



ST. ALOYSIUS

Inspiring Hope. Transforming Lives.



St. Aloysius 2013-2014 Annual Report

Charter School Specialists proudly provides this annual report on behalf of St. Aloysius, which contracts with Charter School Specialists to provide statutorily required monitoring, evaluation and technical assistance to the 54 charter schools sponsored by St. Aloysius during the 2013-2014 school year.

St. Aloysius is an independent, non-profit, non-denominational social service agency assisting children with mental and behavioral health problems through a variety of support programs. As part of its commitment to create better lives for children and families, St. Aloysius is committed to providing quality education to families who need support and alternatives to existing educational options.



Since 2005, St. Aloysius and Charter School Specialists have shared a commitment to the educational needs of Ohio's public school students, and have become leaders in Ohio's charter school movement, providing crucial sponsoring services of monitoring, technical support and intervention at schools enrolling more than 10,000 students.

Charter school sponsors, also known as authorizers, play a vital role in the broad effort to help ensure that charter schools provide quality educational opportunities here in Ohio and across the country. St. Aloysius and Charter School Specialists embrace their roles to provide strong oversight, monitoring and technical assistance in support of sponsored schools.

Among the services provided throughout the year are:

- **Attendance and participation at more than 400 governing authority meetings, including nearly all regular, special and emergency meetings, post-audit conferences, and planning retreats.** Participation in these meetings not only supports efforts to provide strong oversight and monitoring of school activities, but also allows for timely, relevant sharing of data, information and technical assistance as board members and school leaders discuss and take action on issues that ultimately impact school compliance and student achievement.
- **Comprehensive compliance assessments.** Charter School Specialists conducts thorough reviews and school site visits – including opening assurances, and comprehensive fall and spring assessments – to help ensure school compliance with state and federal laws, and with the terms of the sponsorship contract. Special education reviews are also conducted to help ensure compliance and that schools are adequately meeting students' needs.
- **Quality technical assistance.** School leaders and others participate in the many training sessions coordinated by Charter School Specialists to address schools' common needs in core areas of health and safety, special education, and the Ohio Improvement Process (OIP). Beyond these broad-interest training opportunities, Charter School Specialists provides one-on-one technical assistance to board members and school staff to help address their unique individual needs, and reviews all schools' detailed OIP plans, offering feedback aimed at improving student achievement. Additionally, Charter School Specialists provides oversight and guidance in support of schools' Comprehensive Continuous Improvement Plans (CCIP), helping schools gain access to much-needed federal funding and providing support to help ensure compliance with federal grant requirements.
- **Monthly fiscal reviews.** The Charter School Specialists chief financial officer, a certified public accountant, coordinates monthly fiscal reviews of schools' financial reports (as prepared by school treasurers). Monthly "school-at-a-glance" reports provided to governing authority members help identify fiscal trends and any potential "red flags" requiring board review or action.

HOW CHARTER SCHOOL SPECIALISTS HELPS OHIO'S COMMUNITY SCHOOLS IMPROVE THEIR PERFORMANCE

Charter School Specialists helps its contracted partner schools through ongoing assessment and support, a rigorous application and renewal process, and quality technical assistance.

Ongoing performance assessment and support

The foundation of an effective community school is its charter, the sponsorship contract which outlines clear, rigorous performance expectations and specific measurable goals. Because St. Aloysius and Charter School Specialists understand that it takes time for a school to realize its full potential, the first year of operation serves as a baseline for ongoing assessment that tracks a school through its maturation—under national best practices, a five year process.

Significant resources are dedicated to ongoing monitoring of schools' performance. While all schools sponsored by St. Aloysius are strongly encouraged to engage in regular self-improvement practices, including the Ohio Improvement Process, under-performing schools are required to do so. Each school develops or reviews and revises its individual OIP Focused Plans, which must then be implemented with fidelity to adequately address students' academic needs. The process includes SMART goals (Strategic, Measureable, Attainable, Results-oriented, Time-bound) aligned with appropriate strategies and action steps for achievement. Schools must also institute and implement a curriculum that meets Ohio's rigorous system of assessments. Additionally, the school must provide staff with high-quality professional development that is aligned with the school's improvement goals.

St. Aloysius and Charter School Specialists are committed to Ohio's students and the schools that support them. That commitment extends to the first principle of the charter school movement: autonomy, which is the foundation of the relationship between schools and sponsors. However, autonomy does not translate into a lack of accountability. To the contrary, the consequences for schools that fail to make adequate academic progress increase each year and are the very purpose of autonomy—the freedom and responsibility to effectively provide the services Ohio's students and families are entitled to receive. To assist schools in meeting and exceeding academic progress, the Charter School Specialists' School Improvement Team engaged in many activities during the year to support this process:

- Facilitating regional workshops for school leaders and board members to better understand local report card metrics.
- Assisting schools in using a Principal's Professional Growth Plan tool based on the Interstate School Leaders Licensure Consortium (ISLLC) standards.
- Providing PD opportunities including school leader professional growth, data analysis, the 3rd Grade Reading Guarantee, and a New School Basic Training.
- Supporting our contracted partner schools as they assessed, continued to develop and implemented their OIP plans, as well as establishing guidance on academic coach eligibility criteria and tools to track their activities. Charter School Specialists reviewed the experience and expertise of candidates for school academic coaches, with approval or denial for schools required to engage an academic coach as part of the effort to improve school performance.

Rigorous review and consideration of new school proposals and renewal applications

Achieving and maintaining charter school quality begins with a rigorous but fair process for reviewing new school proposals. The review process is comprehensive, including

- the proposed educational model
- fiscal viability
- governance and
- operations

The Charter School Specialists review team brings a variety of expertise to the process, carefully reviewing each application. Questions raised during the review are posed to the school developers during the interview process, and feedback is provided to new school developers to whom preliminary agreements are offered. A similar rigorous process is conducted for schools that seek to renew their sponsor contracts.

Recently, Ohio law has been changed to allow sponsors to offer “rolling” contracts, correcting a statutory deficiency that prevented Ohio charter schools from being able to follow the national best practice of standard five-year contracts—consistent with the school maturation period. As this law is phased in while existing contracts roll into new contracts, five year contracts will be offered to all qualified new applicants.

Quality technical assistance

Among Charter School Specialists’ greatest value to schools sponsored by St. Aloysius is its high-quality technical assistance. From issues of broad interest and application, to opportunities for improvement unique to individual schools, Charter School Specialists dedicates significant resources in support of schools sponsored by St. Aloysius. Members of the Charter School Specialists School Improvement Team have extensive expertise and training in a number of key areas of school operations that can be leveraged to improve student achievement:

- The School Improvement Team includes a resident educator mentor and Formative Instructional Practice (FIP) facilitator.
- Charter School Specialists staff have also participated in Ohio Teacher Evaluation trainings as part of the ongoing efforts to expand capacity and better support schools’ needs.
- Charter School Specialists’ staff participate in professional development opportunities that support efforts to help schools understand and use value-added data.

Teaching Ohio’s students is a satisfying, valuable service, and Charter School Specialists is proud to partner with St. Aloysius to provide high value support to the schools that make this happen.



ST. ALOYSIUS ORPHANAGE

2013-2014 LEGAL COMPLIANCE ASSESSMENT

1 - Overall Compliant 2 - Partially Compliant 3 - Noncompliant

Schools	Education	Finance	Governance	Academic Assessment and Accountability
Academy of Arts and Sciences-Lorain	1	1	1	1
Accelerated Achievement Academy of North Cincinnati (closed)	2	1	1	2
Akros Middle school	1	1	1	1
Arts & College Preparatory Academy	1	1	1	1
Arts and Sciences Preparatory Academy (closed)	1	2	1	1
Bella Academy of Excellence	2	1	1	1
Broadway Academy (non-renwed)	3	1	1	1
C M Grant Leadership Academy	1	1	1	1
Cincinnati College Preparatory Academy East	1	1	1	1
Cliff Park High School	1	1	1	1
Colonial Prep Academy	1	2	1	1
Cornerstone Academy	1	1	1	1
East Preparatory Academy	1	2	1	1
Eastside Arts Academy	1	1	1	1
Edge Academy	1	1	1	1
Franklinton Preparatory	1	1	1	1
Green Inspiration Academy	1	1	1	1
Groveport Community School	1	1	1	1
Harrisburg Pike Community School	1	1	1	1
Harvard Avenue Community School	3	1	1	1
Hope Academy Northcoast Campus	1	1	1	1
Invictus High School	1	1	1	1
Klepinger Community School	1	1	1	1
Lake Erie International High School	1	1	1	1
Life Skills Center of Cincinnati	1	1	1	1
Life Skills Center of Columbus North	1	1	1	1
Life Skills Center of Columbus Southeast	1	1	1	1
Life Skills Center of Dayton	1	1	1	1
Life Skills Center of Elyria	1	1	1	1
Life Skills Center of Northeast Ohio	1	1	1	1
Life Skills Center of Summit County	1	1	1	1
Life Skills Center of Youngstown	1	1	1	1
Life Skills High School of Cleveland	1	1	1	1
Life Skills of Trumbull County	1	1	1	1
Lincoln Preparatory Academy	1	1	1	1
Lorain Preparatory Academy	1	1	1	1
Madison Avenue School of Arts	1	1	1	1
Marshall High School	1	1	1	1
Middlebury Academy	1	1	1	1
Olympus HS Columbus East (closed)	N/A	N/A	N/A	N/A
Olympus HS Columbus Northeast (closed)	N/A	N/A	N/A	N/A
Olympus HS Columbus Southwest (closed)	N/A	N/A	N/A	N/A
Olympus HS Columbus West (closed)	N/A	N/A	N/A	N/A
Olympus HS Dayton Central (closed)	N/A	N/A	N/A	N/A
Olympus HS Dayton East (closed)	N/A	N/A	N/A	N/A
Olympus HS Dayton Northwest (closed)	N/A	N/A	N/A	N/A
Olympus HS Dayton Southwest (closed)	N/A	N/A	N/A	N/A
Sullivant Avenue Community School	1	1	1	1
The Haley School	2	1	1	1
Towpath Trail High School	1	1	1	1
UBAH Math and Reading Academy	2	1	1	1
West Preparatory Academy	1	1	1	1
Zenith Academy East	1	1	1	1

ACADEMY OF ARTS & SCIENCES

201 W. Erie Street, 2nd Floor
Lorain, Ohio 44052
440-244-0156

Mission:

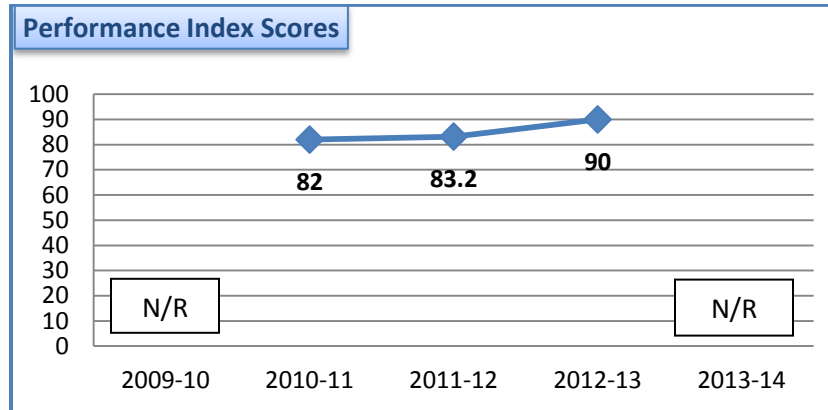
“The mission is to embrace a diverse student body and inspire student success through an innovative, humanities-based curriculum, the cultivation of independent thinking, responsible citizenship and by holding students, family, school and community accountable for results. The Academy will be a model school for college-preparatory education based on high standards, strong community and parental involvement and intensive teacher training.”

<ul style="list-style-type: none">★ Board President: <i>Suzanne Dills</i>★ School Leader: <i>Joell Mullen-Liscano</i>★ Opened: <i>2005</i>★ Grades Served: <i>K-3</i>★ Enrollment from 2013-14: <i>243</i>	<ul style="list-style-type: none">★ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 27.7%</i> <i>Hispanic: 37.4%, Multiracial: 11.1%</i> <i>White, Non-Hispanic: 23.9%</i>★ Students with Disabilities: <i>12.2%</i>★ Economically Disadvantaged: <i>94.8%</i>★ EMO: <i>Mosaica Education</i>
--	---

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph presented above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was not rated because there were not enough students tested to calculate. For the 2012-2013 school year, the raw score was 90.0 and a percentage score of 75.0% with a grade of C. The raw score for performance index for 2011-2012 was 83.2, for 2010-2011 82 and for 2009 - 2010 the school was Not Rated. The school's Performance Index has been on an upward trajectory; however it is impossible to draw a comparison for the 2013-2014 school year.

b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	N/R	N/R	N/R	-
2010-11	N/R	N/R	N/R	-
2011-12	N/R	N/R	N/R	-
2012-13	-	-	-	D
2013-14	-	-	-	N/R

This school's overall Value Added grade for 2013-2014 is Not Rated because the school does not serve students in grades assessed for value added. This school's overall Value Added grade for 2012-2013 was a D. This indicates that students overall were making less than a year's worth of growth for a year's worth of instruction. The Value Added grade for students in the lowest 20% achievement level was a C for the 2012-2013 school year. This indicates that students in the lowest 20% achievement level statewide were making approximately a year's worth of growth for a year's worth of instruction. Reading, Math, and overall Value Added were Not Rated in 2009-2010, 2010-2011 and 2011-2012.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels.

This school does not have an Annual Measurable Objective for Reading or Math because there were not enough students to evaluate.

In 2012-2013 this school received an AMO Grade of F. In 2013-2014 this school was not rated in AMOs because there were not enough students to evaluate. Data from the 2012-2013 school year indicates there are achievement gaps between the AMO goals and student achievement levels in reading and math.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	1	1
2010-11	3	0
2011-12	3	1
2012-13	4	2
2013-14	0	N/R

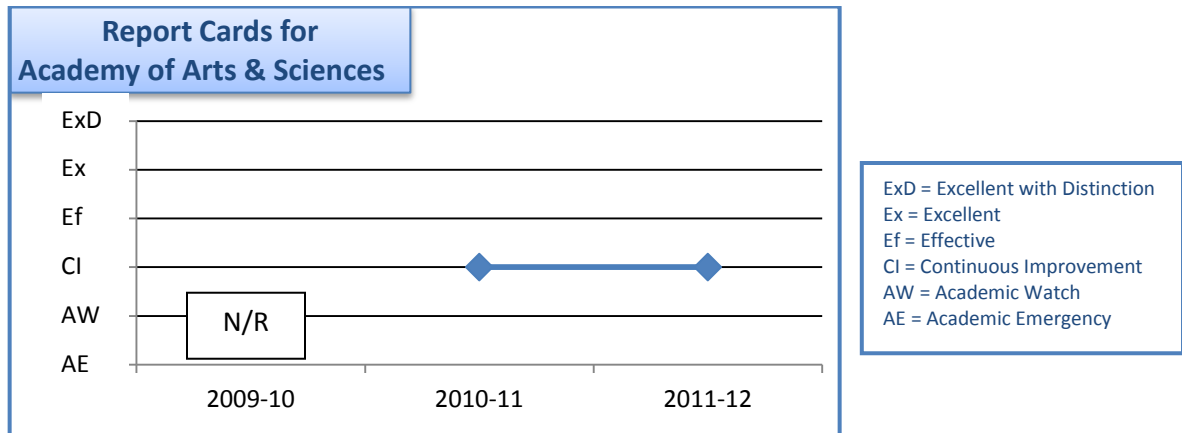
This school met 1 of 1 required state indicators in 2009-2010, 0 of 3 required state indicators in 2010-2011, 1 of 3 required state indicators in 2011-2012, 2 of 4 required state indicators in 2012-2013 for a grade of D, and was not rated in 2013-2014. This school consistently fails to meet all of the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	2 (delay)
2010-11	No	-
2011-12	No	At Risk
2012-13	No	-
2013-14	Low	

This school was designated At-Risk in 2009-2010 and 2011-2012. There is no school Improvement designation for 2012-2013. This school is identified as a Low Support School under Differentiated Accountability for the 2013-2014 report card.

f. Historical Report Card Grades



This school was Not Rated 2009-2010. In 2010-2011 and 2011-2012 the school was rated in Continuous Improvement. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

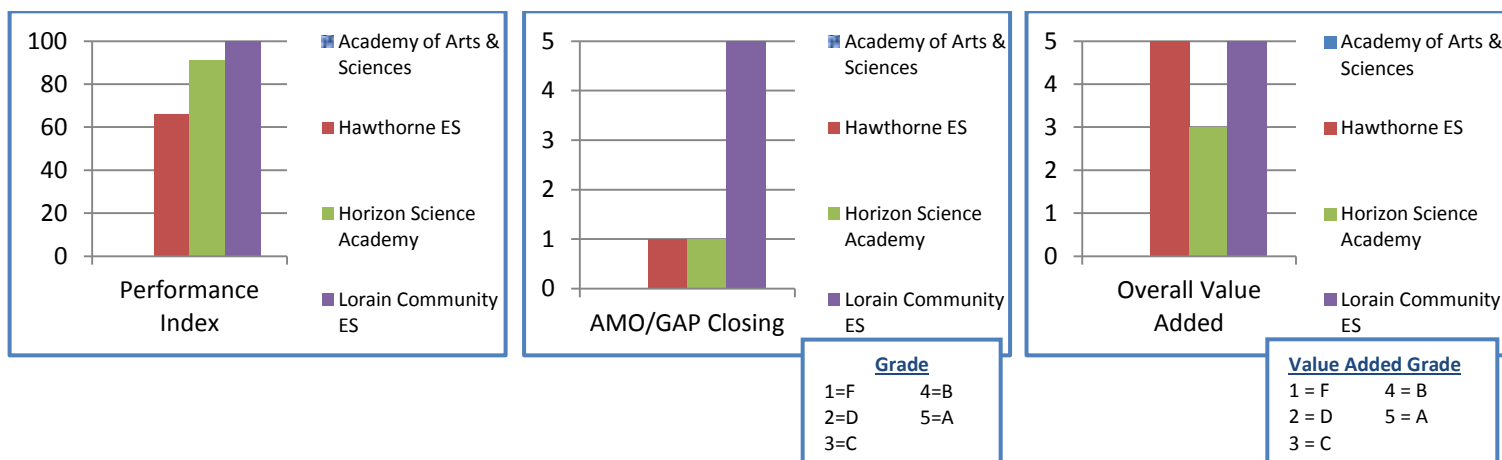
SCHOOL YEAR	AYP
2009-10	Met
2010-11	Met
2011-12	Not Met

In 2009-2010 and 2010-2011 the school met AYP. In 2011-2012 this school did not meet AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis:

Due to the low enrollment and grades served, it is difficult to draw significant conclusions about this school's academic progress. AMO data indicates that there are still achievement gaps in both reading and math with math having the more significant gaps. The Overall Value Added grade of D for the 2012-2013 school year indicates that students overall achieved less than a year's worth of growth for a year's worth of instruction. The Value Added grade for 2012-2013 of C for students in the bottom 20% statewide indicates that these students were achieving approximately a year's worth of growth for a year's worth of instruction. Students at this school need to be achieving significantly more than a year's worth of growth each year if they are to meet state required indicators and grade level expectations. The school should focus on using data to develop a comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs for the 2012-2013 report card and the gaps in reading and math AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all students. The school should focus on value added growth, developing professional practices that stretch students toward reaching grade level expectations. Students need to be consistently making at least a year's worth of growth each year. Making significantly more than a year's worth of growth will put students on a trajectory of meeting state required indicators. Due to the small number of students, both the attendance rate and participation rate were Not Rated. The school should take advantage of technical assistance and resources available through the school's sponsor to support efforts toward growth in professional practice and student achievement. The school should also focus efforts toward the use of data to inform instruction particularly for meeting the needs of all subgroups and closing achievement gaps.

III. Comparison of Similar Schools



This school is not rated in any of the comparison measures.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Academy of Arts and Science.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.17	 0.14	 0.37	 0.19	 0.59




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.62	 2.43	 0.95	 1.55	 5.15

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.53	 1.16	 0.85	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N	N	N	N	N






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.10	 (0.05)	 0.04	 (0.31)	 0.04

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.04	 (0.10)	 (0.06)	 (0.11)	 0.04






Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 2.38	 4.11	 2.69	 3.65	 1.17






Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2					
Cash - Year 1	 (5,283)	 4,963	 (2,833)	 (14,457)	 20,776
Multi Year Cash Flow = Year 3					
Cash - Year 1	 (320)	 2,130	 (17,290)	 6,319	 20,776

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.81	 (0.05)	 0.43	 (3.28)	 1.77

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	No	Yes	Overall Compliant	In Process	Yes
2012-2013	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No	Yes
2011-2012	Yes	Yes	No	Yes	Yes	Yes	n/a	No	No	Overall Compliant	No	Yes
2010-2011	Yes	n/a	n/a	n/a	Yes	n/a	n/a	n/a	n/a	Overall Compliant	No	Yes
2009-2010	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Overall Compliant	No	Yes

Comment: The Academy of Arts & Sciences (AAS) is currently operating in its tenth year. Over the past five years, AAS has been substantially compliant in submitting required documentation, including CSLT meeting forms, assessment data, management company evaluations and student intervention plans. Additionally, AAS has not required many charter modifications and has operated well within the confines of the charter agreement. AAS has performed well during site visits conducted by the sponsor and has only been found partially compliant on two items throughout the five year period. AAS has experienced some challenges in the financial arena. Each year, AAS has submitted a corrective action plan relative to financial audit comments and debt owed to its management company, Mosaica Education. The sponsor remains concerned about the debt and continues to request corrective action plans from the Governing Authority.

ARTS & COLLEGE PREPARATORY ACADEMY

4401 Hilton Corporate Drive
Columbus, Ohio 43232
614-986-9974

Mission:

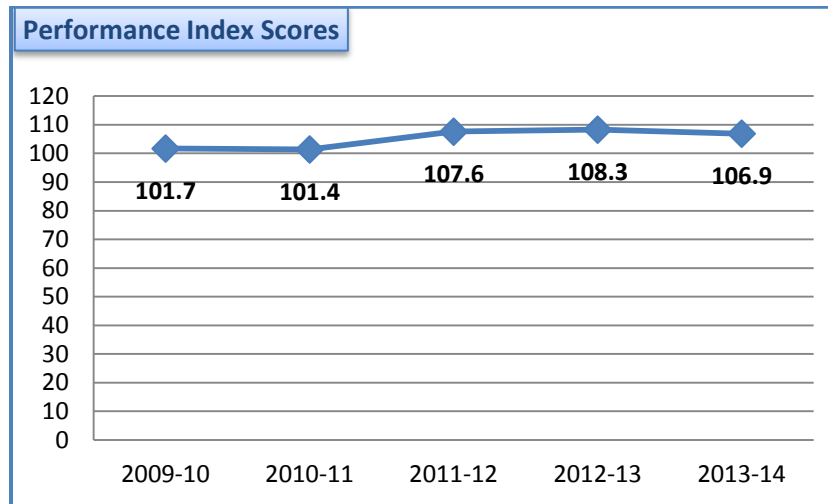
“We have a climate and culture that is based on a trailblazing arts and college prep curriculum in an environment that is safe, inclusive, and progressive.”

<ul style="list-style-type: none">✦ Board President: <i>William Klatt</i>✦ School Leader: <i>Anthony J. Gatto</i>✦ Opened: <i>2002</i>✦ Grades Served: <i>9-12</i>✦ Enrollment from 2013-14: <i>300</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: Black, Non-Hispanic: 29%✦ Hispanic: 6.6%✦ Multiracial: 6.9%✦ White, Non-Hispanic: 54.9%✦ Students with Disabilities: 7.5%✦ Economically Disadvantaged: 57.8%
---	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for Performance Index was 101.7 for 2009-2010, 101.4 for 2010-2011, 107.6 for 2011-2012, 108.3 for 2012-2013 and 106.9 for 2013-2014. For 2012-2013 the Performance Index Grade was an A with a score of 90.3% while the Performance Index Grade for 2013-2014 is a B with a score of 89.1%.

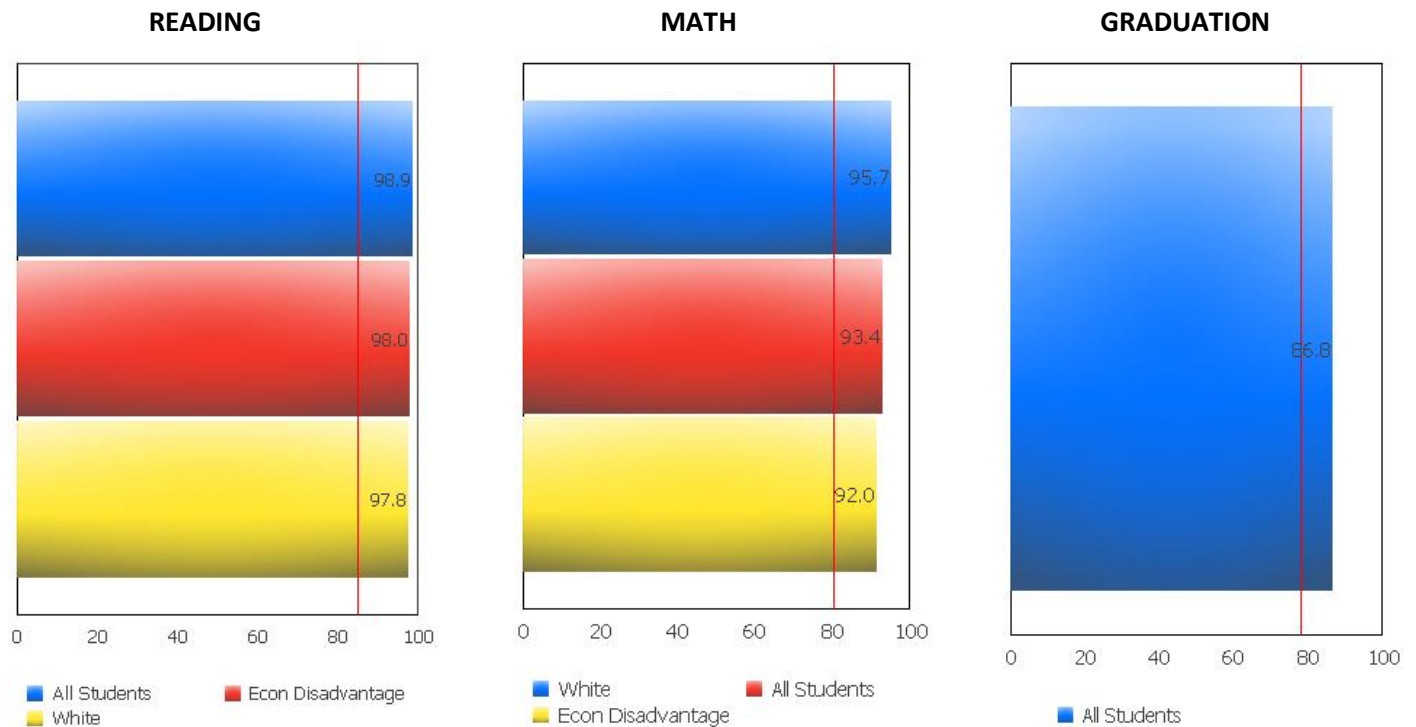
b. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	12
2010-11	12	12
2011-12	12	11
2012-13	10	10
2013-14	10	10

This school has met all of the required state indicators each year with the exception of 2011- 2012 when it met 11 of the required 12 indicators.

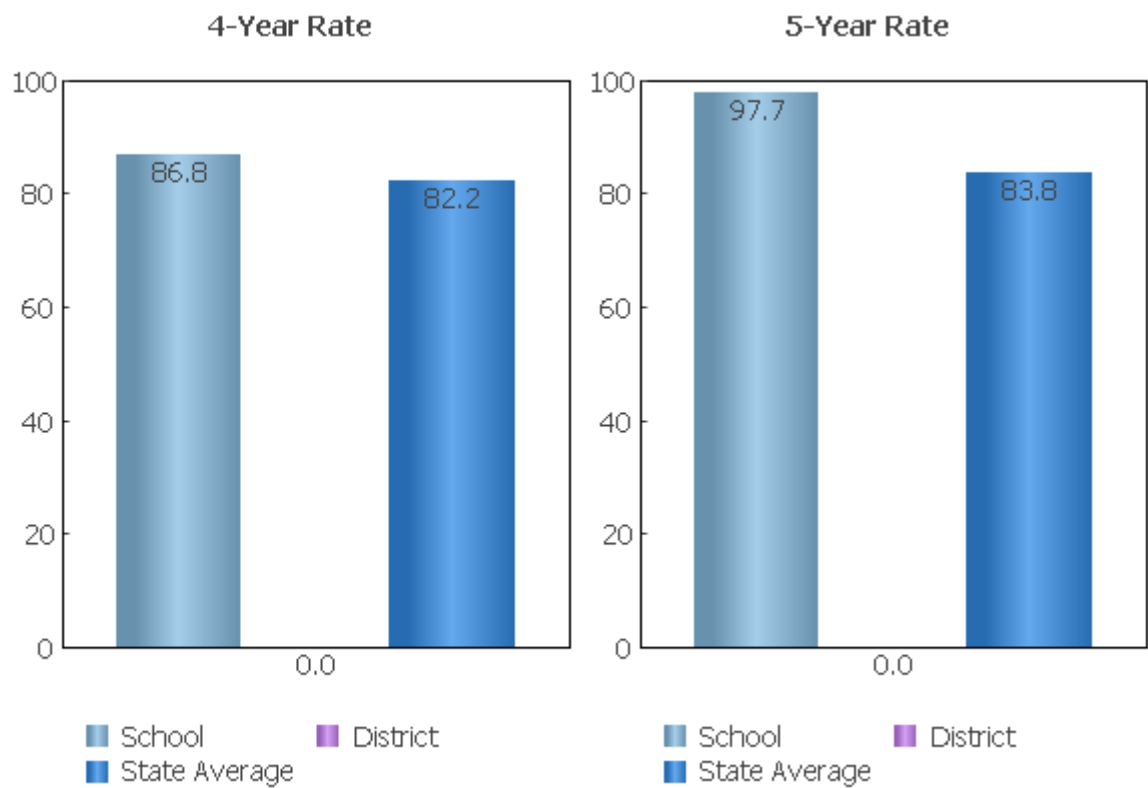
c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading, math and graduation – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9%, for Math is 80.5%, and for Graduation Rate is 78.2%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012 -2013 this school received an AMO Grade of B with a score of 89.9 %. In 2013-2014 this school improved its AMO grade to an A with a score of 100%.

d. Graduation Rate



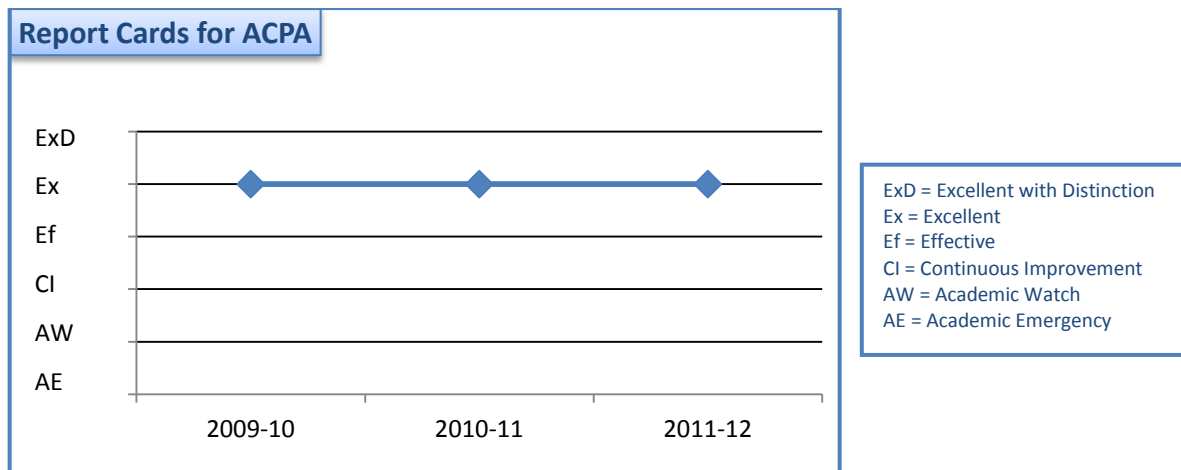
Although this school demonstrated a slight decline in graduation rate for AMO, it exceeded the graduation target for AMO. This school exceeded the state average graduation rate for both the 4 year and 5 year graduation rate with the 5 year rate approaching 98%.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	No	-
2010-11	No	-
2011-12	No	-
2012-13	No	-
2013-14	No	-

This school has not been designated for School Improvement Status since its opening.

f. Historical Report Card Grades



This school was rated Excellent in 2009-2010, 2010-2011, and 2011-2012. Overall report grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Met
2010-11	Met
2011-12	Met

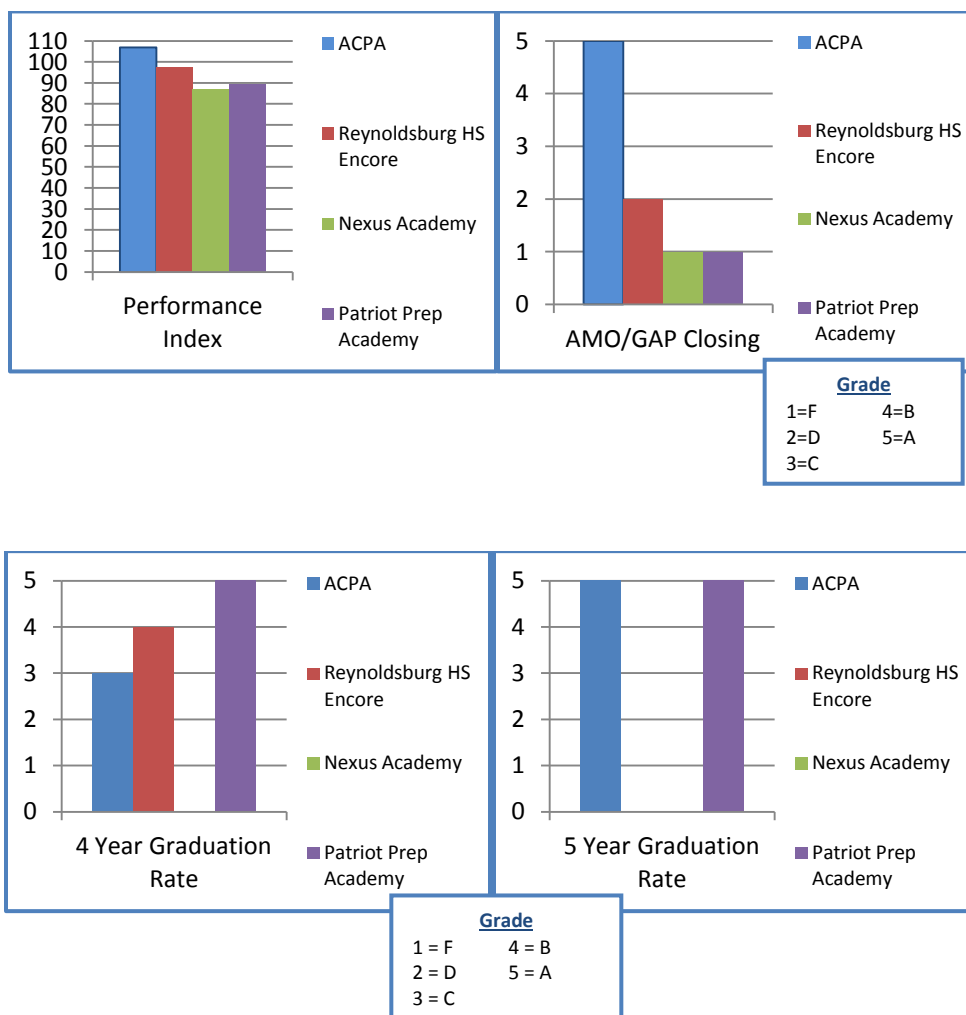
This school has met AYP each year from 2009-2010 through 2011-2012. AYP has been replaced by the Gap Closing component (AMO) on the current report card.

II. Academic Analysis

The data indicates that this school is having substantial success. The school has consistently met all or most of the required state indicators. The school has consistently met AYP and has earned either an A or B in AMOs, demonstrating success for all groups of students. The school is meeting AMO targets for attendance and graduation with the five year graduation rate outpacing the four year graduation rate.

This school is one of the highest performing high schools in the state of Ohio. While serving students who may not be successful in a traditional public school environment, it has outpaced all other community schools serving grades 9-12 in the state. The administration at the school has been consistent and actively engaged with the student population. The school has been the recipient of the highly competitive Straight A grant being granted the honor of the lead school in their consortium. The school also stays well connected within the community.

III. Comparison of Similar Schools



The school scored higher than all comparison schools in performance index, which assesses student achievement level. The school also outscored all comparison schools in AMO/GAP closing. The school scored lower than two comparison schools in four-year graduation rate, but received the top score in five-year graduation rate, tying with a local community school. Nexus Academy was not rated in four or five-year graduation rate and Reynoldsburg High School Encore was not rated in five-year graduation rate.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Arts & College Preparatory Academy.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 2.44	 2.72	 4.59	 3.36	 2.95




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 94.79	 103.92	 120.77	 107.62	 114.10

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.90	 1.05	 1.01	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N	N	N	N	N






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.02	 (0.01)	 0.11	 0.19	 0.03

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.04	 0.10	 0.11	 0.12	 0.03











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.61	 0.63	 0.61	 0.64	 0.29






Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (59,865)	 (110,190)	 175,130	 (49,751)	 579,340
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (170,055)	 64,940	 125,379	 529,589	 579,340

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.25	 0.75	 3.27	 59.98	 -

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	n/a	Yes	No	n/a	No	Yes	No	No	Yes	Overall Compliant	In process	No
2012-2013	n/a	Yes	No	n/a	Yes	Yes	No	No	No	Overall Compliant	Yes	No
2011-2012	n/a	Yes	n/a	n/a	No	Yes	No	No	No	Overall Compliant	No	No
2010-2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	Overall Compliant	Yes	No
2009-2010	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	Overall Compliant	No	No

Comment: Arts and College Preparatory Academy (ACPA) is in its thirteenth year of operation. ACPA has performed well during site visits conducted by the sponsor. Over the past five (5) years, ACPA has only been found partially compliant on two items related to board member training and board member BCI/FBI background checks. When required, ACPA has submitted all documentation requested by the sponsor. During the past five (5) years, ACPA has had three findings on financial audits related to student withdrawal documentation, appropriate board meeting notices and HQT requirements for teachers. In general, ACPA performs well in the compliance and operations areas.

AKROS MIDDLE SCHOOL

**265 Park Street
Akron, Ohio 44304
330-374-6704**

Mission:

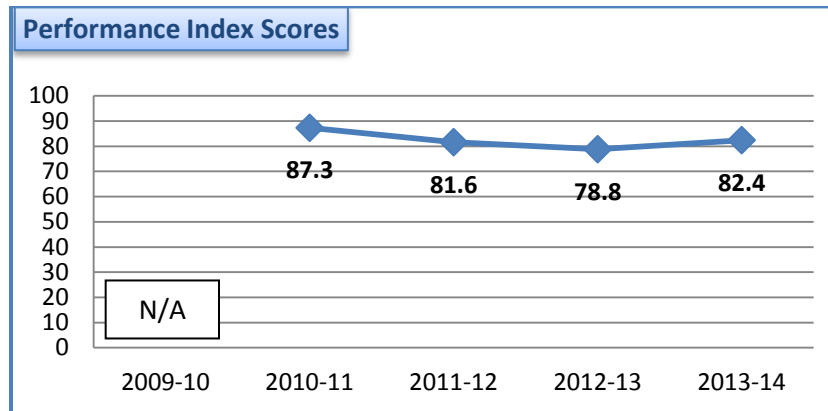
“Akros Middle School exists to provide superior academic instruction to disadvantaged children in Akron. All staff members are charged with the responsibility to create and maintain a safe, caring, disciplined and respectful environment in which learning can be maximized. The ultimate outcome of Akros Middle School’s efforts is the development of world-class citizens.”

<ul style="list-style-type: none">★ Board President: <i>David Burden</i>★ School Leader: <i>Holly Piskula</i>★ Opened: <i>2010</i>★ Grades Served: <i>6-8</i>★ Enrollment from 2013-14: <i>122</i>	<ul style="list-style-type: none">★ Racial/Ethnic Balance: <i>Black, Non-Hispanic : 87.4%</i>★ Students with Disabilities: <i>17.1%</i>★ Economically Disadvantaged: <i>98.6%</i>
--	---

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above shows raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. This school had a raw score of 78.8 with a percentage of 65.7 % and grade of D in 2012-2013 and a raw score of 82.4 with a percentage of 68.7% and a grade of D for 2013-2014. For the 2013-2014 school year, 41.4% of students are in the lowest two achievement levels of basic and limited. The performance index for this school had steadily declined each year from 2010-2011 through 2012-2013; however the performance index increased from 78.8 to 82.4 points this year.

