

Erie Rise Leadership Academy Charter School

Charter Annual Report

07/01/2013 - 06/30/2014

School Profile

Demographics

2501 Plum Street
Erie, PA 16502
(814)520-6468

Phase:
CEO Name:
CEO E-mail address:

Phase 3
Greg Myers
gmyers@erieriseacademy.org

Governance and Staff

Leadership Changes

Leadership changes during the past year on the Board of Trustees and in the school administration:

Mr. Ken Brasington was employed as a retired part-time principal to work in conjunction with Mr. Thornton Brown who was the Assistant Principal. Mr Brasington decided not to come out of retirement and pursue the full time principal position. Therefore Mrs. Constance Meginnis was hired as the Assistance Principal to work with Mr. Thornton Brown, until she became co-Principal in 2013. After a three year commitment from Mr. Thornton Brown, he retired as the Principal. Then Mrs. Constance Meginnis became our Principal. The following staff members resigned due to another career opportunity, Christine Paparelli, Jennifer Hurley, Hillary Skala, Allison Bell, Jillian Hynes, Amanda Carlson, Ehren Knapp, Kristen Blasco, Amy Condo, Ann Trask, Tracey Gaston, Branden Williams and Lyndsey Carneval.

No changes were made with the Board of Trustees President for the year 2013-2014.

Board of Trustees Meeting Schedule

Location	Date and Time
Erie Rise Leadership Academy Charter School	1/17/2013 6:30 PM
Erie Rise Leadership Academy Charter School	2/21/2013 6:30 PM
Erie Rise Leadership Academy Charter School	3/21/2013 6:30 PM
Erie Rise Leadership Academy Charter School	4/18/2013 6:30 PM
Erie Rise Leadership Academy Charter School	5/16/2013 6:30 PM
Erie Rise Leadership Academy Charter School	6/20/2013 6:30 PM
Erie Rise Leadership Academy Charter School	7/18/2013 6:30 PM
Erie Rise Leadership Academy Charter School	8/15/2013 6:30 PM
Erie Rise Leadership Academy Charter School	9/19/2013 6:30 PM
Erie Rise Leadership Academy Charter School	9/19/2013 6:30 PM
Erie Rise Leadership Academy Charter School	10/17/2013 6:30 PM
Erie Rise Leadership Academy Charter School	11/21/2013 6:30 PM
Erie Rise Leadership Academy Charter School	12/19/2013 6:30 PM
Erie Rise Leadership Academy Charter School	1/16/2014 6:30 PM
Erie Rise Leadership Academy Charter School	2/20/2014 6:30 PM
Erie Rise Leadership Academy Charter School	3/20/2014 6:30 PM
Erie Rise Leadership Academy Charter School	4/17/2014 6:30 PM
Erie Rise Leadership Academy Charter School	5/15/2014 6:30 PM
Erie Rise Leadership Academy Charter School	6/19/2014 6:30 PM
Erie Rise Leadership Academy Charter School	7/17/2014 6:30 PM
Erie Rise Leadership Academy Charter School	8/21/2014 6:30 PM
Erie Rise Leadership Academy Charter School	9/18/2014 6:30 PM

Erie Rise Leadership Academy Charter School	10/16/2014 6:30 PM
Erie Rise Leadership Academy Charter School	11/20/2014 6:30 PM
Erie Rise Leadership Academy Charter School	12/18/2014 6:30 PM

Professional Staff Member Roster

There are no professional staff members.

The professional staff member roster as recorded originally on the PDE-414 form

XLSX file uploaded.

Quality of Teaching and Other Staff

Position Categories	All Employed per Category	Appropriately Certified	Promoted	Transferred	Terminated	Contracted for Following Year
Chief Academic Officer/Director	0.00	0.00	0.00	0.00	0.00	0.00
Principal	2.00	2.00	0.00	0.00	0.00	1.00
Assistant Principal	1.00	1.00	0.00	0.00	0.00	0.00
Classroom Teacher (including Master Teachers)	19.00	19.00	0.00	0.00	0.00	11.00
Specialty Teacher (including Master Teachers)	4.00	3.00	0.00	0.00	0.00	1.00
Special Education Teacher (including Master Teachers)	2.00	8.00	0.00	0.00	0.00	1.00
Special Education Coordinator	0.00	0.00	0.00	0.00	0.00	0.00
Counselor	0.00	0.00	0.00	0.00	0.00	0.00
Psychologist	0.00	0.00	0.00	0.00	0.00	0.00
School Nurse	3.00	0.00	0.00	0.00	0.00	1.00
Totals	31.00	33.00	0.00	0.00	0.00	15.00

Further explanation:

This narrative is empty.

Fiscal Matters

Major Fundraising Activities

Major fundraising activities performed this year and planned for next year:

There were no major fund raising activities during this year and none are planned for the upcoming year. The school received one grant from Verizon for \$23,000. The Rise Family Organization (RFO), raised 1,000.00 dollars for 2013/2014 school year.

Fiscal Solvency Policies

Changes to policies and procedures to ensure and monitor fiscal solvency:

The school board adopts an annual budget in June prior to the upcoming fiscal year. All purchasing and expense allocation throughout the fiscal year must align with the budget. The administration and board monitors fiscal activity, as related to the annual budget, on a monthly basis. Monthly reviews also include accounts receivable and accounts payable.

Fiscal Solvency Policies

Charter School documents that describe policies and procedures that have been established to ensure and monitor fiscal solvency (optional if described in the narrative)

Files uploaded:

- Erie Rise Procedures.pdf
- Erie Rise Leadership Academy CS fs 2013 FINAL.pdf
- 20140724140017806.pdf

Accounting System

Changes to the accounting system the charter school uses:

The school maintains its books on a fund accounting basis in accordance with GAAP. It maintains a chart of accounts based on the Pennsylvania State Chart of Accounts for PA Public Schools, and all PDE reports are filed in this format. Quick Books Accounting Software is used to classify, capture and report income and expenditures.

Preliminary Statements of Revenues, Expenditures & Fund Balances

The completed and CEO signed Fiscal Template – Preliminary Statements of Revenues, Expenditures & Fund Balances

XLS file uploaded.

Financial Audits

Basics

Audit Firm: Felix & Gloekler, P.C.
 Date of Last Audit: 08/21/2013
 Fiscal Year Last Audited: 2012-2013

Explanation of the Report

Detailed explanation of the report (if the previous year's report has been submitted.) Any audit report for a school year that precedes this annual report by more than 2 years is not acceptable and may be considered a material violation:

This narrative is empty.

Financial Audit Report

The Financial Audit Report, which should include the auditor's opinion and any findings resulting from the audit

PDF file uploaded.

Citations

Financial audit citations and the corresponding Charter School responses

Description	Response
-------------	----------

Federal Programs Consolidated Review

Basics

Title I Status: Yes
 Date of Last Federal Programs Consolidated Review: 08/09/2013
 School Year Reviewed: 2012-2013

Federal Programs Consolidated Review Report

The Federal Programs Consolidated Review Report, which should include the Division's opinion and any findings resulting from the audit

No file has been uploaded.

Citations

Federal Programs Consolidated Review citations and the corresponding Charter School responses

Description	Response
No Citations	No Responses, since we have not had any citations from Federal Programs.

Special Education

Chapter 711 Assurances

The LEA agrees to comply with all requirements of Special Education outlined in 22 PA Code Chapter 711 and other state and federal mandates. These include:

Implementation of a full range of services, programs and alternative placements available to the Charter School for placement and implementation of the special education programs in the Charter School.

Implementation of a child find system to locate, identify and evaluate young children and children who are thought to be a child with a disability eligible for special education residing within the Charter School's jurisdiction. Child find data is collected, maintained and used in decision-making. Child find process and procedures are evaluated for their effectiveness. The Charter School implements mechanisms to disseminate child find information to the public, organizations, agencies and individuals on at least an annual basis.

Assurances of students with disabilities are included in general education programs and extracurricular and non-academic programs and activities to the maximum extent appropriate in accordance with an Individualized Education Program.

Following the state and federal guidelines for participation of students with disabilities in state and Charter School-wide assessments including the determination of participation, the need for accommodations and the methods of assessing students for whom regular assessment is not appropriate.

Assurance of funds received through participation in the medical assistance reimbursement program, ACCESS, will be used to enhance or expand the current level of services and programs provided to students with disabilities in this local education agency.

Special Education Support Services

Support Service	Location	Teacher FTE
Amy Condo, Special Education Teacher	Erie Rise Leadership Academy Charter School	1
Lauren Humes, Special Education Teacher	Erie Rise Leadership Academy Charter School	1

Special Education Contracted Services

Title	Amt. of Time per Week	Operator	Number of Students
Occupational Therapist / Anne Saturnino	2 Days	Intermediate Unit	10 or fewer
Physical Therapist/ Paula Siegel	15 Minutes	Intermediate Unit	10 or fewer

School Psychologist, Kelly Mittlemeier	20 Hours	Intermediate Unit	51
Special Education Supervisor/ Caron Anthony-Higley	12 Hours	Intermediate Unit	10 or fewer
Speech and Language / Colleen Cooper	2 Days	Intermediate Unit	20

Special Education Cyclical Monitoring

Date of Last Special Education Cyclical Monitoring:

05/12/2014

Link to Report (Optional):

Not Provided

Special Education Cyclical Monitoring Report

The Special Education Cyclical Monitoring Report, which should include the Bureau's findings

No file has been uploaded.

