the listing along with staff certifications to determine if these employees were properly assigned according to the certification held. We then calculated the number of staff who hold active and valid certificates compared to those who do not, and we determined that the Charter School met the requirement to have at least 75 percent of its professional staff members hold appropriate State certification.
 - ✓ We also reviewed the required background clearances for all 13 noncertified professional staff and found that the Charter School properly obtained and maintained all necessary clearances.

¹⁶ PDE Form 418 - *Application for Charter School Lease Reimbursement Program* and the PDE Form 419 - *Application for Reimbursement for Charter School Lease*.

¹⁷ 24 P.S. 17-1719A.

¹⁸ 24 P.S. § 17-1724A(a)

- Did the Charter School enter into employment contracts with its top administrators and pay those administrators in accordance with their contracts? Also, did the Charter School comply with its policy for awarding merit pay to employees?

- ✓ To address this objective, we obtained and reviewed the employment contracts and payroll records for the 2018-19 school year for the top administrators at the Charter School, including the Chief Executive Officer and Chief Academic Officer/Principal.

Our procedures did not disclose any reportable conditions.

- ✓ We also reviewed the Charter School's merit pay procedures in conjunction with 2018-19 school year merit pay records to determine if merit pay was awarded in accordance with the Charter School's merit pay procedures.

Our review of this objective resulted in no reportable conditions.

- Did the Charter School develop and monitor its annual budgets in accordance with PDE regulations and its own policies and procedures?

- ✓ To address this objective, we reviewed the Charter School's approved budgets for fiscal years 2015-16 through 2019-20. We also interviewed Charter School management and reviewed documentation regarding budget completion timelines. Additionally, we reviewed budget-to-actual reports to determine how Charter School management and the Board monitor the annual budget.

Our review of this objective resulted in no reportable conditions.

- Did the Charter School and its Board comply with the Sunshine Act?

- ✓ To address this objective, we reviewed board meeting minutes from April, May, and June 2019 to determine if official Board action occurred at open public meetings, if executive sessions were properly disclosed, and if the public was afforded an opportunity to provide comment. We also determined that the board meetings were announced and public notice of the date, time, and place of the meetings we reviewed was provided.

Our review of this objective resulted in no reportable conditions.

Distribution List

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

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