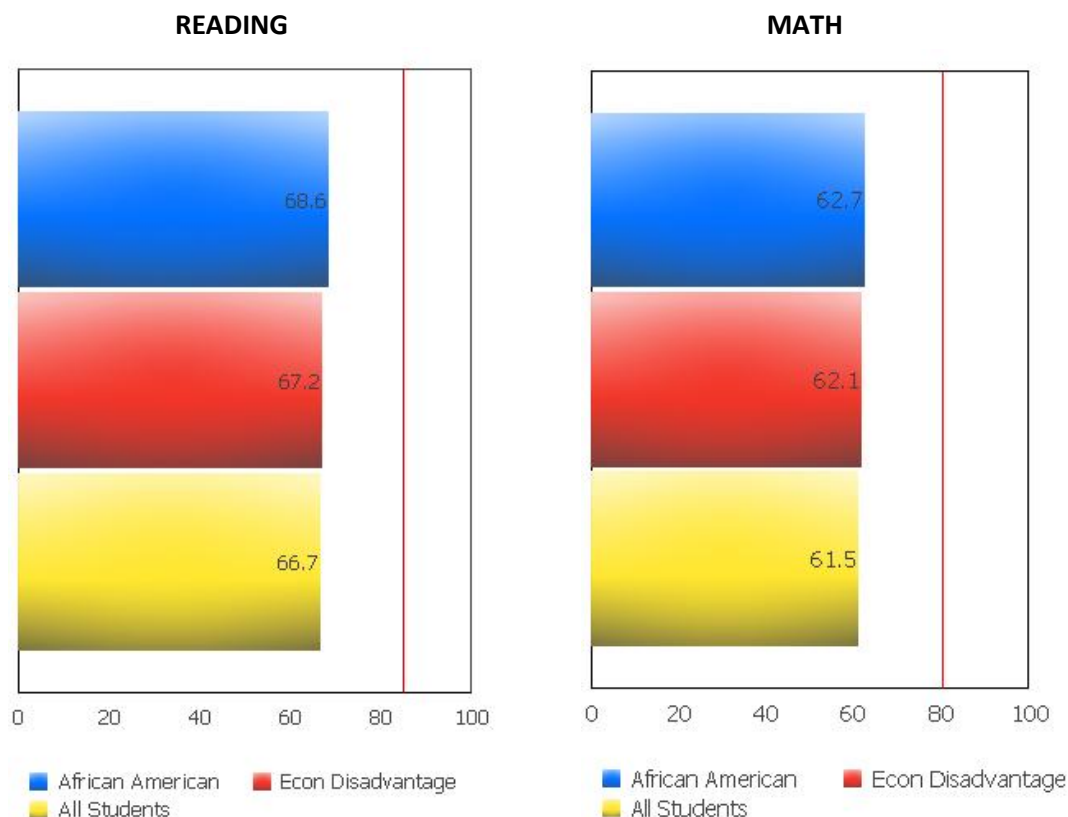
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	N/A	N/A	N/A	-
2010-11	Above	Above	Met	-
2011-12	Above	Above	Met	-
2012-13	-	-	-	A
2013-14	-	-	-	A

This school's overall Value Added scores are in the Above range in both 2010-2011 and 2011-2012. Math Value Added was in the Above range in both 2010-2011 and 2011-2012 while Reading was in the Met range in both 2010-2011 and 2011-2012. The school received a rating of A for Overall Value Added in 2012-2013. The overall Value Added grade for 2013-2014 is an A with a grade of A for students in the bottom 20% statewide and a grade of B for students with disabilities. This indicates that during the 2013-2014 school year, students overall and students in the bottom 20% of achievement levels statewide, achieved significantly more than one year's worth of growth for one year's worth of instruction while students with disabilities achieved more than a year's worth of growth for a year's worth of instruction.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012 -2013 this school received an AMO Grade of F with a score of 3.40%. For the 2013-2014 this school improved in both reading and math in the all the rated subgroups. However, there are still significant achievement gaps in both reading and math in all of the rated subgroups. This school met the required attendance rate of 93% in all the rated subgroups with an all student rate of 94.4%. This school final AMO rate is 36.4% with an AMO grade of F.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	N/A	-
2010-11	5	2
2011-12	8	2
2012-13	7	0
2013-14	7	0

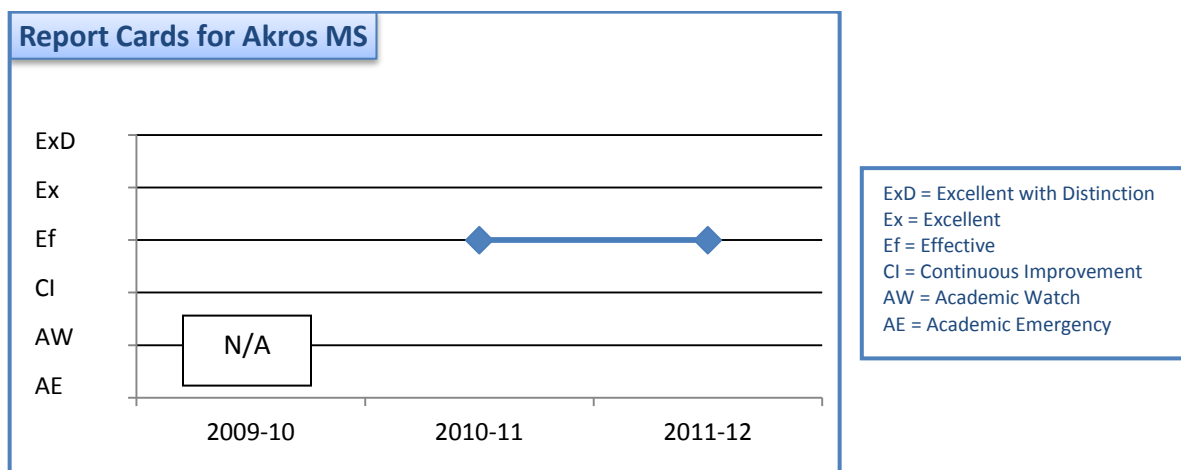
In 2013-2014 this school met 0 of the 7 State required Indicators. In 2012-2013 this school met 0 of the 7 State Indicators required after having met 2 of 8 State Indicators in 2011-2012 and 2 of 5 State Indicators in 2010-2011.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	N/A	-
2010-11	No	-
2011-12	No	At Risk
2012-13	No	-
2013-14	No	-

The school was not designated for school Improvement in 2010-2011. This school was not designated for School Improvement Status in 2012-2013 after having been designated At-Risk in 2011-2012. This school was also not designated for school improvement in 2013-2014.

f. Historical Report Card Grades



This school was rated Effective in 2010-2011 and 2011-2012. Overall report grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

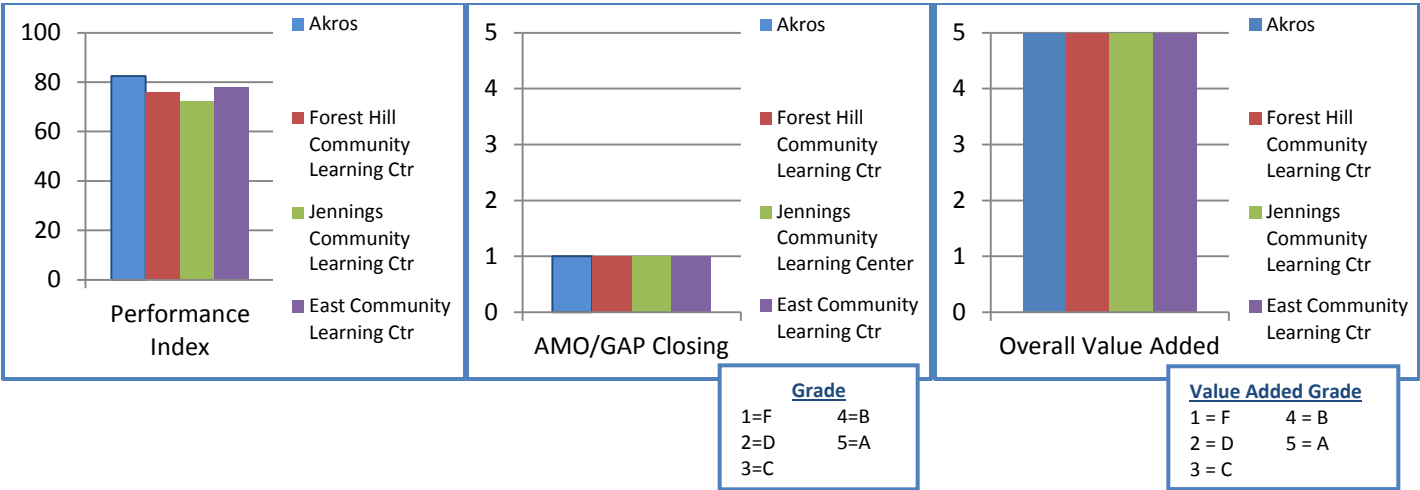
SCHOOL YEAR	AYP
2009-10	N/A
2010-11	Met
2011-12	Not Met

In 2011-2012 this school did not meet AYP after having done so in 2010-2011. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The data indicates that this school is making improvement. Even though the performance index scores decreased until 2013-2014, the Overall Value Added grade of A in 2012-2013 indicates that students are achieving significantly more than a year's worth of growth for a year's worth of instruction. The overall Value Added grade for 2013-2014 is an A with a grade of A for students in the bottom 20% statewide and a grade of B for students with disabilities. This indicates that during the 2013-2014 school year, students overall and students in the bottom 20% of achievement levels statewide achieved significantly more than one year's worth of growth for one year's worth of instruction while students with disabilities achieved more than a year's worth of growth for a year's worth of instruction. The performance index score increased from 2012-2013- to 2013-2014. In 2012 -2013 this school received an AMO Grade of F with a score of 3.40%. For the 2013-2014 this school improved in both reading and math in all the rated subgroups. However, there are still significant achievement gaps in both reading and math in all of the rated subgroups. This school met the required attendance rate of 93% in all the rated subgroups with an all student rate of 94.4%. The school's participation rate was also 100% for the 2013-2014 school year. This school's final AMO rate is 36.4% with an AMO grade of F. This school should develop a continuous school improvement plan. The school should focus on using data to drive the instructional needs of the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on their disaggregate groups and closing achievement gaps.

III. Comparison of Similar Schools



The school outperformed community schools in its area relative to performance index, which assesses student achievement level. The school compares similarly to all schools in AMO/GAP closing. The school compares favorably to the comparison schools in overall value added.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management



The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Akros Middle School.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:




- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 1.02	 1.60	 0.27




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 19.69	 20.27	 10.44

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 1.03	 0.67	 -

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
N	N	N




Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES




These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.




<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 (0.05)	 0.08	 (0.08)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 (0.01)	 0.01	 (0.08)

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.







The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 1.09	 0.87	 1.44

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be




following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (14,902)	 44,901	 31,800
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 29,999	 76,701	 31,800

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 (0.23)	 0.64	 (0.45)

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	No	Overall Compliant	In Process	No
2012-2013	No	No	No	n/a	Yes	No	No	No	No	Overall Compliant	Yes	No
2011-2012	n/a	Yes	No	n/a	No	n/a	No	n/a	No	Overall Compliant	No	Yes
2010-2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	Overall Compliant	Yes	Yes
2009-2010	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open

Comments: Akros Middle School (Akros) is currently operating in its fifth year. Akros has been overall compliant during site visits conducted over the past five (5) years. However, Akros has been historically tardy in submitting required documentation and often slow to respond to requests. During its first year of operation, Akros did not submit a request for a charter modification regarding liability insurance amounts at the proper time and board members did not timely complete board training. Additionally, during the 2012-2013 school year, Akros failed to submit assessment data, a CSLT meeting form and a student intervention plan. When the CSLT meeting form was submitted for 2013-2014, it was past due. Akros has also experienced challenges on audits, having findings for payroll services in both 2010-2011 and 2012-2013. Delays in responses and findings in audits have precipitated requests for corrective action plans from the sponsor.

BELLA ACADEMY OF EXCELLENCE

19114 BELLA DRIVE
CLEVELAND, OHIO 44119
(216) 481-1500

Mission:

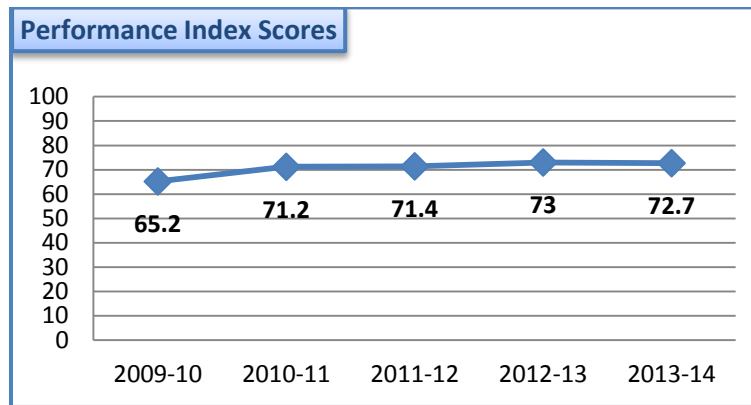
“Bella’s mission will be to help parents and guardians educate their children by creating learning communities of achievement and hope. In formation of the School, the mission will expand to provide as many students as possible with a challenging, effective program of study and strong moral development in a safe, nurturing learning environment.”

★ Board President: <i>Hakeem Thornton</i>	★ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 93.2%</i>
★ School Leader: <i>Arun Dutt</i>	★ <i>Multiracial: 5.2%</i>
★ Opened: <i>2009</i>	★ Students with Disabilities: <i>11.1%</i>
★ Grades Served: <i>K – 8</i>	★ Economically Disadvantaged: <i>99.1%</i>
★ Enrollment from 2013-14: <i>375</i>	★ EMO: <i>Imagine Schools, Inc.</i>

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph presented above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 72.7, which equates to a 60.6% and a grade of D. This is a slight decrease in the raw score of 73 and a percentage score of 60.8% with a grade of D for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 71.4, for 2010-2011 71.2 and for 2009 - 2010 65.2. The school's Performance Index has been fairly flat since its opening.

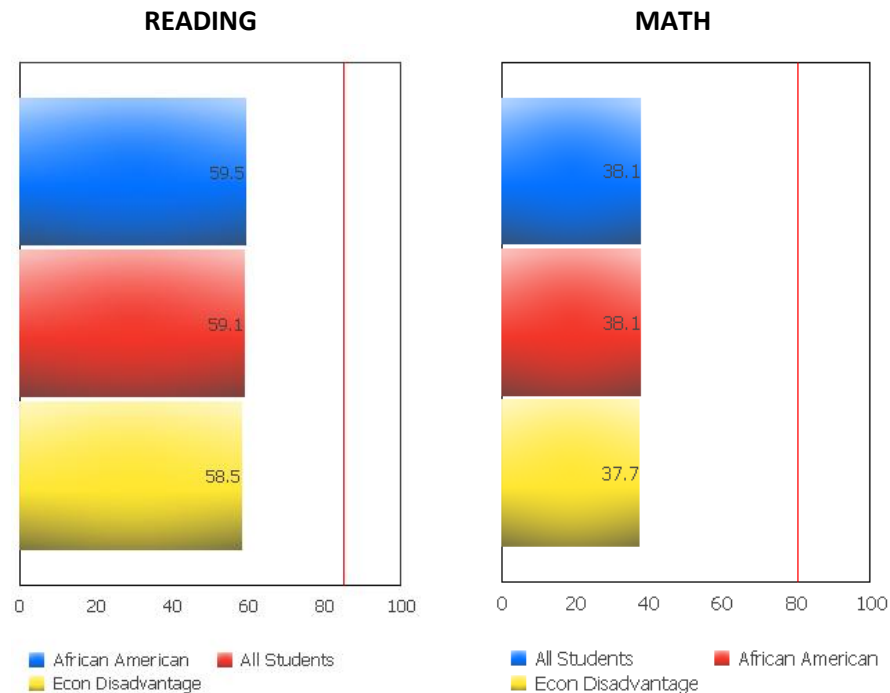
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Not Rated	Not Rated	Not Rated	-
2010-11	Met	Met	Met	-
2011-12	Met	Met	Met	-
2012-13	-	-	-	C
2013-14	-	-	-	F

Reading, Math, and overall Value Added were in the Met range for 2010-2011 and 2011-2012. This indicates that students were making approximately one year's worth of growth for one year's worth of instruction. This school's overall Value Added grade for 2012-2013 was a C. The overall Value Added grade for 2013-2014 is an F with a grade of D for students in the bottom 20% statewide and a grade of B for students with disabilities. This indicates that during the 2013-2014 school year, students overall achieved significantly less than one year's worth of growth for one year's worth of instruction. Students in the bottom 20% of achievement levels statewide achieved less than one year's worth of growth for one year's worth of instruction while students with disabilities achieved more than a year's worth of growth for a year's worth of instruction.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies that Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 15.4%. In 2013-2014 this school received an AMO grade of F with a score of 6.5%. There is a significant gap between the AMO goals and student achievement levels in reading and math. This school met the attendance rate and participation rate for AMOs.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	8	1
2010-11	10	1
2011-12	12	1
2012-13	14	1
2013-14	14	0

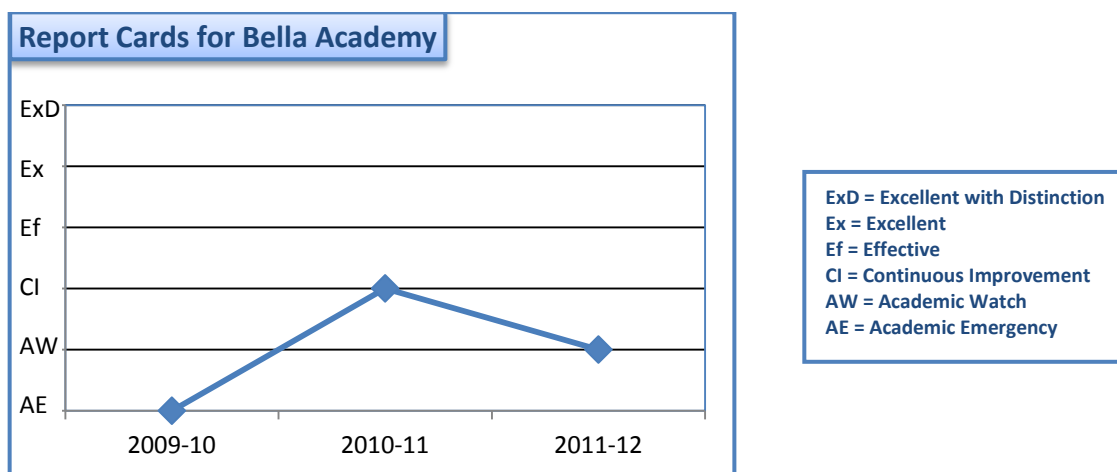
This school met 1 of the 8 required state indicators in 2009-2010, 1 of 10 required state indicators in 2010-2011, 1 of 12 required state indicators in 2011-2012, 1 of 14 required state indicators in 2012-2013 for a grade of F, and 0 of 14 required state indicators 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	No	At Risk
2010-11	No	-
2011-12	No	At Risk
2012-13	No	-
2013-14	Low	1

This school was designated At-Risk in 2009-2010 and 2011-2012. There is no school Improvement designation for 2012-2013. This school has been designated as a Low Support School under Differentiated Accountability (DA) for the 2013-2014 school year.

f. Historical Report Card Grades



This school was rated in Academic Emergency in 2009-2010. In 2010-2011 the school improved to Continuous Improvement by meeting AYP through Safe Harbor. In 2011-2012 the school was rated in Academic Watch. In 2012-2013, the local report card metrics changed; however, overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

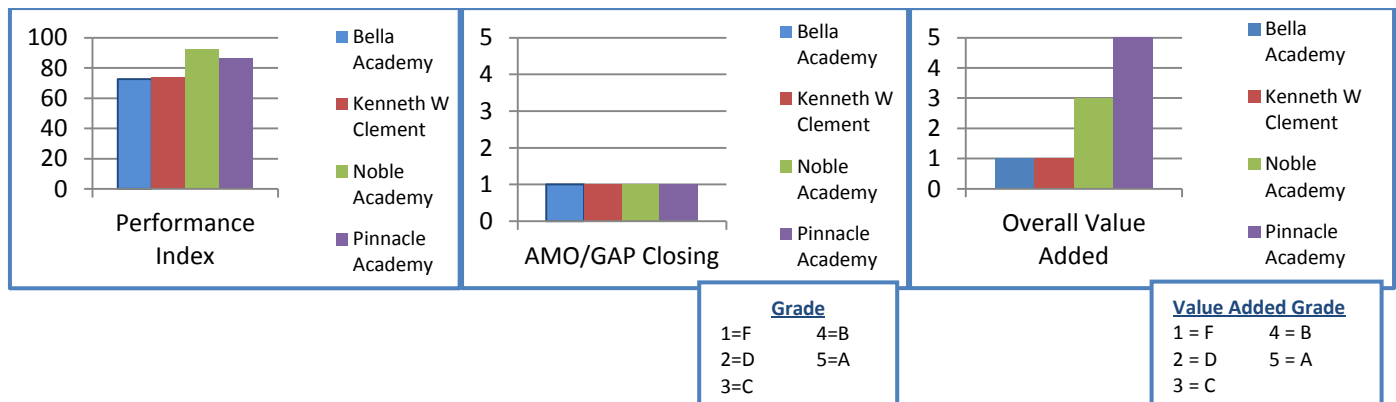
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Met
2011-12	Not Met

In 2010-2011 the school met AYP through Safe Harbor. In 2011-2012 this school did not meet AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The data indicates that this school is having difficulty achieving success with all students as evidenced that only one state indicator has been met within the last five years. The trend of performance index scores is flat. The Overall Value Added grade of C for the 2012-2013 school year indicates that students achieved approximately one year's worth of growth for one year's worth of instruction. The overall Value Added grade for 2013-2014 is an F with a grade of D for students in the bottom 20% statewide and a grade of B for students with disabilities. This indicates that during the 2013-2014 school year, students overall achieved significantly less than one year's worth of growth for one year's worth of instruction. Students in the bottom 20% of achievement levels statewide achieved less than one year's worth of growth for one year's worth of instruction while students with disabilities achieved more than a year's worth of growth for a year's worth of instruction. The students need to be making significantly more than one year's worth of growth for one year's worth of instruction if the students are to achieve at a level to meet state indicators and grade level expectations. The school should focus on using data to develop a comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all students. The school should continue its focus on value added growth, developing professional practices that stretch students toward reaching grade level expectations. This school met the participation rate of 100% for AMOs as well as the AMO attendance rate of 93%, having an all student attendance rate of 94.8%.

III. Comparison of Similar Schools



The school has the lowest performance index score, which assesses student achievement level, of its comparison schools, comparing most similarly to the traditional public school. The school compares similarly to all schools in AMO/GAP closing. The school again compares similarly to the traditional public school in overall value added but performs below the level of neighboring community schools in this measure.

III. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. One complaint has been made to the Office of Community Schools at the Ohio Department of Education. The school resolved the complaint in an appropriate and timely manner.

FINANCE

I. Financial Management





The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Bella Academy of Excellence.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:





- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
 0.99	 1.01	 1.06	 1.80




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
 0.02	 0.02	 0.02	 0.04

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
 0.92	 0.86	 0.61	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
N	N	N	N





Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES




These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
 (0.00)	 (0.00)	 0.03	 (0.05)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
 0.01	 0.00	 0.00	 (0.05)









Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
 1.01	 0.99	 0.94	 2.18





Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 -	 37	 2	 182
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 37	 39	 184	 182

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
 (0.00)	 (0.02)	 0.17	 (0.14)

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

Compliance/Operations

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	Yes	Due October 2014	Yes	Yes	Yes	Yes	Yes	Overall Compliant	In process	No
2012-2013	Yes	Yes	n/a	Yes	Yes	Yes	n/a	Yes	No	Overall Compliant	No findings	No
2011-2012	Yes	Yes	n/a	Yes	Yes	Yes	n/a	n/a	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	n/a	n/a	Yes	n/a	n/a	n/a	No	Overall Compliant	No findings	No
2009-2010	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	Overall Compliant	No findings	No

Comment: Bella Academy of Excellence (Bella) is in its sixth year of operation. In general, Bella has been compliant on items reviewed during site visits conducted by the sponsor. At times, Bella had operational setbacks regarding completing a fire drill within the first ten (10) days of school, obtaining approval on its acceleration policy from the Ohio Department of Education, timely completing background checks for employees during a time of high-turnover at the school and hiring an academic coach. Additionally, Bella experiences challenges in timely submitting charter modification requests and documentation. Overall, Bella responds adequately to requests from the sponsor. Furthermore, Bella has performed well on all audits, receiving no findings over the last five (5) years.

BROADWAY ACADEMY

3398 East 55th Street
Cleveland, Ohio 44127
216-271-7747

Mission:

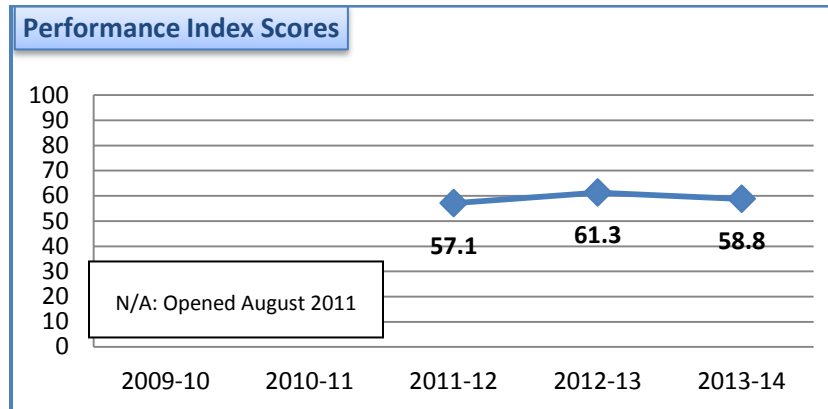
“The School’s mission is to provide a 21st Century learning environment to enable students to reach academic goals and become responsible 21st Century Citizens. We believe that scholarship, leadership and services are the cornerstone of our future 21st century citizens.”

✦ Board President: <i>Gwendolyn Norfleet-Rodgers</i>	✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 90.4%</i>
✦ School Leader: <i>Nathaniel Richards</i>	✦ <i>Hispanic: 3.8%</i>
✦ Opened: <i>2011</i>	✦ Students with Disabilities: <i>8.9%</i>
✦ Grades Served: <i>K-8</i>	✦ Economically Disadvantaged: <i>99.7</i>
✦ Enrollment from 2013-14: <i>321</i>	✦ EMO: <i>White Hat Management</i>

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 58.8, which equates to a 49.0 % and a grade of F. This is a lower score than the raw score of 61.3 and a percentage score of 51.1 % with a grade of D for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 57.1. The Performance Index for this school has been inconsistent.

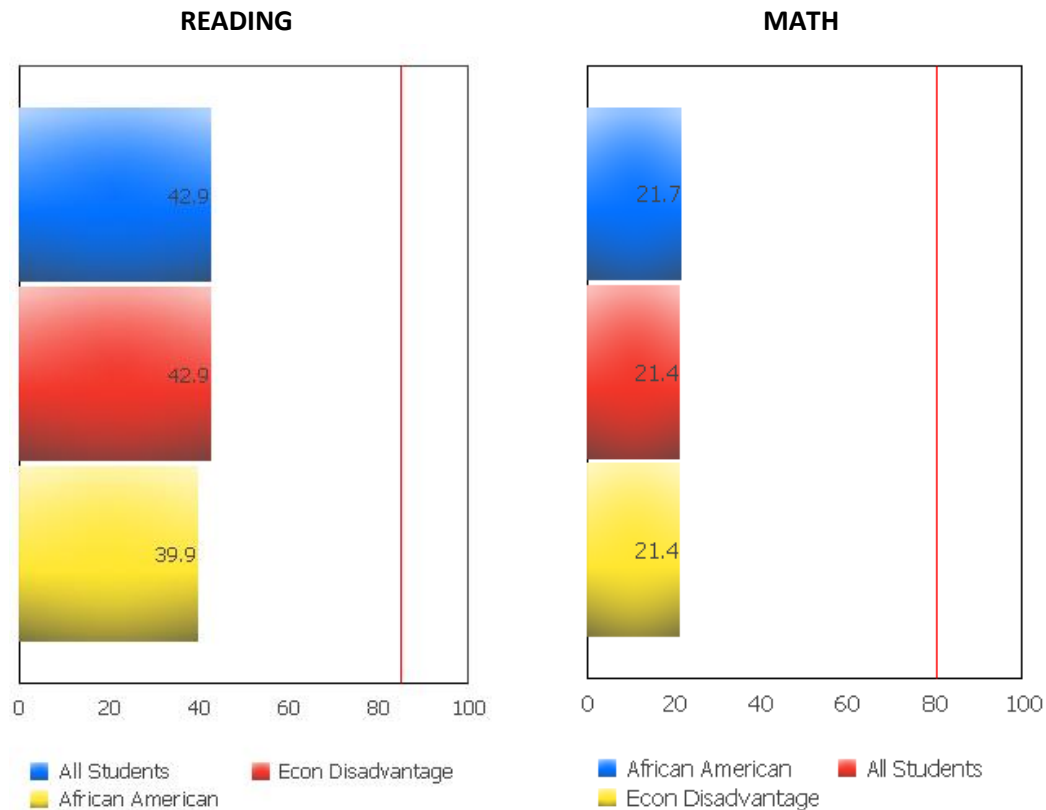
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	N/A	N/A	N/A	-
2010-11	N/A	N/A	N/A	-
2011-12	Below	Below	Below	-
2012-13	-	-	-	F
2013-14	-	-	-	F

This school's overall Value Added grade for 2012-2013 was an F, providing no increase from 2011-2012. This indicates that students are making significantly less than one year's worth of growth for one year's worth of instruction. The overall Value Added grade for 2013-2014 is also an F, with a grade of F for students in the bottom 20% statewide and a grade of D for students with disabilities. This indicates that during the 2013-2014 school year, students overall achieved significantly less than one year's worth of growth for one year's worth of instruction. Students in the bottom 20% of achievement levels statewide also achieved significantly less than one year's worth of growth for one year's worth of instruction while students with disabilities achieved less than a year's worth of growth for a year's worth of instruction.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 1.60%. In 2013-2014 this school received an AMO grade of F with a score of 0.0%. For the 2013-2014 school year, this school lost ground in reading AMO but made some progress toward the AMO target in math. There are still significant achievement gaps in both reading and math for all the rated subgroups. This school also did not meet the AMO attendance target of 93% in any of the disaggregate subgroups. However, the school did meet the participation rate for AMOs. This school received a demotion in AMO due to not meeting the required attendance rate. The final AMO rate was 1.6% with a grade of F.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	N/A	-
2010-11	N/A	-
2011-12	15	0
2012-13	14	0
2013-14	14	0

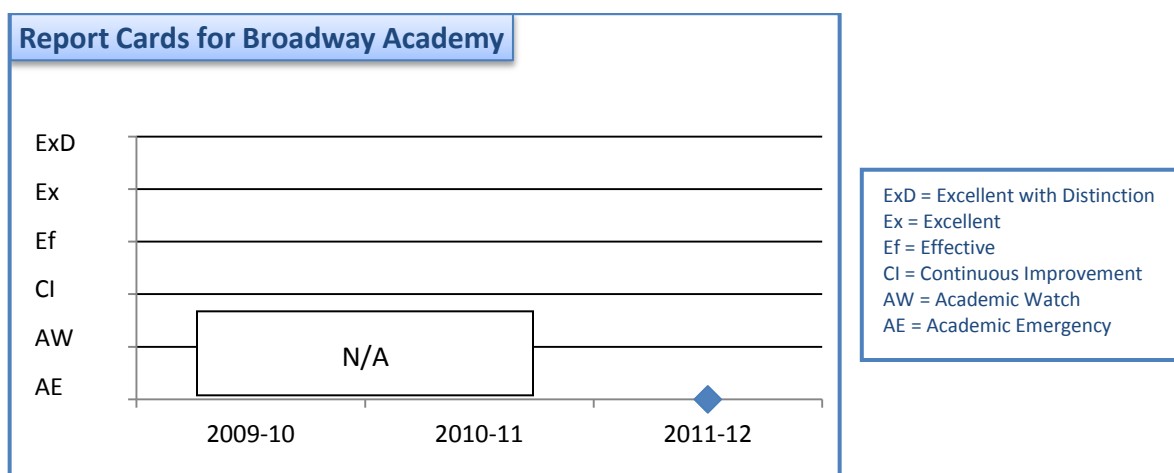
This school has not met any of the State Indicators for 2011-2012, 2012-2013, and 2013-2014.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	N/A	-
2010-11	N/A	-
2011-12	No	At Risk
2012-13	No	-
2013-14	High	1

This school was designated At-Risk in 2011-2012. There is no school Improvement designation for 2012-2013. This school has been designated as a High Support School under Differentiated Accountability (DA) for 2013-2014.

f. Historical Report Card Grades



This school was rated Academic Emergency in 2011-2012. In 2012-2013, the local report card metrics changed; however, overall report grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

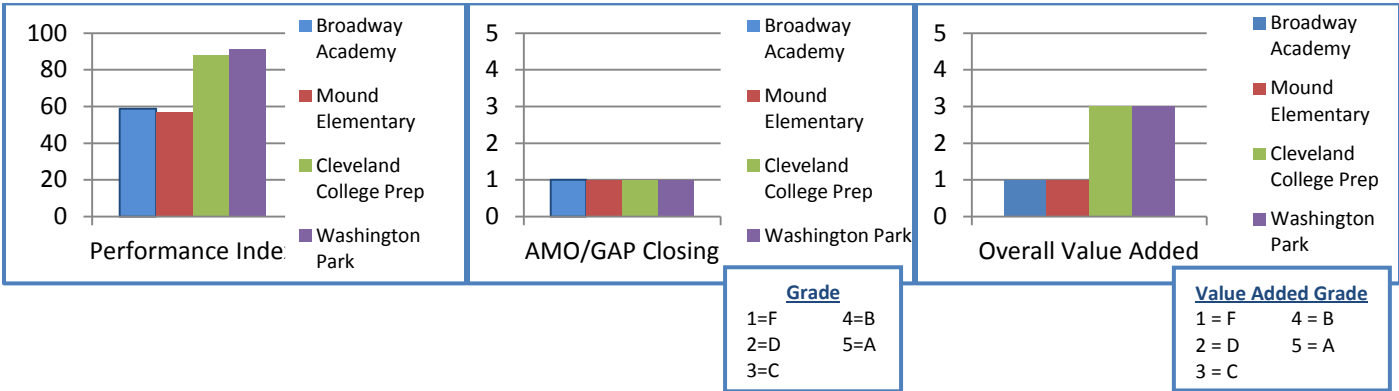
SCHOOL YEAR	AYP
2009-10	N/A
2010-11	N/A
2011-12	Not Met

In 2011-2012 the school did not meet AYP. This was the school's first year of operation. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The data indicates that this school is having difficulty achieving success with all students and with each disaggregate subgroup. The trend of performance index scores is downward. The Overall Value Added grade of F for the 2012-2013 school year indicates that students achieved significantly less than one year's worth of growth for one year's worth of instruction. The overall Value Added grade for 2013-2014 is an F with a grade of F for students in the bottom 20% statewide and a grade of D for students with disabilities. This indicates that during the 2013-2014 school year, students overall achieved significantly less than one year's worth of growth for one year's worth of instruction. Students in the bottom 20% of achievement levels statewide also achieved significantly less than one year's worth of growth for one year's worth of instruction while students with disabilities achieved less than a year's worth of growth for a year's worth of instruction. Students at this school need to be achieving significantly more than one year's worth of growth for one year's worth of instruction if they are to reach grade level expectations. The school should focus on using data to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all students with a focus on disaggregate groups, particularly students with disabilities. Attendance is also an issue for this school. This school did not meet the AMO attendance target of 93% in any of the disaggregate subgroups. The all student attendance rate was 87.1%. However this school did meet the participation rate for AMOs. This school received a demotion in AMO due to not meeting the required attendance rate. The final AMO rate was 0% with a grade of F. The school's improvement plan should also focus on analyzing the barriers to attendance and developing strategies to improve attendance.

III. Comparison of Similar Schools



The school compares most similarly to a local traditional public school in performance index score, which assesses student achievement level. The school performs below comparable community schools in the area in this measure. The school compares similarly to all schools in AMO/GAP closing. The school again compares similarly to the traditional public school in overall value added but performs below the level of neighboring community schools in this area.

IV. Special Education Services

Based on information gathered during site visits over the past three years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management



The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Broadway Academy.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:



- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>
 1.06	 1.03



Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>
 1.58	 4.79

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>
 0.73	 -

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>
N/A	N/A



Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES



These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

<u>6/30/2013</u>	<u>6/30/2012</u>
 0.000	 0.004

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>
 0.002	 0.004

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>
 0.940	 0.971

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be

following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (17,056)	 31,353
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 14,297	 31,353

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>
N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	Yes	Due October 2014	Yes	Yes	n/a	Yes	No	Partially Compliant	In Process	No
2012-2013	Yes	Yes	No	Yes	Yes	Yes	n/a	Yes	Yes	Overall Compliant	No	No
2011-2012	Yes	Yes	n/a	Yes	n/a	n/a	n/a	n/a	No	Overall Compliant	No	No
2010-2011	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2009-2010	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open

Comment: Broadway Academy (Broadway) is currently operating in its fourth year. In terms of compliance and operations, Broadway has been operating well. The school submits all required documentation to the sponsor and attends OIP trainings offered by the sponsor. During its first two (2) years of operation, Broadway was compliant on all items reviewed during site visits conducted by the sponsor. However, during 2013-2014, Broadway's compliance diminished slightly when it failed to pass an acceleration policy, review the site visit web-ex training and maintain HQT status for all staff. Broadway has performed well on all state financial audits, receiving no findings.

CINCINNATI COLLEGE PREPARATORY ACADEMY EAST

**4324 Homer Avenue
Cincinnati, Ohio 45227
513-241-1101**

Mission:

“Our mission is to holistically guide and direct students in the development of personal character and academic potential through top-quality teaching and child-centered programs in a safe, positive and caring environment.

We work to...

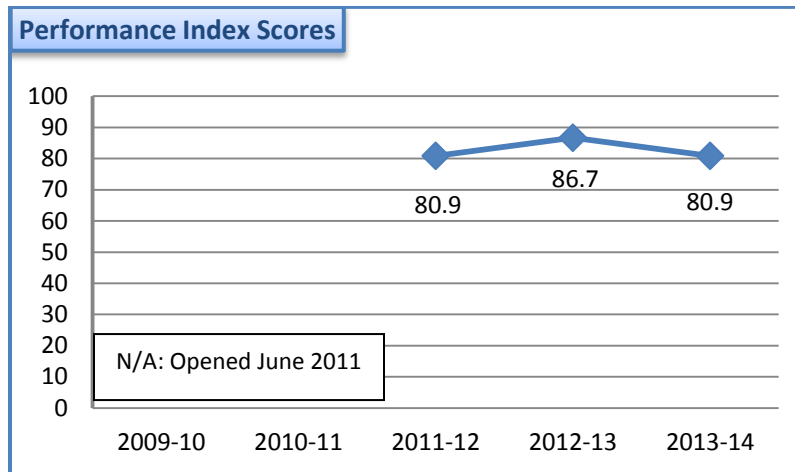
- Challenge each student to work at top academic potential
 - Inspire students to pursue high education
- Educate the whole child (body, mind and spirit)
 - Build positive character traits
- Prepare students for their future aspirations”

<ul style="list-style-type: none">✦ Board President: <i>Mark Michael</i>✦ School Leader: <i>Genesis Henderson</i>✦ Opened: <i>2011</i>✦ Grades Served: <i>K-6</i>✦ Enrollment from 2013-14: <i>305</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic 87.7%</i> <i>Hispanic: 8.4%</i>✦ Students with Disabilities: <i>7.8%</i>✦ Economically Disadvantaged: <i>100%</i>
--	---

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above shows raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for Performance Index was 80.9 for 2011-2012. The raw score for the Performance Index was 86.7 for 2012-2013 with a percentage score of 72.2 and a grade of C. The raw score for Percentage Index fell to 80.9 for 2013-2014 equating to a percentage score of 67.4 and a grade of D. For 2013-2014, more than 40% of the students' scores fell in the basic or limited ranges while 58.6% of the students' scores were proficient or higher.