Facilities

Fixed assets acquired by the Charter School during the past fiscal year

Fixed assets acquired by the Charter School during the past fiscal year:

Software: 21,017.40
Technology 18,917.00

The total Charter School expenditures for fixed assets during the identified fiscal year:

\$39,934.49

Facility Plans and Other Capital Needs

The Charter School's plan for future facility development and the rationale for the various components of the plan:

The school anticipates on utilizing the current facility for the next five years based on a year to year lease in addition to a second facility yet to be determined.

Memorandums of Understanding

Organization	Purpose
African Americal Concern Clergy	Stewardship / Academic Prep Rally K-Graduation
Booker T. Washington Center	Skills Streaming / Satellite Program
Community Country Day School	Mental Health Services
GECAC / Greater Erie Community Action Committee	Foster Grand Parents
IU5	Special Education Services
Omega Psi Phi Fraternity, Inc.	Mentor Program
Preferred Systems	Behavioral Specialist Services
Youth on a Mission	Youth on a Mission

Charter School Annual Report Affirmations

Charter Annual Report Affirmation

I verify that all information and records in this charter school annual report are complete and accurate.

The Chief Executive Officer and the Board of Trustee President of the charter school must sign this verification.

Affirmed by Constance Ratcliff on 7/31/2014

President, Board of Trustees

Affirmed by Greg Myers on 7/31/2014

Chief Executive Officer

Charter School Law Affirmation

Pennsylvania's first Charter School Law was Act 22 of 1997, 24 P.S. § 17-1701-A et seq., which primarily became effective June 19, 1997, and has subsequently been amended.

The Charter School Law provides for the powers, requirements, and establishment of charter schools. The Charter School Law was passed to provide opportunities to teachers, parents, pupils and community members to establish and maintain schools that operate independently from the existing school district structure as a method to accomplish all of the following: (1) improve pupil learning; (2) increase learning opportunities for all pupils; (3) encourage the use of different and innovative teaching methods; (4) create new professional opportunities for teachers; (5) provide parents and pupils with expanded choices in types of educational opportunities that are available within the public school system; and (6) hold charter schools accountable for meeting measurable academic standards and provide the school with a method to establish accountability systems.

The charter school assures that it will comply with the requirements of the Charter School Law and any provision of law from which the charter school has not been exempted, including Federal laws and regulations governing children with disabilities. The charter school also assures that it will comply with the policies, regulations and procedures of the Pennsylvania Department of Education (Department). Additional information about charter schools is available on the Pennsylvania Department's website at: <http://www.education.state.pa.us>.

The Chief Executive Officer and Board of Trustees President of the charter school must sign this assurance.

Affirmed by Constance Ratcliff on 7/31/2014

President, Board of Trustees

Affirmed by Greg Myers on 7/31/2014

Chief Executive Officer

Ethics Act Affirmation

Pennsylvania's current Public Official and Employee Ethics Act (Ethics Act), Act 93 of 1998, Chapter 11, 65 Pa.C.S. § 1101 et seq., became effective December 14, 1998 and has subsequently been amended.

The Ethics Act provides that public office is a public trust and that any effort to realize personal financial gain through public office other than compensation provided by law is a violation of that trust. The Ethics Act was passed to strengthen the faith and confidence of the people of Pennsylvania in their government. The Pennsylvania State Ethics Commission (Commission) administers and enforces the provisions of the Ethics Acts and provides guidance regarding its requirements.

The regulations of the Commission set forth the procedures applicable to all proceedings before the Commission as well as for the administration of the Statement of Financial Interests filing requirements. See 51 Pa. Code § 11.1 et seq.

The charter school assures that it will comply with the requirements of the Ethics Act and with the policies, regulations and procedures of the Commission. Additional information about the Ethics Act is available on the Commission's website at: <http://www.ethics.state.pa.us>.

The Chief Executive Officer and Board of Trustees President of the charter school must sign this assurance.

Affirmed by Constance Ratcliff on 7/31/2014

President, Board of Trustees

Affirmed by Greg Myers on 7/31/2014

Chief Executive Officer

CHARTER CHOICES

Charter Choices, Inc. Procedures

Erie Rise Leadership Academy Charter School

Table of Contents

	Page(s)
Billing & Collections Narrative	2 - 4
Accounts Payable Narrative	5 - 6
Accounts Payable Check Processing Control Sheet	7
Bank Reconciliation Narrative	8
Bank Reconciliation Control Sheet	9
Payroll Narrative	10 - 11
Payroll Control Sheet	12
Financial Reporting Narrative	13
Financial Statements Quality Review	14

HEADQUARTERS

222 KESWICK AVENUE
GLENSIDE, PA 19038



scan to visit our website

contact us : 215.481.9777

WESTERN REGIONAL OFFICE

600 GRANT STREET
PITTSBURGH PA 15219



Erie Rise Leadership Academy Charter School (RISE)
Billing & Collections Narrative

District Rates

PDE-363 shall be completed each year by every school district and submitted to the Pennsylvania Department of Education (PDE) no later than August. It shall also be sent to each charter school that requests it within 10 days of the request. PDE-363 is completed with the most updated version of the district's budget for the school year immediately preceding the school year for which payments will be made to a charter school. Per PDE, the rates calculated on the PDE-363 are not official until the PDE posts the rates on their website.

During the 2012/2013 school year, PDE provided guidance that the district rates would be recalculated by PDE using the most currently available **final expenditure** (based on the PDE-2057 AFR) data for the school year immediately preceding the school year for which payments will be made to a charter school. PDE publishes reimbursement rates based on these recalculations three times a year on their website (September, January and May).

Charter Choices does not use the completed PDE-363 but instead utilizes the rates published by PDE. The reimbursement rates for each child are evenly spread across twelve months. The final reconciliation billing then converts to an average daily membership percentage that is calculated and is applied to the published reimbursement rate that PDE calculates.

Monthly Billing

Charter Choices (CC), Inc. (on behalf of Rise) bills the school districts monthly, July through June, no later than the 5th of each month.

The PDE specifies that invoices should be sent to Districts in sufficient time to allow them to make payment by the 5th day of the following month. Their example shows mailing of invoices by the 10th of the month. CC's monthly district billing timeline allows for more time for the School District to issue payment.

The Billing Process:

1. CC receives enrollment changes from Rise throughout the month. Changes include information for newly enrolled students, withdrawn students; current and prior Individual Education Plan

CHARTER CHOICES

(IEP) dates if the student is special-ed, district changes and others. The changes are recorded by CC and incorporated in the subsequent district billing.

2. Preliminary invoices are generated by CC around the 25th of the previous month, and sent to RISE for review.
3. Adjustments that were identified by RISE are made, and the invoices are mailed out to the Districts around the 5th of the month.
4. For Districts that do not pay RISE directly, subsidy deduction requests are sent via email to PDE on or before the 25th of the month, for payment on the last Thursday of the following month.

Collections

District invoices are paid by either the individual school districts (direct pay) or the PDE (Unipay). In most cases, district payments are remitted directly to Charter Choices.

The Direct Pay Process:

1. Direct pay checks are received by CC at the Glenside office.
2. Mail is received by the administrative assistant and sorted by Charter School.
3. Checks are restrictively endorsed by the in-charge staff accountant.
4. Checks and deposit slips are photocopied.
5. The in-charge staff accountant records the payments in the accounting system.
6. A member of the CC Leadership team (MW or RS) verifies payee and deposit total.
7. Checks and deposit slips are delivered to the CC district billing department to enter payments into the district billing system and scan checks (if applicable).
8. Deposits are made by an individual not responsible for items 1 – 7.
9. In situations where the districts mail the payment directly to the school, CC would request the check to be sent to CC. When deposits are made directly by the school, CC will receive copies of documentation and verify amounts with the district.

The Uni-Pay Receipt Process:

1. As discussed in the billing process above, CC bills PDE for non-direct-payers on or before the 25th of each month with a final catch-up reconciliation completed after the end of the school year.
2. PDE provides, via email, the Charter School CEO and CC with details on the monthly (last Thursday of each month with the exception of June which is the first Thursday) Uni-payment.
3. CC's billing department records the provided information into the district billing system.
4. The in-charge staff accountant records the provided information into the accounting program.

CHARTER CHOICES

Monthly Review:

Interim financial statements are prepared every month by the in-charge staff accountant. During this process, the accounting system and billing system are compared for accuracy. They are reviewed by Michael Whisman, CPA, (Charter Choices). They are subsequently reviewed by the Board of Trustees.



Erie Rise Leadership Academy Charter School
Accounts Payable Narrative

Accounts payable is processed on a bi-weekly schedule.

Accounts Payable Process

1. Invoices are primarily received at the school. In cases where the vendor submits the invoices to Charter Choices (CC) in-charge staff accountant, CC will forward the invoice to the school.
2. Upon receipt of the invoice, school personnel verifies/reviews the invoice for accuracy.
3. Once verified/reviewed by school personnel, the school scans the invoice into a Dropbox file.
4. CC in-charge staff accountant receives notification from Dropbox that items were added into the file.
5. CC in-charge staff accountant prints the invoices.
6. Invoices are entered by CC in-charge staff accountant into the accounting system using the PDE chart of accounts.
7. CC in-charge staff accountant prepares a transmittal form that includes the following:
 - Listing of all accounts payables.
 - Listing of accounts payables suggested to pay based on projected cash-flow.
 - Projected cash-flow.
8. CC in-charge staff accountant mails the transmittal form to the school's CEO.
9. CEO reviews, requests invoice documentation if needed and approves the transmittal authorizing payment by signing the transmittal form.
10. CC in-charge staff accountant prints approved checks and provide checks, AP control sheet and documentation to authorized signor (CEO, Michael Whisman, CPA or the school's Board President).
11. An authorized check signor, utilizing the Accounts Payable Control Sheet, verifies:

CHARTER CHOICES

- Check sequence numbers.
- Total checks equals total AP summary sheet and approved transmittal.

12. An authorized check signor signs the checks and returns to CC in-charge staff accountant.

13. CC in-charge staff accountant scans the completed AP package onto the CC network.

14. CC in-charge staff accountant assembles and mails the payment and supporting documents to vendors.

CHARTER CHOICES

Accounts Payable Check Processing Control Sheet

School Name	
Date	
A/P Summary Received	
Checks Processed By (Initial)	
Check Sequence Numbers	
Verify Total Checks equal Total A/P Summary	
Checks Signed By (Initial)	
Completed A/P Packet Scanned By (Initial)	



Erie Rise Leadership Academy Charter School
Bank Reconciliation Narrative

Bank reconciliations are performed monthly by Charter Choices to ensure that all transactions have been properly posted. A Charter Choices employee who is not associated with the maintenance of the School's accounting system process completes the reconciliation.

Utilizing the Bank Reconciliation Control Sheet, the Reconciler completes the reconciliation.

If applicable, the reconciler discusses and clears any yes responses on the Bank Reconciliation Control Sheet.

Upon completion, the reconciler prints the reconciliation reports and signs the Bank Reconciliation Control Sheet.

The completed reconciliation is then scanned and saved electronically on the CC network. A hard copy is filed in the Staff Accountants office.

A copy of the Bank Reconciliation is then forwarded to the Client for review and approval.

CHARTER CHOICES

Bank Reconciliation Control Sheet

Client	Erie Rise Leadership Academy Charter School
MM \ YYYY	
Account Name	
QB Custodian	Andrea Brauer
Reconciler	

Reconciliation Checklist	N	Y	Corrected
Outstanding Checks 120+ days			
Uncleared JE's			
Uncleared Deposits			
Unposted Deposits			
Unposted Payments			

Reconciliation Completed _____
 DATE RECONCILER SIGNATURE

Client Review Completed _____
 DATE CLIENT SIGNATURE

Notes:



Erie Rise Leadership Academy Charter School
Payroll Narrative

Payroll Process:

1. Upon approval from the school Board, a school personnel collects the required documentation and prepares the new employee file.
2. The school notifies Charter Choices (CC) of the hire and submits copies of the following documentation to CC:
 - Form W-4.
 - Salary information.
 - Direct Deposit Authorization, if applicable.
 - Pension Fund Application.
 - Local EIT form.
3. On a bi-weekly basis, a school personnel prepares a summary of time worked including time for sick, vacation and personal leave.
4. The school's CEO reviews and approves the summary sheet.
5. A school personnel submits the approved sheet to the CC payroll specialist.
6. CC payroll specialist enters the approved payroll information into the online payroll system for processing.
7. Once entered, the CC payroll specialist prints the following documents and submits them to the CC in-charge staff accountant for review:
 - Pre-Process Report.
 - Payroll control sheet.
8. CC in-charge staff accountant reviews the provided information, verifies cash requirements/availability is okay and approves.
9. CC payroll submits the payroll information for processing.
10. Checks/vouchers are sent to the school to be supplied to the employees by the school's CEO.
11. CC in-charge staff accountant and approved signor receive the electronic payroll files.

CHARTER CHOICES

12. Electronic payroll files are printed by CC in-charge who prepares the journal entry into the accounting system.
13. Journal entry is printed along with the supporting documentation and scanned onto the CC network.

CHARTER CHOICES

Payroll Control Sheet

Client	
Pay Period	
Pay Date	

Payroll Preparation

Initial or N/A

Gather Time Sheets	
Personnel info Or Correspondence	
Update Payroll Spreadsheet - Correct Dates	
Enter Spreadsheet In Pay USA	
Pre-Process Match Payroll Spreadsheet	
Review Pre-Process Report To Spreadsheet By QB Cust.	
Make Sure Enough Money To Cover Payroll By QB Cust.	
Approval From School	
Payroll Submitted to Pay USA By	

Enter Payroll In QB

Print Reports Off View Choice	
Department Summary	
Cash Analysis	
Check Reconciliation	
Other -	
Post Payroll Journal Entry In QB	
Print Journal Entry	

Scan & Hard Copy

Scan Entire Payroll Packet	
File Hard Copy Payroll Packet	



Erie Rise Leadership Academy Charter School
Financial Reporting Narrative

Chart of Accounts

The chart of accounts serves as the blueprint for building the general ledger, as it defines which types of transactions are recorded and grouped into which accounts.

The account structure is prescribed by the Pennsylvania Department of Education.

Financial Reporting

Interim Statements – Interim financial statements are prepared every month by in-charge accountant (for Charter Choices). The statements include:

- Comparative Balance Sheet with dates as of the last fiscal year end and the most recent month end.
- Budget versus Actual for the month period ending as of the most recent month end.
- End of year projection versus the annual budget.
- Accounts Receivable as of the most recent month end.
- Accounts Payable as of the most recent month end.

Statements are reviewed by a Charter Choice leadership team member utilizing the financial statement quality review sheet.

Statements are reviewed monthly with the Erie Rise Finance Committee prior to the Board meeting. They are subsequently presented to the Board of Trustees at the monthly Board Meetings.

Annual Statements – In preparation for the fiscal year-end financial statements, Charter Choices drafts the annual statements, with disclosures utilizing the process described above.

CERTIFICATION VERIFICATION FORM

PDE-414

Complete the following information for all professional staff members.

Staff No.	Name of employee (List all names in alphabetical order)	PA Certified Yes/No	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assigment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignmnt	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
1	Melissa Benz-Glover	Yes	El Ed K-6	3	All Subjects	1378	100%	0%
2	Kristen Blasco	Yes	El Ed K-6 \Health /PhysEd	K-6	Gym, Health	1378	100%	0%
3	Carissa Brunst		El Ed K-6	3	All Subjects	1378	100%	0%
4	Thorton Brown	Yes	El Ed K-8 \ El Ed Principal \ Secondary ED Principal El Ed Supervisor	Administrative \ Principal K-12	Co-Principal	1378	100%	0%
5	Lyndsey Carneval	Yes	El Ed K-6	4	All Subjects	1378	100%	0%
6	Amy Condo	Yes	El Ed K-6 \ Spec Ed N-12	K-6	All Subjects	1378	100%	0%
7	Fred Dixon	No	Music	K-6	Music	1378	100%	0%
8	Wendy Haestier	Yes	El Ed K-6	6	Math, Social St.	1378	100%	0%
9	Lauren Humes	Yes	El Ed K-6 \ Spec Ed N-12	K-6	All Subjects	1378	100%	0%
10	Jillian Hynes	Yes	Instructional I Mid-Level English 7-9 (Instructional I Mid-Level Mathematics 7-9 Instructional I Special Education N-12 Instructional I Elementary K-6	1	All Subjects	1378	100%	0%
11	Christina Kilgallon	Yes	Instructional II Elem K-6	Kindergarten	All Subjects	1378	100%	0%
12	Ehren Knapp	Yes	Art	K-6	Art	1378	100%	0%
13	Rhonda Kumer	N/A	N/A	N/A	Secretary	1378	100%	0%
14	Constance Meginnis	Yes	Principal\ ESL\Instructional II Elementary K-6\ Early Childhood	Administrative \ Principal K-12	Co-Principal	1378	100%	0%
15	Lindsey Meighan	Yes	Early Childhood N-3 \ El Ed K-6 \ESL	2	All Subjects	1378	100%	0%
16	Jerri Rivera	Yes	Instructional I El ED K-6 \ Special ED N-12	4	All Subjects	1378	100%	0%
17	Brent Swain	Yes	El Ed K-6 \ Mid-level Math \ Mid -level citizenship	6	All Subjects	1378	100%	0%
18	Janel Verrilli	Yes	Instructional I Early Childhood N-3	1	All Subjects	1378	100%	0%
19	Brigitta Wagner	Yes	El Ed K-6 \ Spec. Ed N-12	Kindergarten	All Subjects	1378	100%	0%
20	Jane Wagner	Yes	El Ed K-6 \Instructional II	K-6	All Subjects	1378	100%	0%
21	Jill Zahner	Yes	El Ed K-6 \ Spec. Ed N-12	2	All Subjects	1378	100%	0%
22	Michele Young	No	Science Teacher \ Emergency Certificate	5	All Subjects	1378	100%	0%
23	Ken Brasington	Yes	Principal\ ESL\Instructional II Elementary K-6\ Early Childhood	Administrative \ Principal K-12	All Subjects	1378	100%	0%
24	Jennifer Hurley	No	Nurse	K-6	N\A	803.35	100%	0%
25	Christine Paparelli	No	Nurse	K-6	N\A	114.83	100%	0%
26	Alison Bell	Yes	El Ed K-6 \ Spec. Ed N-3	4	All Subjects	1378	100%	0%
27	Hillary Skala	Yes	El Ed K-6	1	All Subjects	1378	100%	0%
28	Jill Dent	No	Nurse	K-6	N\A	688.98	100%	0%
29	Branden Williams	Yes	El. Ed K-6 \ Spec. Ed K-12\ Mid- Level Math, Science	4	All Subjects	1378	100%	0%