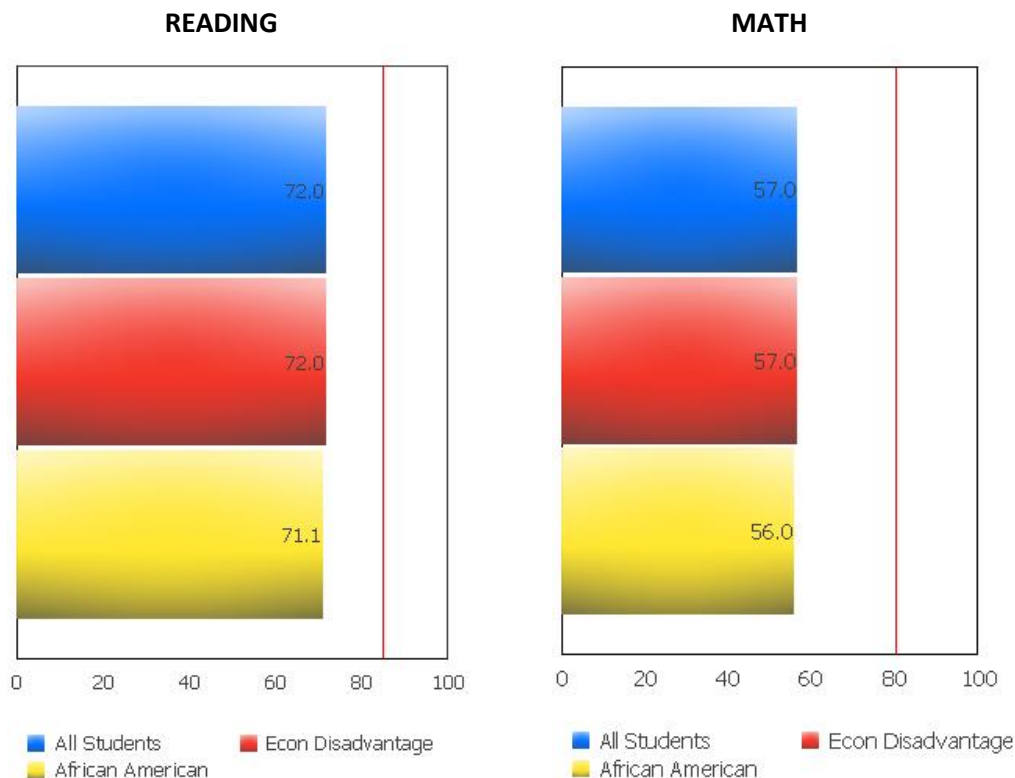
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	N/A	N/A	N/A	-
2010-11	N/A	N/A	N/A	-
2011-12	Above	Met	Above	-
2012-13	-	-	-	A
2013-14	-	-	-	A

This school's overall Value Added scores were in the Above range for 2011-2012. Math Value Added was in the Met range in 2011-2012 while Reading was in the Above range in 2011-2012. The school received a rating of A for Overall Value Added in 2012-2013 which indicates that students made significantly more than one year's worth of growth for one year's worth of instruction. The overall Value Added grade for 2013-2014 is an A with a grade of D for students in the bottom 20% statewide and a grade of D for students with disabilities. This indicates that overall students at this school are achieving significantly more than a year's worth of growth for a year's worth of instruction. However, students in the bottom 20% of achievement and students with disabilities are making less than a year's worth of growth each year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012 -2013 this school received an AMO Grade of B with a score of 89.9%. In 2013-2014 this school received an AMO grade of F with a score of 0%. This school lost ground toward the AMO targets in both reading and math. There are significant achievement gaps in both reading and math in all the disaggregate subgroups. The school met the 93% AMO attendance rate and participation rate.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	10	2
2012-13	9	4
2013-14	9	4

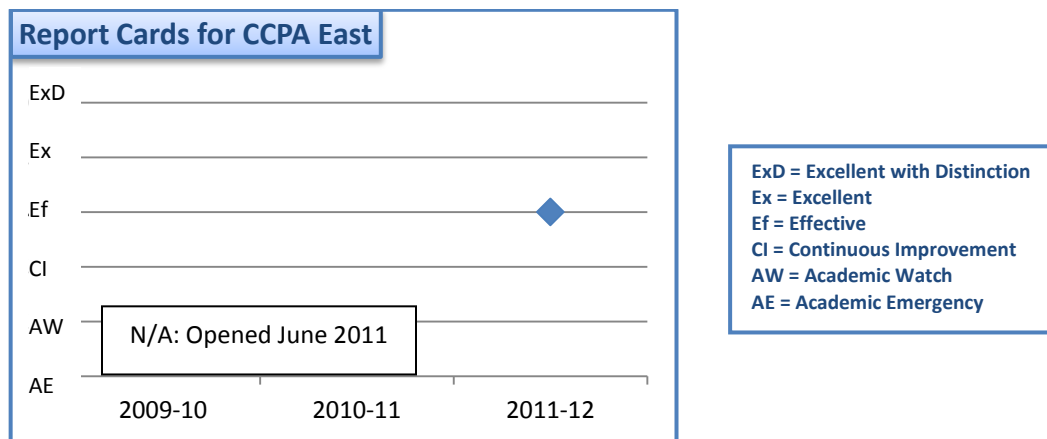
In 2011-2012 this school met 2 of the 10 required State Indicators. In 2012-2013 this school met 4 of 9 required State Indicators for a grade of F. In 2013-2014 the school met 4 of 9 required State Indicators for a grade of F, having met the indicator in third grade reading, fourth grade reading, fourth grade math, and sixth grade reading.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	No	-
2012-13	No	-
2013-14	No	-

This school was not designated for School Improvement Status in 2011-2012, 2012-2013 or 2013-2014.

f. Historical Report Card Grades



This school was rated Effective in 2011-2012. Overall report grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

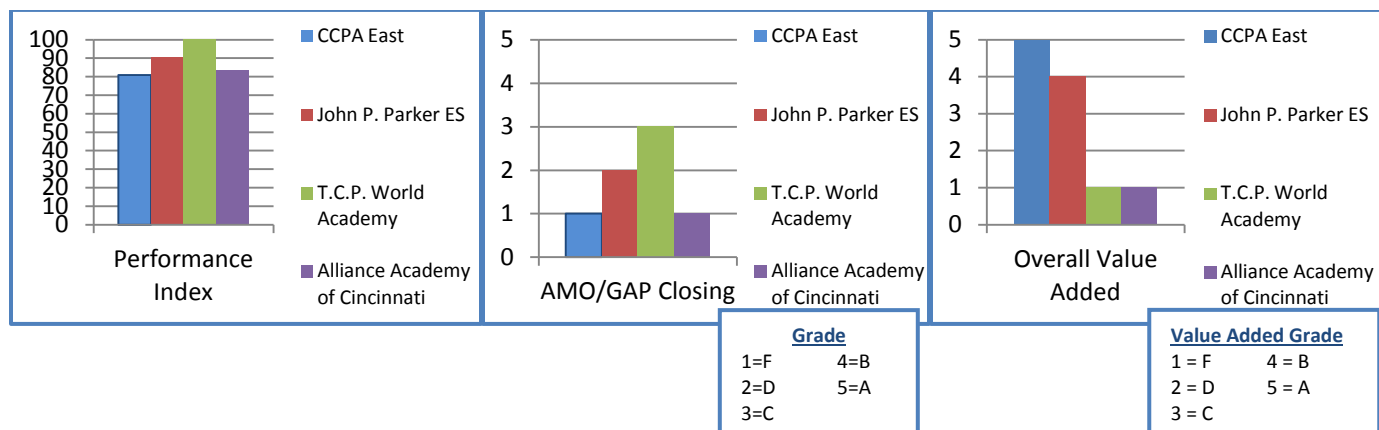
SCHOOL YEAR	AYP
2009-10	N/A
2010-11	N/A
2011-12	Met

In 2011-2012 this school did meet AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The data indicates this school is performing well in Value Added, however; the school lost ground this year in closing the achievement gaps. In 2013-2014, the school met the indicator in third grade reading, fourth grade reading, fourth grade math, and sixth grade reading. Even though the performance index scores are inconsistent, the Overall Value Added grade of A indicates that students are achieving significantly more than a year's worth of growth for a year's worth of instruction. The overall Value Added grade for 2013-2014 is an A with a grade of D for students in the bottom 20% statewide and a grade of D for students with disabilities. This indicates that overall students at this school are achieving significantly more than a year's worth of growth for a year's worth of instruction. However, students in the bottom 20% of achievement and students with disabilities are making less than a year's worth of growth each year. This school needs to focus on growing all students academically. Students in the bottom 20% and students with disabilities are not making at least a year's worth of growth. The school should focus on using data to drive instructional needs with a focus on lower achieving students, students with disabilities, and on fifth grade because no indicators were met at that grade level. Examining strategies that have achieved success with some groups of students might prove successful with other groups. In 2012-2013 this school received an AMO Grade of B with a score of 89.9%. In 2013-2014 this school received an AMO grade of F with a score of 0%. This school lost ground toward the AMO targets in both reading and math. There are significant achievement gaps in both reading and math in all the disaggregate subgroups. There were no AMO demotions because the school met the 93% AMO attendance rate and participation rate. The school should emphasize the development of instructional strategies that focus on their disaggregate groups and closing achievement gaps.

III. Comparison of Similar Schools



The school scored below a local traditional public school and two local community schools in performance index score, which assesses student achievement level. The school compares similarly to one community school in AMO/GAP closing, but scored below the other two comparison schools. The school outperformed all comparison schools in overall value added receiving the highest mark for this measure.

IV. Special Education Services

Based on information gathered during site visits over the past three years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management


The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Cincinnati College Preparatory Academy East.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:


- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Data not available	 0.32	Data not available


Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Data not available	 13.71	Data not available


Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Data not available	 1.04	Data not available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Data not available		Data not available


Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES


These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.


<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Data not available	 (0.28)	Data not available

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Data not available	 (0.28)	Data not available



Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Data not available	 3.34	Data not available


Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	Data not available	 126,143	Data not available
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	Data not available	 126,143	Data not available

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Data not available	 (2.08)	Data not available

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATION

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	n/a	Yes	Yes	No	No	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	n/a	Yes	Yes	No	No	No	Overall Compliant	No Findings	No
2011-2012	Yes	Yes	No	n/a	n/a	n/a	No	No	No	Overall Compliant	Yes	No
2010-2011	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2009-2010	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open

Comment: Cincinnati College Preparatory Academy East (CCPA East) is currently operating in its fourth year. Over the past three (3) years, CCPA East has performed well operationally and during compliance visits conducted by the sponsor. CCPA East has only been found partially compliant on three items during these three (3) years. Additionally, CCPA East has submitted all documentation required by the sponsor. CCPA East did receive one finding in its financial audit conducted for 2011-2012, but remedied this finding before the next audit period. CCPA East has not had to submit any corrective action plans to correct deficiencies in compliance or operations. CCPA East is in the process of revising its charter agreement to add a management company.

CLIFF PARK HIGH SCHOOL

821 N. Limestone Street
Springfield, Ohio 45506
937-322-2940

Mission:

Cliff Park High School is a student-centered organization delivering excellence in education. Our team is committed to our students, our communities, and each other. We believe that our cohesion and morale help us to achieve excellence in our school. Our commitment to our students and our dedication to impacting their education through innovative methods makes us unique.

At Cliff Park High School, we believe the following:

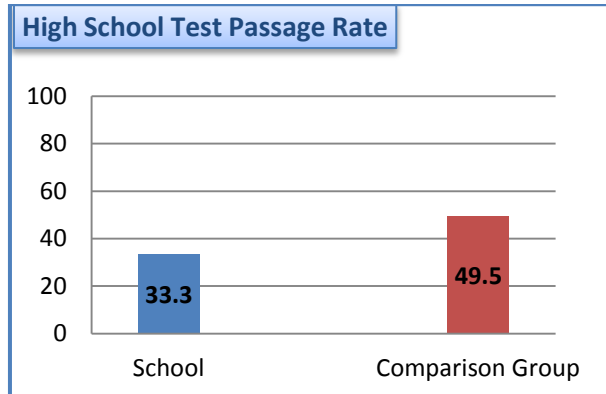
- Every student deserves an environment that enables them to achieve their potential
- We respect our work and each other
- We use data to inform our decisions and measure our success

✦ Board President: <i>Rod Hale</i> ✦ School Leader: <i>John P. Stack</i> ✦ Opened: <i>2001</i> ✦ Ages Served: <i>16-21</i> ✦ Enrollment from 2013-14: <i>126</i> ✦ Attendance Rate: <i>28.9%</i>	✦ Racial/Ethnic Balance: <i>White, Non-Hispanic: 63.6%, Multiracial: 18.3%, Black, Non-Hispanic: 15.5%</i> ✦ Students with Disabilities: <i>20.1%</i> ✦ Economically Disadvantaged: <i>70.6%</i> ✦ EMO: <i>Cambridge Education Group</i>
---	---

ACADEMICS

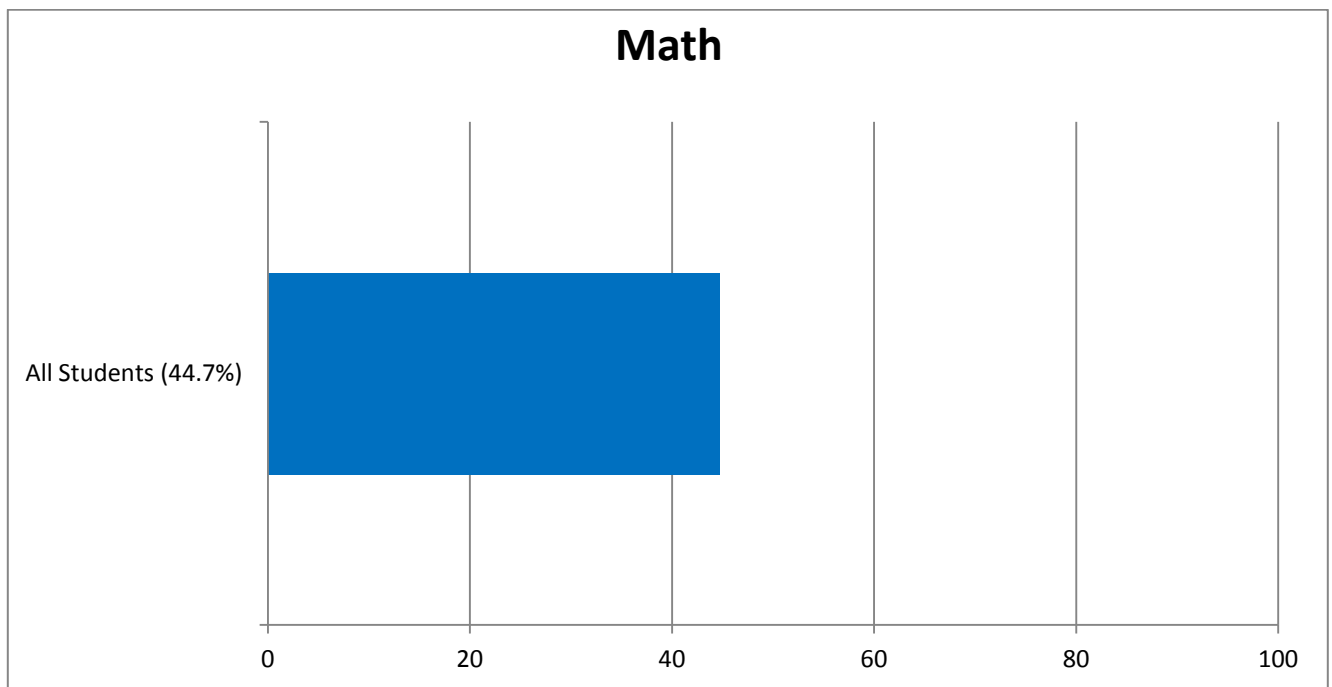
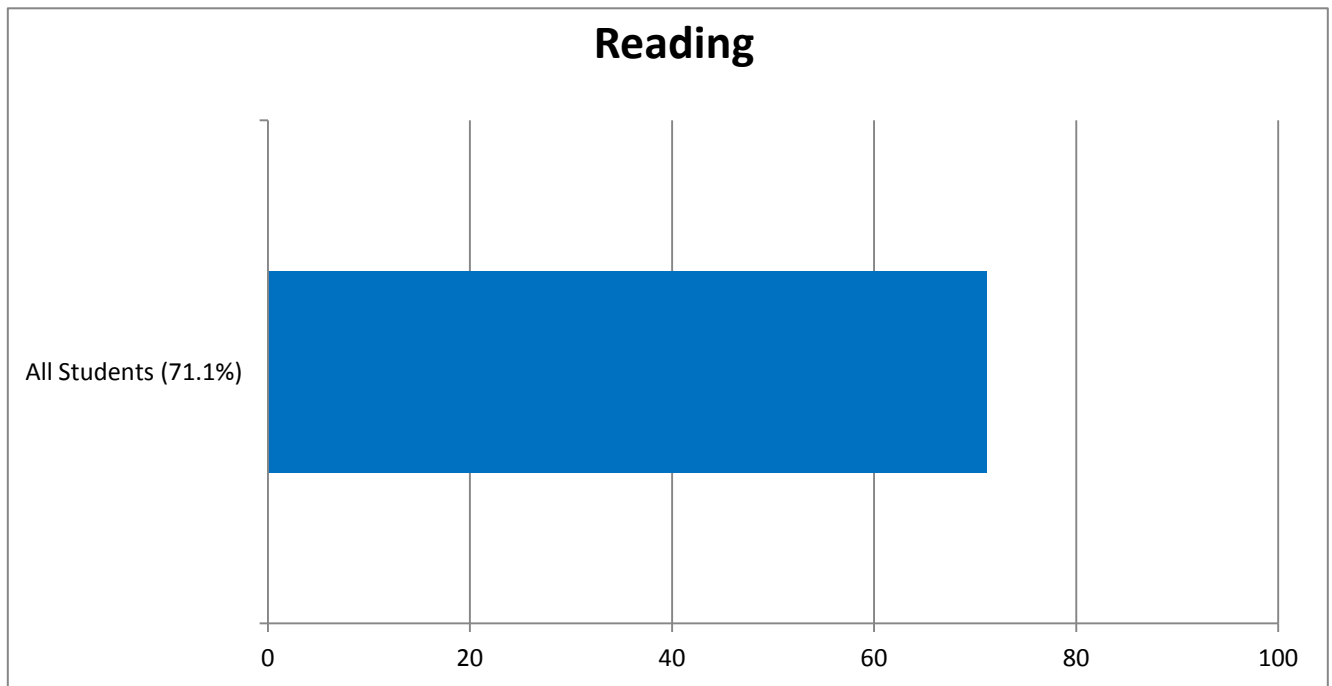
I. Local Report Card

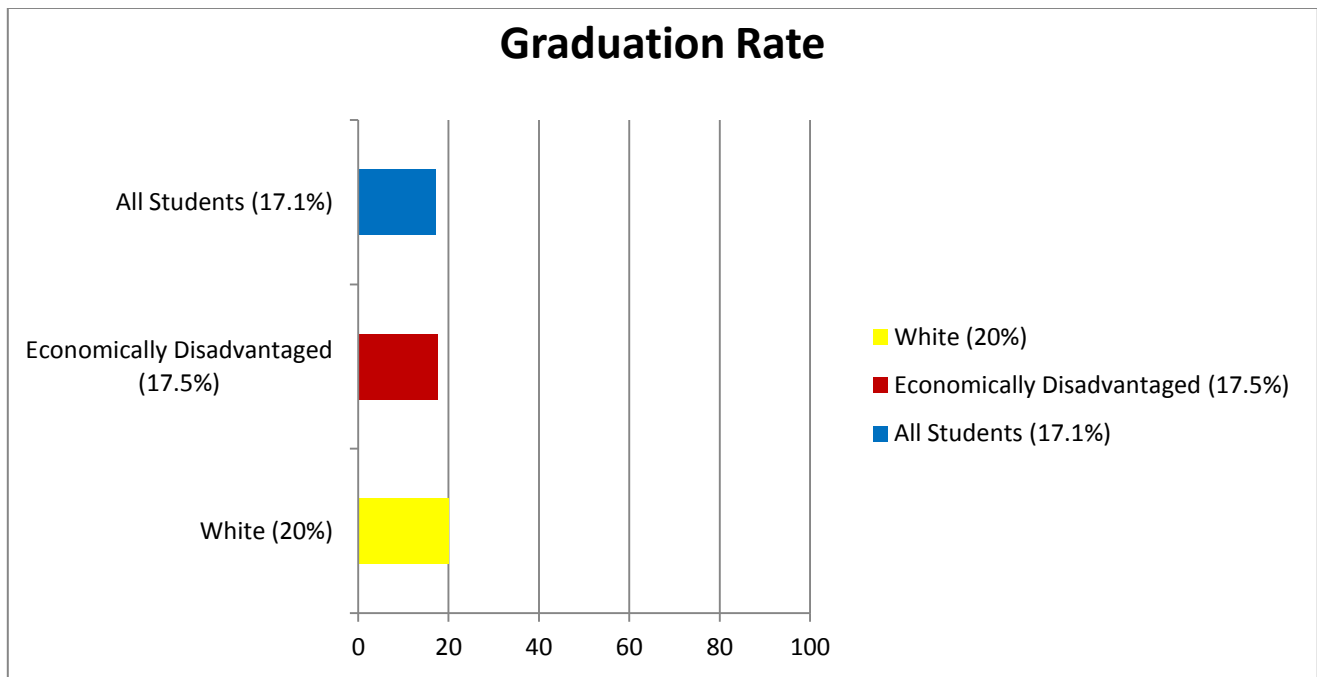
a. High School Test Passage Rate 2013-2014



The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 24 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 33.3% which Meets Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was 30% which would have equated to Meets Standards if a rating had been assigned.

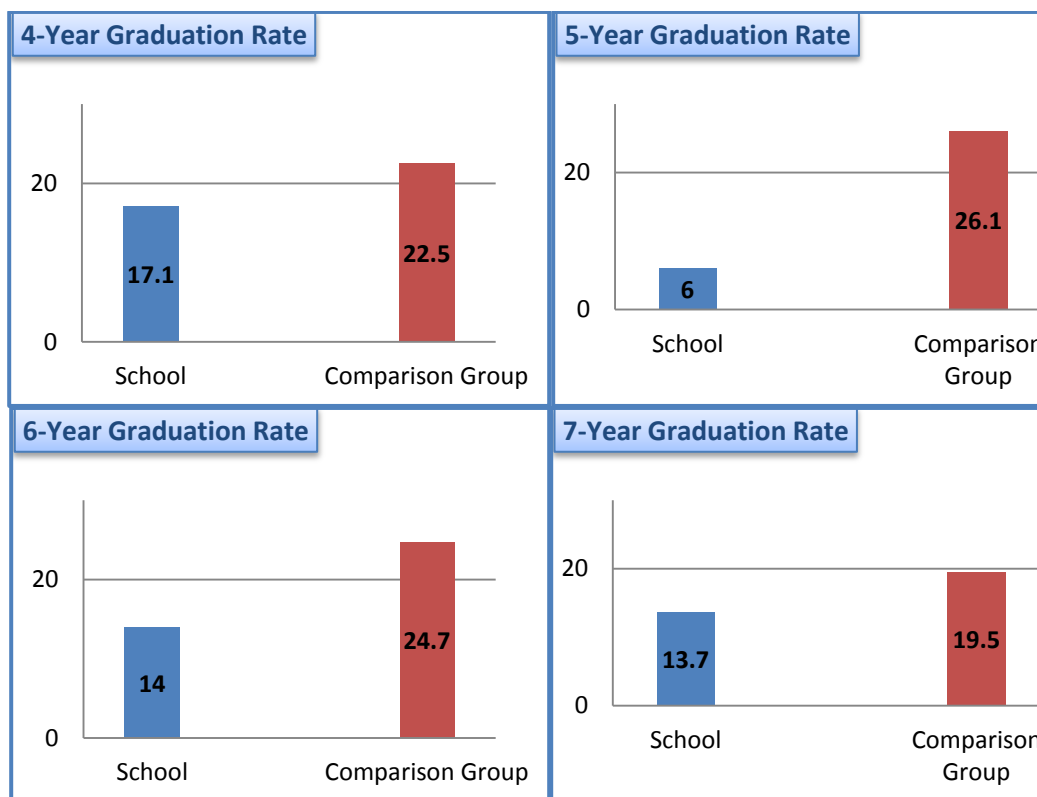
b. Annual Measurable Objectives (AMOs) 2013-2014





Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was 8.3% and Meets Standards. For the 2012-2013 school year, this school's AMO was 0% which would have equated to Does Not Meet Standards if a rating had been assigned. For 2013-2014, the only subgroup rated in reading was All Students because there were not enough students in the other subgroups to rate. There is an achievement gap of 12.3 between the AMO goal in reading and the students' achievement level. Improvement in reading was not rated because there were not enough students in any subgroup to rate in the 2012-2013 school year. For 2013-2014, the only subgroup rated in math was All Students because there were not enough students in the other subgroups to rate. There is an achievement gap of 32.6 between the AMO goal in math and the student's achievement level. Improvement in math was not rated because there were not enough students in any subgroup to rate in the 2012-2013 school year. This school made double digit gains in graduation rate for AMO in the three rated subgroups, with the largest gain for students with disabilities. There remains a gap, however between the AMO graduation target and the school's graduation rate.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 2.7% which equates to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year the 4 year graduation rate increased to 17.1% and Meets Standards.

For the 2012-2013 school year the 5 year graduation rate was 11.1% which equates to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 5 year graduation rate decreased to 6% and Does Not Meet Standards.

For the 2012-2013 school year, the 6 year graduation rate was 13.6% which equates to Meets Standards if a rating had been assigned. For the 2013-2014 school year the 6 year graduation rate was 14% and Meets Standards.

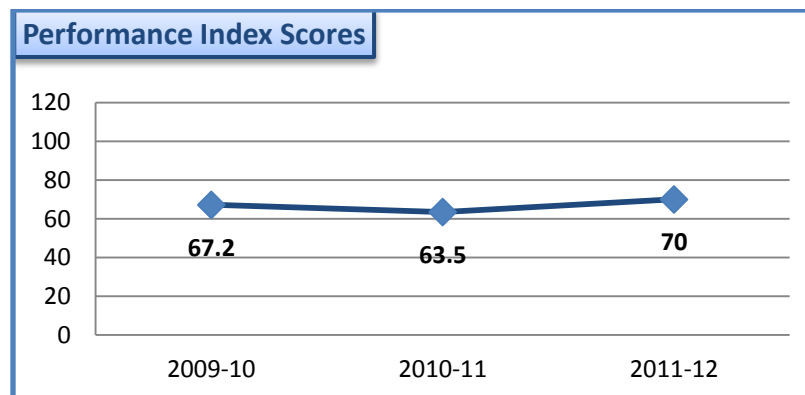
For the 2013-2014 school year, the school was assessed in a 7 year graduation rate at 13.7% and Meets Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	5
2010-11	Yes	6
2011-12	Yes	7
2012-13	Improvement	8

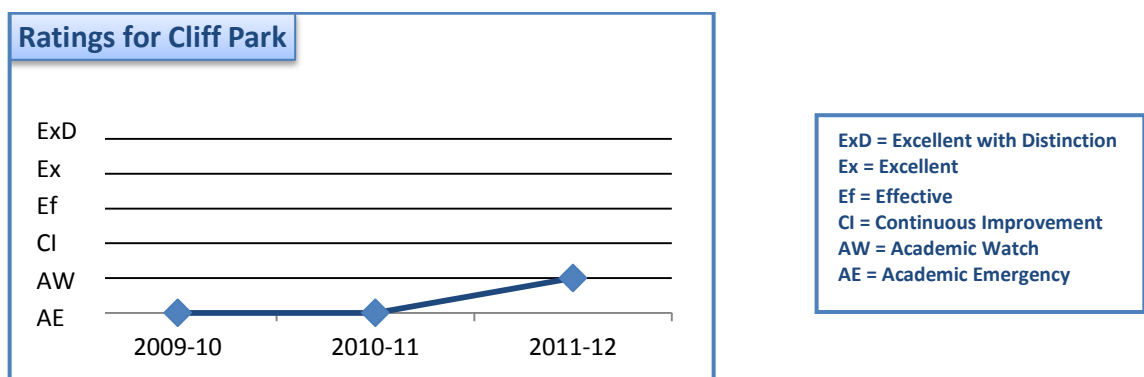
In 2012-2013 this school was designated as an Improvement School, its eighth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 70 in 2011-2012, 63.5 in 2010-2011 and 67.2 in 2009-2010. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 this school was rated in Academic Watch after having been rated in Academic Emergency in 2010-2011 and 2009-2010. Academic Ratings have been replaced with an overall rating of Does Not Meet, Meets or Exceeds Standards which will be assigned in the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	0
2010-11	12	0
2011-12	7	0

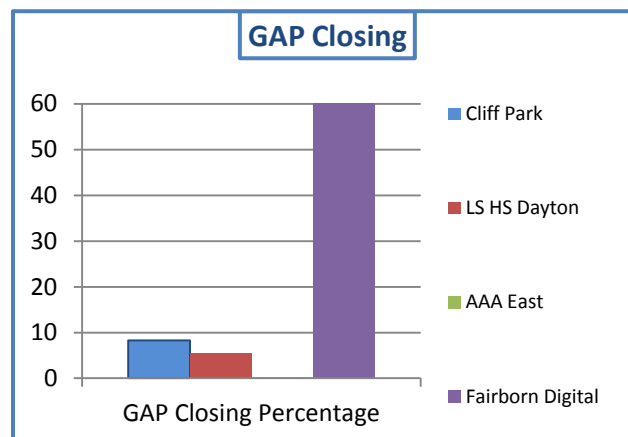
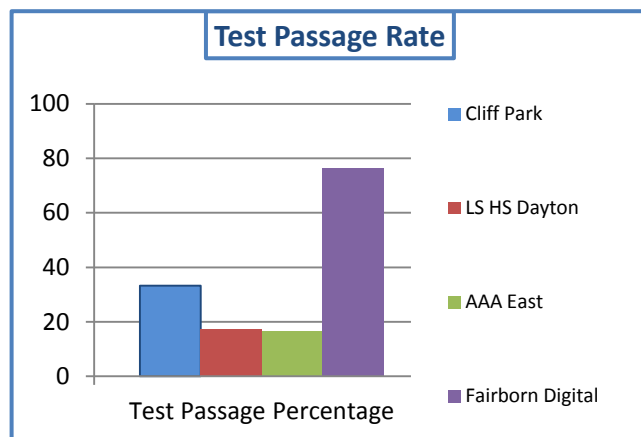
Students at this school have a history of not meeting any of the required state indicators. Historically, this school met 0 of 7 required state indicators in 2011-2012, 0 of 12 required state indicators in 2010-2011, and 0 of 12 required state indicators on 2009-2010. This school has consistently failed to meet the required state indicators.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

Attendance is a significant issue for this school. It will be difficult for this school to improve its passage rate on the 5 required assessments (OGT) with the overall attendance rate of 28.9% for all students. Instructional delivery needs to focus on improving achievement in reading and math to close achievement gaps in both subjects. This school needs to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on an effective curriculum delivery system for the students. This plan also needs to focus on intense interventions for reading and math as well as the other three areas assessed by the OGT. This plan needs to provide a significant assessment of and intervention strategies relating to the barriers to attendance.

III. Comparison of Similar Schools



The school's test passage rate is higher than two selected comparison drop-out recovery schools. The school scored above one similar school in GAP closing percentage. AAA East was not rated in this measure. The school scored well below a third comparison school in both test passage rate and GAP closing.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Cliff Park High School AKA Life Skills of Springfield Clark County.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 2.17	 2.36	 3.73	 2.30	 2.61




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 48.10	 45.24	 37.76	 33.17	 29.56

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.00	 1.14	 1.39	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.004)	 (0.009)	 (0.011)	 0.002	 0.010

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.008)	 (0.005)	 0.002	 0.006	 0.010











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.46	 0.42	 0.27	 0.43	 0.38

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 4,389	 5,936	 (33,719)	 19,228	 179,119
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 10,325	 (27,783)	 (14,491)	 198,347	 179,119

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	Yes	Overall Compliant	In Process	No
2012-2013	No	Yes	No	Yes	Yes	Yes	No	No	Yes	Partially Compliant	No Findings	No
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No Findings	No
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	n/a	No	Overall Compliant	No Findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	n/a	No	Overall Compliant	No Findings	Yes

Comment: Cliff Park High School (Cliff Park) has been operating for eleven years, including several years as the Life Skills Center of Springfield. For the 2012-2013 school year, the board opted to change management companies from White Hat Management to Cambridge Education Group. Over the past five (5) years, under the management of both companies, Cliff Park has been substantially compliant in compliance and operations. The school has generally submitted required documentation to the sponsor promptly and attended all OIP workshops. During the 2012-2013 site visit, a few items were found non-compliant. However, these items were rectified promptly and did not remain an issue during the 2013-2014 on-site review. Cliff Park has performed well on state audits, not receiving any findings over the past five (5) years. Corrective action plans have been submitted timely for minor audit matters.

C.M. GRANT LEADERSHIP ACADEMY

2020 Leonard Avenue
Columbus, Ohio 43219
614-252-2087

Mission:

“To provide unsurpassed personalized attention to students and families in an intellectually challenging and positive learning environment.

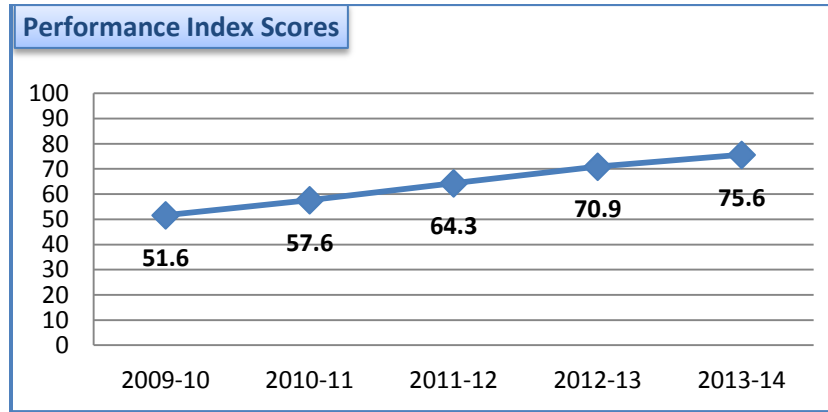
Our staff is devoted to creating a culture of excellence and discipline while helping students to develop their leadership abilities and critical thinking skills.”

<ul style="list-style-type: none">★ Board President: <i>Lynn Robinson</i>★ School Leader: <i>Jennifer Szallai</i>★ Opened: <i>2008</i>★ Grades Served: <i>K-5</i>★ Enrollment from 2013-14: <i>126</i>	<ul style="list-style-type: none">★ Racial/Ethnic Balance: <i>Black, Non-Hispanic 88.4%</i>★ Students with Disabilities: <i>15.6%</i>★ Economically Disadvantaged: <i>100%</i>★ EMO: <i>Leona Group</i>
--	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph presented above shows the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 75.6, which equates to a 63% and a grade of D. This is an increase in the raw score of 70.9 and a percentage score of 59.1% with a grade of D for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 64.3, for 2010-2011 57.6 and for 2009-2010 51.6. The school's Performance Index has increased each year from a low of 51.6 in 2009-2010 to a current score of 75.6.

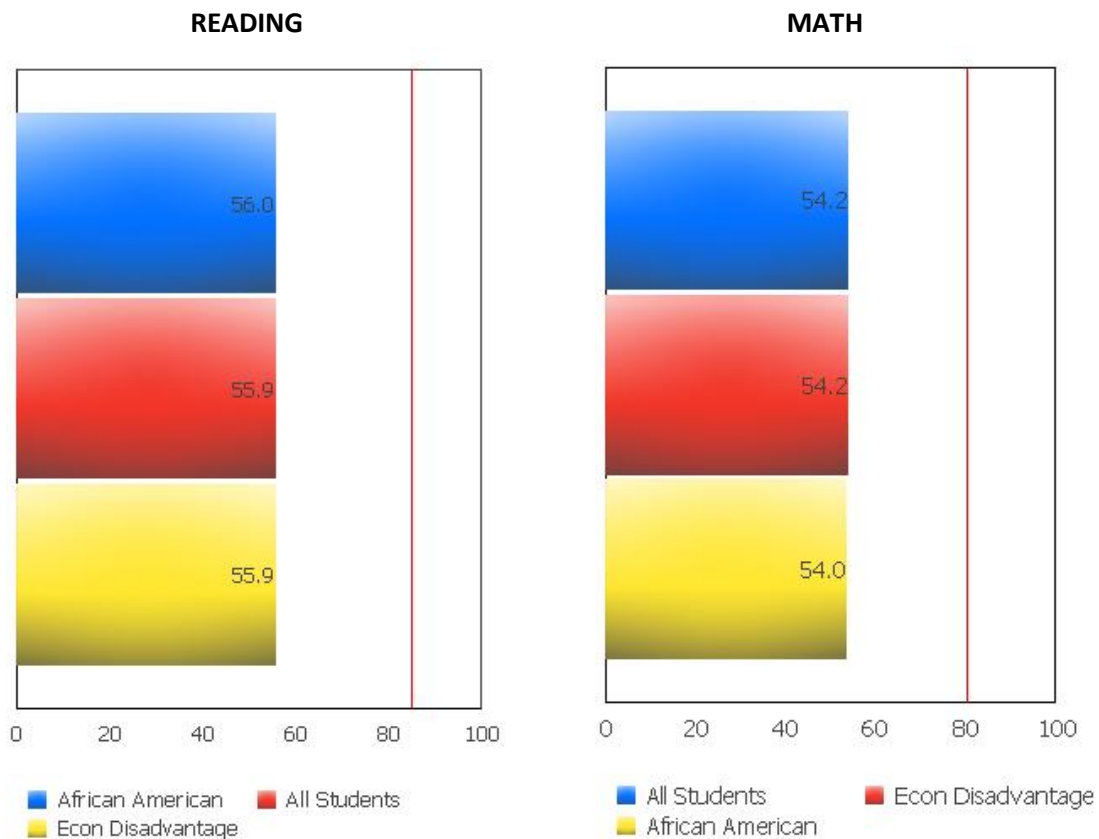
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Below	Below	Below	-
2010-11	Met	Met	Met	-
2011-12	Met	Met	Met	-
2012-13	-	-	-	D
2013-14	-	-	-	C

Reading, Math, and combined value Added were in the Met range for 2010-2011 and 2011-2012. Reading, Math, and combined Value Added were in the Below range for 2009-2010 school year demonstrating that this school has made some progress in its Value Added component. The school's overall Value Added grade for 2012-2013 was a D. This indicates that students were making less than one year's worth of growth for one year's worth of instruction. The overall Value Added grade for 2013-2014 increased to a C with a grade of A for students in the bottom 20% statewide. This indicates that overall students are making one year's worth of growth for one year's worth of instruction, while students in the bottom 20% of achievement level statewide are making significantly more than a year's worth of growth for a year's worth of instruction.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of C with a score of 71.7%. In 2013-2014 this school received an AMO grade of F with a score of 29.7%. There is a significant gap between the AMO goals and student achievement levels in reading and math, with reading outpacing math. A demotion in AMO was required for the 2013-2014 school year due to low attendance rates in all disaggregate subgroups.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	5	1
2010-11	10	1
2011-12	13	1
2012-13	4	1
2013-14	9	1

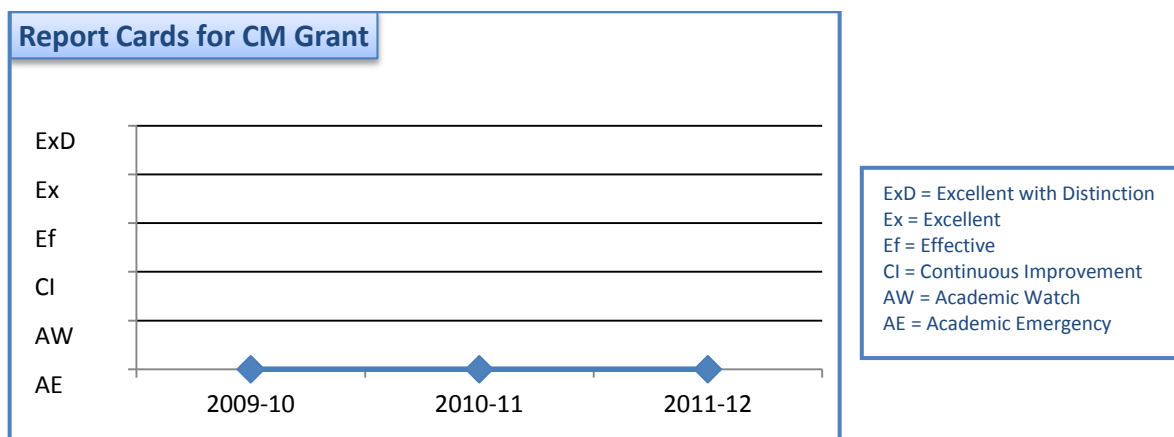
This school met 1 of the 5 required state indicators in 2009-2010, 1 of 10 required state indicators in 2010-2011, 1 of 13 required state indicators in 2011-2012, 1 of 4 required state indicators in 2012-2013 for a grade of F, and 1 of 9 required state indicators 2013-2014 for a grade of F. (Only four indicators were required for the 2012-2013 school year due to grade level enrollment). This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	No	At Risk
2010-11	Yes	1
2011-12	Yes	2
2012-13	Priority	3
2013-14	Priority	4

This school was designated at risk for school improvement status beginning in 2009-2010. This school was designated in school improvement status in 2010-2011 and 2011-2012. This school was identified as Priority Status under the ESEA Flexibility Waiver for 2012-2013 and 2013-2014.

f. Historical Report Card Grades



This school was rated in Academic Emergency in 2009-2010, 2010-2011, and 2011-2012. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

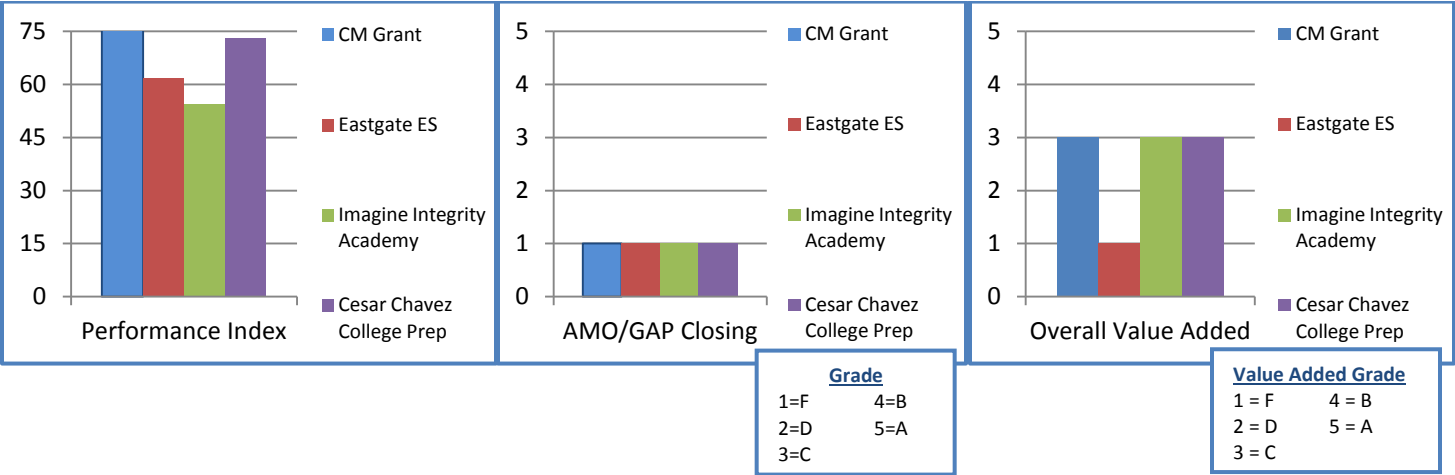
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has not met AYP in any of its years of operation. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

Although this school's performance index is trending up each year, the data indicates that this school is having difficulty achieving success with all students as evidenced that only one state indicator has been met each year. The Overall Value Added grade of D for 2012-2013 indicates that students achieved less than a year's worth of growth for a year's worth of instruction. Value Added had been in the Met range for reading and math in 2010-2011 and 2011-2012 and Below in 2009-2010. The overall Value Added grade for 2013-2014 is a C with a grade of A for students in the bottom 20% statewide. This indicates that overall students are making one year's worth of growth for one year's worth of instruction, while student in the bottom 20% of achievement level statewide are making significantly more than a year's worth of growth for a year's worth of instruction. This school demonstrated improvement in the Value Added measure especially for those students in the bottom 20%. However, all students at this school need to be making more than one year's worth of growth for one year's worth of instruction if the students are to achieve at a level to meet state indicators and grade level expectations. There is a significant gap between the AMO goals and student achievement levels in reading and math, with the gap in reading larger than the gap in math. Poor attendance may be a contributing factor in the lack of student progress. A demotion in AMO was required for the 2013-2014 school year due to low attendance rates in all disaggregate subgroups. The school should focus on using data to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all students.

III. Comparison of Similar Schools



The school outperformed a local traditional public school and two similar local community schools in performance index score, which assesses student achievement level. The school compares similarly to all schools in AMO/GAP closing. The school again compares similarly to the local community schools in overall value added and outperforms the neighboring traditional public school in this area.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the C.M. Grant Leadership Academy.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.24	 0.71	 0.68	 0.88	 0.20




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.36	 1.04	 0.03	 3.05	 0.58

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.66	 1.30	 1.35	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N	N	N	N	N






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.13)	 0.01	 0.03	 0.05	 (0.15)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.02)	 0.03	 0.01	 (0.01)	 (0.15)

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.











The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.70	 0.89	 0.95	 1.10	 1.57

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be






following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (3,692)	 5,039	 (10,185)	 9,217	 1,092
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 1,347	 (5,146)	 (968)	 10,309	 1,092

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (1.23)	 0.39	 0.24	 0.30	 (0.14)

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATION

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	Yes	Due October 2014	Yes	Yes	Yes	Yes	Yes	Partially Compliant	In Process	No
2012-2013	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Partially Compliant	No Findings	No
2011-2012	Yes	Yes	Yes	Yes	Yes	Yes	n/a	Yes	No	Overall Compliant	No Findings	Yes
2010-2011	Yes	n/a	n/a	n/a	Yes	n/a	n/a	Yes	Yes	Overall Compliant	Yes	Yes
2009-2010	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	Overall Compliant	Yes	Yes

Comment: C.M. Grant Leadership Academy (CM Grant) is operating in its seventh year. Throughout the past five (5) years, CM Grant has experienced several operational challenges. It has changed its grade configuration twice, changed its instructional tools, failed to hire an academic coach during the 2011-2012 and 2012-2013 school years and submitted required quarterly reports untimely. During 2009-2010, CM Grant received a finding on a financial audit for financial reporting. The school failed to fully correct that finding before the next audit period. Initially, CM Grant performed well during site visits conducted by the sponsor, any issues recognized would be rectified promptly. However, during the most recent two school years, the school has failed to remedy repeated issues within student files and several policies have needed updated and approved by the board. These policies are not presented without prompting from the sponsor, resulting in partially compliant rankings for 2012-2013 and 2013-2014.

COLONIAL PREPARATORY ACADEMY

2199 5th Street SW
Akron, Ohio 44314
330-785-0180

Mission:

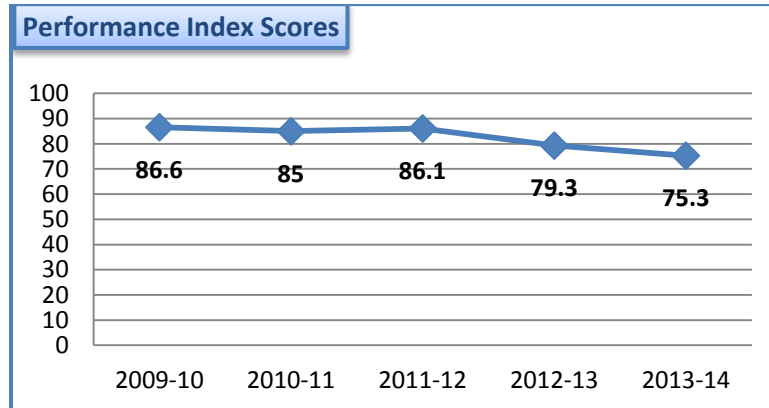
“Colonial Prep Academy is dedicated to improving the lives of its students by providing authentic learning experiences in a collaborative, nurturing environment that will build a foundation for students’ success in school, at future work, and in life. To achieve the mission, our School will integrate current learning technologies into each classroom. We will offer authentic learning experiences that are representative of how children learn best, as well as offer a schedule and support activities that enable each student to reach to his or her potential. We want our students to leave with the skills and abilities necessary to achieve academic excellence, personal growth, and success as lifelong learners. This mission requires the support of the faculty, staff, families, and community in order to encourage and empower students to be

★ Board President: <i>Janice Baumann</i> ★ School Leader: <i>Frederick Cardinal</i> ★ Opened: <i>1998</i> ★ Grades Served: <i>K-8</i> ★ Enrollment from 2013-14: <i>162</i>	★ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 88.3%</i> ★ Students with Disabilities: <i>17.7%</i> ★ Economically Disadvantaged: <i>97.4%</i> ★ EMO: <i>Cambridge Education Group</i>
---	---

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 75.3, which equates to a 62.8% and a grade of D. For the 2013-2014 school year, 51.5% of the students' scores fell in the bottom two achievement levels of limited and basic. 51.5% of the scores are proficient or higher. This is a decrease in the raw score of 79.3 and a percentage score of 66.1% with a grade of D for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 86.1, for 2010-2011 85 and for 2009-2010 86.6. The school's Performance Index demonstrates a downward trend decreasing from a high of 86.6 in 2009-2010 to a current score of 75.3.

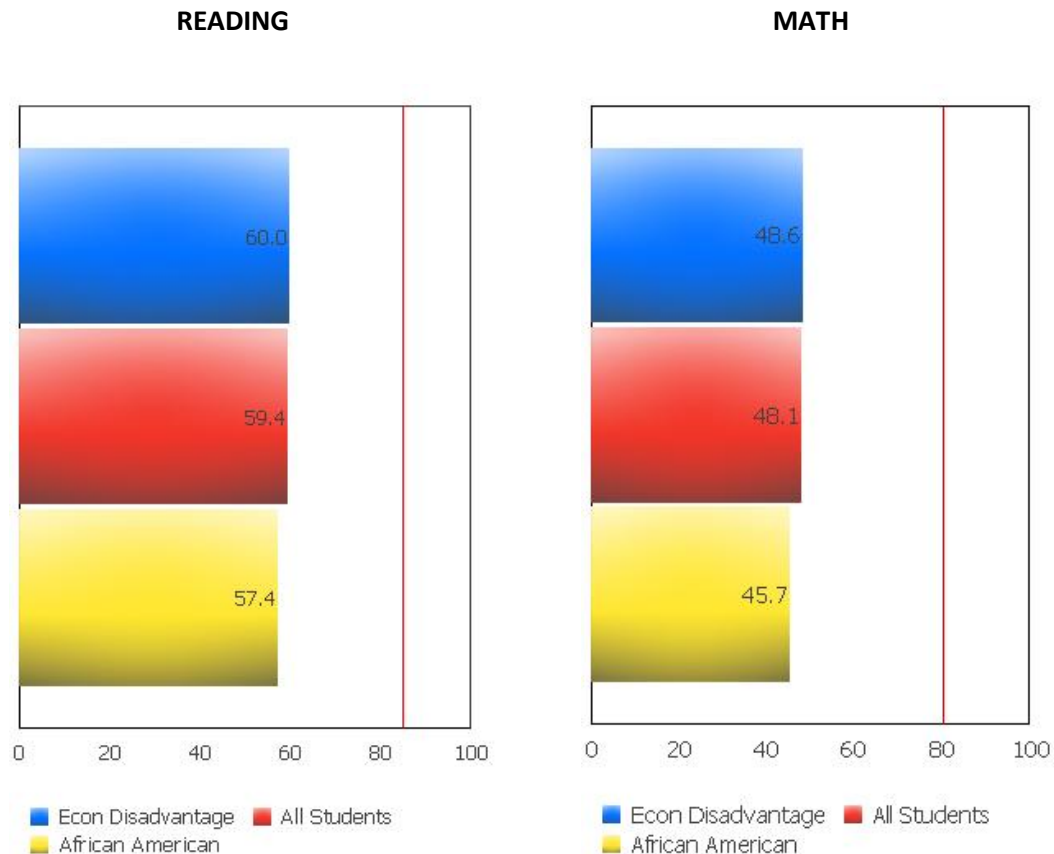
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Above	Above	Above	-
2010-11	Met	Met	Met	-
2011-12	Above	Above	Met	-
2012-13	-	-	-	A
2013-14	-	-	-	B

This school's overall Value Added grade for 2012-2013 is an A. This indicates that students are making significantly more than one year's worth of growth for one year's worth of instruction. Reading, Math, and combined Value Added were in the Met range for 2010-2011. Math and combined Value Added were in the Above range and Reading was in the Met range for 2011-2012. Reading, Math, and combined Value Added were in the Above range for the 2009-2010 school year. Students in this school have been consistently achieving more than a year's growth for a year's worth of instruction. The overall Value Added grade for 2013-2014 is a B with a grade of C for students in the bottom 20% statewide and a grade of C students with disabilities. This indicates that for the 2013-2014 school year, students overall made more than a year's worth of growth for a year's worth of instruction. Students in the bottom 20% level of achievement statewide and students with disabilities made a year's worth of growth for a year's worth of instruction. This school's value added component has decreased slightly but still retains a B.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 0%. In 2013-2014 this school received an AMO grade of F with a score of 0%. There is a significant gap between the AMO goals and student achievement levels in reading and math, especially for students with disabilities. A demotion in AMO was required for the 2013-2014 school year due to low attendance rates in all disaggregate subgroups. This school did meet the participation rate for AMOs.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	15	6
2010-11	15	6
2011-12	15	7
2012-13	14	2
2013-14	14	1

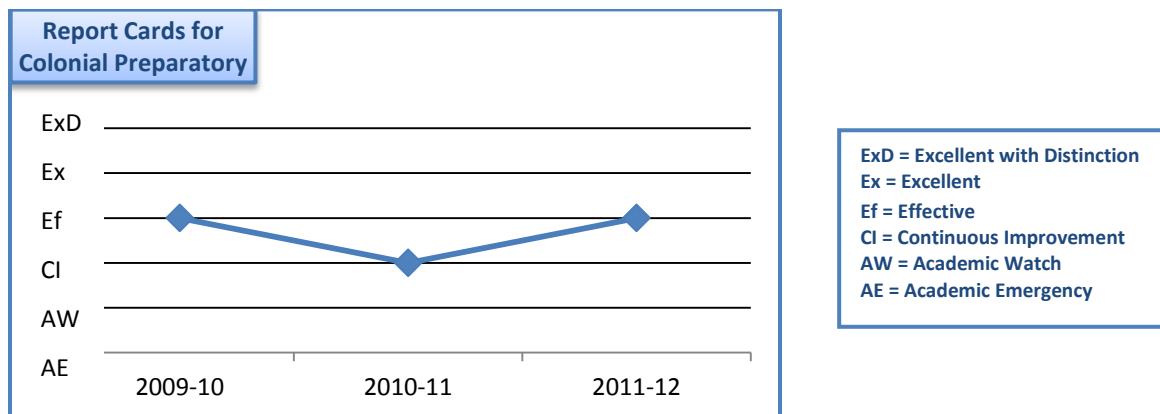
This school met 6 of the 15 required state indicators in 2009-2010, 6 of 15 required state indicators in 2010-2011, 7 of 15 required state indicators in 2011-2012, 2 of 14 required state indicators in 2012-2013 for a grade of F, and 1 of 14 required state indicators 2013-2014 for a grade of F. This school has demonstrated a marked decrease in the number of state required indicators met over the last two years.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	No	-
2010-11	No	-
2011-12	No	-
2012-13	No	-
2013-14	No	-

This school has not been designated for school improvement status.

f. Historical Report Card Grades



This school was rated Effective in 2011-2012, Continuous Improvement in 2010-2011, and Effective in 2009-2010. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

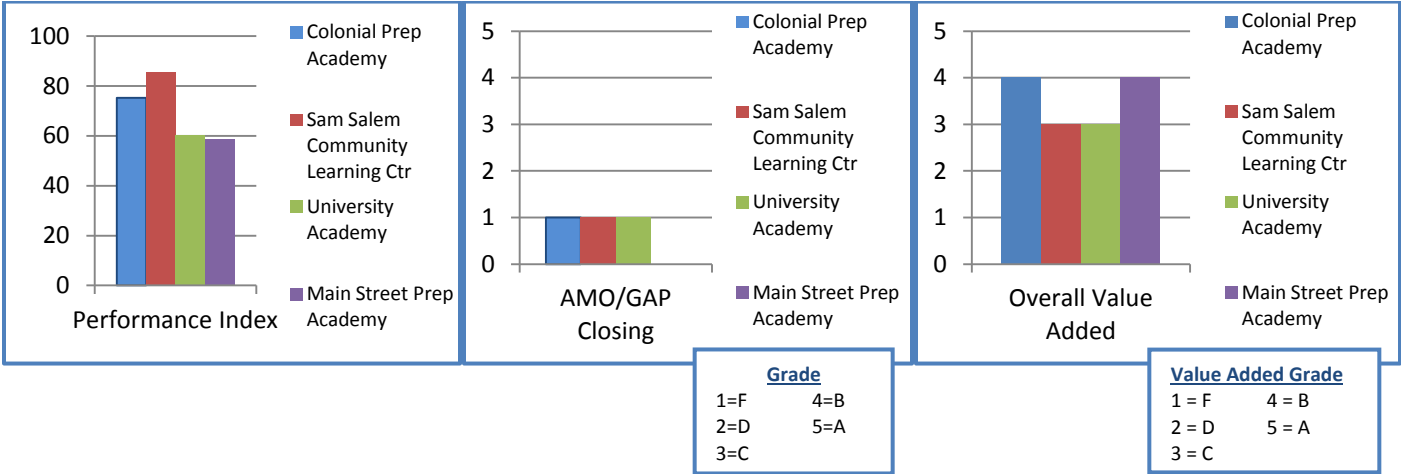
SCHOOL YEAR	AYP
2009-10	Met
2010-11	Met
2011-12	Met

This school has met AYP in each of its years of operation. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

Although this school's performance index is trending downward, the value added data indicates that this school is still performing well in Value Added. For the 2012-2013 school year, students made significantly more than one year's worth of growth for one year's worth of instruction. Students with disabilities and students in the bottom 20%, however are making one year's worth of progress each year. The overall Value Added grade for 2013-2014 is a B with a grade of C for students in the bottom 20% statewide and a grade of C students with disabilities. This indicates that for the 2013-2014 school year, students overall made more than a year's worth of growth for a year's worth of instruction, a slight decrease from the 2012-2013 school year. Students in the bottom 20% level of achievement statewide and students with disabilities made a year's worth of growth for a year's worth of instruction. The school needs to develop instructional strategies to focus on the needs of these students, if these students are to achieve at a level to meet state indicators and grade level expectations. Not meeting the attendance target for all disaggregate groups for AMOs resulted in a required demotion and a grade of F for AMOs. There is a significant achievement gap in both reading and math for students with disabilities. Attendance is an issue that could affect student achievement. A demotion in AMO was required for the 2013-2014 school year due to low attendance rates in all disaggregate subgroups. The school should focus on the development of instructional strategies that focus on improved professional practice and improved student achievement for all students, low performing students and students with disabilities.

II. Comparison of Similar Schools



The school outperformed two similar local community schools in performance index score, which assesses student achievement level. The school performed below a third comparison school in this category. The school compares similarly to all schools in AMO/GAP closing. Main Street Preparatory Academy was not rated in this measure. The school performed above a local community school and the traditional public school in overall value added and similar to another local community school.

III. Special Education Services

Based on information gathered during site visits over the past four years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Hope Academy Brown Street Campus.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.25	 1.13	 2.24	 2.51	 3.27




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 26.14	 6.62	 13.47	 21.15	 23.41

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.98	 1.07	 1.09	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.001	 (0.033)	 (0.020)	 (0.010)	 (0.009)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.018)	 (0.022)	 (0.014)	 (0.010)	 (0.009)











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.80	 0.78	 0.37	 0.40	 0.23

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 140,367	 (47,088)	 (47,666)	 (2,819)	 148,158
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 93,279	 (94,754)	 (50,485)	 145,339	 148,158

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	No	Yes	No	Yes	Yes	Overall Compliant	In process	Yes
2012-2013	No	Yes	No	Yes	No	No	No	No	Yes	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	No	No	Yes	No	No	Yes	Overall Compliant	No findings	No
2010-2011	Yes	n/a	No	n/a	No	n/a	No	No	No	Overall Compliant	No findings	No
2009-2010	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No findings	Did not Sponsor

Comment: Colonial Preparatory Academy (Colonial Prep) is currently operating in its seventeenth year, including several years of operation as Hope Academy Brown Street operated by White Hat Management. In 2012, Colonial Prep opted to change management companies to Cambridge Education Group. St. Aloysius has sponsored Colonial Prep since 2010. During on-site reviews, Colonial Prep has been overall compliant, only missing a few items that are brought into compliance quickly. Colonial Prep on occasion will not submit required documentation to the sponsor. The school has not submitted CSLT meeting forms, a management company evaluation and a student intervention plan. Colonial Prep has performed well on state audits and has not received any findings. Colonial Prep received a request for a corrective action plan in 2013-2014 due to the financial status of the school. Colonial Prep has adequately addressed these concerns and increased its enrollment to improve its bottom line.

CORNERSTONE ACADEMY

6015 E. Walnut Street
Westerville, Ohio 43081
614-775-0615

Mission:

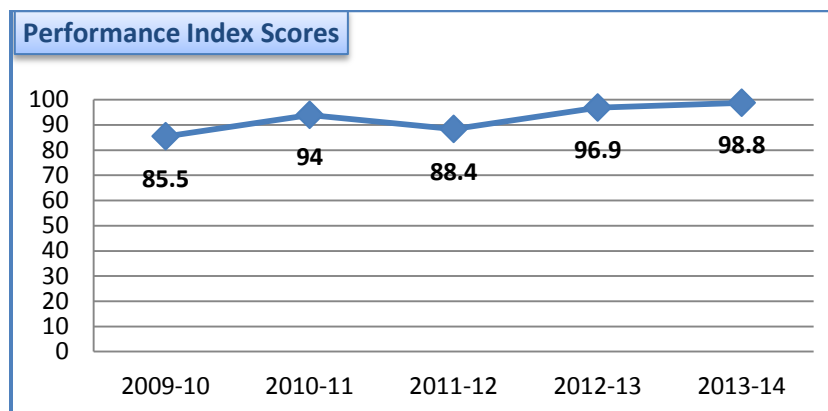
“The Academy is committed to providing a safe, nurturing environment where our students develop positive self-esteem, leadership, multi-cultural awareness, community involvement, a love for life-long learning, and achieve academic excellence.”

<ul style="list-style-type: none">★ Board President: <i>Peter Shears</i>★ School Leader: <i>Natalee Long</i>★ Opened: <i>2000</i>★ Grades Served: <i>K-8</i>★ Enrollment from 2013-14: <i>516</i>	<ul style="list-style-type: none">★ Racial/Ethnic Balance: <i>Asian or Pacific Islander: 3.5%</i> <i>Black, Non-Hispanic: 39.5%, Hispanic: 5.6%,</i> <i>Multiracial: 9.4%, White, Non-Hispanic: 41.4%</i>★ Students with Disabilities: <i>9.5%</i>★ Economically Disadvantaged: <i>48.9%</i>★ Limited English Proficient: <i>24%</i>★ EMO: <i>Mosaica Education, Inc.</i>
---	---

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph presented above shows the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school is 98.8, which equates to an 82.3 % and a grade of B. This is an increase in the raw score of 96.9 and a percentage score of 80.7 % with a grade of B for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 88.4, for 2010-2011 94 and for 2009-2010 85.5. The school's Performance Index demonstrates an upward trend increasing from 85.5 in 2009-2010 to a current score of 98.8.

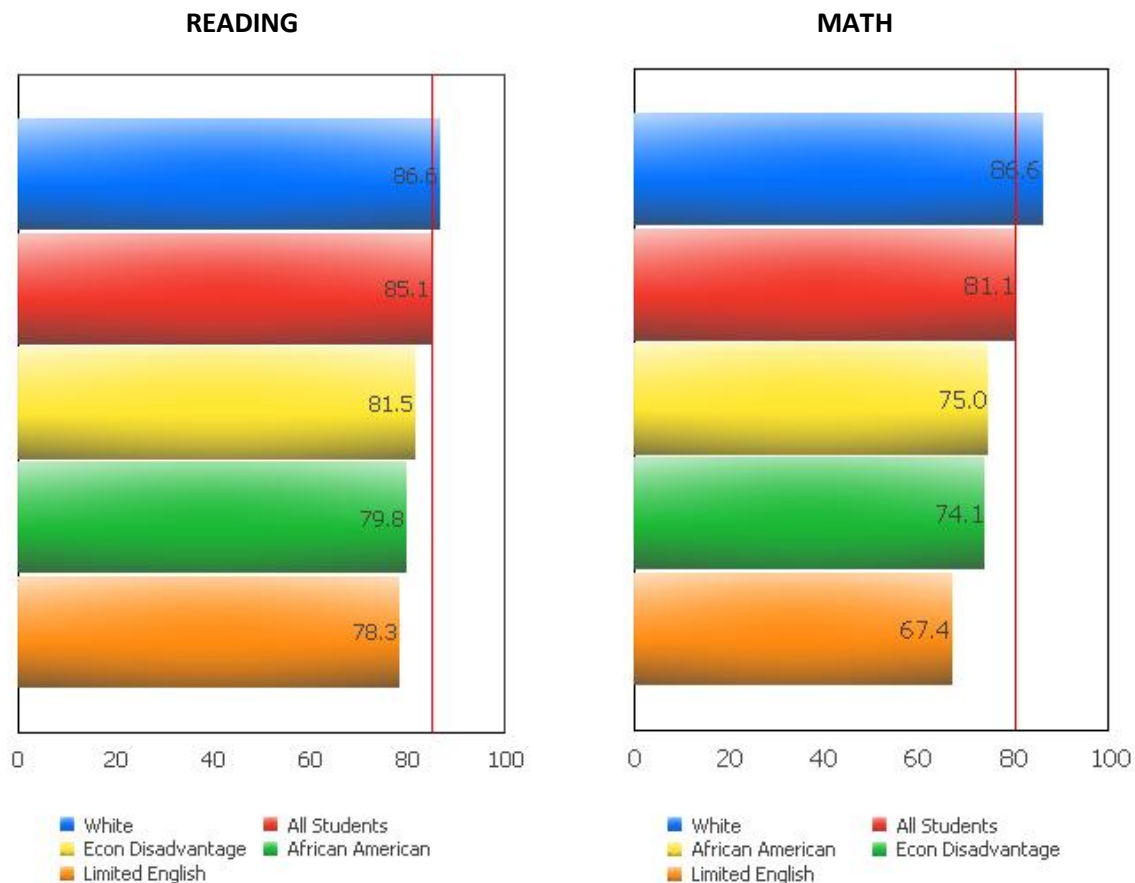
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Met	Met	Met	-
2010-11	Met	Met	Above	-
2011-12	Met	Above	Met	-
2012-13	-	-	-	A
2013-14	-	-	-	A

The overall Value Added grade for 2013-2014 is an A with a grade of C for students in the bottom 20% statewide. This indicates that for the 2013-2014 school year, students overall achieved significantly more than a year's worth of growth for a year's worth of instruction while students in the bottom 20% achievement level made a year's worth of growth for one year's worth of instruction. This school's overall Value Added grade for 2012-2013 was an A. This indicates that students made significantly more than one year's worth of growth for one year's worth of instruction. For the school year 2011-2012, math was in the Above range while reading and Combined Value added were in the Met range. For school year 2010-2011, reading was in the Above range while math and Combined Value added were in the Met range. For 2009-2010 reading, math and Combined Value added were all in the Met range. Students in this school have consistently achieved a year or more of growth for a year's worth of instruction. This school's Value Added component has demonstrated consistent improvement.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of B with a score of 89.9%. In 2013-2014 this school received an AMO grade of F with a score of 53.9%. All student subgroups made progress toward AMO math targets for 2013-2014; however, there are still achievement gaps for some disaggregate groups for math. In reading, however, even though some subgroups met the AMO reading targets, all subgroups declined in progress toward AMO reading targets for the 2013-2014 school year which resulted in a decline in the AMO grade. This school met the required attendance target and the participation rate.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	10	2
2010-11	15	7
2011-12	12	4
2012-13	14	11
2013-14	14	9

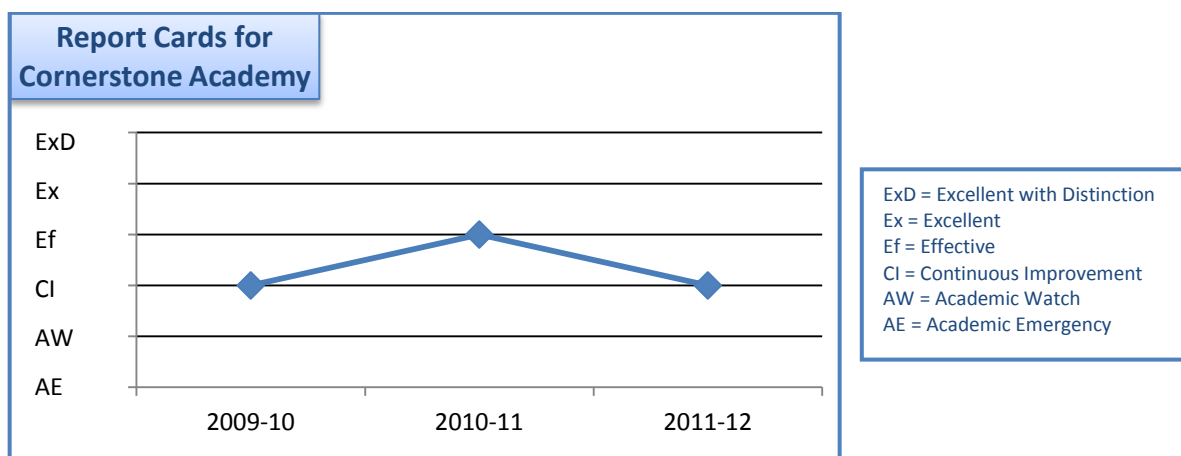
This school met 2 of the 10 required state indicators in 2009-2010, 7 of 15 required state indicators in 2010-2011, 4 of 12 required state indicators in 2011-2012, 11 of 14 required state indicators in 2012-2013 for a grade of C, and 9 of 14 required state indicators in 2013-2014 for a grade of D. This school has demonstrated strong but inconsistent progress in meeting state required indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	No	At Risk
2010-11	No	-
2011-12	No	At Risk
2012-13	No	-
2013-14	No	-

This school has not been designated for school improvement status. The school was at risk of going into school improvement status in 2009-2010 and 2011-2012 but demonstrated sufficient improvement to avoid school improvement status. This school is not identified for a school improvement designation for 2013-2014 school year.

f. Historical Report Card Grades



This school was rated Continuous Improvement in 2011-2012, Effective in 2010-2011, and Continuous Improvement in 2009-2010. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

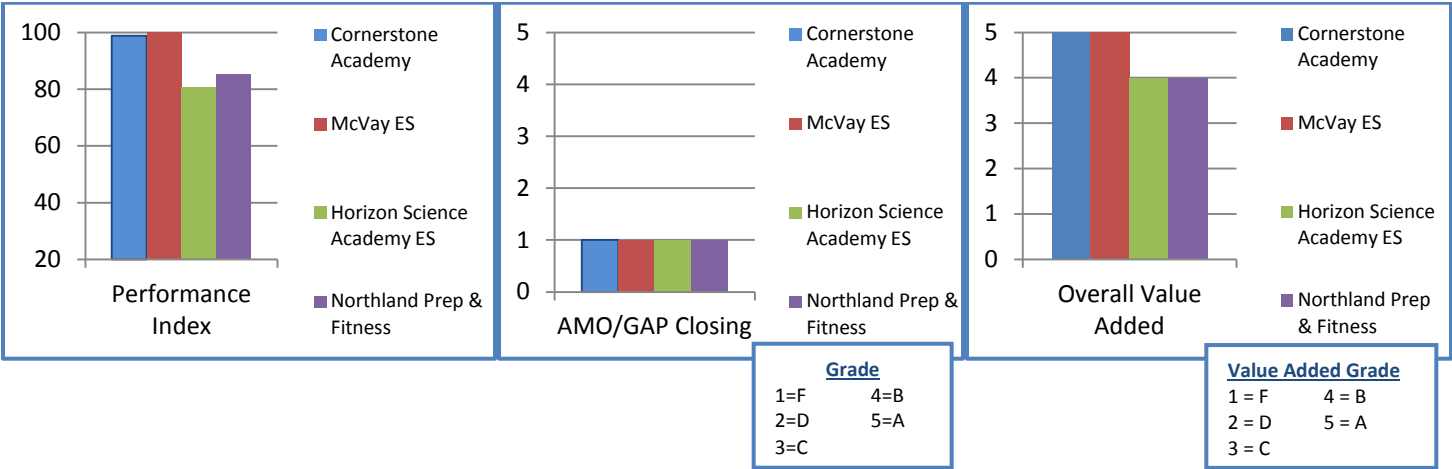
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Met
2011-12	Not Met

This school did not meet AYP for the school year 2011-2012. For school year 2010-2011 AYP was met. For school year 2009-2010 AYP was not met. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

This school is demonstrating academic success as evidenced by its grade of A in Value Added for the 2012-2013 and the 2013-2014 school year. Students are consistently making more than a year's worth of growth for a year's worth of instruction. The overall Value Added grade for 2013-2014 is an A with a grade of C for students in the bottom 20% statewide. This indicates that for the 2013-2014 school year, students overall achieved significantly more than a year's worth of growth for a year's worth of instruction while students in the bottom 20% achievement level made one year's worth of growth for one year's worth of instruction. The school's performance index is trending upward. Some student subgroups are meeting or exceeding AMO targets in Reading; however, the school needs to continue to focus on instructional strategies for those subgroups not meeting reading AMO targets. All student subgroups are making progress toward meeting AMO targets in math; however, there is still a small gap for some student subgroups in meeting math targets. The school needs to continue to develop instructional strategies to focus on math. All subgroups exceed the minimum attendance rate of 93% with the attendance rate for all students at 96.4%. The school also had a participation rate of 100%.

III. Comparison of Similar Schools



The school outperformed two similar local community schools in performance index score, which assesses student achievement level. The school scored slightly lower than a local traditional public in this measure. The school compares similarly to all comparison schools in AMO/GAP closing. The school also compares similarly to the traditional public school in overall value added and scores above similar community schools in the area.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Cornerstone Academy.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.50	 0.15	 0.05	 0.02	 0.03




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 14.97	 0.72	 0.77	 2.45	 6.49

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.07	 1.16	 1.47	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N	N	N	N	N






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.24)	 0.08	 (0.07)	 (0.31)	 (0.40)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.08)	 (0.06)	 (0.21)	 (0.34)	 (0.40)











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.30	 9.52	 13.31	 6.96	 6.69






Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 194,021	 9	 (11,623)	 (7,548)	 25,753
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 194,030	 (11,614)	 (19,171)	 18,205	 25,753

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.17	 1.94	 (0.09)	 (2.75)	 (0.89)

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	No	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	Yes
2010-2011	Yes	n/a	No	n/a	No	n/a	No	No	Yes	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	n/a	Yes	Overall Compliant	No findings	Yes

Comment: Cornerstone Academy (Cornerstone) is in its eighth year of operation at its current location. Cornerstone has performed well during on-site reviews conducted over the past five (5) years, being found partially compliant on only two (2) items. During the 2010-2011 school year, Cornerstone did experience some challenges in submitting proper documentation for charter modifications. These issues have since been corrected. Cornerstone continues to experience challenges related to the debt it carries with its current management company, Mosaica Education. These challenges have resulted in the sponsor requesting several corrective action plans over the years.

EAST PREPARATORY ACADEMY

4129 Superior Avenue
Cleveland, Ohio 44103
216-539-0595

Mission:

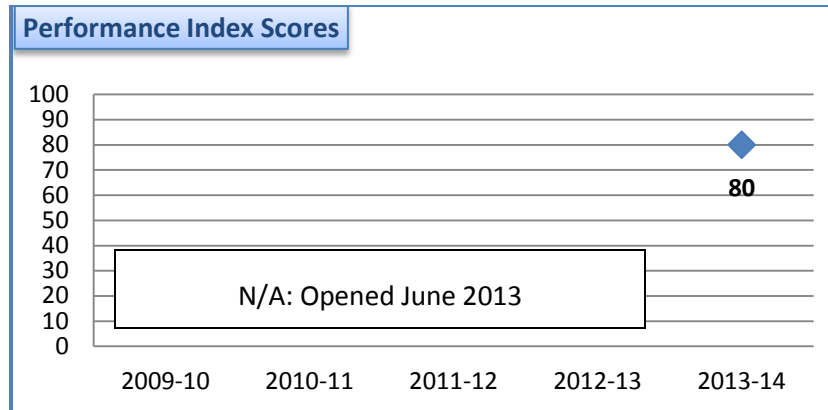
“East Preparatory Academy is dedicated to improving the lives of its students by providing authentic learning experiences in a collaborative, nurturing environment that will build a foundation for students success in school, at future work, and in life.”

<ul style="list-style-type: none">✦ Board President: <i>Rhonda Hurt</i>✦ School Leader: <i>Gretchen J. Beasley</i>✦ Opened: <i>2013</i>✦ Grades Served: <i>K-8</i>✦ Enrollment from 2013-14: <i>62</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 86%</i>✦ Economically Disadvantaged: <i>100%</i>✦ EMO: <i>Cambridge Education Group</i>
--	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above shows raw score performance index data. To calculate the grade level designation for 2013-2014, the raw score is divided by 120 possible points. This school opened in June of 2013. The raw score Performance Index for 2013-2014 is 80.0 equating to a percent of 66.7% and a grade of D.

b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	N/A	N/A	N/A	-
2010-11	N/A	N/A	N/A	-
2011-12	N/A	N/A	N/A	-
2012-13	-	-	-	N/A
2013-14	-	-	-	C

This school opened in June of 2013. The overall Value Added grade for 2013-2014 is a C indicating that overall students are making a year's worth of progress for a year's worth of instruction.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels.

The school does not have an Annual Measurable Objective for Reading or Math because there were not enough students to evaluate.

This school did not meet the AMO attendance rate of 93% in any of the rated subgroups. The attendance rate was 91.8%. The school was not rated for AMO for the 2013-2014 school year.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	N/A	-
2010-11	N/A	-
2011-12	N/A	-
2012-13	N/A	-
2013-14	0	N/R

This school opened in June of 2013. There is no Indicator data available at this time.

e. School Improvement

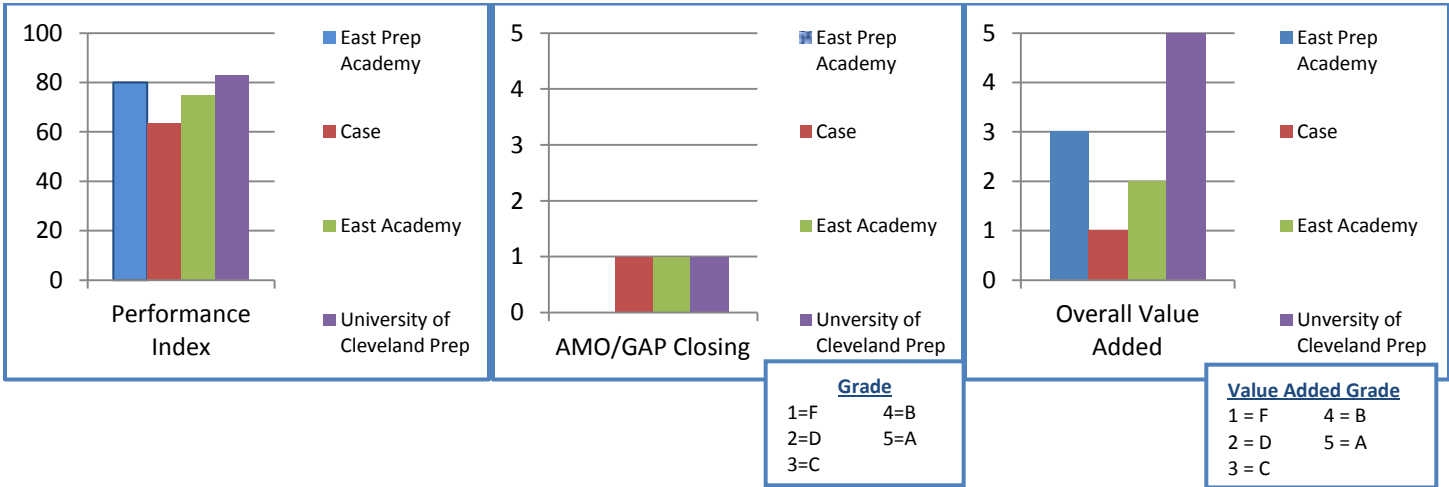
SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	N/A	-
2010-11	N/A	-
2011-12	N/A	-
2012-13	N/A	-
2013-14	N/A	-

This school opened in June of 2013, therefore the school will not be eligible for school improvement status until 2014-2015.

II. Academic Analysis

The school should take advantage of technical assistance and resources available through the school’s sponsor to support efforts toward growth in professional practice and student achievement. The school should also focus efforts toward the use of data to inform instruction particularly for meeting the needs of all subgroups. The school should also develop strategies to meet the state required attendance rate in all subgroups for AMOs.

III. Comparison of Similar Schools



The school outperformed two of the comparison schools, one traditional public and one local community school in performance index score, which assesses student achievement level. One local community school out-scored the school by only 2.7 points. The school was not rated in AMO/GAP closing. The school outperformed the same schools in overall value added but scored lower than one local community school.

IV. Special Education Services

Based on information gathered during site visits over the past year, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management

The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. Since 2013-2014 was the initial year of the school's operation, some of the measures had to be modified since it was not practical to perform multi-year comparisons. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on monthly financial statements and other available information for the East Prep Academy.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:




- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/30 days)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>4/30/2014</u>
 0.04	 0.06	 0.04	 0.03	 0.03

Comment: Due to the school being in start-up mode, the school has not been able to accumulate assets in relation to liabilities. Although indicative of near term activity; this ratio is not one of the key indicators in determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>4/30/2014</u>
 7.33	 12.93	 9.00	 5.10	 4.70

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not as helpful in determining renewal. It can be said that the school has shown improvement in the last few months.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>4/30/2014</u>
Data not available	Data not available	Data not available	Data not available	Data not available

Comment: The enrollment variance is normally felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending. In this case, the school year started with an estimate of FTE's and has shown growth since the school opened. Even with that growth, the school has relatively low FTE's.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
N	N	N	N	N






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions. The school has borrowed on a short term basis to meet short term operating needs. There is no indication of default at this time.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Month Total Margin = 3 Months Net Income/3 Months Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Month Cash Flow = Month 3 Cash - Month 1 Cash
- One Month Cash Flow = Month 2 Cash - Month 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>4/30/2014</u>
 (0.91)	 (0.54)	 (0.24)	 (0.88)	 (1.02)

The **aggregated three month total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>4/30/2014</u>
 (0.56)	 (0.55)	 (0.69)	 (0.95)	 (1.02)











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>4/30/2014</u>
 23.63	 16.72	 26.55	 31.59	 31.03

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses or in this case, when the school is in its initial year of operation. Schools should adhere to a balanced budget and should not have cash needs large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>4/30/2014</u>
One Month Cash Flow = Month 2 Cash - Month 1 Cash	 (7,193)	 10,934	 3,246	 701	 11,508
Multi Month Cash Flow = Month 3 Cash - Month 1 Cash	 3,741	 14,180	 3,947	 12,209	 11,508

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only borrow in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	No	Yes	No	No	Yes	Overall Compliant	In Process	Yes
2012-2013	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2011-2012	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2010-2011	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2009-2010	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open

Comment: East Preparatory Academy (East Prep) is only operating in its second year. This school was proposed by Cambridge Education Group to serve students on the eastside of Cleveland. East Prep performed well during its first on-site reviews conducted by the sponsor, being found partially compliant on only one item. East Prep did, however, experience some operational and financial challenges. Initially, East Prep desired to add a sixth grade for the 2014-2015 school year, but failed to submit the request in a timely manner to the sponsor as required by the charter. Additionally, East Prep experienced setbacks in obtaining its desired enrollment. These setbacks resulted in limited financial means causing the sponsor to request a corrective action plan. East Prep has increased its enrollment for 2014-2015, thus improving its current financial position.

EASTSIDE ARTS ACADEMY

6700 Lansing Avenue
Cleveland, Ohio 44105
216-441-9830

Mission:

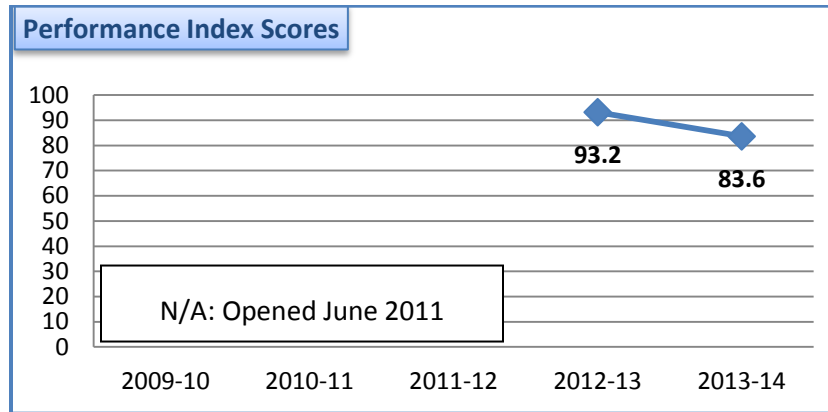
“Constellation Schools: Eastside Arts Academy will provide an arts education designed to stimulate creativity, enrich and accelerate aesthetic development, and create an enduring respect and passion for the arts for those students exhibiting an interest in music, the visual arts, drama and dance, in a caring, nurturing educational environment offering parents an educational choice providing a high-quality competency-based education which integrates the teaching of character education/values and self-discipline, incorporates technology, stresses the importance of school attendance, and addresses the individual educational needs of each student. Through academic excellence, the learning of desirable character traits and proper behavior, and good attendance, Constellation Schools: Eastside Arts Academy will graduate students who are academically successful life-long learners, and responsible citizens in their school community, neighborhoods and city. Each student at Constellation Schools: Eastside Arts Academy will experience academic success and increased personal self-worth.”

✦ Board President: <i>Deborah Callen</i>	✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 54.6%</i>
✦ School Leader: <i>Katherine A. Rybak</i>	✦ <i>Multiracial: 13.1%, White, Non-Hispanic: 24.2%</i>
✦ Opened: <i>2011</i>	✦ Students with Disabilities: <i>13.9%</i>
✦ Grades Served: <i>K-5</i>	✦ Economically Disadvantaged: <i>97.6%</i>
✦ Enrollment from 2013-14: <i>97</i>	✦ EMO: <i>Constellation Schools</i>

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The school opened in June 2011 and currently has only two years of data. The raw score for the Performance Index for 2012-2013 was 93.2 with a percentage score of 77.7 and a grade of C. The raw score for Percentage Index for 2013-2014 is 83.6 equating to a percentage score of 69.7 and a grade of D. For 2013-2014, 37.6% of the students' scores fall in the basic or limited ranges while 62.5% of the students' scores are proficient or higher.

b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	N/A	N/A	N/A	-
2010-11	N/A	N/A	N/A	-
2011-12	N/A	N/A	N/A	-
2012-13	-	-	-	NR
2013-14	-	-	-	C

This school opened in June of 2011; consequently, Value Added was not applicable in 2011-2012. The school was not rated for Value Added in 2012-2013. The overall Value Added grade for the 2013-2014 school year is a C. This indicates that students at this school are making a year's worth of growth for a year's worth of Instruction.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels.