Staff No.	Name of employee (List all names in alphabetical order)	PA Certified Yes/No	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assignment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignmnt	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
30	Amanda Carlson	Yes	Early Childhood N-3	1	All Subjects	1378	100%	0%
31	Ann Trask	Yes	El. Ed K-6 \ Music \ Mid-Level Math	5	All Subjects	1378	100%	0%
32	Tracie Gaston	Yes	El. Ed K-6 Mid- Level Math	3	All Subjects	1378	100%	0%

Total Number of Administrators (do not include CEO) 4

Total Number of Teachers 25 Counselors 0 School Nurses 3 Others 0

Total Number of Professional Staff _____

PA Department of Education, 333 Market Street, Harrisburg, PA 17126-0333

400 – BANK ACCOUNTS

Date Adopted: June 19, 2014

Revised: As Needed

- 1. Purpose
 - 1.1 The Board of Trustees shall designate one or more bank or banks and trust companies as depository for the safeguarding of school funds by a majority vote of the entire Board of Trustees.

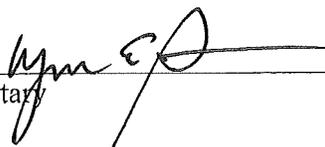
- 2. Authority
 - 2.1 Each designated depository shall furnish proper collateral for such deposits in the amount designated by the Board of Trustees and in accordance with law.
 - 2.2 Each designated depository shall be advised not to cash checks payable to the School but to deposit said checks to the School accounts.

- 3. Signatories
 - 3.1 The Board of Trustees shall require at least (2) members to be authorized signers on all bank and investment accounts. Preferably the board designated signers should be either/ or the Board President, Treasurer, or Secretary.

TO THE EXTENT THAT ANYTHING IN THIS POLICY COULD BE CONSTRUED TO CONFLICT WITH APPLICABLE STATE AND/OR FEDERAL LAWS, THE APPLICABLE STATE AND/OR FEDERAL LAWS CONTROL.



President



Secretary

**ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL
PURCHASING AND PAYMENT POLICY**

Recommended for Approval by Finance Committee

Approved by Board of Trustees on: (07/17/2014)

Review as Required

INTENT

Erie Rise Leadership Academy Charter School Purchasing and Payment is designed to improve efficiency in all purchases (separated by purchases less than \$500.00 and more than \$500.00).

POLICY

Employees authorized to purchase goods and services on behalf of the Charter School should select the best combination of price, quality, and service to meet the specific needs of the programs. Authorization to purchase goods and services must be accordance with the approved budget adopted by the Board of Directors. Authorized individuals may use one of five methods to purchase goods and services, depending on the items being purchased and the size of the transaction. These five include:

- release against a contract
- purchase order
- purchasing credit card
- travel authorization / advance
- petty cash

The preferred purchasing methods are releases against contracts and purchase orders. The purchasing card, department order, check request, and petty cash should be for smaller items.

PURCHASING PROCEDURES

1. Contracts

- For all professional services provided, a contract should be obtained that identifies the type of service to be performed, the start and end date of the contract, the time

frame these services will occur and the amount due when the services are to be performed.

- The service provider will prepare an invoice and submit it to the school for payment on a timely basis.
- The school will receive the invoice and follow the accounts payable process.

2. Purchase Orders

- For all orders less than \$500, a reasonable effort should be made to find the lowest cost product/service. The check request should include the request date, vendor name, address, ship to address, budget line item code, description of goods to be purchased, quantity to be purchased, quoted price, and total amount. The CEO will review and final approve/deny the order.
- For order less than \$500, a check request will be created by the staff member; it should have the staff member who requests the product signature, their direct supervisor's signature, the principal signature and the CEO signature for approval along with the invoice for the purchase.
- For all orders greater than \$500, a departmental purchase or capital expenditure requisition will be created by the department requesting. The requisition (either departmental purchase or capital expenditure) should include the request date, date needed, vendor name, address, ship to address, budget line item code, description of goods to be ordered, quantity to be ordered, quoted price, and total amount.
 - For orders between \$500 and \$2,000 (Departmental Purchase Requisition):
 - A minimum of three written quotes from vendors must be obtained and lowest bid gets order
 - Approval by Department Head
 - Approval by Principal
 - Approval by CEO
 - Approval by Finance Committee
 - Finance Committee reviews and approves/denies order.
 - If approved, business manager to follow next steps provided it is within the Board approved budget.
 - For orders over \$2,000 (Capital Expenditure Requisition):
 - A minimum of three written quotes from vendors must be obtained.
 - Approval by Department Head/Principal
 - Approval by CEO
 - Approval by Finance Committee

- Finance Committee reviews and approves/denies order.
- If approved, business manager to approve it is within the Board approved budget.
- Approval from board of trustees is required
- If approved, business manager to follow next steps provided it is within the Board approved budget.
- Once the check request/requisition is created, it will await approval as listed above and then sent to the vendor. All requisitions either departmental or capital are to be put on Voucher payments
- The order will then follow the accounts payable process.

3. Travel Authorization / Advance

- For all travel authorization / advance a form must be filled out and signed before any travel payment is approved. The form (Travel Authorization / Advance) filled out must state:
 - Name, Title, Departure Date & Time, Return Date & Time, Purpose of travel, Destination, Mode of Travel, Total Est. Cost, Account Code, Advance amount, Approval from Principal, CEO, Finance Committee and/or Board Chair,
- Meals total for day \$50.00 (\$10 breakfast, \$15 lunch, \$25 dinner)
- Lodging cannot exceed \$150 plus tax included with receipts (unless lodging is at registered event).
- Any travel over 300 miles will be considered for airfare transportation while any travel under 300 miles will be considered by automobile.
- Automobile (rental) transportation will not be provided for travel over 300 miles
- Automobile (rental) transportation will be provided for travel under 300 miles, if destination and time of stay is more reasonable than state mandated mileage.

4. Purchasing Credit Card

- A credit card, issued to ERIE RISE LEADERSHIP ACADEMY Charter School and assigned to the CEO, will be used as an alternative means of payment for approved expenses related to professional development, business travel, and situations where a vendor **does not** accept a purchase order or invoicing system.
- Credit card will only be used for business purposes with a limit of \$500.00. Personal purchases of any type are not permitted. The individual will be held solely responsible and will not receive reimbursement.
- Travel authorization is permitted to use with credit card for business purposes that may exceed \$500 such as:

- Airline tickets
- Car rental
- Registration

Examples of items not permitted are:

- (a) Alcoholic beverages/tobacco products
- (b) Capital equipment and upgrades over \$500
- (c) Construction, renovations / installations
- (d) Controlled substances
- (e) Items or services on term contracts
- (f) Maintenance agreements
- (g) Personal items or loans
- (h) Purchases involving trade-in of school property
- (i) Rentals
- (j) Any other items deemed inconsistent with the policies of the school

5. Petty Cash

- The petty cash account fund balance will carry a balance of no more than \$1,000.00. A request for petty cash will only be approved in situations where time and convenience do not allow for the normal purchasing process. Approved petty cash purchases may be made with an advance (travel authorization / advance form) from the petty cash fund with a \$500.00 limit.
- Such transaction, however, must be handled in accordance with established purchasing procedures. Failure to comply could result in expenditures, which are deemed unacceptable. Unacceptable expenditures will not be honored by Erie Rise Leadership Academy Charter School and in such cases; the individual will be held solely responsible and will not receive reimbursement.
- Use of petty cash funds is a privilege extended by the school and should be viewed as such. Abuse and failure to comply with established procedures will result in the revocation of this privilege for the individual and/or department.