This School does not have an AMO for Reading or Math because there were not enough students to evaluate.

The attendance rate was below the 93% target for AMOs in all rated subgroups with a 91.8 % for the all student subgroups.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	1	1
2012-13	2	1
2013-14	4	1

In 2011-2012, this school met the 1 required State Indicator. In 2012-2013 this school met 1 of 2 required State Indicators for a grade of D. In 2013-2014 the school met 1 of 4 required State Indicators for a grade of F, having met the indicator in fourth grade reading.

e. School Improvement

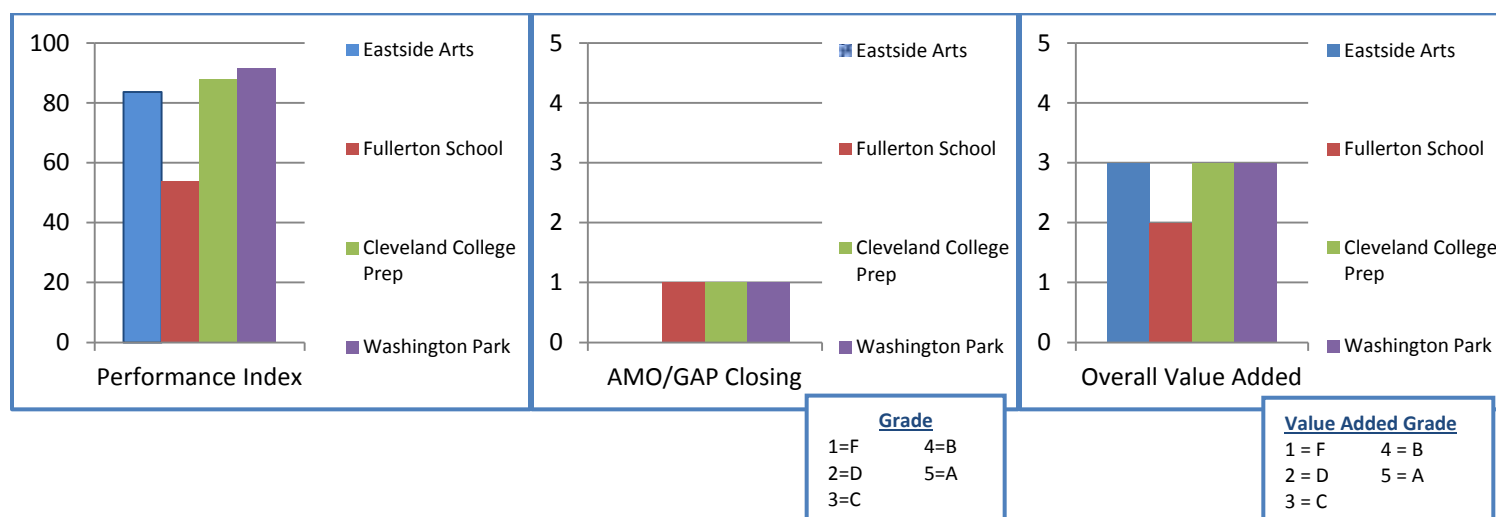
SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	N/A	N/A
2012-13	No	-
2013-14	No	-

This school was not designated for School Improvement Status in 2012-2013 or 2013-2014.

II. Academic Analysis

The overall Value Added grade for the 2013-2014 school year is a C. This indicates that overall students at this school are making a year's worth of growth for a year's worth of Instruction. For 2013-2014, the Performance Index grade is a D, falling from a grade of C for the 2012-2013 school year, with 37.6% of the students' scores falling in the basic or limited ranges while 62.5% of the students' scores are proficient or higher. The school should take advantage of technical assistance and resources available through the school's sponsor to support efforts toward growth in professional practice and student achievement. The school should also focus efforts toward the use of data to inform instruction particularly for meeting the needs of all subgroups. The school should also develop strategies to meet the state required attendance rate for AMOs.

III. Comparison of Similar Schools



The school outperformed a local traditional public school in performance index score, which assesses student achievement level. However, the school was below two local community schools in this measure. The school was not rated in AMO/GAP closing. The school again outperformed the local traditional public and scored the same as neighboring community schools in overall value added.

IV. Special Education Services

Based on information gathered during site visits over the past three years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management



The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Eastside Arts Academy.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:



- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>
 9.28	 3.42

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>
 37.22	 8.27

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>
 1.90	 -

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>
N	N



Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES


These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.



<u>6/30/2013</u>	<u>6/30/2012</u>
 0.08	 0.11

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>
 0.09	 0.11

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>
 0.09	 0.14



Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 74,237	 10,773
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 85,010	 10,773

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>
 76.19	 153.25

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	No	Yes	No	Due October 2014	No	Yes	No	No	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	No	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2011-2012	n/a	Yes	No	Yes	No	n/a	No	No	No	Overall Compliant	No findings	Yes
2010-2011	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2009-2010	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open

Comment: Eastside Arts Academy (Eastside Arts) is operating in its fourth year. Initially, Eastside Arts experienced some challenges in obtaining adequate enrollment, resulting in a corrective action plan request from the sponsor. Eastside Arts has maintained adequate enrollment during the subsequent school years. Eastside Arts has performed well during on-site reviews conducted by the sponsor and has been found to be overall compliant each year. Eastside Arts does occasionally neglect to submit required documentation to the sponsor, such as assessment data and management company evaluations. Eastside Arts has also declined to attend the OIP training on two (2) occasions offered by the sponsor. Eastside Arts does perform well on state conducted financial audits and remains financially stable.

THE EDGE ACADEMY

92 North Union Street
Akron, Ohio 44304
330-535-4581

Mission:

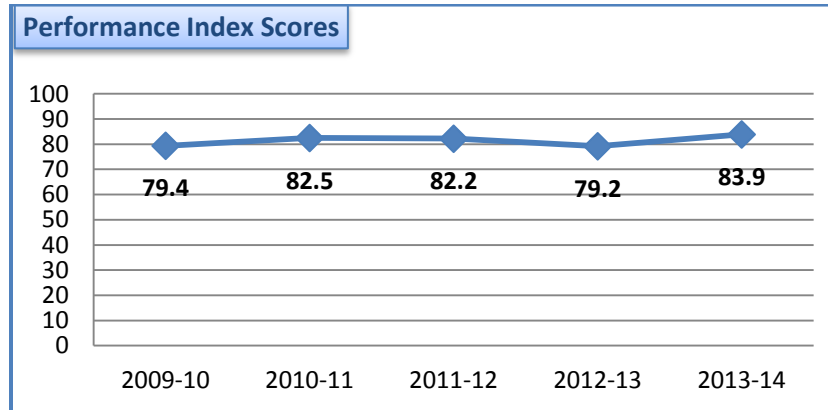
“The Edge Academy will exist to provide superior academic instruction to disadvantaged children in Akron. All staff members are charged with the responsibility to create and maintain a safe, caring, disciplined and respectful environment in which learning can be maximized. The ultimate outcome of The Edge Academy’s efforts is the development of world-class citizens.”

<ul style="list-style-type: none">✦ Board President: <i>David Burden</i>✦ School Leader: <i>Holly Piskula</i>✦ Opened: <i>1999</i>✦ Grades Served: <i>K-5</i>✦ Enrollment from 2013-14: <i>264</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 86.9%</i> <i>Multiracial: 4.5%, White, Non-Hispanic: 6.3%</i>✦ Students with Disabilities: <i>13.4%</i>✦ Economically Disadvantaged: <i>96%</i>
--	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The performance index for this school for 2013-2014 was 83.9 equating to a 69.9% and a grade of D. The performance index for this school for 2012-2013 was 79.2 equating to a 66% and a grade of D. In 2011-2012 the raw score for performance index was 82.2. For 2010-2011 the raw score for performance index was 82.5 and in 2009-2010 the raw score performance index was 79.4. The performance index for this school has remained relatively flat each year from 2009-2010 through 2013-2014 fluctuating approximately 4 points.

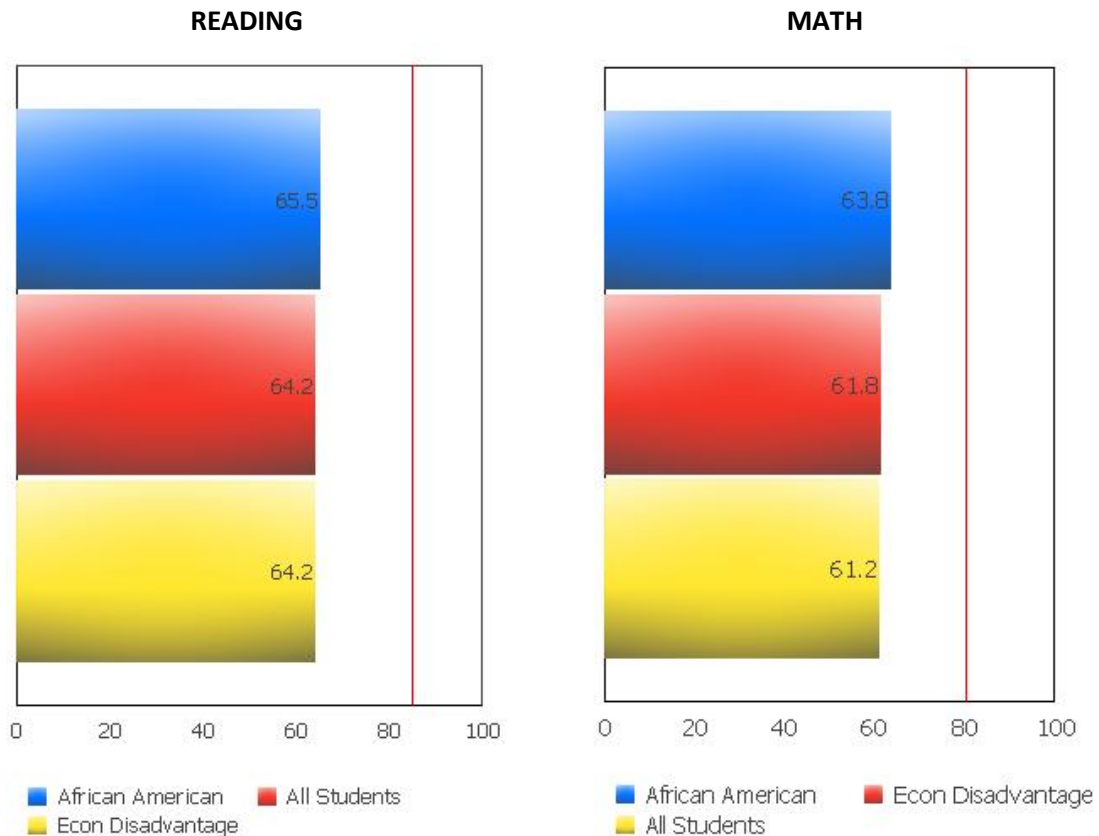
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Below	Not available	Not available	-
2010-11	Met	Not available	Not available	-
2011-12	Below	Not available	Not available	-
2012-13	-	-	-	D
2013-14	-	-	-	F

The overall Value Added grade for 2013-2014 is an F with a grade of C for students in the bottom 20% statewide and a grade of C for students with disabilities. This indicates that overall students at this school are achieving significantly less than a year's worth of growth for a year's worth of instruction. Students in the bottom 20% of achievement and students with disabilities are achieving approximately one year's worth of growth for one year's worth of instruction. The school received a rating of D for Overall Value Added in 2012-2013. Students at this school are making less than a year's worth of growth for a year's worth of instruction. This school's Value Added combined score for 2011-2012 is in the Below range, for 2010-2011 the combined Valued Added score is in the Met range and for 2009-2010 the combined Value Added score is in the Below range .

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 12.8%. In 2013-2014 this school received an AMO Grade of F with a score of 19.6%. In 2013-2014, this school lost ground in reading as it was further away from the AMO reading target than the previous year. In math however, the school did show improvement in all the disaggregate subgroups. This school still has significant gaps between achievement levels and AMO targets in both reading and math, for all measured subgroups.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	10	0
2010-11	8	5
2011-12	8	3
2012-13	7	3
2013-14	7	0

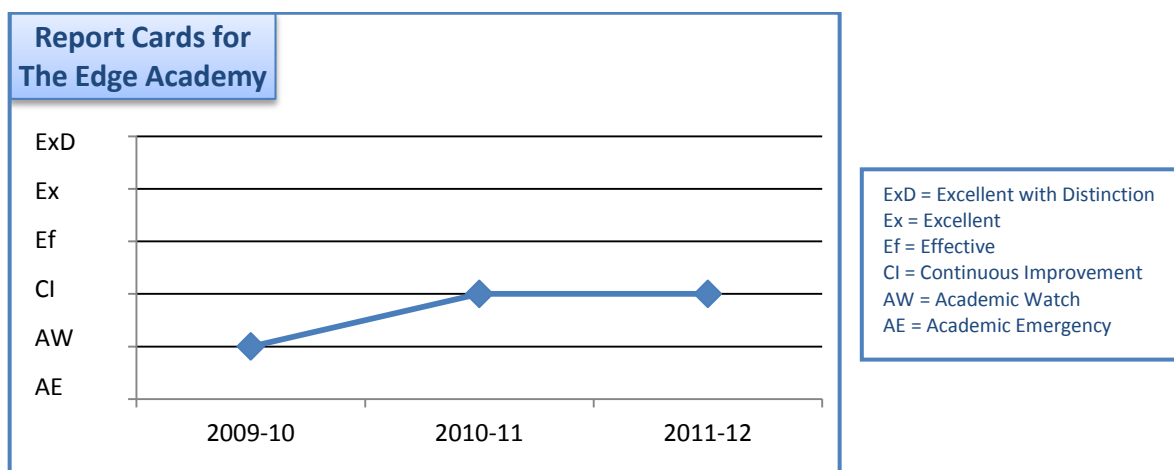
In 2013-2014 this school met 0 of the 7 required State Indicators equating to a grade of F. In 2012-2013 this school met 3 of the 7 required State Indicators also equating to a grade of F. In 2011-2012 this school met 3 of the 8 required State Indicators and in 2010-2011 the school met 5 of 8 required state indicators while in 2009-2010 the school met 0 of 10 required state indicators. This school is losing ground in meeting required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	No	At Risk
2010-11	No	-
2011-12	No	-
2012-13	No	-
2013-14	No	-

This school was not designated for School Improvement Status in 2010-2011, 2011-2012, 2012-2013 or 2013-2014 after having been designated At-Risk in 2009-2010.

f. Historical Report Card Grades



This school was rated in Academic Watch in 2009-2010. This school was rated Continuous Improvement in 2010-2011 and 2011-2012. Overall report grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

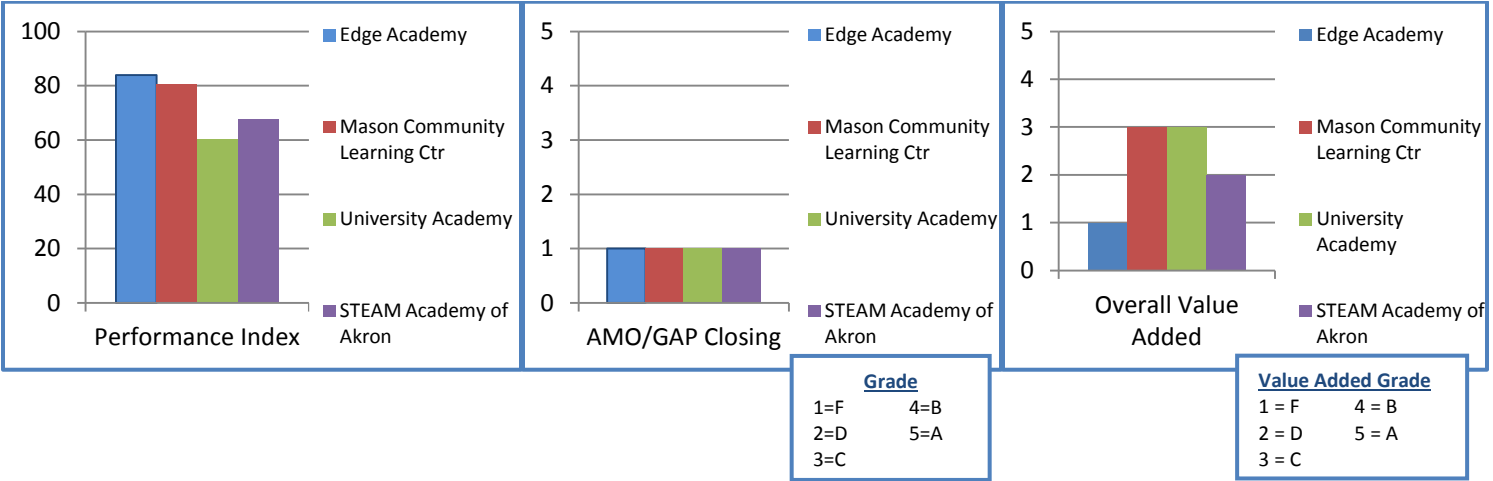
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Met
2011-12	Met

In 2010-2011 and 2011-2012 the school met AYP after not having met AYP in 2009-2010. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The data available indicates this school is making minimal progress. The performance index scores are flat indicating that students are not moving up to a higher level of performance on the state assessments. The Overall Value Added grade of D in 2012-2013 indicates that students are achieving less than a year's worth of growth for a year's worth of instruction. The overall Value Added grade for 2013-2014 is an F with a grade of C for students in the bottom 20% statewide and a grade of C for students with disabilities. This indicates that overall students at this school are achieving significantly less than a year's worth of growth for a year's worth of instruction. Students in the bottom 20% of achievement and students with disabilities are achieving approximately one year's worth of growth for one year's worth of instruction. Students at this school need to be making significantly more than a year's worth of growth each year if they are to meet grade level expectations and state required indicators. This school still has significant gaps between achievement levels and AMO targets in both reading and math for all subgroups. This school did meet both the attendance rate and the participation rate for AMOs. The school should focus on using data to drive math and reading instructional needs of the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on their disaggregate groups, closing achievement gaps, moving all students to higher level of achievement and improving professional practice.

III. Comparison of Similar Schools



The school outperformed similar local community schools and a local traditional public school in performance index score, which assesses student achievement level. The school compares similarly in AMO/GAP closing. The school performed lower than all comparison schools in overall value added.

IV. Special Education Services

Based on information gathered during site visits over the past two years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Edge Learning Academy.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 2.38	 2.12	 1.86	 1.54	 1.67

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 66.42	 48.35	 37.63	 74.89	 70.74

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
Not Available	Not Available	Not Available	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.041	 (0.015)	 0.028	 0.024	 0.003

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.018	 0.013	 0.019	 0.014	 0.003











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.250	 0.306	 0.381	 0.482	 0.433




Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 105,104	 61,895	 (326,616)	 136,355	 442,035
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 166,999	 (264,721)	 (190,261)	 578,390	 442,035

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 9.31	 (1.43)	 28.01	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	N/A	No	Yes	No	Yes	No	Overall Compliant	In process	No
2012-2013	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Yes	Did not Sponsor
2011-2012	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No Findings	Did not Sponsor
2010-2011	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Yes	Did not Sponsor
2009-2010	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No Findings	Did not Sponsor

Comment: The Edge Academy (Edge) is operating in its sixteenth year. St. Aloysius has only sponsored Edge for two (2) years. During St. Aloysius' first on-site reviews with Edge, the school performed well and was partially compliant on only one item. In the course of its first year with St. Aloysius, Edge did not submit its CSLT form or attend the OIP workshop offered by the sponsor. Additionally, the school submitted its assessment data behind schedule. Edge has experienced challenges on audits, having findings for payroll services in both 2010-2011 and 2012-2013.

FRANKLINTON PREPARATORY ACADEMY

40 Chicago Avenue
Columbus, Ohio 43222
614-636-3721

Mission:

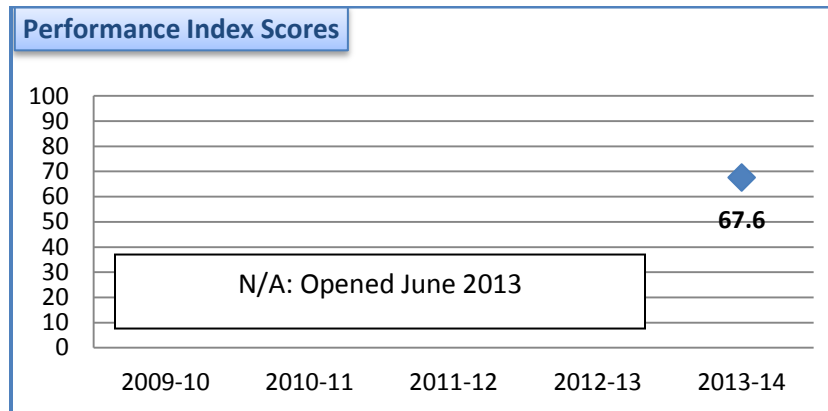
“Providing unlimited learning opportunities for our students to prepare them for graduation and the successful pursuit of unique life journeys after high school.”

<ul style="list-style-type: none">✦ Board President: <i>Beth Lear</i>✦ School Leader: <i>Martin Griffith</i>✦ Opened: <i>2013</i>✦ Grades Served: <i>9-12</i>✦ Enrollment from 2013-14: <i>87</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: Black, Non-Hispanic: <i>38.7%</i>✦ White, Non-Hispanic: <i>50.4%</i>✦ Students with Disabilities: <i>25.1%</i>✦ Economically Disadvantaged: <i>87.1%</i>
---	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. This school opened in June of 2013. The raw score for Performance Index was 67.6 equating to a percentage score of 56.4% and a grade of D for the 2013-2014 school year. There were a number of untested students which were required to be tested. This lowered the school's performance index.

b. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels.

This school does not have an AMO for Reading or Math because there were not enough students to evaluate.

There is no AMO grade for this school as it opened in June of 2013. The overall attendance rate of 89.6% does not meet the AMO target of 93%. None of the disaggregate subgroups with sufficient numbers to evaluate met the AMO attendance target of 93%.

c. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	N/A	N/A
2012-13	N/A	N/A
2013-14	5	1

This school has met 1 of 5 required state indicators for 2013-2014, equating to 20% and a grade of F. The indicator met was 10th grade reading at 80%.

d. Graduation Rate

This school has not been assigned a grade for Graduation Rate because there were not enough students to evaluate.

This school was not rated for AMO graduation rate or 4 or 5 year graduation rate. This year was the first year of operation for this school and it did not have enough students to count toward a graduation rate.

e. School Improvement

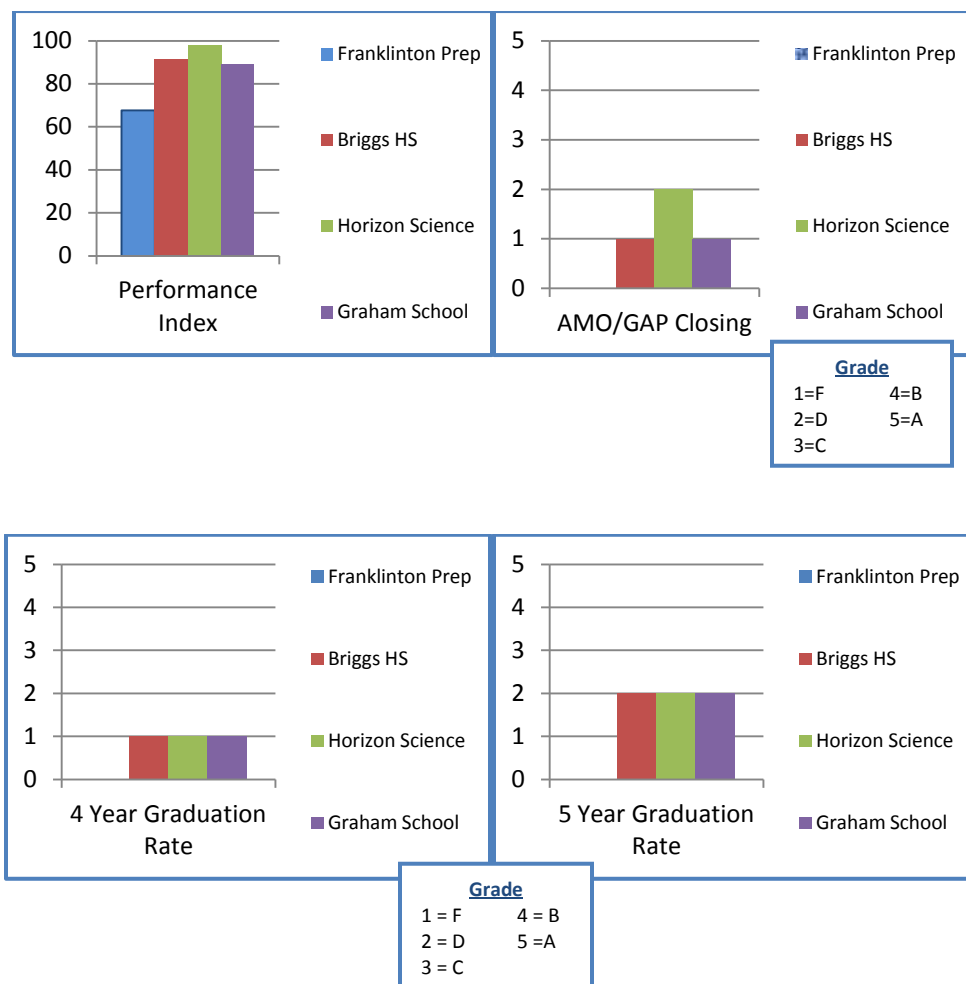
SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	N/A	N/A
2012-13	N/A	N/A
2013-14		

This school opened in June 2013. A School Improvement designation is not applicable at this time. Data for 2013-2014 is currently unavailable.

II. Academic Analysis

The school should take advantage of technical assistance and resources available through the school's sponsor to support efforts toward growth in professional practice and student achievement. The school should also focus efforts toward the use of data to inform instruction particularly for meeting the needs of all subgroups in reading and math. Science achievement is of particular concern and the school should develop instructional strategies and professional development activities to support student achievement and professional practice in this area. The school should also develop strategies to meet the state required attendance rate for AMOs and ensure that all students required to participate in testing do so.

III. Comparison of Similar Schools



The school scored lower than all comparison schools in performance index, which assesses student achievement level. The school was not rated in AMO/GAP closing or graduation rate because it was in its first year of operation and did not enroll enough students for these measures.

IV. Special Education Services

Based on information gathered during site visits over the past year, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. Since 2013-2014 was the initial year of the school's operation, some of the measures had to be modified since it was not practical to perform multi-year comparisons. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on monthly financial statements and other available information for the Franklinton Prep.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/30 days)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
 0.14	 0.10	 0.02	 0.15	 1.82


Comment: Due to the school being in start-up mode, the school has not been able to accumulate assets in relation to liabilities. Although indicative of near term activity; this ratio is not one of the key indicators in determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
 8.53	 5.06	 0.94	 7.43	 64.89

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not as helpful in determining renewal. It can be said that the school has shown improvement in the last few months.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
Data not available	 1.21	Data not available	Data not available	Data not available

Comment: The enrollment variance is normally felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending. In this case, the school year started with an estimate of FTE's and has shown growth since the school opened. Even with that growth, the school has relatively low FTE's.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
N	N	N	N	N






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions. The school has borrowed on a short term basis to meet short term operating needs. There is no indication of default at this time.

SUSTAINABILITY MEASURES

These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
 (0.05)	 (0.09)	 (0.27)	 (0.11)	 0.38

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
Data not available	Data not available	Data not available	Data not available	Data not available




Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
 3.73	 2.61	 3.30	 2.21	 0.55

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses or in this case, when the school is in its initial year of operation. Schools should adhere to a balanced budget and should not have cash needs large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
One Month Cash Flow = Month 2 Cash - Month 1 Cash	 6,892	 9,219	 (14,253)	Data not available	Data not available
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	Data not available	Data not available	Data not available	Data not available	Data not available

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>8/31/2014</u>	<u>7/31/2014</u>	<u>6/30/2014</u>	<u>5/31/2014</u>	<u>7/31/2013</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only borrow in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	n/a	No	Yes	No	No	Yes	Overall Compliant	In process	Yes
2012-2013	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2011-2012	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2010-2011	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2009-2010	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open

Comment: Franklinton Preparatory Academy (Franklinton) is currently operating in its second year. Franklinton was proposed as a high school located in the area of Columbus known as “The Bottoms”. Franklinton performed well during the on-site reviews conducted by the sponsor. The school was found to be compliant in every area. Franklinton does experience some challenges in its operations. Initially, the school changed testing instruments and other parts of its education plan without proper and timely notification to the sponsor. Franklinton was then slow to provide an official charter modification request and revisions to its education plan. Additionally, Franklinton discovered that it lost its non-profit status, but was able to remedy this situation swiftly.

GREEN INSPIRATION ACADEMY

4265 Northfield Road
Highland Hills, Ohio 44128
216-283-6589

Mission:

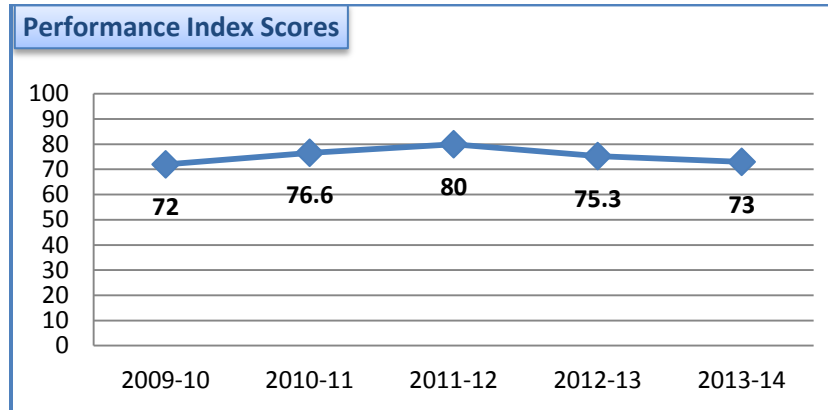
“Green Inspiration Academy is a community of learning & practice, whose core mission is to embody environmental sustainability & social responsibility through a culture of engaged learning. We prepare students to be global ambassadors of forward change through innovation & stewardship in a hands-on experiential learning environment.”

<ul style="list-style-type: none">✦ Board President: <i>Antoine Williams</i>✦ School Leader: <i>Donna Kolb</i>✦ Opened: <i>1998</i>✦ Grades Served: <i>K-8</i>✦ Enrollment from 2013-14: <i>166</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 93.4%</i>✦ Students with Disabilities: <i>10.3%</i>✦ Economically Disadvantaged: <i>88.3%</i>
---	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 73, which equates to a 60.9% and a grade of D. This is a slight decrease in the raw score of 75.3 and a percentage score of 62.7% with a grade of D for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 80, for 2010-2011 76.6 and for 2009-2010 72. The school's Performance Index has remained relatively flat with small fluctuations year to year. The performance index has declined the last two years. For the 2013-2014 school year, approximately 54% of the students' scores are in the bottom two achievement levels of limited and basic.

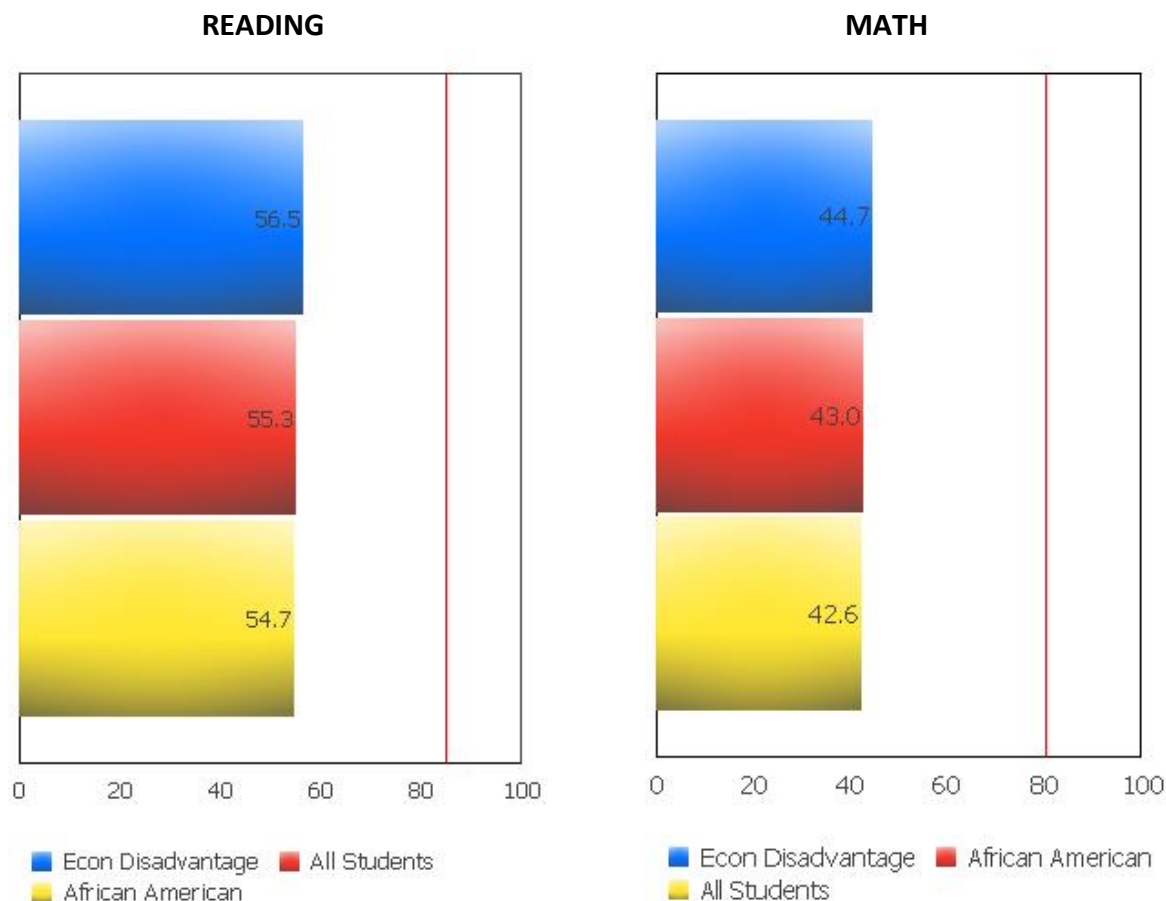
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Above	Above	Above	-
2010-11	Above	Above	Above	-
2011-12	Above	Above	Above	-
2012-13	-	-	-	A
2013-14	-	-	-	B

The overall Value Added grade for 2013-2014 is a B with a grade of C for students in the lowest 20% statewide. This indicates that overall, students at this school are achieving more than a year's worth of growth for one year's worth of instruction and student in the lowest 20% are achieving approximately one year's worth of growth for one year's worth of instruction. This school's overall Value Added grade for 2012-2013 was an A. Reading, Math, and overall value Added were in the Above range for 2009-2010, 2010-2011 and 2011-2012. This indicates that students are consistently making significantly more than one year's worth of growth for one year's worth of instruction.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 0%. In 2013-2014 this school received an AMO grade of F with a score of 0%. Not only is there a significant gap between the AMO goals and student achievement levels in reading and math, math and reading scores declined for 2013-2014 in all measured subgroups. This school did meet the required attendance and participation rates for AMO.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	15	2
2010-11	15	2
2011-12	15	3
2012-13	14	0
2013-14	14	0

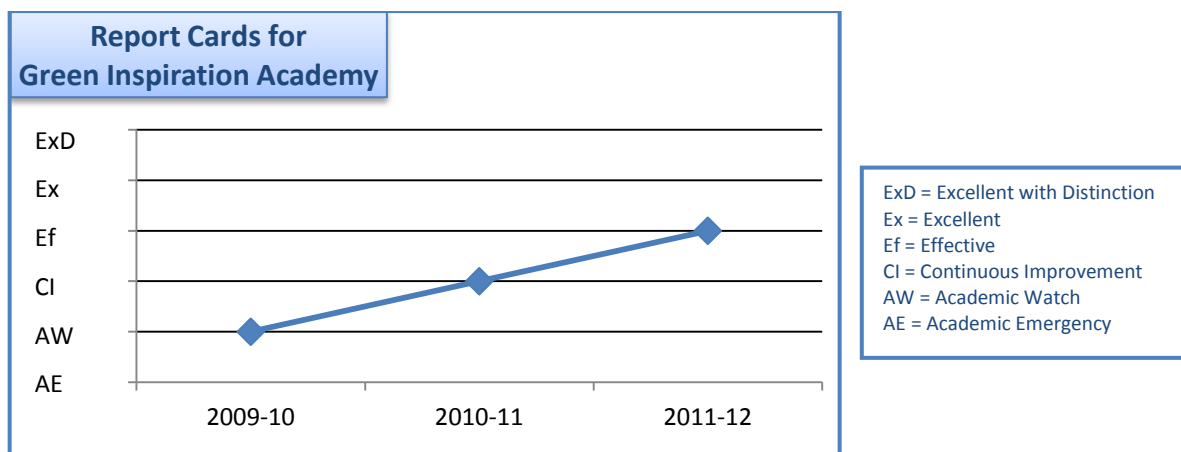
This school met 2 of the 15 required state indicators in 2009-2010, 2 of 15 required state indicators in 2010-2011, 3 of 15 required state indicators in 2011-2012, 0 of 14 required state indicators in 2012-2013 for a grade of F, and 0 of 14 required state indicators in 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	4
2010-11	Yes	5
2011-12	Yes	6
2012-13	Improvement	7
2013-14	Improvement	8

This school has a long history of school improvement designation. 2012-2013 was the school's seventh year in school improvement status. This school was designated as an Improvement School again in 2013-2014.

f. Historical Report Card Grades



This school was rated in Academic Watch in 2009-2010. In 2010-2011 the school improved to Continuous Improvement. In 2011-2012 the school was rated Effective. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

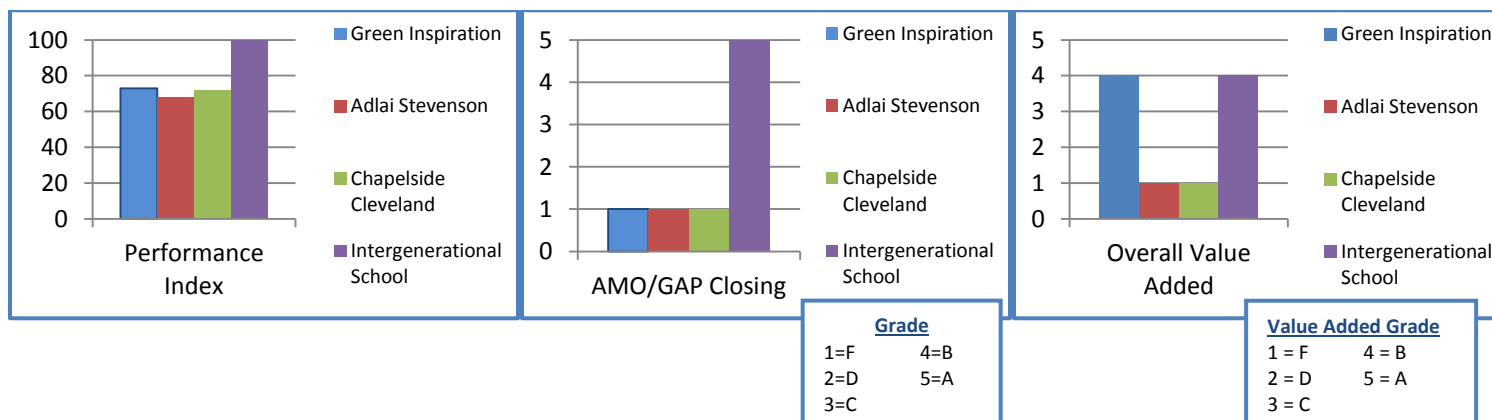
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

The school has not met AYP in 2009-2010 through 2011-2012. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The Value Added data for this school indicates that students overall are making more than a year's worth of growth each year. Students in the lowest 20% are making approximately one year's worth of progress each year. However, there are significant gaps in math and reading achievement in all measured disaggregate subgroups with a decline in reading and math achievement in 2013- 2014. The school is not meeting the required indicators in any subject. The school should focus on using data to develop a comprehensive school improvement plan. This plan needs to focus on the reading and math instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. A comprehensive review of the curriculum as well as such resources as pacing guides and curriculum maps could help the school identify achievement and learning gaps as well as instructional curricular gaps. The school should emphasize the development of instructional strategies that focus on improved professional practice and assessment techniques for improved student achievement for all students. The school should continue its focus on value added growth, developing professional practices that stretch students toward reaching higher achievement levels and grade level expectations.

III. Comparison of Similar Schools



The school outperformed a local traditional public school and one similar local community school in performance index score, which assesses student achievement level. The school also compares similarly to these schools in AMO/GAP closing. One local community school did outperform the school in both of these measures. However, the school compares similarly this local community school in overall value added and outperforms the remaining two schools.

IV. Special Education Services

Based on information gathered during site visits over the past two years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Green Inspiration Academy AKA Hope Academy Chapelside.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.32	 1.25	 2.79	 3.08	 3.59

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.


The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 27.82	 14.46	 24.76	 32.71	 35.13

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt

to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.04	Not Available	Not Available	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.01)	 (0.06)	 (0.04)	 (0.02)	 (0.01)






The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.04)	 (0.04)	 (0.02)	 (0.01)	 (0.01)

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired.











In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.73	 0.67	 0.30	 0.25	 0.18

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 147,845	 (128,233)	 (104,040)	 17,830	 394,180
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 19,612	 (232,273)	 (86,210)	 412,010	 394,180

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	No	Yes	No	Yes	Yes	Overall Compliant	In process	No
2012-2013	No	Yes	No	No	Yes	Yes	No	No	Yes	Overall Compliant	No	No
2011-2012	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No	Did not Sponsor
2010-2011	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No	Did not Sponsor
2009-2010	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No	Did not Sponsor

Comment: Green Inspiration Academy is operating in its seventeenth year. Green Inspiration previously operated as Hope Academy Chapelside, managed by White Hat Management. St. Aloysius began sponsoring Green Inspiration in 2012. In 2013, Green Inspiration opted to remove its management company and change its location and name. Green Inspiration is currently operated by the Board and a Superintendent. In 2012-2013, the school was compliant on all items. In 2013-2014, the school was found to be partially compliant on four items. Additionally, Green Inspiration sought to add ninth grade for the 2014-2015 school year. After submitting the request outside of the time frame prescribed by the charter agreement and reviewing comments/suggestions made by the sponsor in relation to its education plan, the school opted to not add the ninth grade. Historically, the school has performed well on state conducted financial audits.

GROVEPORT COMMUNITY SCHOOL

4485 S. Hamilton Road
Groveport, Ohio 43125
614-574-4100

Mission:

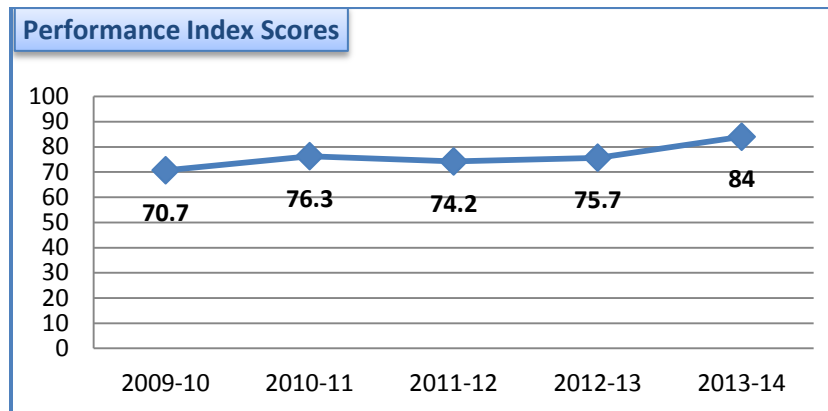
“Groveport Community School believes the fundamental purpose of our school is to help all students achieve high levels of learning and personal growth. We are committed to providing an equitable education in a nurturing learning environment that ensures all students will be successful. We will partner with all stakeholders to create a school culture that focuses on the Imagine Shared Values of Integrity, Justice, and Fun and Measures of Excellence.”

<ul style="list-style-type: none">✦ Board President: <i>Jared Hill</i>✦ School Leader: <i>Dair Foster & Jo Lowther</i>✦ Opened: <i>2006</i>✦ Grades Served: <i>K-8</i>✦ Enrollment from 2013-14: <i>781</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 53%, White, Non-Hispanic: 27%, Hispanic: 10.7% Multiracial: 7.8%, Asian or Pacific Islander: 1.5%</i>✦ Students with Disabilities: <i>7.7%</i>✦ Economically Disadvantaged: <i>84.9%</i>✦ Limited English Proficiency: <i>3.8%</i>✦ EMO: <i>Imagine Schools, Inc.</i>
---	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 84, which equates to a 70% and a grade of C. This is an increase from the raw score of 75.7 and a percentage score of 63.1% with a grade of D for the 2012-2013 school year. The raw score for the performance index for 2011-2012 was 74.2, for 2010-2011 76.3 and for 2009-2010 70.7. The school's Performance Index has increased from a low of 70.7 in 2009-2010 to a current score of 84. The most significant increase was in the current 2013-2014 school year. About one third of the students are still scoring in the basic or limited levels. However, about 29% are scoring at the advanced and accelerated achievement levels, which is a significant improvement.

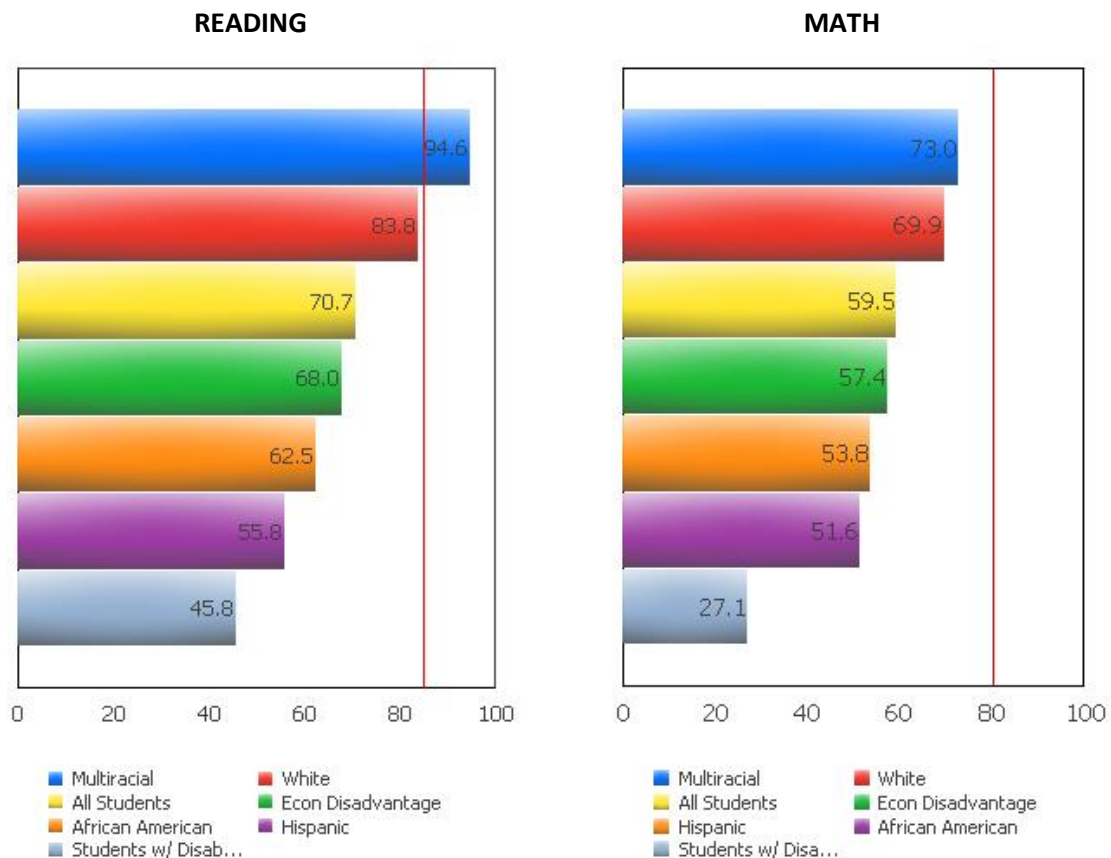
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Below	Below	Met	-
2010-11	Met	Met	Met	-
2011-12	Below	Below	Met	-
2012-13	-	-	-	D
2013-14	-	-	-	A

The overall Value Added grade for 2013-2014 is an A with a grade of A for students in the bottom 20% statewide and a grade of B students with disabilities. This indicates that overall students at this school, as well as, students in the lowest 20% are making significantly more than a year's worth of progress for a year's worth of instruction. Students with disabilities are also making more than a year's worth of progress for a year's worth of instruction. These results are a significant improvement over previous year's results. This school's overall Value Added grade for 2012-2013 was a D. This indicates that students were making less than one year's worth of growth for one year's worth of instruction. For 2011-2012 the school met value added in reading and was below in math and combined Value Added. This indicates that students were making less than one year's worth of growth for one year's worth of instruction, with the exception of reading. For 2010-2011, this school rated in the Met range for Combined Value Added, math and reading. This indicates that the students were making a year's worth of growth for a year's worth of instruction. For 2009-2010 the school Met value added in reading and were Below in math and combined Value Added. This indicates that students are making less than one year's worth of growth for one year's worth of instruction with the exception of reading. This school has been inconsistent in its Value Added progress. For students to meet state indicators and grade level expectations, students need to continue the trajectory set during the 2013-2014 school year of making significantly more than a year's worth of growth each year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 6.4%. In 2013-2014 this school received an AMO grade of F with a score of 56.7%. This school made gains in both reading and math in all of the disaggregate subgroups for the 2013-2014 school year. There is a significant gap between the AMO goals and student achievement levels in reading and math for most of the subgroups. This school had a 100% participation rate for state required assessments. This school also met the attendance rate of 93% in all of the measured subgroups. This school needs to focus additional efforts in math and to use data to drive instruction to meet the needs of those subgroups with significant achievement gaps.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	15	1
2010-11	15	1
2011-12	15	0
2012-13	14	0
2013-14	14	1

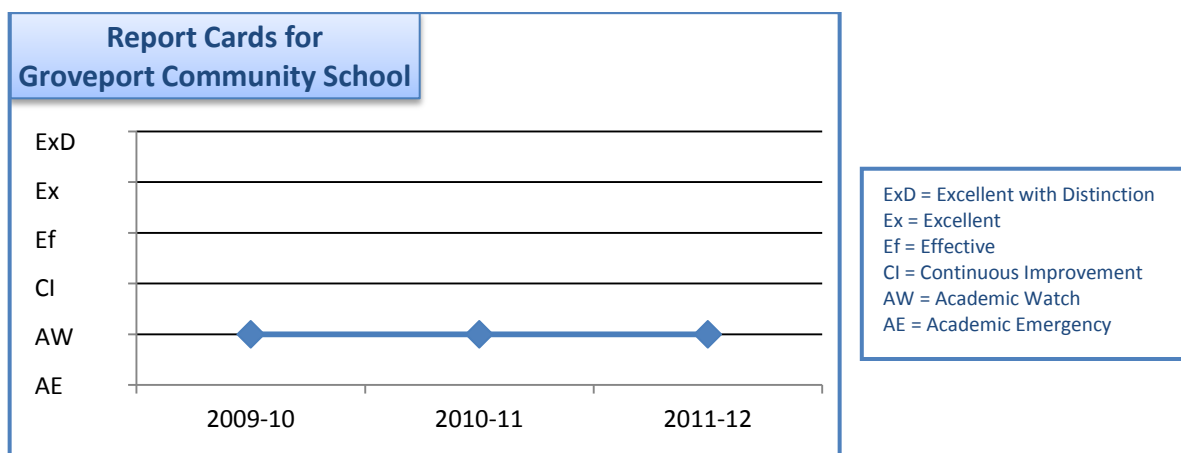
This school met 1 of the 15 required state indicators in 2009-2010, 1 of 15 required state indicators in 2010-2011, 0 of 15 required state indicators in 2011-2012, 0 of 14 required state indicators in 2012-2013 for a grade of F, and 1 of 14 required state indicators in 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	3
2010-11	Yes	4
2011-12	Yes	5
2012-13	Focus	6
2013-14	Focus	7

This school was designated in school improvement in 2009-2010, 2010-2011, and 2011-2012. This school was identified as a Focus School under the ESEA Flexibility Waiver for 2012-2013 and 2013-2014. Year 2012-2013 was this school's sixth year in school improvement status.

f. Historical Report Card Grades



This school was rated in Academic Watch in 2009-2010, 2010-2011, and 2011-2012. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

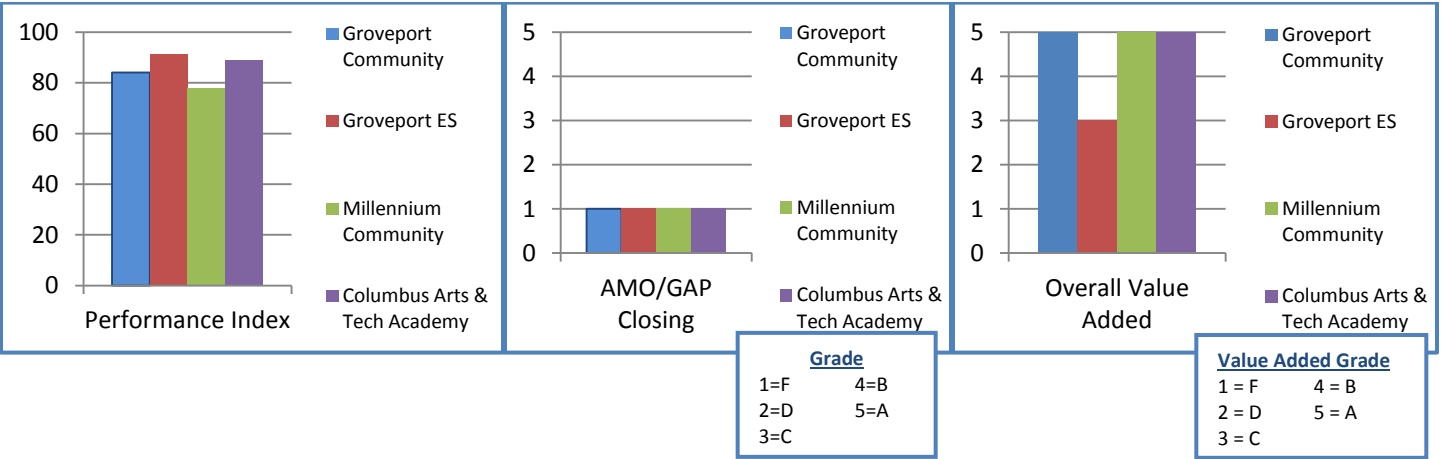
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has not met AYP in any of its years of operation. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

This school's performance index is trending up, which is a significant improvement over previous year's results. Reading is the school's highest area of proficiency achievement. The overall Value Added grade for 2013-2014 is an A with a grade of A for students in the bottom 20% statewide and a grade of B students with disabilities. This indicates that overall students at this school as well as students in the lowest 20% are making significantly more than a year's worth of progress for a year's worth of instruction. Students with disabilities are also making more than a year's worth of progress for a year's worth of instruction. The Overall Value Added grade of D for 2012-2013 indicates that students were achieving less than a year's worth of growth for a year's worth of instruction. For students to meet state indicators and grade level expectations, students need to continue the trajectory set during the 2013-2014 school year of making significantly more than a year's worth of growth each year. The data indicates this school is having difficulty achieving success with all students as evidenced by only one state indicator having been met this year. This school needs to focus additional efforts in math and to use data to drive instruction to meet the needs of those subgroups with significant achievement gaps. The school should focus on using data to develop a comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all subgroups of students with a focus on improving mathematics. This school has made its greatest progress in performance index in the most recent school year as evidenced by the grade of C and is making growth for all student groups in reading and math. 37.9% of their students' scores are still scoring in the basic or limited levels, while 28.7% are scoring at the advanced and accelerated achievement levels. This improvement in the highest two achievement levels is significant. This school had a 100% participation rate for state required assessments. This school also met the attendance rate of 93% in all of the measured subgroups. This school is demonstrating success.

III. Comparison of Similar Schools



The school outperformed one similar local community school in performance index score, which assesses student achievement level. The school scored slightly below a local traditional elementary school and another local community school. The school compares similarly to all schools in AMO/GAP closing. The school scored well in overall value added, comparing similarly to other local community schools and outscoring the local traditional public school by two (2) letter grades.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. One complaint has been made to the Office of Community Schools at the Ohio Department of Education. The school resolved the complaint in an appropriate and timely manner.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Groveport Community School.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.02	 1.01	 1.37	 0.73	 1.16




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.51	 0.49	 0.53	 0.70	 0.76

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.98	 1.02	 0.96	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N	N	N	N	N






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.0017	 (0.0237)	 0.0234	 0.0019	 (0.0004)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.0011	 0.0012	 0.0091	 0.0008	 (0.0004)











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.61	 1.81	 1.02	 9.28	 3.91






Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 129	 (1,224)	 (3,001)	 775	 14,199
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (1,095)	 (4,225)	 (2,226)	 14,974	 14,199

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.18	 (5.35)	 7.59	 0.77	 1.60

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	Yes	Due October 2014	Yes	Yes	Yes	Yes	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Overall Compliant	No findings	No
2011-2012	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	Yes	n/a	Yes	n/a	No	Yes	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	n/a	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	Yes

Comment: Groveport Community School (Groveport) is currently operating in its ninth year. During on-site reviews conducted by the sponsor, Groveport has scored well, being found compliant on all items during the 2009-2010, 2010-2011, 2011-2012 and 2012-2013 school years. During the 2013-2014 compliance review, Groveport was found partially compliant on two items and non-compliant regarding assessment of the racial/ethnic balance of the school. This item was rectified and reviewed at a subsequent board meeting. After conducting a thorough five (5) year review, it was noted the school was required to submit corrective action plans related to minor audit issues and missing test records. However, no corrective action plans have been requested over the past three (3) years. Historically, Groveport has submitted most of the documentation required by the sponsor. Additionally, Groveport has hired an academic coach each year as required and attended all OIP workshops offered by the sponsor.

HOPE ACADEMY NORTHCOAST

4310 E. 71st Street
Cleveland, Ohio 44105
216-429-0232

Mission:

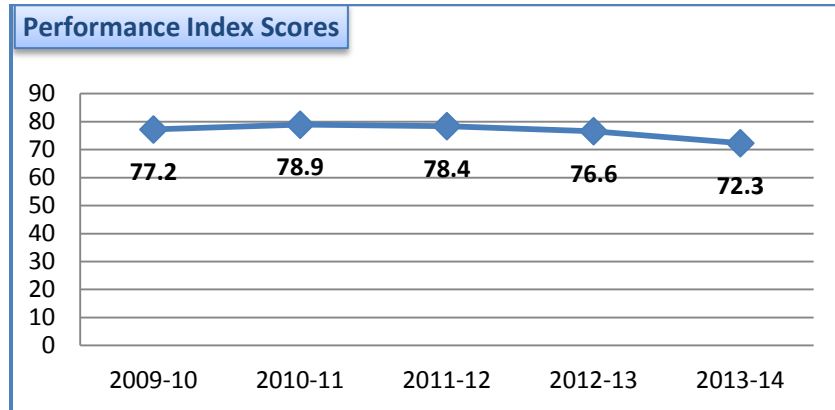
“To provide an effective, consistent, and academically rigorous education in a safe, disciplined, and nurturing environment. We will empower students to reach their fullest potential by implementing a comprehensive curriculum facilitated by highly effective educators in collaboration with families in the community, and supported by progressive technology.”

<ul style="list-style-type: none">★ Board President: <i>Elain Vance</i>★ School Leader: <i>Willie Banks</i>★ Opened: <i>2002</i>★ Grades Served: <i>K-8</i>★ Enrollment from 2013-14: <i>271</i>	<ul style="list-style-type: none">★ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 61%</i> <i>White, Non-Hispanic: 25.5, Hispanic: 6.1%,</i> <i>Multiracial: 7.5%</i>★ Students with Disabilities: <i>14.9%</i>★ Economically Disadvantaged: <i>95.8%</i>★ EMO: <i>White Hat Management</i>
--	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. This school's Performance Index is trending downward. The raw score for the 2013-2014 performance index for this school was 72.3, which equates to a 60.2% and a grade of D. This is a decrease in the raw score of 76.6 and a percentage score of 63.9% with a grade of D for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 78.4, for 2010-2011 78.9 and for 2009-2010 77.2. The school's Performance Index has decreased from a high of 78.9 in 2010-2011 to a current low score of 72.4. More than half (53.7%) of the students scored in the basic and limited achievement levels, which are the lowest two achievement levels.

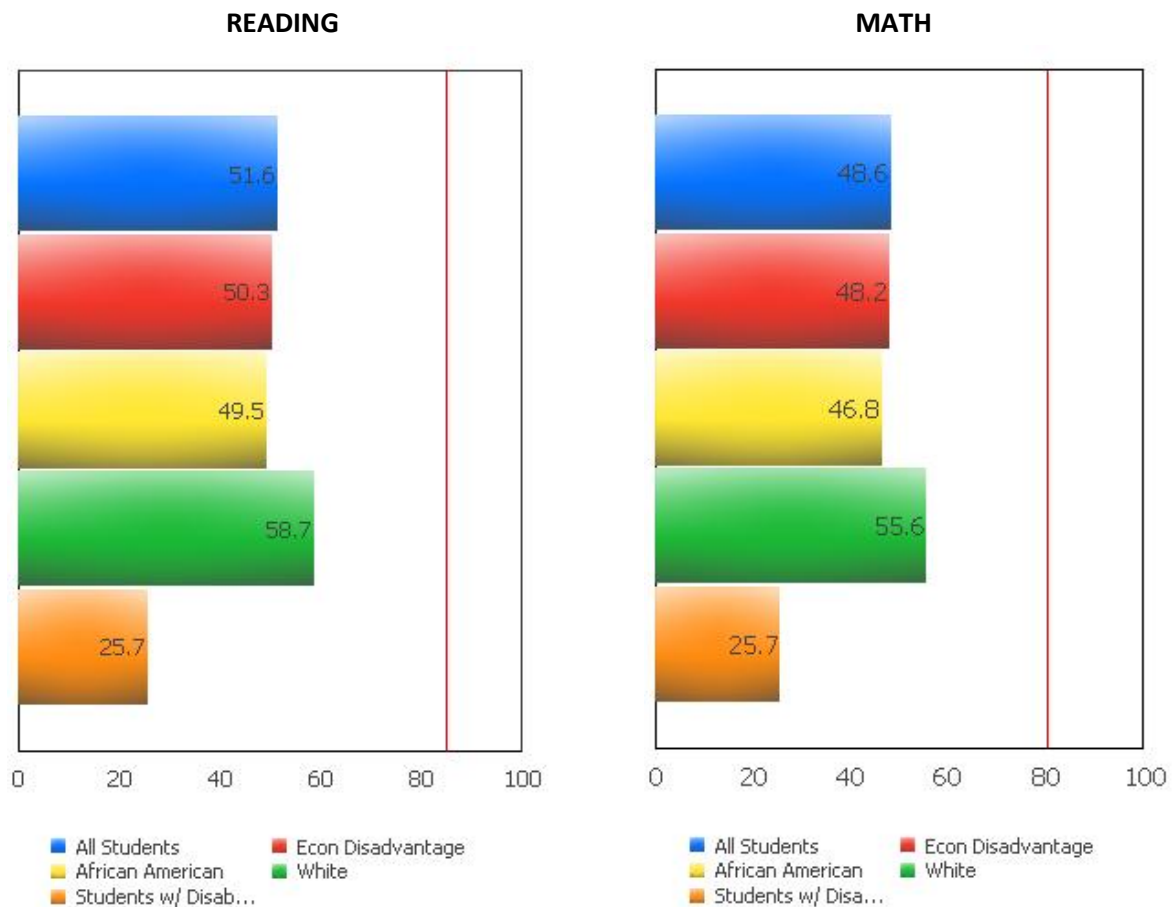
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Above	Above	Met	-
2010-11	Below	Below	Below	-
2011-12	Above	Above	Met	-
2012-13	-	-	-	F
2013-14	-	-	-	C

The overall Value Added grade for 2013-2014 is a C with a grade of C for students in the bottom 20% statewide and a grade of D students with disabilities. This indicates that students overall and students in the bottom 20% at this school made approximately one year's worth of growth for one year's worth of instruction, while students with disabilities made less than one year's worth of growth for one year's worth of instruction. The overall grade of C is a significant improvement over the 2012-2013 school year. This school's overall Value Added grade for 2012-2013 was an F. This indicates that students made significantly less than one year's worth of growth for one year's worth of instruction. For 2011-2012 the school scored in the Above range in combined Value Added and math and the Met range in reading. In 2011-2012, students were making more than a year's worth of growth for a year's worth of instruction. In 2010-2011, the school scored in the Below range for combined Value Added, math and reading. In 2010-2011, students were making less than a year's worth of growth for a year's worth of instruction. In 2009-2010, the school scored in the Above range in math and combined Value Added and Met in reading. Students in this school are making inconsistent growth. Some years students make significantly less than a year's worth of growth and some years the students make more than a year's worth of growth. This inconsistency is a concern.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 0%. In 2013-2014 this school received an AMO grade of F with a score of 0%. There are significant achievement gaps between the AMO goals and student achievement levels in reading and math in all disaggregate subgroups. A minimal amount of progress was noted in two subgroups in reading and math while most subgroups did not make progress in either subject. A demotion in AMO was required for the 2013-2014 school year due to not meeting the attendance rates of 93% in any of the rated subgroups.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	15	3
2010-11	15	4
2011-12	15	1
2012-13	14	1
2013-14	14	0

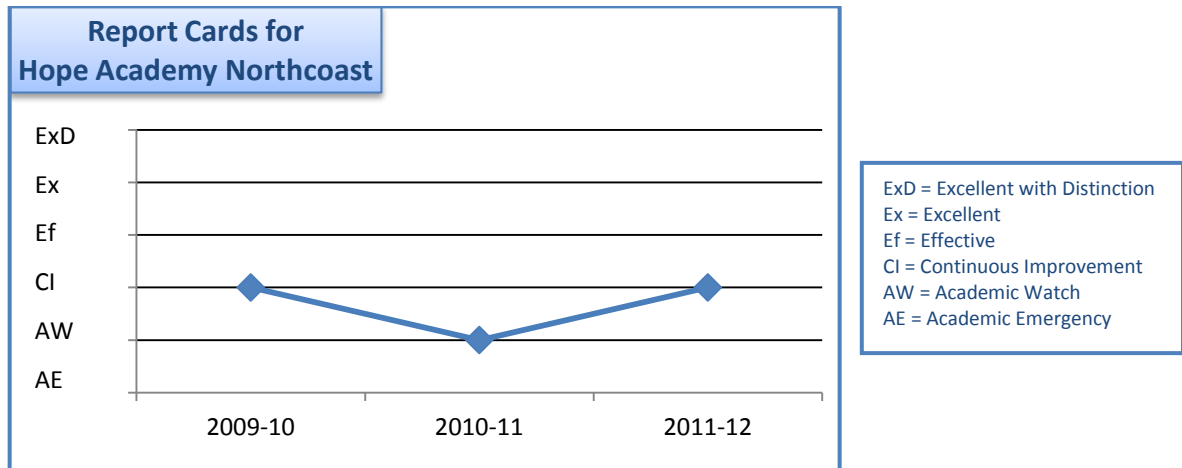
This school met 3 of the 15 required state indicators in 2009-2010, 4 of 15 required state indicators in 2010-2011, 1 of 15 required state indicators in 2011-2012, 1 of 14 required state indicators in 2012-2013 for a grade of F, and 0 of 14 required state indicators in 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	4
2010-11	Yes	5
2011-12	Yes	5 (delay)
2012-13	Improvement	7
2013-14	Improvement	8

This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. This school was in its 7th year of school Improvement Status and identified as an Improvement School under the ESEA Flexibility Waiver for 2012-2013 and 2013-2014.

f. Historical Report Card Grades



This school was rated in Continuous Improvement in 2009-2010. In 2010-2011 it was rated in Academic Watch and in 2011-2012 the school was rated in Continuous Improvement. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

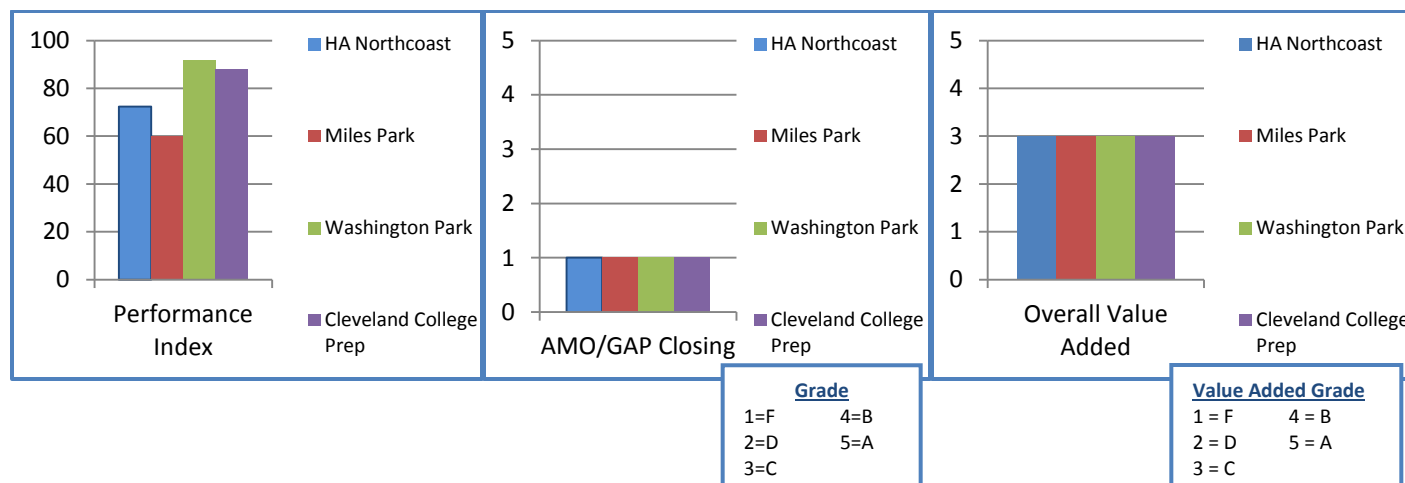
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Met

This school met AYP in 2011-2012. This school did not meet AYP in 2009-2010 and 2010-2011. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis:

This school's performance index is trending down each year. The school's Performance Index has decreased from a high of 78.9 in 2010-2011 to a current low score of 72.4. More than half (53.7%) of the students' scores are in the basic and limited achievement levels, which are the lowest two achievement levels. The data indicates that this school is having difficulty achieving success with all students as evidenced that no state indicators were met in 2013-2014 and only one indicator was met in 2012-2013. The overall Value Added grade for 2013-2014 is a C with a grade of C for students in the bottom 20% statewide and a grade of D students with disabilities. This indicates that students overall and students in the bottom 20 % at this school made approximately one year's worth of growth for one year's worth of instruction while students with disabilities made less than one year's worth of growth for one year's worth of instruction. The overall grade of C is a significant improvement over the 2012-2013 school year. The Overall Value Added grade of F for 2012-2013 indicates that students achieved significantly less than a year's worth of growth for a year's worth of instruction. Value Added progress has been very inconsistent over the years. The inconsistency in value added growth is a significant concern. The students at this school need to be making significantly more than a year's worth of growth for one year's worth of instruction if the students are to achieve at a level to meet state indicators and grade level expectations. Poor attendance may be a contributing factor in the lack of student progress. The lack of achievement for AMO targets in reading as well as math is also a significant concern for most subgroups. There are significant achievement gaps for all disaggregate subgroups compared to the AMO targets. Only 46.7% of the students' scores were in the proficient or higher levels. The school should focus on using data to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs and the significant achievement gaps. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all students. The fact that in some years students are making more than a year's worth of progress and then in subsequent years the students make significantly less than a year's worth of growth needs to be analyzed and addressed.

III. Comparison of Similar Schools



The school outperformed a local traditional public school in performance index score, which assesses student achievement level. The school scored below two local community schools in this measure. The school compares similarly to these schools in AMO/GAP closing and overall value added.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Hope Academy Northcoast Campus.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.94	 1.47	 1.72	 1.48	 1.87




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 8.31	 11.06	 9.48	 13.56	 16.70

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.04	 1.02	 0.97	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.01)	 (0.02)	 (0.01)	 (0.03)	 (0.02)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.01)	 (0.02)	 (0.02)	 (0.02)	 (0.02)











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.39	 0.48	 0.35	 0.41	 0.30

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (19,977)	 9,534	 (35,900)	 (14,211)	 122,371
 (10,443)	 (26,366)	 (50,111)	 108,160	 122,371

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Required	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes	Overall Compliant	No findings	No
2011-2012	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	No

Comment: Hope Academy Northcoast (Hope Northcoast) is currently operating in its twelfth year. Over the past five (5) years, Hope Northcoast has performed relatively well during on-site reviews conducted by the sponsor. During the past two (2) years, Hope Northcoast's performance has diminished slightly as it became partially compliant on a few items and non-compliant for failing to review the sponsor provided web-ex prior to the visit. Hope Northcoast also failed to attend the OIP training offered by the sponsor in 2012-2013. Also during the past two (2) years, the charter accountability measures have suggested that Hope Northcoast hire an on-site academic coach to help improve academics and instruction within the school. Hope Northcoast has declined to place someone in this position. In general, Hope Northcoast submits all documentation required by the sponsor. Hope Northcoast has performed well on state conducted financial audits, having no findings over the five (5) year period and only receiving one (1) request for a corrective action plan based on minor audit issues.

THE HALEY SCHOOL

**4556 Warrensville Center Road
North Randall, Ohio 44128
216-581-4259**

Mission:

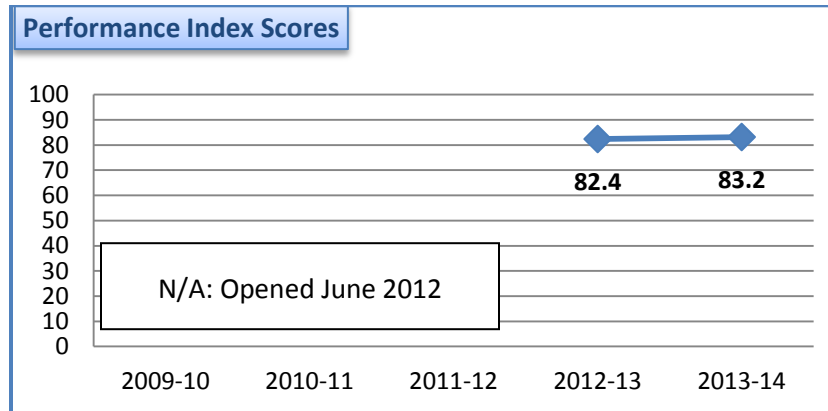
“The Haley School creates and provides diverse superior educational opportunities for a community of learners, built on a foundation of character education in a safe environment ensuring the success of all children in our advancing technological society.”

<ul style="list-style-type: none">✦ Board President: <i>Jesse Sanders</i>✦ School Leader: <i>Richard Hronek</i>✦ Opened: <i>2012</i>✦ Grades Served: <i>K-5</i>✦ Enrollment from 2013-14: <i>149</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 98.8%</i>✦ Students with Disabilities: <i>18.3%</i>✦ Economically Disadvantaged: <i>92.5%</i>
--	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The performance index for this school for 2012-2013 was 82.4 equating to a 68.7% and a grade of D. In 2013-2014 the raw score for performance index was 83.2 equating to 69.3% and a grade of D. The performance Index was flat for the first two years.

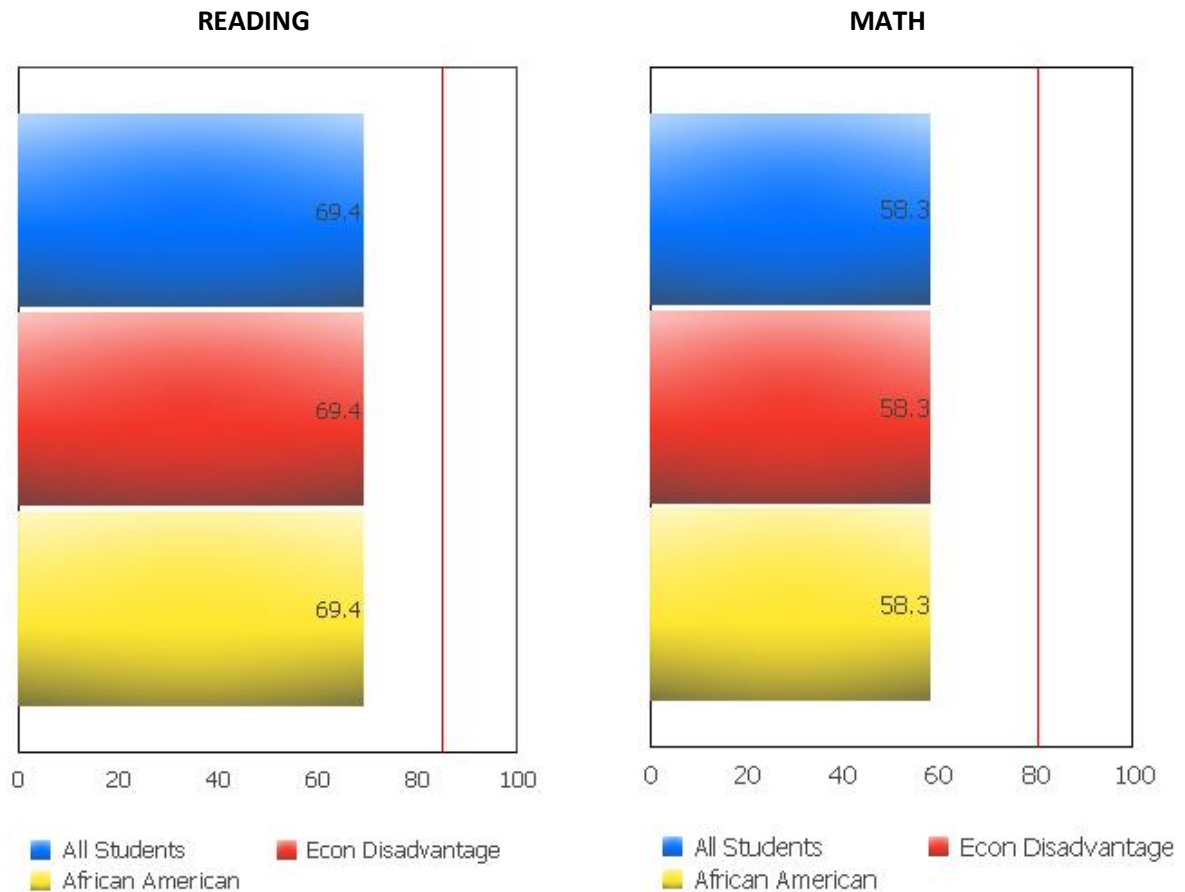
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	N/A	N/A	N/A	-
2010-11	N/A	N/A	N/A	-
2011-12	N/A	N/A	N/A	-
2012-13	-	-	-	C
2013-14	-	-	-	B

The overall Value Added grade for 2013-2014 is a B with a grade of C for students in the bottom 20% statewide. This indicates that students overall are making more than a year's worth of growth for a year's worth of instruction, while students in the lowest 20% statewide at this school are making approximately a year's worth of growth for a year's worth of instruction. This school received a rating of C for Overall Value Added in 2012-2013. Students at this school were making approximately a year's worth of growth for a year's worth of instruction during that year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



This school does not have an AMO grade for reading and math for the 2012-2013 school year because there were not enough students in any subgroup to rate. This school does not have an AMO grade for reading or math for the 2013-2014 school year because there was not comparison data from the 2012-2013 school year. This school met the attendance rate of 93% for AMO as well as met the participation rate for assessment at 100%.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	N/A	N/A
2012-13	2	1
2013-14	4	1

In 2013-2014 this school met 1 of the 4 required State Indicators for a Grade of F and a percentage of 25%. In 2012-2013 this school met 1 of the 2 required State Indicators for a grade of F and a percentage of 50%.

e. School Improvement

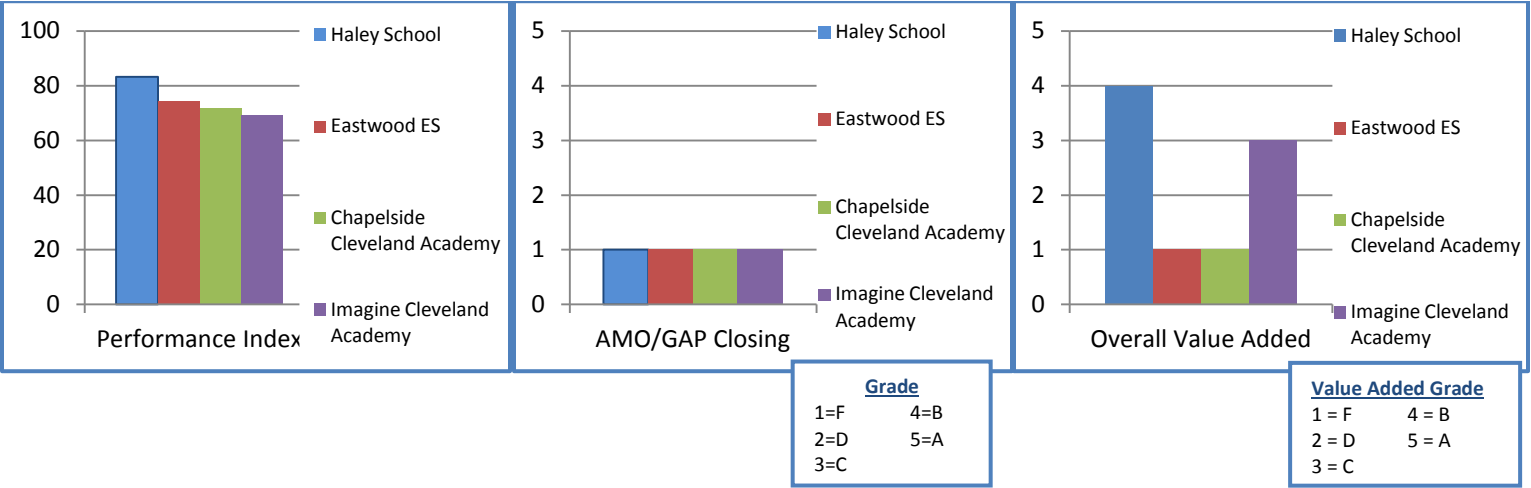
SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	N/A	N/A
2012-13	No	-
2013-14	No	-

This school was not designated for School Improvement Status in 2012-2013 and 2013-2014.

II. Academic Analysis

With a performance Index of 82.4 and a grade of D in 2012-2013 and a Performance Index of 83.2 and a grade of D in 2013-2014 and a Value added grade of C for the 2012-2013 school year and an overall Value Added grade of B for the 2013-2014 school year, this school seems to be laying the foundation for improvement as a newly developing school. The Overall Value Added grade of B for the 2013-2014 school year indicates that students are making more than a year's worth of growth for a year's worth of instruction. Students at this school need to continue to be making more than a year's worth of growth each year to enable the students to meet the state required indicators and grade level expectations. The school should focus on using data to drive math and reading instructional needs of the disaggregate groups to close significant achievement gaps. The school should emphasize the development of instructional strategies that focus on their disaggregate groups, closing achievement gaps, moving all student to higher levels of achievement and improving professional practice. This school met the attendance rate of 93% for AMO as well as met the participation rate for assessment at 100%. Developing a comprehensive improvement plan which focuses on the use of data and teacher based teams should move this school in a positive direction. Analyzing the strategies that have facilitated the growth in the Value Added measure and expanding them school wide should also be incorporated into the school improvement plan.

III. Comparison of Similar Schools



The school outperformed a local traditional public school and two similar local community schools in performance index score, which assesses student achievement level. The school compares similarly to these schools in AMO/GAP closing. The school also outperformed comparison schools in overall value added.

IV. Special Education Services

Based on information gathered during site visits over the past two years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management


The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for The Haley School.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:


- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	
	0.43

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	
	15.07

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

6/30/2013

Not available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

6/30/2013

N/A

Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES

These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

6/30/2013



(0.30)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.