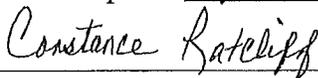
PAYMENT PROCEDURES (Accounts Payable Process)

1. Invoices are primarily received at the school.
2. In cases where the vendor submits the invoices to Charter Choices (CC) in-charge staff accountant, CC will forward the invoice to the school.
3. Upon receipt of the invoice, school personnel verifies/reviews the invoice for accuracy.
4. Once verified/reviewed by school personnel, the school scans the invoice into a Dropbox file.
5. CC in-charge staff accountant receives notification from Dropbox that items were added into the file.
6. CC in-charge staff accountant prints the invoices.

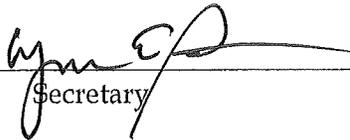
7. Invoices are entered by CC in-charge staff accountant into the accounting system using the PDE chart of accounts.
8. CC in-charge staff accountant prepares a transmittal form that includes the following:
 - a. Listing of all accounts payables.
 - b. Listing of accounts payables suggested to pay based on projected cash-flow.
 - c. Projected cash-flow.
9. CC in-charge staff accountant mails the transmittal form to the school's CEO.
10. CEO forwards the transmittal to the appropriate school personnel to review both invoices selected to be paid and invoices not included to be processed
11. Appropriate school personnel sends documentation to CEO for review
12. CEO reviews, requests invoice documentation if needed from school personnel or CC, and approves the transmittal authorizing payment by signing the transmittal form.
13. CC in-charge staff accountant prints approved checks and mails to the school.
14. Two authorized check signors review and sign the checks.
15. School personnel assembles and mails the payment and supporting documents to vendors.

TO THE EXTENT THAT ANYTHING IN THIS POLICY COULD BE CONSTRUED TO CONFLICT WITH APPLICABLE STATE AND/OR FEDERAL LAWS, AND/OR THE CHARTER APPLICATION OR ADOPTED CHARTER, THE APPLICABLE STATE AND/OR FEDERAL LAWS AND/OR THE CHARTER APPLICATION OR ADOPTED CHARTER CONTROL.

Date Adopted: July 17, 2014



President



Secretary

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2014

Name of School _____ Erie Rise Leadership Academy Charter School _____

Address of School _____ 2501 Plum Street, Erie PA 16502 _____

CEO Signature _____

REVENUES

6000		REVENUE FROM LOCAL SOURCES	
6500		EARNINGS ON INVESTMENTS	
	6510	Interest on Investments and Interest-Bearing Checking Accounts	206
	6520	Dividends on Investments	
	6530	Gains or Losses on Sale of Investments	
	6540	Earnings on Investments in Real Property	
	6590	Other Earnings or Investments	
6600		FOOD SERVICE REVENUE	
	6610	Daily Sales - Reimbursable Programs	
	6620	Daily Sales - Non-Reimbursable Programs	
	6630	Special Functions	
	6640	Non-Cash Contributions	
	6650	Price Reduction for Reduced Price and Free Meals (Debit)	
	6690	Other Food Service Revenues	49,201
6700		REVENUES FROM STUDENT ACTIVITIES	
	6710	Admissions	
	6720	Bookstore Sales	
	6730	Student Organization Membership Dues and Fees	
	6740	Fees	
	6750	Student Activity - Special Events	
	6790	Other Student Activity Income	-
6800		REVENUES FROM INTERMEDIARY SOURCES / PASS THROUGH	
	6810	Revenue from Local Governmental Units	
	6820	Revenue from Intermediary Sources - Commonwealth Funds	
	6830	Revenues from Intermediary Sources - Federal Funds	
	6890	Other Revenues from Intermediary Sources	
6900		OTHER REVENUE FROM LOCAL SOURCES	
	6910	Rentals	
	6920	Contributions & Donations from Private Sources / Capital Contributions	27,334
	6930	Gains or Losses on Sale of Fixed Assets (Economic Resource Measurement Focus Only)	
	6940	Tuition from Patrons	
	6941	Regular Day School Tuition	
	6942	Summer School Tuition	
	6943	Adult Education Tuition	
	6944	Receipts From Other LEAs in Pennsylvania - Education	2,515,208
	6945	Receipts from Out-of-State LEAs	
	6946	Receipts from Member Districts - AVTS / Special Program Jointure only	
	6947	Receipts from Members of Intermediate Units for Education by Withholding	

	6948	Receipts from Members of Intermediate Units for Direct Contributions	
	6949	Other Tuition from Patrons	
	6950	Unassigned	
	6960	Services Provide Other Local Governmental Units / LEAs	
	6961	Transportation Services Provided Other Pennsylvania LEAs	31,332
	6969	All Other Services Provided Other Governments and LEAs Not Specified Above	
	6970	Services Provided Other Funds	
	6980	Revenue from Community Service Activities	
	6990	Refunds and Other Miscellaneous Revenue	
	6991	Refunds of a Prior Year Expenditure	
	6999	Other Revenues Not Specified Above	
7000		REVENUE FROM STATE SOURCES	
7100		BASIC INSTRUCTIONAL AND OPERATING SUBSIDIES	
	7150	Unassigned	
	7160	Tuition for Orphans and Children Placed in Private Homes	
	7180	Staff and Program Development	
7200		REVENUE FOR SPECIFIC EDUCATIONAL PROGRAMS	
	7210	Homebound Instruction	
	7220	Vocational Education	
	7230	Alternative Education	
	7240	Driver Education - Student	
	7250	Migratory Children	
	7260	Workforce Investment Act (WIA)	
	7270	Specialized Education of Exceptional Pupils	
	7280	Adult Literacy	
	7290	Additional Educational Program Revenues	
7300		REVENUES FOR NON-EDUCATIONAL PROGRAMS	
	7310	Transportation (Regular and Additional)	
	7320	Rental and Sinking Fund Payments / Building Reimbursement Subsidy	35,464
	7330	Health Services (Medical, Dental, Nurse, Act 25)	4,301
	7340	Unassigned	
	7350	Sewage Treatment Operations / Environmental Subsidies	
	7360	Safe Schools	
7400		VOCATIONAL TRAINING OF THE UNEMPLOYED	
7500		STATE REVENUE NOT LISTED ELSEWHERE IN THE 7000 SERIES OF ACCOUNTS	
	7502	Dual Enrollment Grants	
	7503	Project 720/High School Reform	
	7599	Other State Revenue Not Listed Elsewhere in the 7000 Series	
7600		REVENUE FOR MILK, LUNCH AND BREAKFAST PROGRAMS	
7800		REVENUE FOR THE COMMONWEALTH'S SHARE OF PAID BENEFITS	
	7810	State Share of Social Security and Medicare Taxes	
	7820	State Share of Retirement Contributions	171,358
7900		REVENUE FOR TECHNOLOGY	
	7910	Educational Technology	
	7990	Other Technology Grants	
8000		REVENUE FROM FEDERAL SOURCES	

8100		UNRESTRICTED GRANTS-IN-AID DIRECT FROM THE FEDERAL GOVERNMENT	
	8110	Payments for Federally Impacted Areas - P.L. 81-874	
	8190	Other Unrestricted Federal Grants-in-Aid Direct from the Federal Government	
8200		UNRESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH	
8300		RESTRICTED GRANTS-IN-AID DIRECTLY FROM THE FEDERAL GOVERNMENT	
	8310	Payments for Federally Impacted Areas - P.L. 81-815	
	8320	Energy Conservation Grants - TA and ECM	
	8390	Other Restricted Federal Grants-in-Aid Directly from the Federal Government	
8500		RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA), NO CHILD LEFT BEHIND (NCLB), VOCATIONAL EDUCATION, CHILD NUTRITION AND CAREER EDUCATION PROGRAMS	
	8510	Individuals with Disabilities Education Act (IDEA) and No Child Left Behind (NCLB)	40,293
	8520	Vocational Education	
	8530	Child Nutrition Program	
	8540	Nutrition Education and Training	
	8560	Federal Block Grants	155,608
	8570	Unassigned	
	8580	Child Care and Development Block Grants	
	8590	Unassigned	
8600		RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH FOR DRIVER EDUCATION, ADULT EDUCATION, CETA, HEADSTART, ENERGY CONSERVATION, WORKFORCE INVESTMENT ACT AND OTHER PROGRAMS	
	8610	Homeless Assistance Act	
	8620	Adult Basic Education	
	8640	Headstart	
	8650	Unassigned	
	8660	Workforce Investment Act (WIA)	
	8670	Unassigned	
	8680	Unassigned	
	8690	Other Restricted Federal Grants-in-Aid through the Commonwealth	
8800		MEDICAL ASSISTANCE REIMBURSEMENTS	
9000		OTHER FINANCING SOURCES	
9100		SALE OF BONDS	
	9110	Bond Issue Proceeds (Gross)	
	9120	Proceeds from Refunding of Bonds	
9200		PROCEEDS FROM EXTENDED TERM FINANCING	
9300		INTERFUND TRANSFERS	
	9310	General Fund Transfers	
	9320	Special Revenue Fund Transfers	
	9330	Capital Projects Funds Transfers	
	9340	Debt Service Fund Transfers	

	9350	Enterprise Fund Transfers	
	9360	Internal Service Fund Transfers	
	9370	Trust and Agency Fund	
	9380	Activity Fund Transfers	
	9390	Permanent Fund Transfers	
9400		SALE OF OR COMPENSATION FOR LOSS OF FIXED ASSETS	
9500		Unassigned	
9600		Unassigned	
9700		TRANSFERS INVOLVING COMPONENT UNITS AND PRIMARY GOVERNMENTS	
	9710	Transfers from Component Units	
	9720	Transfers from Primary Governments	
9800		INTRAFUND TRANSFERS IN	
	9810	General Fund Intrafund Transfers	
	9820	Special Revenue Intrafund Transfers	
	9840	Debt Service Intrafund Transfers	
	9850	Enterprise Intrafund Transfers	
	9860	Internal Service Intrafund Transfers	
	9870	Trust and Agency Intrafund Transfers	
	9880	Activity Interfund Transfers	
TOTAL REVENUES			3,030,305

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2014

Name of School _____ Erie Rise Leadership Academy Charter School _____

Address of School _____ 2501 Plum Street, Erie PA 16502 _____

CEO Signature _____

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

EXPENDITURES

1000	INSTRUCTION	
1100	REGULAR PROGRAMS - ELEMENTARY / SECONDARY	1,505,417
1200	SPECIAL PROGRAMS - ELEMENTARY / SECONDARY	222,162
1300	VOCATIONAL EDUCATION	
1400	OTHER INSTRUCTIONAL PROGRAMS - ELEMENTARY / SECONDARY	
1600	ADULT EDUCATION PROGRAMS	
1700	HIGHER EDUCATION PROGRAMS	
1800	PRE-KINDERGARTEN	
2000	SUPPORT SERVICES	
2100	SUPPORT SERVICES - PUPIL PERSONNEL	
	2110 Supervision of Pupil Personnel Services	
	2120 Guidance Services	
	2130 Attendance Services	
	2140 Psychological Services	
	2150 Speech Pathology and Audiology Services	
	2160 Social Work Services	
	2170 Student Accounting Services	
	2190 Other Pupil Personnel Services	
2200	SUPPORT SERVICES - INSTRUCTIONAL STAFF	185,689
	2210 Supervision of Educational Media Services	
	2220 Technology Support Services	
	2230 Educational Television Services	
	2240 Computer-Assisted Instruction Support Services	
	2250 School Library Services	
	2260 Instruction and Curriculum Development Services	
	2270 Instructional Staff Professional Development Services	
	2280 Nonpublic Support Services	
2300	SUPPORT SERVICES - ADMINISTRATION	
	2310 Board Services	
	2320 Board Treasurer Services	
	2340 Staff Relations and Negotiations Services	
	2350 Legal Services	34,398
	2360 Office of the Superintendent (Executive Director) Services	
	2370 Community Relations Services	

	2380	Office of the Principal Services	
	2390	Other Administration Services	387,226
2400		SUPPORT SERVICES - PUPIL HEALTH	57,149
2500		SUPPORT SERVICES - BUSINESS	
	2510	Fiscal Services	76,089
	2520	Purchasing Services	
	2530	Warehousing and Distributing Services	
	2540	Printing, Publishing and Duplicating Services	
	2590	Other Support Services - Business	
2600		OPERATION AND MAINTENANCE OF PLANT SERVICES	
	2610	Supervision of Operation and Maintenance of Plant Services	
	2620	Operation of Buildings Services	
	2630	Care and Upkeep of Grounds Services	
	2640	Care and Upkeep of Equipment Services	
	2650	Vehicle Operations and Maintenance Services (Other than Student Transportation Vehicles)	
	2660	Security Services	
	2690	Other Operation and Maintenance of Plant Services	268,142
2700		STUDENT TRANSPORTATION SERVICES	
	2710	Supervision of Student Transportation Services	
	2720	Vehicle Operation Services	
	2730	Monitoring Services	
	2740	Vehicle Servicing and Maintenance Services	
	2750	Nonpublic Transportation	
	2790	Other Student Transportation Services	31,532
2800		SUPPORT SERVICES - CENTRAL	
	2810	Planning, Research, Development and Evaluation Services	
	2820	Information Services	
	2830	Staff Services	
	2840	Data Processing Services	
	2850	State and Federal Agency Liaison Services	
	2860	Management Services	
	2890	Other Support Services Central	
2900		OTHER SUPPORT SERVICES - CENTRAL	
	2990	Pass-Thru Funds	
3000		OPERATION OF NON-INSTRUCTIONAL SERVICES	
3100		FOOD SERVICES	50,593
3200		STUDENT ACTIVITIES	
	3210	School Sponsored Student Activities	12,975
	3250	School Sponsored Athletics	
3300		COMMUNITY SERVICES	
	3310	Community Recreation	
	3320	Civic Services	
	3330	Public Library Services	
	3340	Custody and Child Care	
	3350	Welfare Activities	
	3390	Other Community Services	
3400		SCHOLARSHIPS AND AWARDS	

4000		FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT SERVICES	
4100		SITE ACQUISITION SERVICES - ORIGINAL AND ADDITIONAL	
4200		EXISTING SITE IMPROVEMENT SERVICES	
4300		ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS DEVELOPMENT - ORIGINAL AND ADDITIONAL	
4400		ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS - IMPROVEMENTS	
4500		BUILDING ACQUISITION AND CONSTRUCTION SERVICES - ORIGINAL AND ADDITIONAL	
4600		EXISTING BUILDING IMPROVEMENT SERVICES	
5000		OTHER EXPENDITURES AND FINANCING USES	
5100		DEBT SERVICE / OTHER EXPENDITURES AND FINANCING USES	1,490
5200		FUND TRANSFERS	
5300		TRANSFERS INVOLVING COMPONENT UNITS	
5400		INTRAFUND TRANSFERS OUT	
5800		SUSPENSE ACCOUNT	
5900		BUDGETARY RESERVE	
TOTAL EXPENDITURES			2,832,862

**TOTAL REVENUES MINUS TOTAL EXPENDITURES = CURRENT FUND
BALANCE AS OF JUNE 30, 2014**

197,444

**ERIE RISE LEADERSHIP ACADEMY
CHARTER SCHOOL**

ANNUAL AUDIT REPORT

JUNE 30, 2013

ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL
Table of Contents
June 30, 2013

	Page
Independent Auditors' Report	3-5
Management's Discussion and Analysis	6-10
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet-Governmental Fund	13
Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities	16
Notes to Financial Statements	17-25
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General Fund	26
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	27-28



FELIX & GLOEKLER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

2306 Peninsula Drive · Erie, Pennsylvania 16506

Independent Auditors' Report

To The Members of the Board
Erie Rise Leadership Academy Charter School
Erie, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund of the Erie Rise Leadership Academy Charter School as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Independent Auditors' Report
(Continued)

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Erie Rise Leadership Academy Charter School as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 10 and 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditors' Report
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2013 on our consideration of the Erie Rise Leadership Academy Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Erie Rise Leadership Academy Charter School's internal control over financial reporting and compliance.

Felix and Gloekler, P.C.

Felix and Gloekler, P.C.

September 19, 2013
Erie, Pennsylvania

ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL
Management's Discussion and Analysis
For the Year Ended June 30, 2013

The management discussion and analysis of the Erie Rise Leadership Academy Charter School (Charter School) provides an overall review of the Charter School's financial activities for the year ended 2012-2013. The intent of the management discussion and analysis is to look at the Charter School's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Charter School's financial performance.

Financial Highlights

Financial highlights for 2012-2013 are as follows:

- A. Assets of the Charter School exceed liabilities by \$157,212 at June 30, 2013. Of this amount, \$12,215 (unrestricted net position) may be used to meet the School's ongoing obligations.
- B. The School's total net position increased by \$33,161.
- C. As of June 30, 2013, the School's governmental funds reported a fund balance of \$12,215.
- D. Total revenues for the year were \$2,470,107 which was lower than budgeted due to regular and special education tuition rates being recalculated by PDE in January 2013
- E. Total expenditures for the year were \$2,458,712 which was lower than budgeted due primarily to the timing of hiring and benefit enrollments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Charter School's basic financial statements. The Charter School's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Charter School's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Charter School's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Charter School is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, for example, uncollected state subsidies and accrued wages.

Both of the government-wide financial statements distinguish functions of the Charter School that are principally supported by tuition and intergovernmental revenues (*governmental activities*). The governmental activities of the Charter School include education of students from the two sponsoring districts, the School District of the City of Erie and the Millcreek Township School District, and the Erie County and Crawford County areas. The School does not have any business-type activities.