6/30/2013



(0.30)



Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	
	1.27


Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	
One Year Cash Flow = Year 2 Cash - Year 1 Cash		28,891
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash		28,891

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	
	(4.48)

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	No	Yes	No	n/a	Yes	Yes	No	Yes	Yes	Partially Compliant	In Process	Yes
2012-2013	Yes	n/a	No	n/a	n/a	n/a	No	No	Yes	Partially Compliant	Yes	Yes
2011-2012	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2010-2011	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2009-2010	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open

Comment: The Haley School (Haley) is currently operating in its third year. During its first two (2) years of operation, Haley has experienced several compliance and operational challenges. Initially, Haley has been non-compliant on one item during each on-site review conducted by the sponsor. Haley has also been partially compliant on several additional items. During the first year, Haley attempted to submit a charter modification request to change its education plan. However, the proper documentation, explanation and rational could not be adequately and timely provided for such request. Consequently, the request was denied by the sponsor. Haley then requested a charter modification to move the location of the school. Again, the proper documentation was provided at a delayed pace with substantial prodding from the sponsor. Furthermore, during its first state conducted financial audit, Haley received a finding related to financial reporting. This resulted in the request for a corrective action plan from the sponsor. In its second year of operation, Haley received a request for a corrective action plan regarding the organization and operation of the school. Haley also experienced high turn-over rate of board members during this same time frame. Haley has yet to adequately provide a corrective action plan detailing the organization and operational plan for the school, hence putting the school in jeopardy of probation.

HARRISBURG PIKE COMMUNITY SCHOOL

680 Harrisburg Pike
Columbus, Ohio 43223
614-223-1510

Mission:

“Harrisburg Pike Community School provides a caring and supportive learning community in which members challenge and motivate each other to become proficient, honorable citizens and productive life-long learners. We strive to accomplish this through the following measures of excellence:

Parent choice and satisfaction

Adhering to shared values

Academic achievement

Positive character development

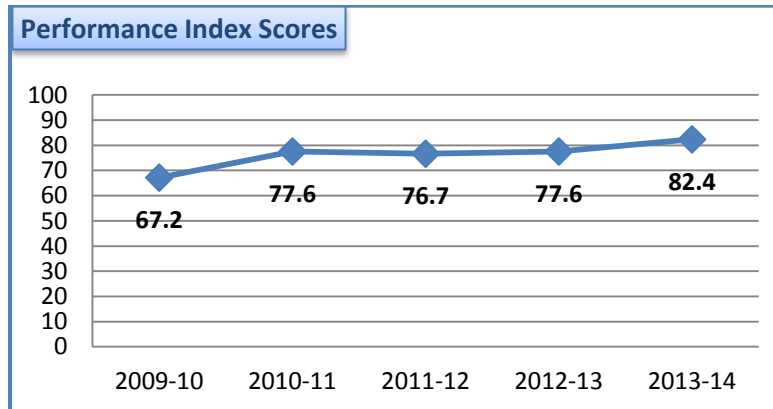
Economic sustainability”

✦ Board President: <i>Jill Stoll</i> ✦ School Leader: <i>Lori Thayer</i> ✦ Opened: <i>2008</i> ✦ Grades Served: <i>K-5</i> ✦ Enrollment from 2013-14: <i>341</i>	✦ Racial/Ethnic Balance: <i>White, Non-Hispanic: 44.5%, Black, Non-Hispanic: 37%, Multiracial: 10.1%, Hispanic: 7.2%</i> ✦ Students with Disabilities: <i>8.9%</i> ✦ Economically Disadvantaged: <i>88.1%</i> ✦ EMO: <i>Imagine Schools, Inc.</i>
--	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph presented above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 82.4, which equates to a 68.6% and a grade of D. This is an increase from the raw score of 77.6 and a percentage score of 64.6% with no change in the grade of D for the 2012-2013 school year. The raw score for the performance index for 2011-2012 was 76.7, for 2010-2011 77.6 and for 2009-2010 67.2. The school's Performance Index has increased from a low of 67.2 in 2009-2010 to a current score of 82. The performance Index was relatively flat from the 2010-2011 school year through the 2012-2013 school year. The most significant increase was in the current 2013-2014 school year. About 40% of the students are still scoring in the basic or limited levels. However, about 22% are scoring at the advanced and accelerated achievement levels, which is an improvement.

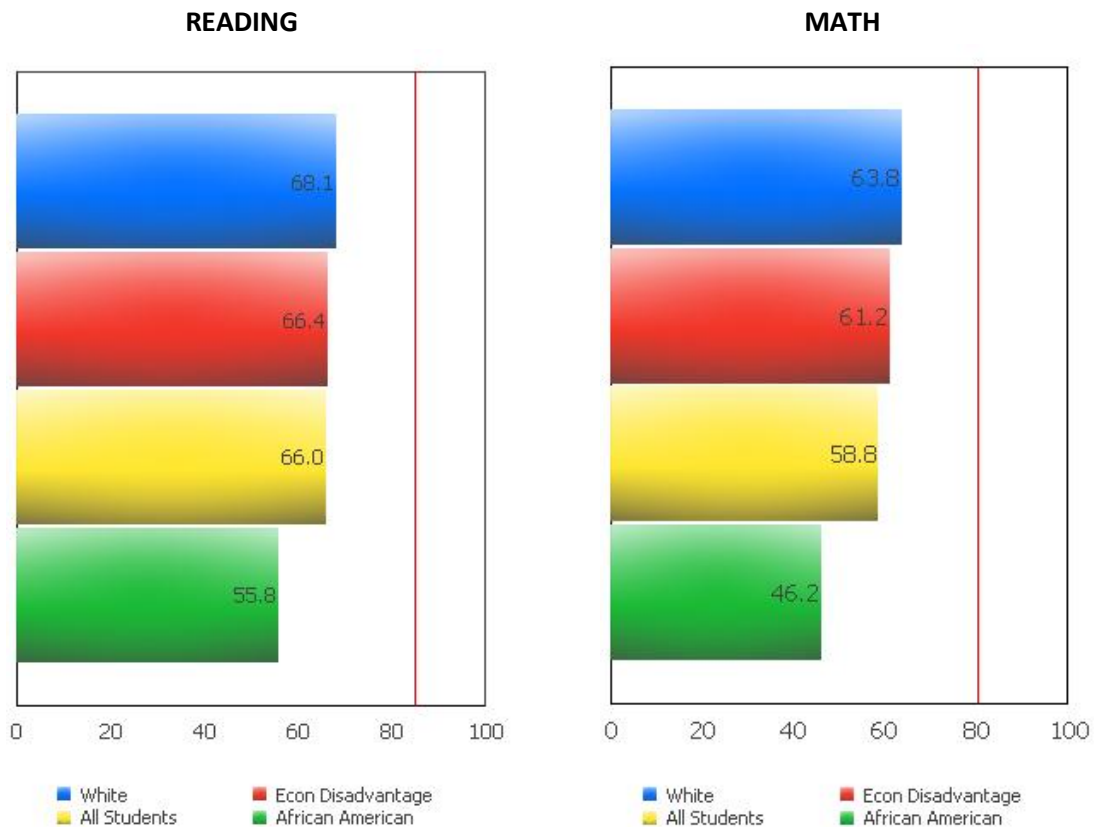
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Below	Below	Below	-
2010-11	Met	Met	Above	-
2011-12	Met	Met	Met	-
2012-13	-	-	-	D
2013-14	-	-	-	C

The overall Value Added grade for 2013-2014 is a C with a grade of C for students in the bottom 20% statewide and a grade of B for students with disabilities. This indicates that for the 2013-2014 school year students overall and students in the bottom 20% were achieving one year's worth of growth for one year's worth of instruction while students with disabilities received more than one year's worth of growth for one year's worth of instruction. This school's overall Value Added grade for 2012-2013 was a D. This indicates that students made less than one year's worth of growth for one year's worth of instruction. For 2011-2012 the school Met value added in reading, math and combined Value Added. This indicates that students were making approximately one year's worth of growth for one year's worth of instruction for the 2011-2012 school year. For 2010-2011 this school rated in the Met range for Combined Value Added and math and Above in reading. This indicates that the student were making a year's worth of growth for a year's worth of instruction in math and overall Value Added while making more than a year's worth of growth for one year's worth of instruction in reading. For 2009-2010 the school was at the Below range in reading, math and combined value added. This indicates that students were making less than one year's worth of growth for one year's worth of instruction during the 2009-2010 school year. This school has been inconsistent in its Value Added Progress. For students to meet state required indicators and grade level expectations, students at this school need to make significantly more than a year's worth of growth each year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 0%. In 2013-2014 this school received an AMO grade of F with a score of 39.1%. This school made some gains in reading and math in some of the disaggregate subgroups for the 2013-2014 school year. There is a significant gap between the AMO goals and student achievement levels in reading and math for all of the subgroups with one subgroup losing some ground in math. This school needs to focus its efforts on closing achievement gaps for all subgroups. This school received a demotion in its AMO rating because it did not meet the attendance rate of 93% in all of its rated disaggregate groups. Attendance needs to be addressed systemically. Assessment rates for participation were 100% for all subgroups.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# Met
2009-10	8	0
2010-11	8	2
2011-12	8	0
2012-13	7	0
2013-14	7	0

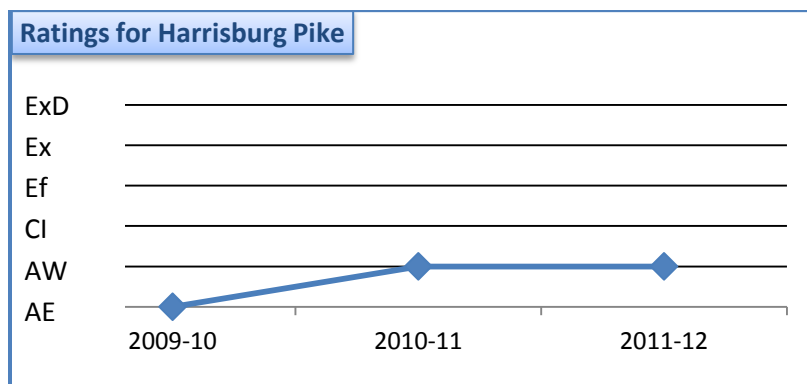
This school met 0 of the 8 required state indicators in 2009-2010, 2 of 8 required state indicators in 2010-2011, 0 of 8 required state indicators in 2011-2012, 0 of 7 required state indicators in 2012-2013 for a grade of F, and 0 of 7 required state indicators in 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	1
2010-11	Yes	2
2011-12	Yes	3
2012-13	Improvement	4
2013-14	Improvement	5

This school was designated in school improvement in 2009-2010, 2010-2011, and 2011-2012. This school was identified an Improvement School under the ESEA Flexibility Waiver for 2012-2013 and 2013-2014.

f. Historical Report Card Grades



ExD = Excellent w/ Distinction
Ex = Excellent
Ef = Efficient
CI = Continuous Improvement
AW = Academic Watch
AE = Academic Emergency

This school was rated in Academic Emergency in 2009-2010 and Academic Watch in 2010-2011 and 2011-2012. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

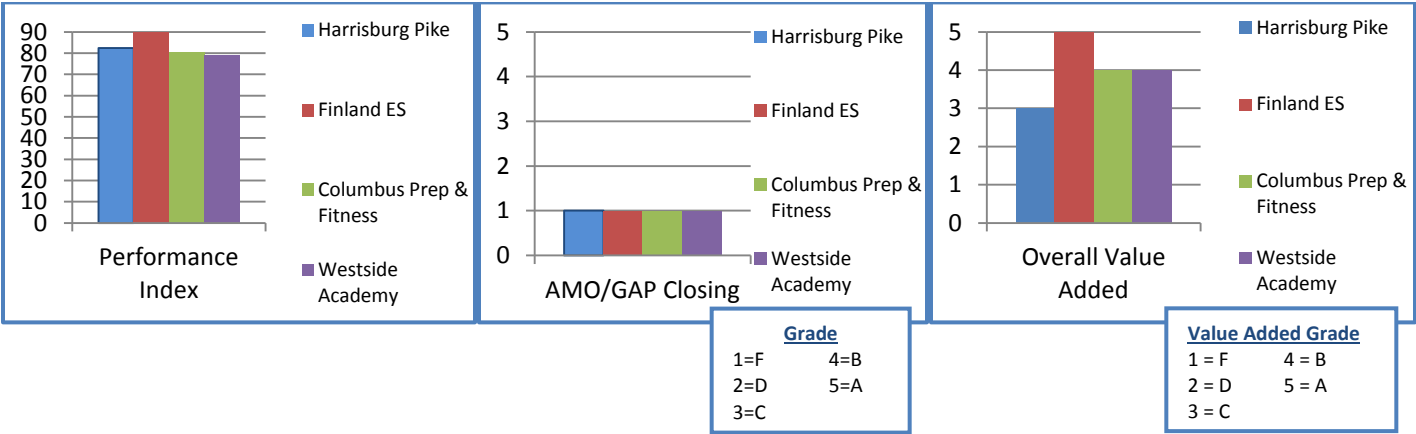
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has not met AYP in any of its years of operation. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

This school's performance index is trending up since its opening with its greatest gain in the 2013-2014 school year. The data indicates that this school is having difficulty achieving success with all students as evidenced that no state indicators have been met this year. All subgroups made progress in reading AMOs while one subgroup is still not making progress in math AMOs. There are still significant achievement gaps in reading and math within the disaggregate subgroups. The overall Value Added grade for 2013-2014 is a C with a grade of C for students in the bottom 20% statewide and a grade of B for students with disabilities. This indicates that for the 2013-2014 school year students overall and students in the bottom 20% were achieving a year's worth of growth for a year's worth of instruction while students with disabilities received more than a year's worth of growth for a year's worth of instruction. The Overall Value Added grade for 2013-2014 is an improvement over the overall Value Added grade of D for 2012-2013 which indicates that students achieved less than a year's worth of growth for a year's worth of instruction. The students at this school need to be making significantly more than one year's worth of growth for one year's worth of instruction if the students are to achieve at a level to meet state indicators and grade level expectations. This school needs to focus additional efforts in math and to use data to drive instruction to meet the needs of those subgroups with significant achievement gaps. The school should focus on using data to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all subgroups of students with a focus on improving overall achievement. This school has made its greatest progress in performance index in the most recent school year and is making growth for all student groups in reading. About 40% of the students are still scoring in the basic or limited levels, while about 22% are scoring at the advanced and accelerated achievement levels. This school has demonstrated improvement in the highest two achievement levels. This school received a demotion in its AMO rating because it did not meet the attendance rate of 93% in all of its rated disaggregate groups. Attendance needs to be addressed systemically. Assessment rates for participation were 100% for all subgroups.

III. Comparison of Similar Schools



The school outperformed two similar local community schools in performance index score, which assesses student achievement level. The school scored below a traditional public school in the same measure. The school compares similarly to these schools in AMO/GAP closing. The school performed below all comparison schools in overall value added.

IV. Special Education Services

Based on information gathered during site visits over the past two years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Harrisburg Pike Community School.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.00	 1.02	 1.02	 0.95	 1.00




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.26	 0.24	 0.10	 0.09	 0.18

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.99	 1.08	 0.93	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.00173)	 (0.00176)	 0.00671	 (0.00109)	 0.00003

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.00120	 0.00127	 0.00202	 (0.00068)	 0.00003











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.93	 0.91	 0.91	 1.05	 1.00






Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 171	 1,351	 (22)	 (134)	 1,200
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 1,522	 1,329	 (156)	 1,066	 1,200

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.0024)	 (0.0026)	 0.0334	 (0.0054)	 0.0001

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	Yes	Overall Compliant	In process	No
2012-2013	Yes	Yes	No	No	Yes	Yes	Yes	No	No	Overall Compliant	No findings	Yes
2011-2012	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Overall Compliant	No findings	Yes
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	Yes	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	n/a	Yes	Overall Compliant	No findings	No

Comment: Harrisburg Pike Community School (Harrisburg Pike) is operating in its seventh year. A thorough five (5) year review of all compliance items reviewed during on-site sponsor visits reveals that Harrisburg Pike performs extremely well in the compliance area. Over the past five (5) years, the school has only been found partially compliant on one item, which was remedied prior to the next sponsor on-site visit. In general, Harrisburg Pike submits all documentation required by the sponsor. In addition to submitting paperwork, Harrisburg Pike has hired an academic coach over the past two (2) school years even when not required by its charter accountability measures. Harrisburg Pike has submitted corrective action plans over the years in relation to minor financial and EMIS reporting issues. Harrisburg Pike has also revised its education plan twice during the past five (5) years. This is not excessive based on its tenure and size.

HARVARD AVENUE COMMUNITY SCHOOL

12000 Harvard Avenue
Cleveland, Ohio 44105
216-283-5100

Mission:

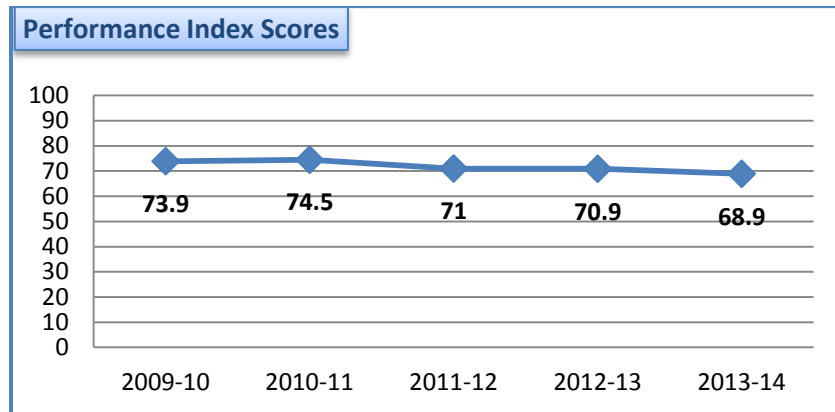
“As a national family of public charter school campuses, Imagine Schools partners with parents and guardians in the education of their children by providing high quality schools that prepare students for lives of leadership, accomplishment, and exemplary character.”

<ul style="list-style-type: none">✦ Board President: <i>Brett Jones</i>✦ School Leader: <i>Pharon W. Holtrey</i>✦ Opened: <i>2007</i>✦ Grades Served: <i>K-8</i>✦ Enrollment from 2013-14: <i>494</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 99.3%</i>✦ Students with Disabilities: <i>9.7%</i>✦ Economically Disadvantaged: <i>87.2%</i>✦ EMO: <i>Imagine Schools, Inc.</i>
---	---

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph presented above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. This school's Performance Index is trending downward. The raw score for the 2013-2014 performance index for this school was 68.9, which equates to a 57.4% and a grade of D. This is a decrease in the raw score of 70.9 and a percentage score of 59.1% with a grade of D for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 71, for 2010-2011 74.5 and for 2009-2010 73.9. The school's Performance Index has decreased from a high of 74.5 in 2010-2011 to a current low score of 67.7. More than half of the students' scores are in the basic and limited achievement levels which are the lowest two achievement levels.

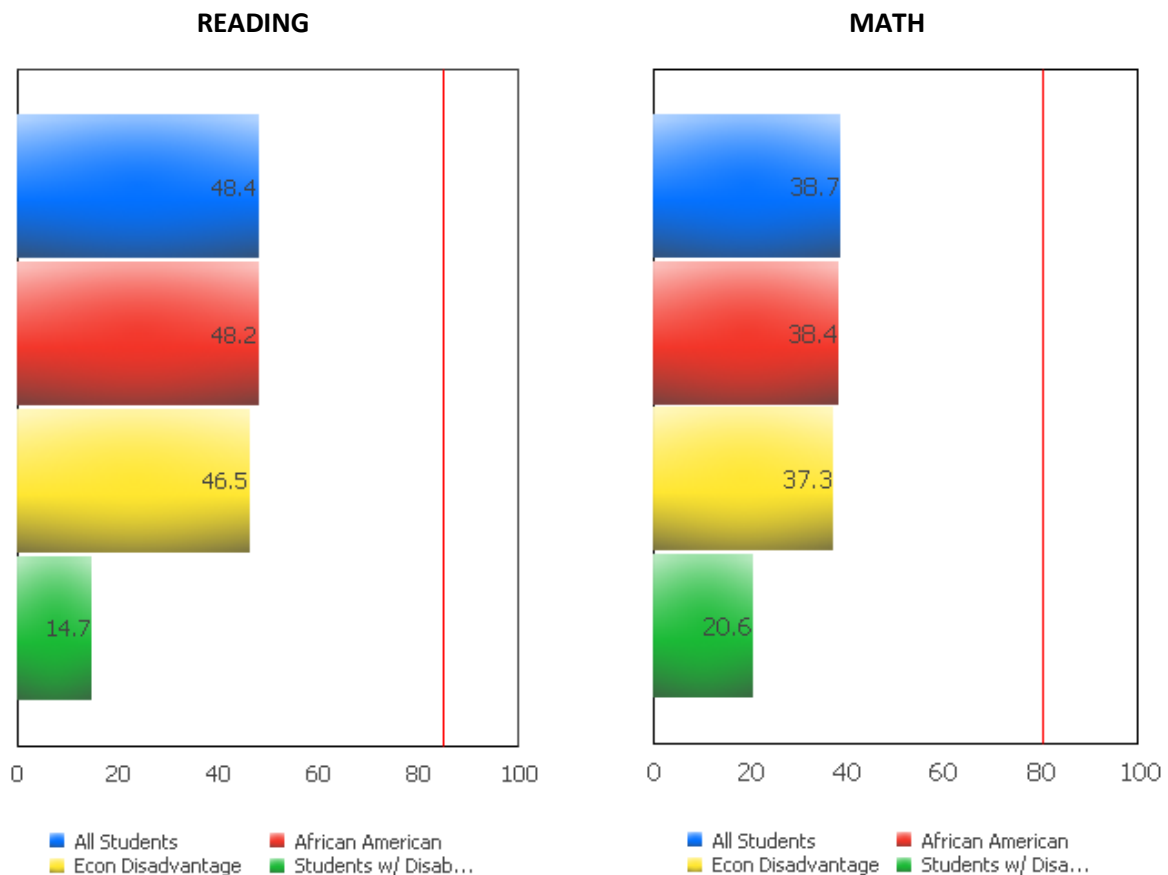
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Above	Above	Above	-
2010-11	Met	Below	Met	-
2011-12	Met	Below	Met	-
2012-13	-	-	-	F
2013-14	-	-	-	F

The overall Value Added grade for 2013-2014 is an F with a grade of F for students in the bottom 20% statewide and a grade of C for students with disabilities. This indicates that for the 2013-2014 school year students overall and the students in the bottom 20% achieved significantly less than a year's worth of growth for a year's worth of instruction while students with disabilities achieved approximately a year's worth of growth for a year's worth of instruction. This school's overall Value Added grade for 2012-2013 was also an F. This indicates that students made significantly less than one year's worth of growth for one year's worth of instruction. For 2011-2012 and 2010-2011 the school scored in the Met range for overall value added, Below in math and Met in reading. This indicates that students were making approximately one year's worth of growth for one year's worth of instruction in reading and combined value added and less than a year's worth of growth in math. Reading, math, and combined Value Added were in the Above range for the 2009-2010 school year demonstrating that students in this school have made less and less growth each year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 0%. In 2013-2014 this school received an AMO grade of F with a score of 2.4%. There are significant achievement gaps between the AMO goals and student achievement levels in reading and math in all disaggregate subgroups. A minimal amount of progress was noted in two subgroups in reading and math while most subgroups did not make progress. A demotion in AMO was required for the 2013-2014 school year due to not meeting the attendance rates of 93% in any of the rated subgroups.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	2
2010-11	15	2
2011-12	15	2
2012-13	14	1
2013-14	14	0

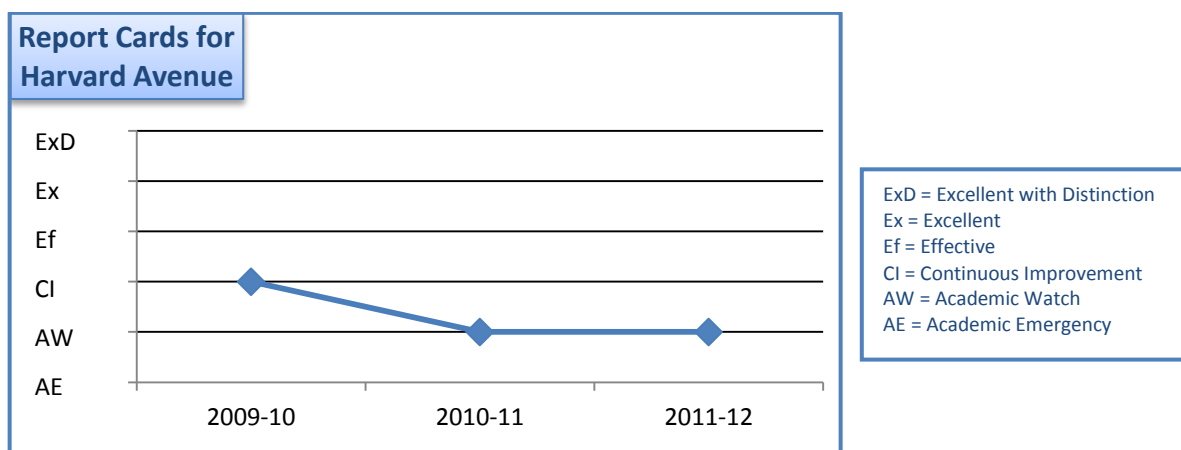
This school met 2 of the 12 required state indicators in 2009-2010, 2 of 15 required state indicators in 2010-2011, 2 of 15 required state indicators in 2011-2012, 1 of 14 required state indicators in 2012-2013 for a grade of F, and 0 of 14 required state indicators in 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	2 (delay)
2010-11	Yes	3
2011-12	Yes	4
2012-13	Focus	5
2013-14	Medium	6

This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. This school was identified as a Focus School under the ESEA Flexibility Waiver for 2012-2013 its fifth year in school improvement status. This school continues to be designated as a Focus School for 2013-2014 with the added designation of a Medium Support School under Differentiated Accountability (DA) for 2013-2014.

f. Historical Report Card Grades



This school was rated in Continuous Improvement in 2009-2010. In 2010-2011 and 2011-2012 the school was rated in Academic Watch. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

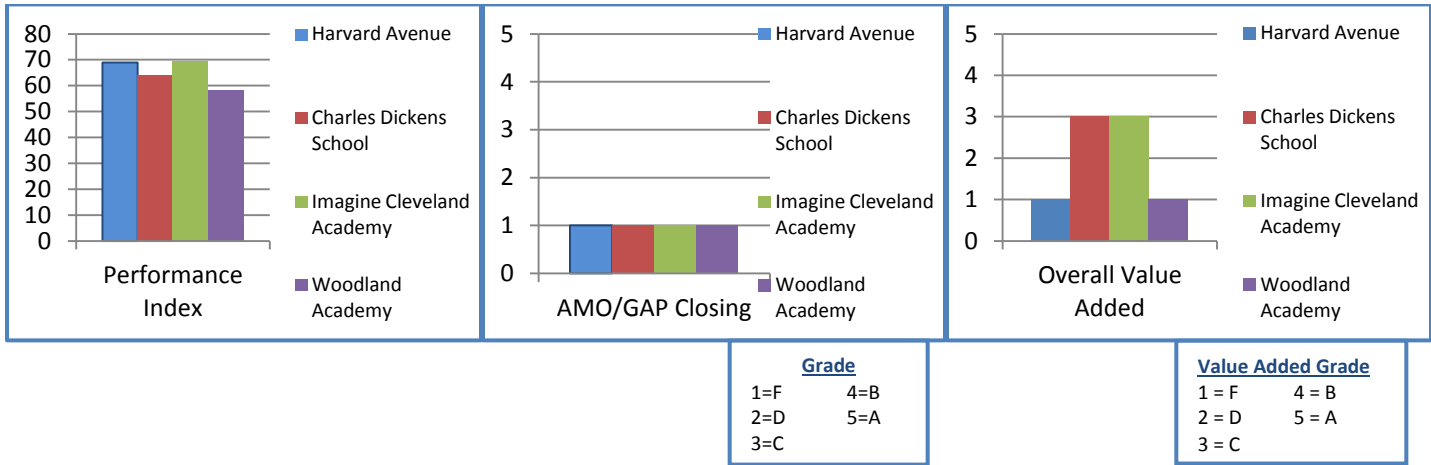
SCHOOL YEAR	AYP
2009-10	Met
2010-11	Not Met
2011-12	Not Met

This school met AYP in 2009-2010. The school has not met AYP in any of the subsequent years. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis:

This school's performance index is trending down each year. The data indicates that this school is having difficulty achieving success with all students as evidenced that no state indicators were met in 2013-2014 and only one indicator was met in 2012-2013. The overall Value Added grade for 2013-2014 is an F with a grade of F for students in the bottom 20% statewide and a grade of C for students with disabilities. This indicates that for the 2013-2014 school year students overall and the students in the bottom 20% achieved significantly less than a year's worth of growth for a year's worth of instruction while students with disabilities achieved approximately a year's worth of growth for a year's worth of instruction. The Overall Value Added grade of F for 2012-2013 indicates that students achieved significantly less than a year's worth of growth for a year's worth of instruction. Value Added progress has declined over the years. The decrease in Value Added growth is a significant concern. The students need to be making significantly more than a year's worth of growth for one year's worth of instruction if the students are to achieve at a level to meet state indicators and grade level expectations. Poor attendance may be a contributing factor in the lack of student progress. The lack of achievement for AMO targets in reading is also a significant concern for all subgroups. Students with disabilities are losing ground in both reading and math. It is also a significant concern that 60.6% of the students' achievement scores are in the basic and limited achievement levels. Only 39.5% of the students' scores were in the proficient or higher levels. The school should focus on using data to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all students.

III. Comparison of Similar Schools



The school outperformed a local traditional public school and one similar local community schools in performance index score, which assesses student achievement level. The school scored barely below a second local community school that scored a 69.2 in performance index. The school compares similarly to these schools in AMO/GAP closing. The school performed similarly to one local community school, but is outperformed by the other two comparison schools in overall value added.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Harvard Community School.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.57	 1.43	 1.19	 0.84	 1.36




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 5.12	 4.98	 4.08	 0.59	 0.57

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.99	 0.94	 1.04	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.0004	 0.0010	 0.0140	 (0.0202)	 0.0162

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.006	 (0.002)	 0.003	 (0.002)	 0.016











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.64	 0.70	 0.84	 1.20	 0.74






Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 2,426	 3,694	 59,405	 955	 8,920
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 6,120	 63,099	 60,360	 9,875	 8,920

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.003	 0.007	 0.108	 (0.152)	 0.127

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	Yes	Due October 2014	Yes	Yes	No	Yes	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Overall Compliant	Yes	Yes
2011-2012	Yes	Yes	No	No	Yes	Yes	No	Yes	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	n/a	n/a	Yes	n/a	n/a	No	No	Overall Compliant	No	Yes
2009-2010	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	Overall Compliant	Yes	Yes

Comment: Harvard Avenue Community School (Harvard) is currently in its eighth year of operation. Over the past five (5) years, Harvard has performed well during on-site reviews conducted by the sponsor, being found partially compliant on only two (2) items during this period. Harvard has also performed satisfactorily at submitting documentation required by the sponsor. Each year that the charter accountability measures have required the hiring of an academic coach, Harvard has complied. Historically, Harvard has not requested many charter modifications and continues to operate within the bounds of the current charter agreement. Harvard has experienced some findings in the past on state conducted financial audits related to payroll/timesheet errors and questioned costs on federal awards. Harvard has submitted corrective action plans related to these issues and other minor EMIS reporting issues.

INVICTUS HIGH SCHOOL

**3122 Euclid Avenue
Cleveland, Ohio 44115
216-431-7571**

Mission:

Invictus High School is a student-centered organization delivering excellence in education. Our team is committed to our students, our communities, and each other. We believe that our cohesion and morale help us to achieve excellence in our school. Our commitment to our students and our dedication to impacting their education through innovative methods makes us unique.

At Invictus High School, we believe the following:

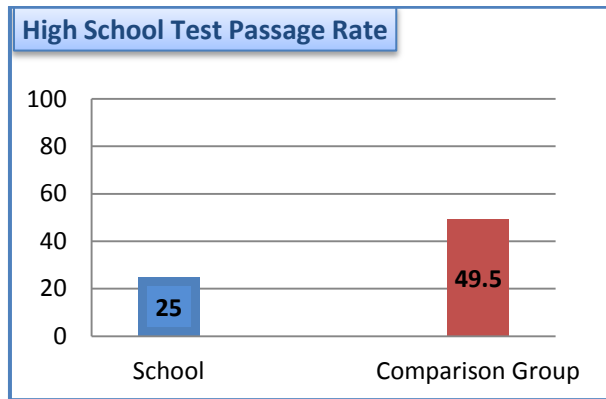
- Every student deserves an environment that enables them to achieve their potential.
 - We respect our work and each other.
- We use data to inform our decisions and measure our success.

<ul style="list-style-type: none">✦ Board President: <i>Valencia Lescook</i>✦ School Leader: <i>Dean Manke</i>✦ Opened: <i>1999</i>✦ Ages Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>173</i>✦ Attendance Rate: <i>41.8%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 90.8%, White, Non-Hispanic: 6.1%</i>✦ Students with Disabilities: <i>15%</i>✦ Economically Disadvantaged: <i>81.4%</i>✦ EMO: <i>Cambridge Education Group</i>
---	---

ACADEMICS

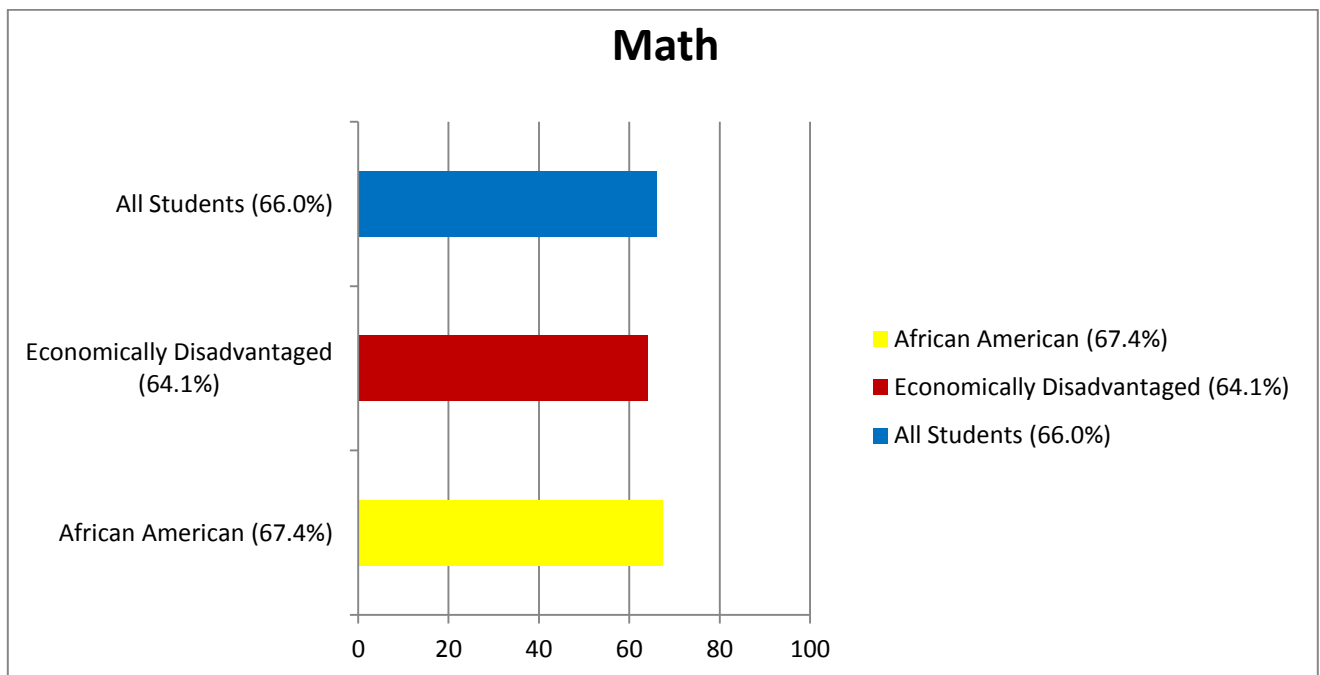
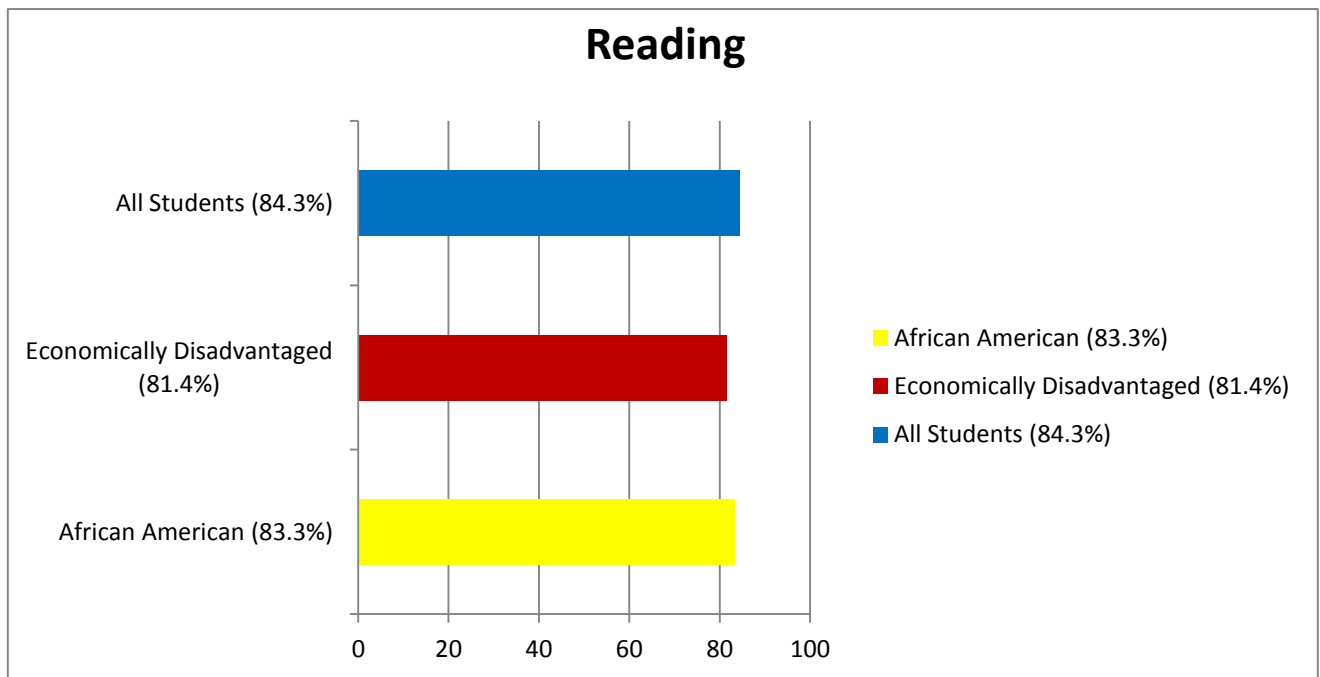
I. Local Report Card

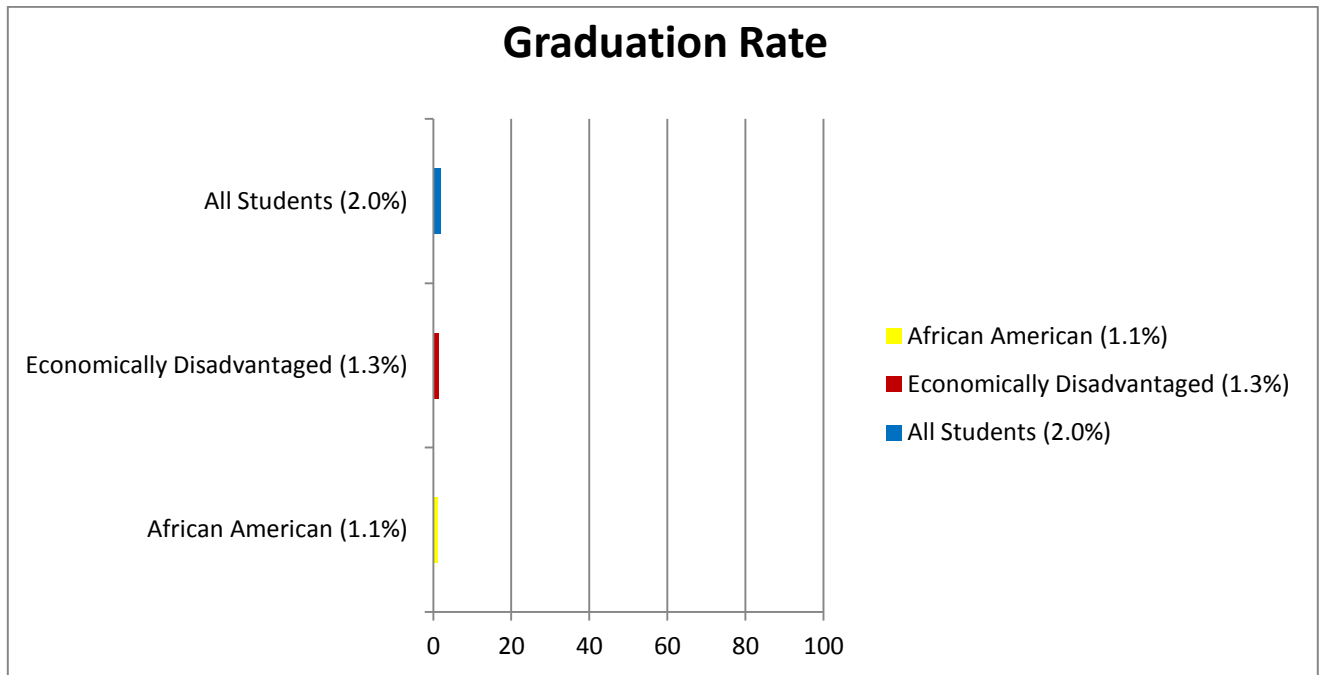
a. High School Test Passage Rate 2013-2014



The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 28 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 33% which Meets Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was 21.4% which would have equated to Meets Standards if a rating had been assigned.