The government-wide financial statements can be found on pages 11 and 12 of the report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental financial statements focus on near-term inflows and outflows of spendable resources, as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Charter School maintains one governmental fund.

The Charter School adopts an annual budget for the governmental fund. A budgetary comparison schedule has been provided to demonstrate comparisons with the budget.

The basic governmental fund financial statements can be found on pages 13 through 16.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 25 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Charter School, assets exceeded liabilities by \$157,212 (\$124,051) at June 30, 2013 (June 30, 2012). The unrestricted portion of net position of \$12,215 (\$820) may be used to meet the School’s ongoing obligations to citizens and creditors.

Nearly 92% or \$144,997 (99% or \$123,231) of net position reflects the School’s investment in capital assets (e.g., land, buildings, furniture and equipment); less any related debt used to acquire those assets that is still outstanding. The Charter School uses these capital assets to provide services to students; consequently these assets are not available for future spending. Although the Charter School’s investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities 2012-2013	Governmental Activities 2011-2012
Current and other assets	\$ 219,669	\$ 172,544
Capital assets	<u>144,997</u>	<u>123,231</u>
Total Assets	<u>\$ 364,666</u>	<u>\$ 295,775</u>
Current and other liabilities	<u>\$ 207,454</u>	<u>\$ 171,724</u>
Total Liabilities	<u>207,454</u>	<u>171,724</u>
Net position		
Net investment in capital assets	144,997	123,231
Unrestricted	<u>12,215</u>	<u>820</u>
Total Net Position	<u>157,212</u>	<u>124,051</u>
Total Liabilities and Net position	<u>\$ 364,666</u>	<u>\$ 295,775</u>

Governmental activities. Governmental activities increased the Charter School’s net position by \$33,161 (increased by \$820).

	<u>Governmental Activities 2012-2013</u>	<u>Governmental Activities 2011-2012</u>
Revenues		
Operating grants and contributions	\$ 2,382,719	\$ 1,716,917
General revenues	<u>87,388</u>	<u>45,960</u>
Total Revenues	<u>2,470,107</u>	<u>1,762,877</u>
Expenses		
Instruction	1,613,685	906,090
Support Services	736,303	679,102
Non Instructional	85,505	37,543
Interest on Debt	<u>1,453</u>	<u>16,091</u>
Total Expenses	<u>2,436,946</u>	<u>1,638,826</u>
Increase in net position	<u>\$ 33,161</u>	<u>\$ 124,051</u>

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the Charter School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Charter School’s governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Charter School’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current year (prior year), the Charter School’s governmental fund reported a fund balance of \$12,215 (\$820).

The fund balance of the Charter School increased by \$11,395 (increased by \$820) during the current and previous fiscal years.

General Fund Budget Highlights

The Charter Schools' budget is prepared using the modified accrual basis of accounting.

The revenues for the year were \$2,470,107 which was lower than budgeted due to regular and special education tuition rates being recalculated by PDE in January 2013.

The expenditures for the year were \$2,458,712 which was lower than budgeted due primarily to the timing of hiring and benefit enrollments.

Capital Assets and Debt Administration

As of the end of fiscal year 2013 (2012), the Charter School had \$144,997 (\$123,231) furniture and equipment and software with a cost of \$196,779 (\$136,626), less accumulated depreciation of \$51,782 (\$13,395).

Economic Factors and Next Year's Budgets and Rates

The school's primary source of revenues, the per student subsidy provided by local school districts, will increase by approximately \$400,000 for fiscal year 2013-2014, due to increase enrollment from approximately 240 students to approximately 280 students.

Future Events that Could Financially Impact the School

Economic conditions and historical information were factored into the 2013-2014 budgeted amounts listed above. During the 2012-2013 school year, the per student subsidy rates were recalculated mid-year by the department of education which resulted in a decrease in funding. A 4% reduction was budgeted for the 2013-2014 school year.

Contacting the Erie Rise Leadership Academy Charter School Financial Management

This financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the Charter School's finances and to provide accountability to the School Board. If you have any questions about the report or wish to request additional financial information, please contact the CEO, Greg Myers, 2501 Plum Street, Erie, Pennsylvania, 16508.

ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL

Statement of Net Position

June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 92,467
Local receivables	39,322
State subsidies receivable	56,532
Federal subsidies receivable	1,558
Other receivables	5,314
Prepaid expenses	<u>24,476</u>
Total current assets	<u>219,669</u>
Non-current assets	
Capital assets, net	<u>144,997</u>
Total non-current assets	<u>144,997</u>
Total assets	<u><u>\$ 364,666</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 121,619
Accrued expenses	78,491
Unearned revenues	<u>7,344</u>
Total current liabilities	<u>207,454</u>
Total liabilities	<u>207,454</u>
Net Position	
Net investment in capital assets	144,997
Unrestricted	<u>12,215</u>
Total net position	<u>157,212</u>
Total liabilities and net position	<u><u>\$ 364,666</u></u>

The accompanying notes are an integral part of these financial statements.

ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL

Statement of Activities

For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Governmental Activities</u>					
Instruction	\$ 1,613,685	\$ -	\$ 1,684,583	\$ -	\$ 70,898
Support services	736,303	-	694,101	-	(42,202)
Non-instructional	85,505		4,035	-	(81,470)
Interest on debt	1,453	-	-	-	(1,453)
Total governmental activities	\$ 2,436,946	\$ -	\$ 2,382,719	\$ -	(54,227)
General revenue					
Other revenues					87,388
					87,388
Change in net position					
					33,161
Net Position July 1, 2012					
					124,051
Net Position June 30, 2013					
					\$ 157,212

The accompanying notes are an integral part of these financial statements.

ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL

Balance Sheet-Governmental Fund

June 30, 2013

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 92,467
Local receivables	39,322
Federal subsidies receivable	1,558
State subsidies receivable	56,532
Other receivable	5,314
Prepaid expenses	<u>24,476</u>
 Total assets	 <u><u>\$ 219,669</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 121,619
Accrued expenses	78,491
Unearned revenue	<u>7,344</u>
 Total liabilities	 <u>207,454</u>
 Fund balance	
Nonspendable	24,476
Unassigned	<u>(12,261)</u>
 Total fund balance	 <u>12,215</u>
 Total liabilities and fund balance	 <u><u>\$ 219,669</u></u>

The accompanying notes are an integral part of these financial statements.

ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL
Reconciliation of the Balance Sheet of Governmental Fund
to the Statement of Net Position
June 30, 2013

Differences in amounts reported for governmental activities in the Statement of Net Position:

Fund balances - governmental fund	\$ 12,215
Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the governmental fund	<u>144,997</u>
Net position of governmental activities	<u><u>\$ 157,212</u></u>

The accompanying notes are an integral part of these financial statements.

ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL
Statement of Revenues, Expenditures and Changes in
Fund Balance-Governmental Fund
For the Year Ended June 30, 2013

	<u>General Fund</u>
Revenues	
Local sources	\$ 2,154,126
State sources	137,933
Federal sources	90,660
Other revenues	87,388
Total revenues	2,470,107
Expenditures	
Instruction	1,636,602
Support services	735,152
Non-instructional	85,505
Debt service	1,453
Total expenditures	2,458,712
Net Change in Fund Balance	11,395
Fund Balance, July 1, 2012	820
Fund Balance, June 30, 2013	\$ 12,215

The accompanying notes are an integral part of these financial statements.

ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Fund to the
Statement of Activities
For the Year Ended June 30, 2013

Differences in amounts reported for governmental activities in the Statement of Activities:

Net change in fund balance - governmental fund	\$ 11,395
Capital outlay reported as expenditures in the governmental fund are shown as capital assets in the Statement of Net Position	60,153
Depreciation expense on governmental capital assets are included in the governmental activities in the Statement of Activities	<u>(38,387)</u>
Change in net position of governmental activities	<u><u>\$ 33,161</u></u>

The accompanying notes are an integral part of these financial statements.

ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL
Notes to Financial Statements
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Erie Rise Leadership Academy Charter School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School's accounting policies are described below.

A. Reporting Entity

The Erie Rise Leadership Academy Charter School ("Charter School") is a not-for-profit corporation organized on June 11, 2010 under the Nonprofit Corporation Law of 1988 and is operated to provide a community charter school, as defined in and in accordance with the Act of March 10, 1949, known as the Public School Code of 1949, as amended by the addition of Article XVII-A, known as the Charter School Law. The Charter School creates a holistic and integrated learning community dedicated to the educational success of each student. The School will prepare children and youth to become critical thinkers, socially capable and culturally competent leaders equipped with the essential skills needed to compete in the world of work and become productive, purpose-driven citizens who demonstrate a character of integrity.

For financial reporting purposes, Erie Rise Leadership Academy Charter School includes all funds that are controlled by or dependent on the School. Control by or dependence on the School was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the School, obligation of the School to finance any deficits that may occur, or receipt of significant subsidies from the School. As required by generally accepted accounting principles, the financial statement of the reporting entity includes those of the primary government.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

All other revenue items are considered to be measurable and available only when cash is received by the government.

The School reports the following major governmental fund:

The General Fund is the School's primary operating fund. It accounts for all financial resources of the School.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, as well as demand deposits, investments, and certificates of deposit included in pooled cash and non-pooled investments, with original maturities of three months or less.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The School does not have any infrastructure assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

	<u>Life - Years</u>
Furniture and equipment	5-7
Software	3

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Income Tax Status

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is determined to be other than a private foundation.

In June 2006, the Financial Accounting Standards Board issued ASC 740-10 (formerly known as FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes"), which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Organization has adopted ASC 740-10 as of July 1, 2010. There was no impact to the Organization's financial statements as a result of the implementation of ASC 740-10.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ended 2012 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the government fund financial statements a flow consumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The school board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The school board has by resolution authorized the CEO to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

The Charter School does not permit the carryover of unused vacation or sick days. Accordingly, the financial statements do not contain any provision for unused vacation or sick days.

NOTE 2 - BUDGETARY INFORMATION

An annual budget is adopted for the General Fund. The budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

The School follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, a proposed operating budget is submitted to the School Board for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to June 30, the budget is adopted by the Board.
3. The Chief Executive Officer is authorized to transfer budgeted amounts within a specific budget object; any other transfers or revisions that alter the total expenditures of any fund must be approved by the School Board.

NOTE 3 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School does not have a policy for custodial credit risk. The School's cash and cash equivalents balance at June 30, 2013 was \$92,467. The actual amount of cash on deposit on the School's bank accounts at June 30, 2013 was \$109,738. The entire amount held at the bank was insured by the Federal Deposit Insurance Corporation.

Reconciliation to Financial Statements

Uncollateralized amount above	\$	-
Plus: Insured amount		109,738
Add: Deposits in transit		-
Less: Outstanding checks		(17,425)
		<hr/>
Carrying amount bank balance		92,313
Plus: Petty cash		154
		<hr/>
Total Cash and Cash Equivalents Per Financial Statements	\$	<u>92,467</u>

NOTE 4 - RECEIVABLES

Receivables as of June 30, 2013 for the government's individual major fund, including the applicable allowances for uncollectible accounts, are as follows:

<u>Receivables</u>	<u>General</u>	<u>Total</u>
Districts	\$ 39,322	\$ 39,322
Federal and state grants	58,090	58,090
Other	5,314	5,314
	<u>102,726</u>	<u>102,726</u>
Gross receivables	102,726	102,726
Less: Allowance for uncollectibles	-	-
	<u>\$ 102,726</u>	<u>\$ 102,726</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year is as follows:

	<u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2013</u>
Capital assets depreciated:				
Furniture and equipment	\$ 121,626	\$ 60,753	\$ (600)	\$ 181,779
Software	15,000	-	-	15,000
	<u>136,626</u>	<u>60,753</u>	<u>(600)</u>	<u>196,779</u>
Less: Accumulated depreciation	<u>(13,395)</u>	<u>(38,387)</u>	<u>-</u>	<u>(51,782)</u>
Total capital assets being depreciated, net	<u>\$ 123,231</u>	<u>\$ 22,366</u>	<u>\$ (600)</u>	<u>\$ 144,997</u>

Depreciation was charged to functions/programs of the primary government as follows:

Instruction	\$ 27,543
Support services	<u>10,844</u>
	<u>\$ 38,387</u>

NOTE 6 - RISK MANAGEMENT

The School is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The School has purchased various insurance policies to safeguard its assets from risk of loss. During the year ended June 30, 2013, no settlements exceeded insurance coverage.

NOTE 7 - RETIREMENT PLAN

Plan Description

The Erie Rise Leadership Academy Charter School contributes to the Public School Employees' Retirement System (the System), a governmental cost-sharing multiple-employer defined benefit pension plan. The System provides retirement and disability, legislative mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants.

The Public School Employees' Retirement Code (Act No. 96 as of October 2, 1975, as amended) (24 PA. C. S. 8101-8535) holds the authority to establish and amend benefit provisions.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Public School Employees' Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125.

Funding Policy

Public School Employees' Retirement System has four membership classes: T-C, T-D, T-E and T-F. The rate of the contribution an employee pays toward his account is based on the date of hire and/or membership class selected as follows:

- A Class T-C member who enrolled before July 22, 1983 has a contribution rate of 5.25 percent. A Class T-D member who enrolled before July 22, 1983 has a contribution rate of 6.50 percent.
- A Class T-C member enrolled on July 22, 1983 through and including June 30, 2011 will have a contribution rate of 6.50 percent. A Class T-D member who enrolled on July 22, 1983 through and including June 30, 2011 will have a contribution rate of 7.50 percent.

Those who become members for the first time on or after July 1, 2011 may choose between two classes of membership in the System.

- A Class T-E member's base employee contribution rate with "shared risk" contribution levels may fluctuate between 7.50 and 9.50 percent.
- A Class T-F member's base employee contribution rate with "shared risk" contribution levels may fluctuate between 10.30 and 12.30 percent.

For fiscal year ended June 30, 2013, the rate of employee contribution was 12.36 percent of covered payroll.

The Charter School's contributions to the System for the years ending June 30, 2013 and 2012 were \$124,959, and \$55,413, respectively, equal to the required contributions for each year.

NOTE 7 - RETIREMENT PLAN (CONTINUED)

Shared Risk

With a “shared risk” program, Class T-E and Class T-F members benefit when investments of the fund are doing well and share some of the risk when investments under perform. With a Class T-E or Class T-F, your contribution rate will stay within the specified range, but may increase or decrease by 0.50 percent within the specified range every three years, starting on July 1, 2015. The member contribution rate will never go below the base rate or above the highest percentage rate.

NOTE 8 – LINE OF CREDIT

The Charter School maintains a \$150,000 line of credit agreement (line) with First Niagara Bank through June 2014, which accrues interest at the prime rate plus 2.5 percent payable monthly. The line is for working capital purposes and is collateralized by Charter School assets. As of June 30, 2013, \$150,000 was available to be drawn upon. There were no outstanding borrowings under the line of credit as of June 30, 2013.

Line activity for the year ended June 30, 2013 is as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
\$ -	\$ 60,000	\$ (60,000)	\$ -

NOTE 9 - OPERATING LEASE

The Charter School leases its facilities in Erie, Pennsylvania under an operating lease expiring on July 15, 2016. Rent expense was \$94,500 for the year ended June 30, 2013. Future minimum lease payments required under the lease are as follows as of June 30, 2013:

June 30, 2014	\$114,000
June 30, 2015	\$132,000
June 30, 2016	\$150,000

NOTE 10 - EVALUATION OF SUBSEQUENT EVENTS

The school has evaluated subsequent events through September 19, 2013, the date which the financial statements were available to be issued.

ERIE RISE LEADERSHIP ACADEMY CHARTER SCHOOL
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Local sources	\$ 2,279,512	\$ 2,430,034	\$ 2,154,126	\$ (275,908)
State sources	94,228	89,415	137,933	48,518
Federal sources	82,751	82,751	90,660	7,909
Other revenues	98,526	114,465	87,388	(27,077)
Total revenues	<u>2,555,017</u>	<u>2,716,665</u>	<u>2,470,107</u>	<u>(246,558)</u>
Expenditures and other financing uses				
Instruction				
Regular programs	1,352,885	1,508,490	1,386,196	122,294
Special education programs	148,091	273,010	250,406	22,604
Total instruction	<u>1,500,976</u>	<u>1,781,500</u>	<u>1,636,602</u>	<u>144,898</u>
Support services	981,200	782,210	735,152	47,058
Non-instructional				
Food service	39,120	78,484	78,388	96
Student activities	16,000	16,000	7,117	8,883
Total non-instructional	<u>55,120</u>	<u>94,484</u>	<u>85,505</u>	<u>8,979</u>
Debt service	4,100	4,100	1,453	2,647
Total expenditures	<u>2,541,396</u>	<u>2,662,294</u>	<u>2,458,712</u>	<u>203,582</u>
Net Change in Fund Balance	13,621	54,371	11,395	(42,976)
Fund Balance, July 1, 2012	820	820	820	-
Fund Balance, June 30, 2013	<u>\$ 14,441</u>	<u>\$ 55,191</u>	<u>\$ 12,215</u>	<u>\$ (42,976)</u>



FELIX & GLOEKLER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

2306 Peninsula Drive · Erie, Pennsylvania 16506

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Members of the Board
Erie Rise Leadership Academy Charter School
Erie, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Erie Rise Leadership Academy Charter School, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Erie Rise Leadership Academy Charter School's basic financial statements, and have issued our report thereon dated September 19, 2013.

Internal Control Over Financial Reporting

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

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

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards
(Continued)**

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Erie Rise Leadership Academy Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Felix and Gloekler, P.C.

Felix and Gloekler, P.C.

September 19, 2013
Erie, Pennsylvania