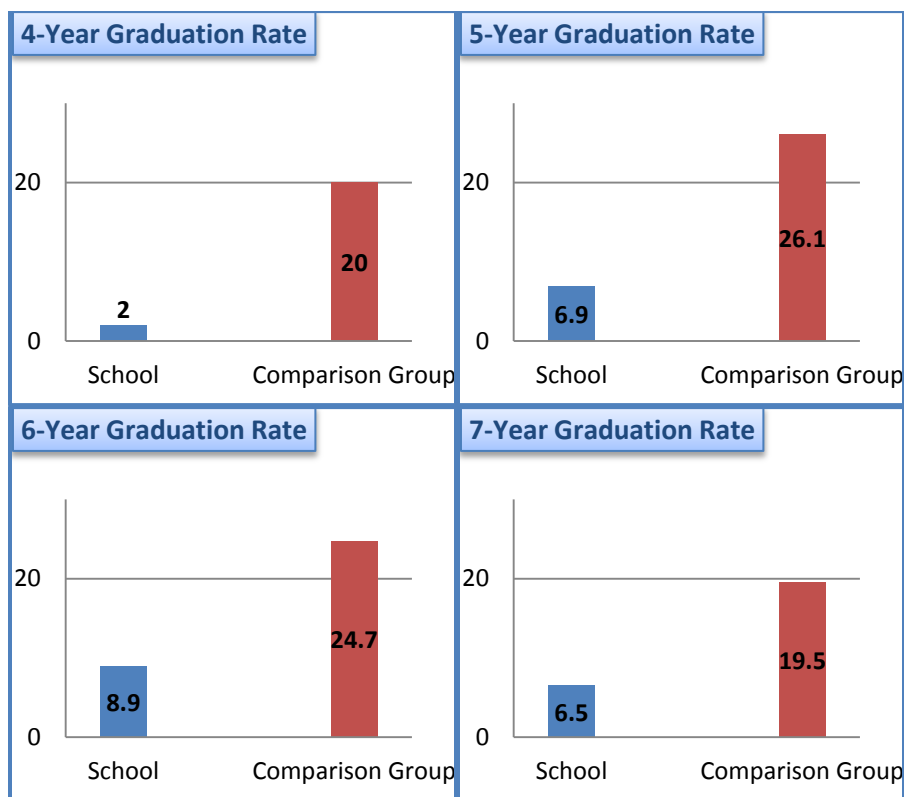
b. Annual Measurable Objectives (AMOs) 2013-2014





Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was 6.1% and Meets Standards. For the 2012-2013 school year, this school's AMO was 0% which would have equated to Does Not Meet Standards if a rating had been assigned. For 2013-2014, improvement in reading was not rated because there were not enough students in any subgroups from the 2012-2013 school year for comparison to demonstrate progress. There is a small achievement gap between the AMO goal in reading and the students' achievement level for the 2013-2014 school year. For 2013-2014, improvement in math was not rated because there were not enough students in any subgroups from the 2012-2013 school year for comparison to demonstrate progress. There is a much larger achievement gap between the AMO goal in math and the students' achievement level for the 2013-2014 school year. The achievement gap between the AMO goal in math and the student's achievement level is double digits in all rated subgroups. This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. The highest attendance rate was 43.3% in in one of the subgroups. This school also received a demotion due to failure to meet the participation rate of 95% in all of the rated subgroups. This school lost ground in graduation rate for AMO in each of the three rated subgroups for the 2013-2014 school year. There is still a significant gap between the AMO target for graduation and the school's graduation rate.

c. Graduation Rate 2012-2013



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 4.2% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 4 year graduation rate decreased slightly to 2.0% and Does Not Meet Standards.

For the 2012-2013 school year, the 5 year graduation rate was 8.4% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 5 year graduation rate decreased slightly to 6.9% and Does Not Meet Standards.

For the 2012-2013 school year, the 6 year graduation rate was 6.5% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 6 year graduation rate increased slightly to 8.9% and Does Not Meet Standards.

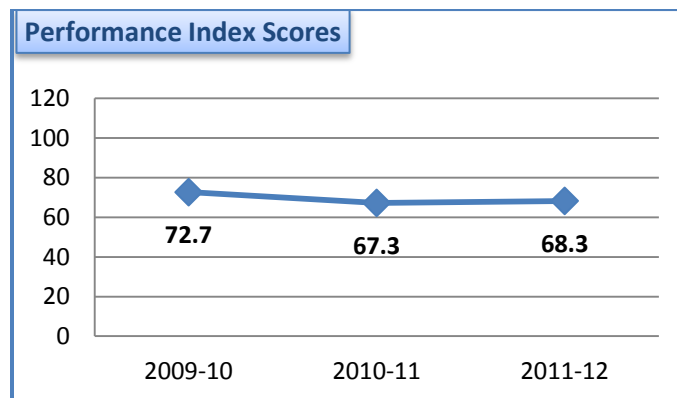
For the 2013-2014 school year, the 7 year graduation rate was 6.5% and Does Not Meet Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	5
2010-11	Yes	6
2011-12	Yes	7
2012-13	Improvement	8
2013-14	Improvement	9

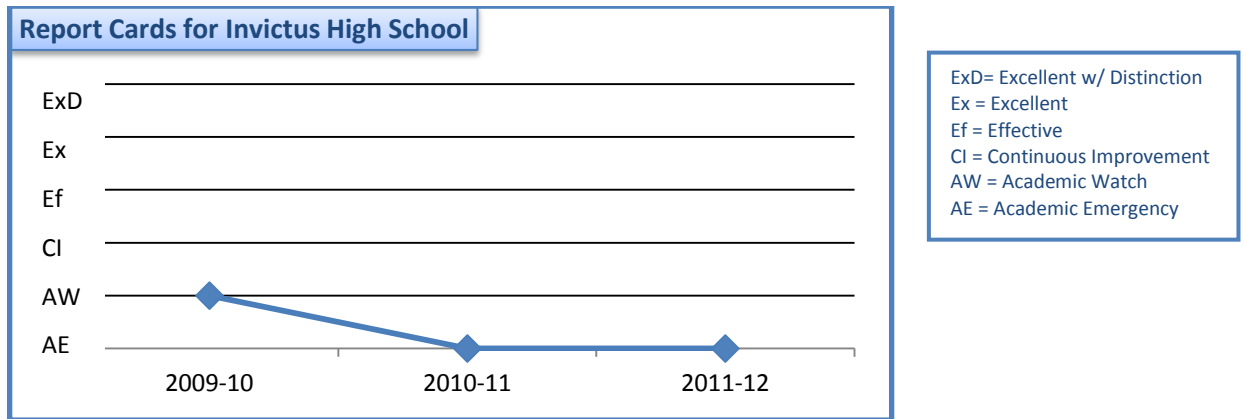
In 2012-2013 this school was designated as an Improvement School, its eighth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011, 2011-2012, 2012-2013 and 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 68.3 in 2011-2012, 67.3 in 2010-2011 and 72.7 in 2009-2010. The Performance Index has remained relatively flat from 2009-2012. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 and 2010-2011 this school was rated in Academic Emergency after having been rated in Academic Watch in and 2009-2010. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards which will be provided in the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	0
2010-11	12	2
2011-12	12	0

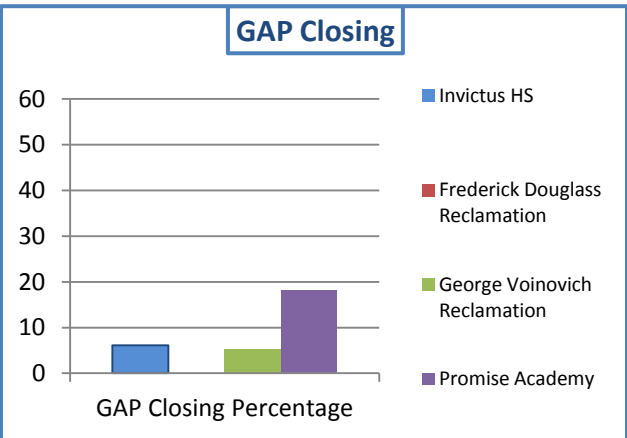
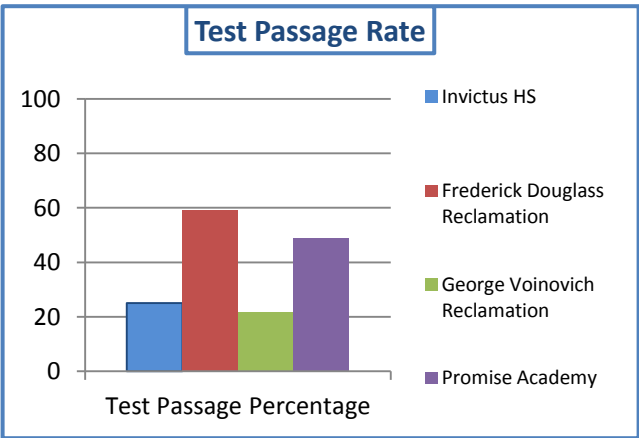
Students at this school have a history of not meeting any of the required state indicators. Historically this school met 0 of 12 required state indicators in 2011-2012, 2 of 12 required state indicators in 2010-2011, and 0 of 12 required state indicators on 2009-2010. This school has consistently failed to meet the required state indicators.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

Attendance is a significant issue for this school. It will be difficult for this school to improve its passage rate on the 5 required assessments (OGT) with the overall attendance rate of 41.8 % for all students. Instructional delivery needs to focus on improving achievement in both reading and math to close achievement gaps in both subjects. Math, however, needs significantly more attention as the achievement gap in math is in the double digits range. This school needs to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on an effective curriculum delivery system for all students. This plan also needs to focus on intense interventions for math as well as the other four areas assessed by the OGT. This plan needs to provide a significant assessment of and intervention strategies relating to the barriers to attendance and test participation to improve both the AMO scores and student achievement levels.

III. Comparison of Similar Schools



The school’s test passage rate compares similarly to one selected comparison drop-out recovery school but lower than two comparison schools. The school scored similarly to the same comparison school in GAP closing percentage and below another school. Frederick Douglass Reclamation was not rated in this measure.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Invictus High School AKA Life Skills Center of Cleveland.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.18	 1.97	 4.50	 4.87	 10.40




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 4.07	 41.36	 71.25	 70.50	 76.39

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.41	 0.88	 0.75	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.34)	 (0.12)	 (0.02)	 0.00	 0.02

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.112)	 (0.040)	 0.001	 0.012	 0.020











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.17	 0.48	 0.22	 0.21	 0.10


Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (256,752)	 (235,876)	 (70,279)	 49,328	 526,419
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (492,628)	 (306,155)	 (20,951)	 575,747	 526,419

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (16.56)	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	Yes	Yes	Yes	In Process	In Process	No
2012-2013	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	No
2009-2010	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No findings	Did not Sponsor

Comment: Invictus High School (Invictus) is currently operating in its fourteenth year as an organization. It is currently operating in its third year with Cambridge Education Group. Prior to this, Invictus operated as the Life Skills Center of Cleveland under the management of White Hat Management. St. Aloysius has sponsored Invictus since 2010. During St. Aloysius' sponsorship of Invictus, it has been overall compliant during on-site reviews. Invictus has also performed well on state conducted financial audits resulting in no findings and no requests for a corrective action plan from the sponsor. In general, Invictus has submitted all documentation required by the sponsor.

KLEPINGER COMMUNITY SCHOOL

3650 Klepinger Road
Dayton, Ohio 45416
937-610-1710

Mission:

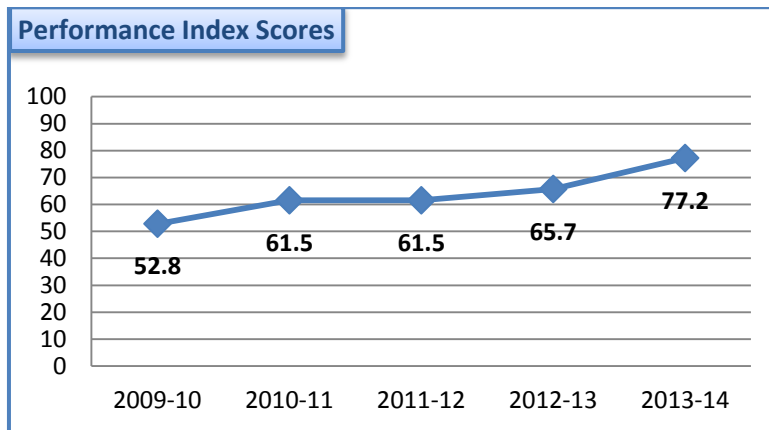
“As a national family of public charter school campuses, Imagine Schools partners with parents and guardians in the education of their children by providing high quality schools that prepare students for lives of leadership, accomplishment, and exemplary character.”

<ul style="list-style-type: none">★ Board President: <i>David Foubert</i>★ School Leader: <i>Melissa McManaway</i>★ Opened: <i>2008</i>★ Grades Served: <i>K-8</i>★ Enrollment from 2013-14: <i>439</i>	<ul style="list-style-type: none">★ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 92%</i> <i>White, Non-Hispanic: 3.9%, Multiracial: 3.2%</i>★ Students with Disabilities: <i>9.2%</i>★ Economically Disadvantaged: <i>97.1%</i>★ EMO: <i>Imagine Schools, Inc.</i>
---	---

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph presented above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 77.2, which equates to a 64.3% and a grade of D. This is a significant increase from the raw score of 65.7 and a percentage score of 54.7% with a grade of D for the 2012-2013 school year. The raw score for the performance index for 2011-2012 was 61.5, for 2010-2011 61.5 and for 2009 - 2010 52.8. The school's Performance Index has increased from a low of 52.8 in 2009-2010 to a current score of 77.1. The most significant increase was in the current 2013-2014 school year. About 47% of the students are still scoring in the basic or limited levels. More than half of the students' scores are at proficient or higher with about 20% of the students' scores at the advanced and accelerated achievement levels.

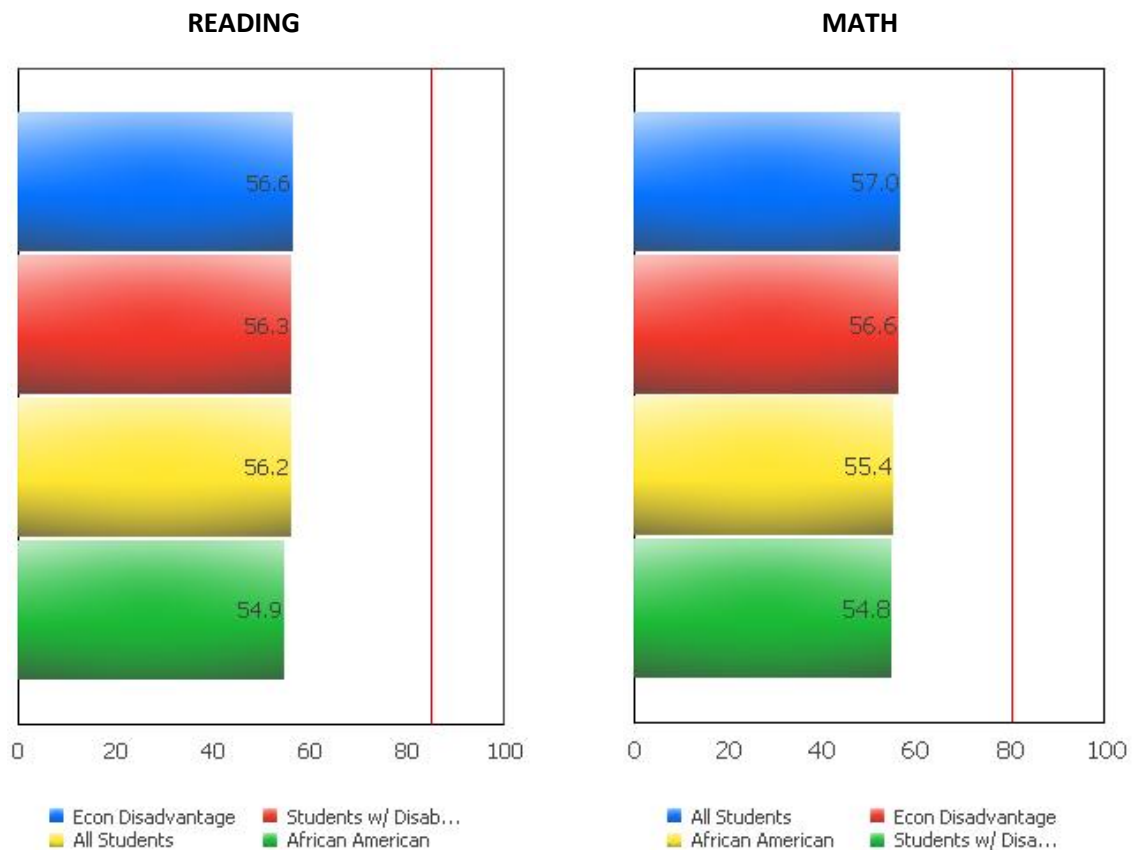
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Met	Met	Met	-
2010-11	Met	Met	Met	-
2011-12	Met	Below	Met	-
2012-13	-	-	-	A
2013-14	-	-	-	A

The overall Value Added grade for 2013-2014 is an A with a grade of A for students in the bottom 20% statewide and a grade of F for students with disabilities. This indicates that for the 2013-2014 school year students overall and students in the bottom 20% achieved significantly more than a year's worth of growth for a year's worth of instruction while students with disabilities achieved significantly less than a year's worth of growth for a year's worth of instruction. This school's overall Value Added grade for 2012-2013 was an A. This indicates that for 2012- 2013 students overall made significantly more than one year's worth of growth for one year's worth of instruction. For 2011-2012 the school Met value added in reading and combined Value Added and was Below in math. This indicates that students were making about a year's worth of growth for one year's worth of instruction in reading and combine value added and less than one year's worth of growth for one year's worth of instruction in math during the 2011-2012 school year. For 2010-2011 and 2009-2010 this school rated in the Met range for Combined Value Added, math and reading. This indicates that the students were making a year's worth of growth for a year's worth of instruction. This school has been making steady progress in the Value Added dimension. Students are consistently making at least a year's worth of growth for a year's worth of instruction. In 2012-2013 students made consistently more than a year's worth of growth. For students to meet state indicators and grade level expectations, students need to continue to make significantly more than a year's worth of growth each year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 12.7%. In 2013-2014 this school received an AMO grade of F with a score of 46.7%. This school made gains in both reading and math in all of the disaggregate subgroups for the 2013-2014 school year with math gains outpacing reading gains. There is a significant gap between the AMO goals and student achievement levels in reading and math in all of the subgroups. Attendance may be a contributing factor to the slow progress in student achievement. This school received a demotion in the AMO rating due to not meeting the attendance rate of 93% in any of the measured subgroups. The school met the AMO participation rate. This school needs to use data to drive instruction to meet the needs of the significant achievement gaps within subgroups.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	10	1
2010-11	12	1
2011-12	15	1
2012-13	14	0
2013-14	14	1

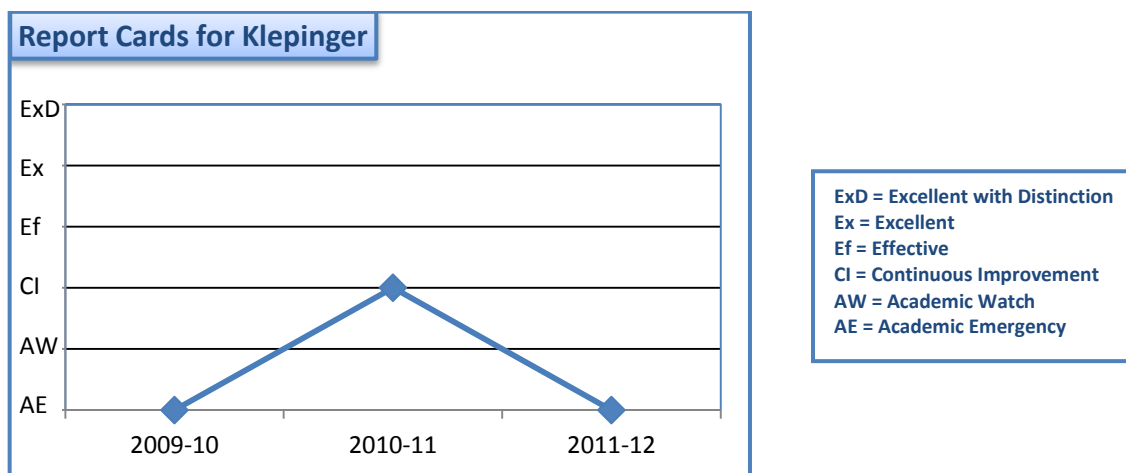
This school met 1 of the 10 required state indicators in 2009-2010, 1 of 12 required state indicators in 2010-2011, 1 of 15 required state indicators in 2011-2012, 0 of 14 required state indicators in 2012-2013 for a grade of F, and 1 of 14 required state indicators in 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	1
2010-11	Yes	1 (delay)
2011-12	Yes	2
2012-13	Priority	3
2013-14	Priority	4

This school was designated in school improvement in 2009-2010, 2010-2011, and 2011-2012. This school was identified as a Priority School under the ESEA Flexibility Waiver for 2012-2013 and 2013-2014.

f. Historical Report Card Grades



This school was rated in Academic Emergency in 2009-2010, in Continuous Improvement in 2010-2011, and Academic Emergency again in 2011-2012. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

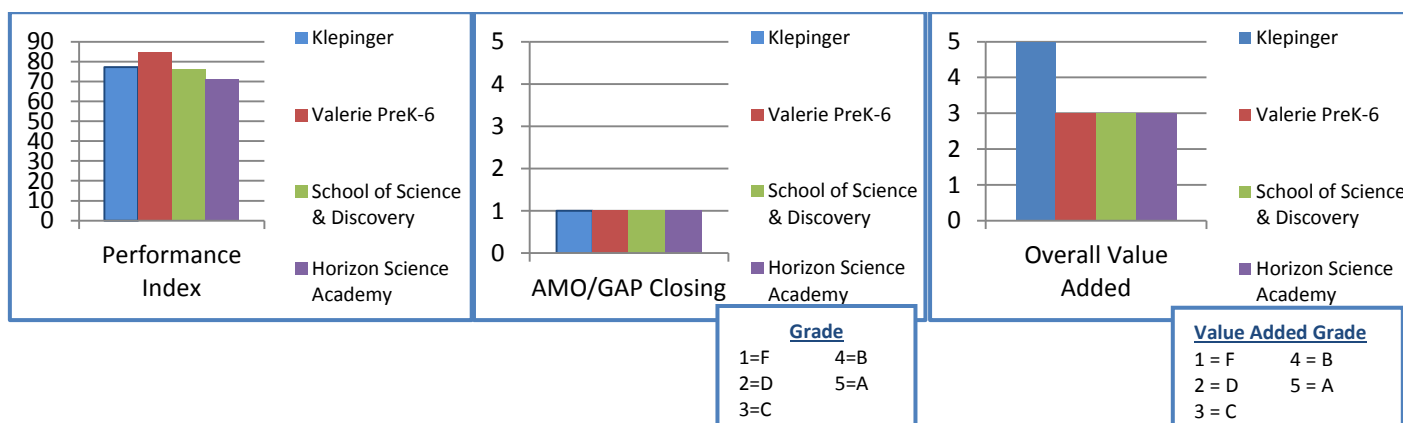
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Met
2011-12	Not Met

This school did not meet AYP in 2011-2012. The school met AYP in 2010-2011 and did not meet AYP in 2009-2010. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

Although this school's performance index is trending up, the data indicates that this school is having difficulty achieving success with all students as evidenced that zero or one of the state indicators have been met each year. The school's Performance Index has increased from a low of 52.8 in 2009-2010 to a current score of 77.2. The most significant increase was in the current 2013-2014 school year. About 47% of the students are still scoring in the basic or limited levels. More than half of the students' scores are at proficient or higher with about 20% of the students' scores at the advanced and accelerated achievement levels. There are still significant achievement gaps in both reading and math compared to the AMO targets, however, all subgroups made progress in closing those gaps in both reading and math. Math progress outpaced reading progress about two to one, given that gaps in math were significantly larger than in reading in the previous school year. This school received a demotion in the AMO rating due to not meeting the attendance rate of 93% in any of the measured subgroups. The school met the AMO participation rate. The overall Value Added grade for 2013-2014 is an A with a grade of A for students in the bottom 20% statewide and a grade of F for students with disabilities. This indicates that for the 2013-2014 school year students overall and students in the bottom 20% achieved significantly more than a year's worth of growth for a year's worth of instruction while students with disabilities achieved significantly less than a year's worth of growth for a year's worth of instruction. The Overall Value Added grade of A for 2012-2013 indicates that students achieved significantly more than a year's worth of growth for a year's worth of instruction. Students need to maintain that pace of growth if the students are to achieve at a level to meet state indicators and grade level expectations as well as to close the achievement gaps in reading and math for AMOs. Attendance rates need to be addressed. This school needs continue on the trajectory it has set for itself. The school should continue to focus on using data to as an integral part of its comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all subgroups. This school has made it greatest progress in performance index in the most recent school year and is making growth for all student groups in reading and math as evidenced by the grade of A in Value Added for two years.

II. Comparison of Similar Schools



The school outperformed two similar local community schools in performance index score, which assesses student achievement level. The school did score below a local traditional public in the same measure. The school compares similarly to these schools in AMO/GAP closing. The school outperformed all comparison schools in overall value added.

III. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Klepinger Community School.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.00	 0.95	 0.99	 1.40	 2.79




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.13	 0.09	 0.10	 0.16	 0.31

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.99	 1.12	 1.24	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.001	 (0.001)	 (0.010)	 0.001	 0.024

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.0030)	 (0.0035)	 (0.0002)	 0.0077	 0.0239











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.00	 1.05	 1.01	 0.72	 0.36






Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 550	 (139)	 (367)	 283	 1,209
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 411	 (506)	 (84)	 1,492	 1,209

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.007	 (0.005)	 (0.057)	 0.003	 0.065

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	No	Yes	Yes	Due October 2014	Yes	Yes	Yes	Yes	Yes	Overall Compliant	In process	No
2012-2013	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Overall Compliant	Yes	No
2011-2012	Yes	Yes	No	No	Yes	Yes	No	No	No	Overall Compliant	No	Yes
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	Yes	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	Yes	Yes

Comment: Klepinger Community School (Klepinger) is currently operating in its eighth year. While Klepinger has been overall compliant during on-site reviews conducted by the sponsor, the school has experienced some challenges maintaining student files. Additionally, Klepinger has been substantially compliant in submitting required documentation to the sponsor, but occasionally neglects a submission. Historically, Klepinger has not requested many charter modifications and has operated within the bounds of the current charter. Klepinger did hire an academic coach in 2012-2013, even though this was not required by the charter accountability provisions. The school has received findings on three (3) of the last four (4) audits for minor issues, resulting in requests for corrective action plans from the sponsor.

LAKE ERIE INTERNATIONAL HIGH SCHOOL

11650 Detroit Avenue
Cleveland, Ohio 44102
216-631-1090

Mission:

“Lake Erie International High School is a student-centered organization delivering excellence in education. Our team is committed to our students, our communities, and each other. We believe that our cohesion and morale help us to achieve excellence in our school. Our commitment to our students and our dedication to impacting their education through innovative methods makes us unique.

At Lake Erie International High School, we believe the following:

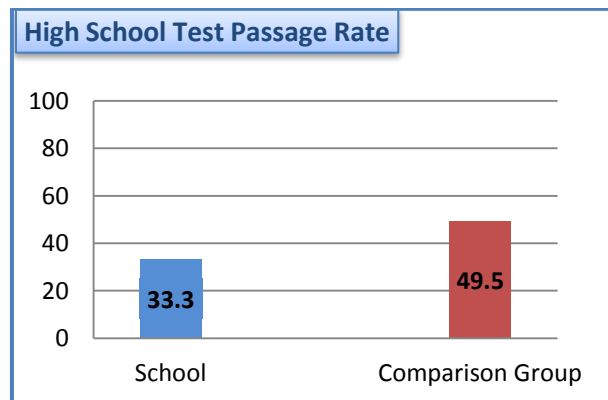
- Every student deserves an environment that enables them to achieve to their potential.
- We respect our work and each other.
- We use data to inform our decisions and measure our success.

✦ Board President: <i>Arnell Hurt</i> ✦ School Leader: <i>Larry Burt</i> ✦ Opened: <i>2003</i> ✦ Grades Served: <i>9-12</i> ✦ Enrollment from 2013-14: <i>178</i> ✦ Attendance Rate: <i>41.6%</i>	✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 40.7%, White, Non-Hispanic: 28.4%, Hispanic: 24.4%, Multiracial: 6.3%</i> ✦ Students with Disabilities: <i>14.1%</i> ✦ Economically Disadvantaged: <i>93.3%</i> ✦ EMO: <i>Cambridge Education Group</i>
--	---

ACADEMICS

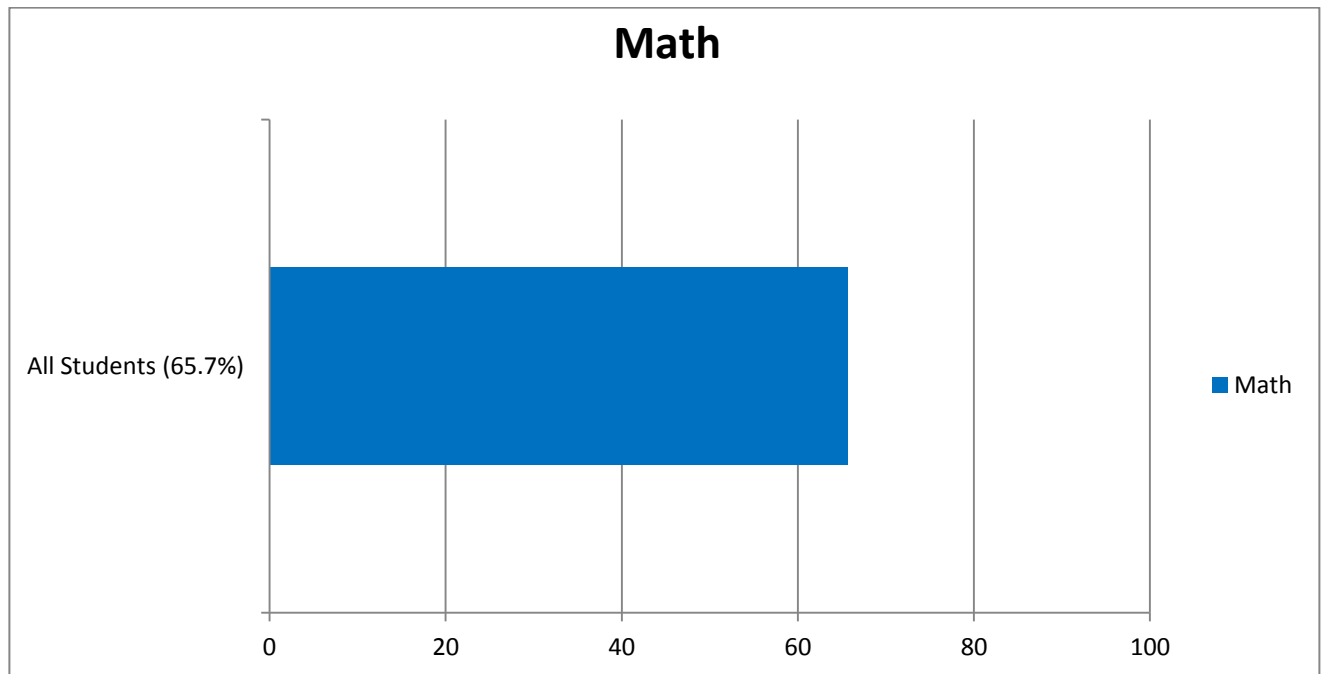
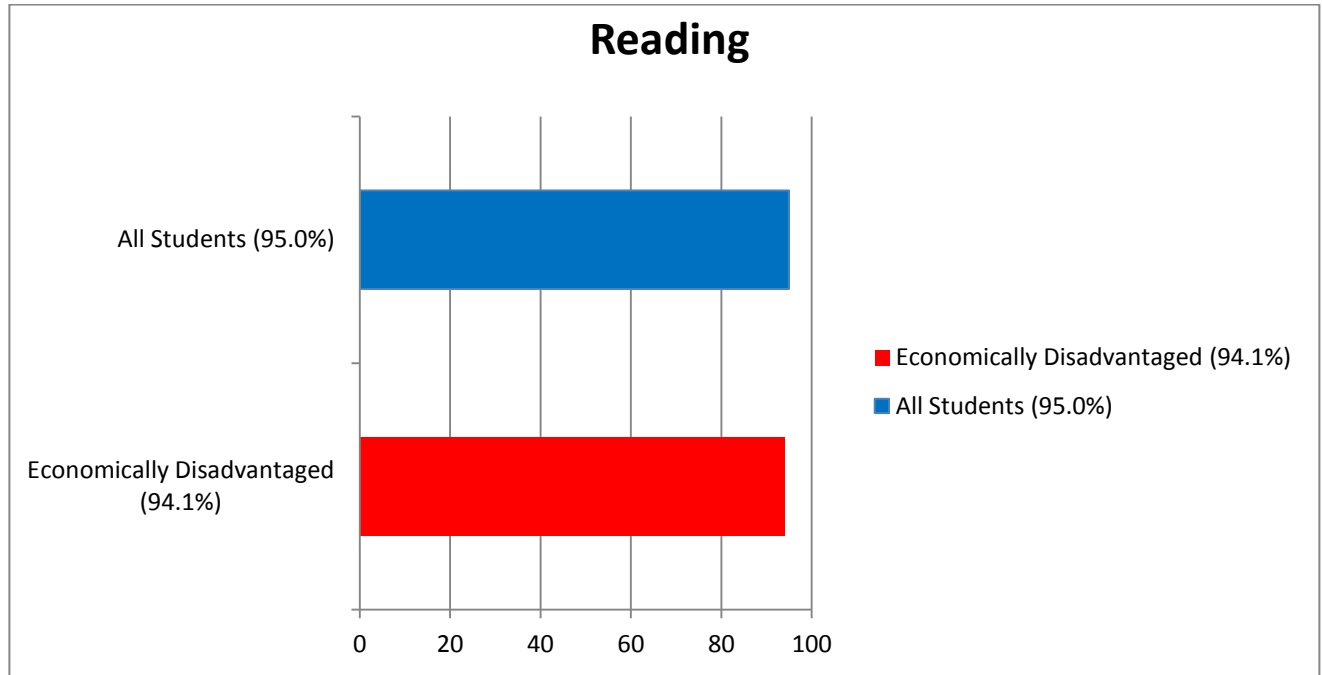
I. Local Report Card

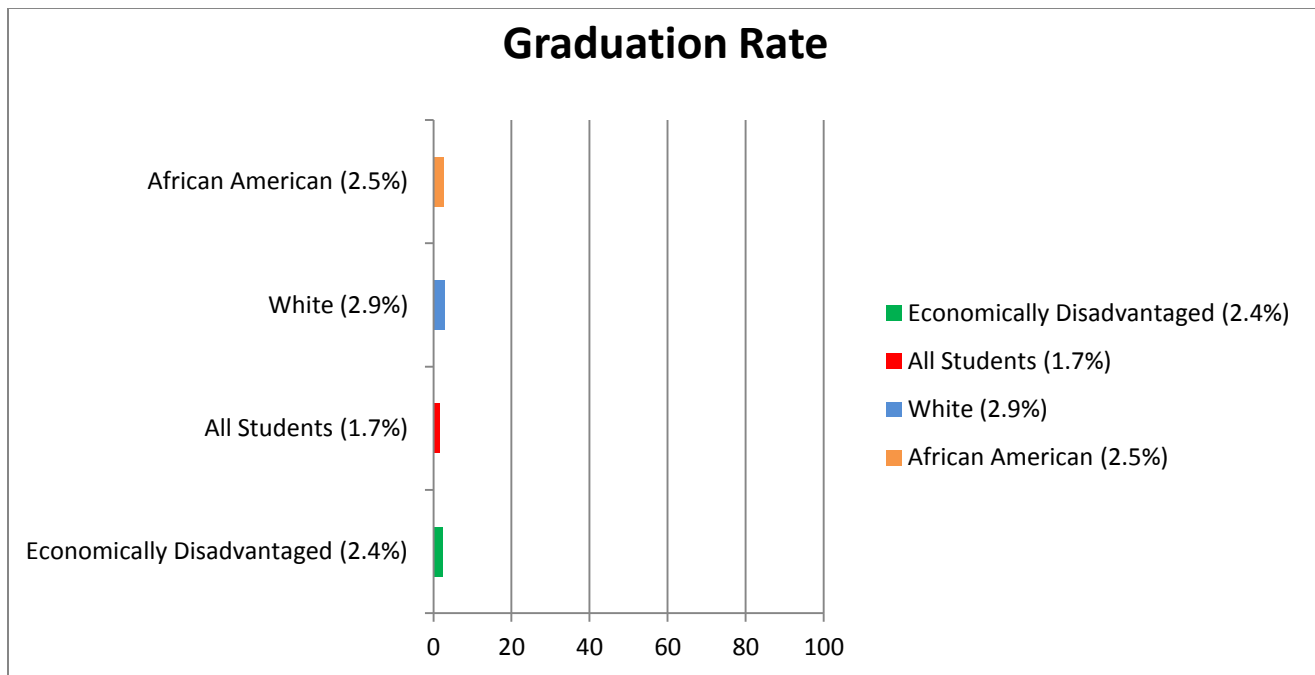
a. High School Test Passage Rate 2013-2014



The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 21 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 40% which Meets Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was 58.8% which equates to Meets Standards if a rating had been assigned.

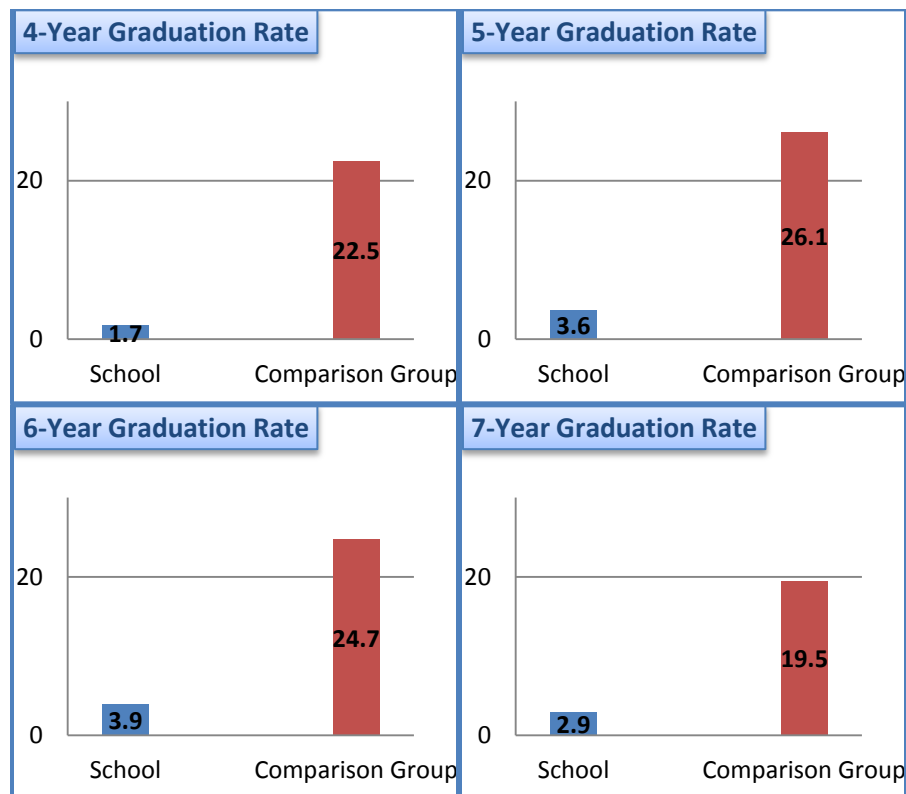
b. Annual Measurable Objectives (AMOs) 2013-2014





Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was 33.7% and Exceeds Standards. For the 2012-2013 school year, this school's AMO was 0% and equates to Does Not Meet Standards if a rating had been assigned. For 2013-2014, this school exceeded the AMO reading goal by more than 10% in each of the rated subgroups. There are no achievement gaps between the AMO goal in reading and the students' achievement level for the 2013-2014 school year. For 2013-2014, improvement in math was not rated because there were not enough students in any subgroups from the 2012-2013 school year with which to compare. There is an achievement gap between the AMO goal in math and the students' achievement level for the 2013-2014 school year. The achievement gap between the AMO goal in math and the student's achievement level is double digit in the rated subgroups. This school exceeded the attendance rate of 75% with their lowest attendance rate of 95.9%. This school also exceeded the participation rate of 95% with a rate of 100%. This school demonstrated gains in graduation rate for AMO in four of the five subgroups rated for graduation rate. One subgroup lost ground in graduation rate for AMO. There are still significant gaps between the AMO target for graduation rate and the school's graduation rate. This school received a rating of Meets Standards for AMO.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 1.4% and would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 4 year graduation rate essentially stayed the same at 1.7% and still Does Not Meet Standards.

For the 2012-2013 school year, the 5 year graduation rate was 3.3% and would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 5 year graduation rate essentially stayed the same at 3.6% and still Does Not Meet Standards.

For the 2012-2013 school year, the 6 year graduation rate was 2.9% and would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 6 year graduation rate increased to 3.9% but still Does Not Meet Standards.

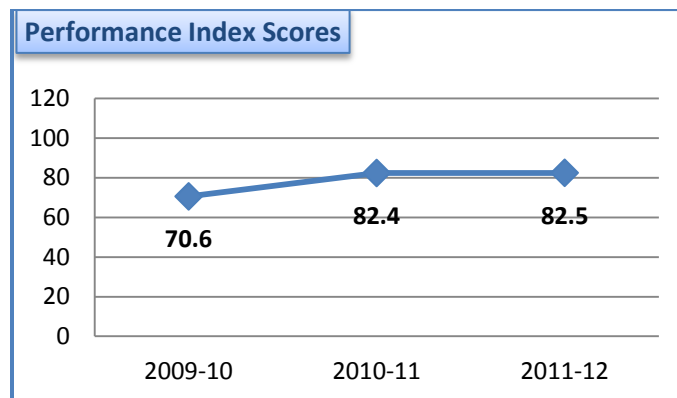
For the 2013-2014 school year the 7 year graduation rate was 2.9% and Does Not Meet Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	5
2010-11	Yes	6
2011-12	Yes	7
2012-13	Improvement	8
2013-14	Improvement	9

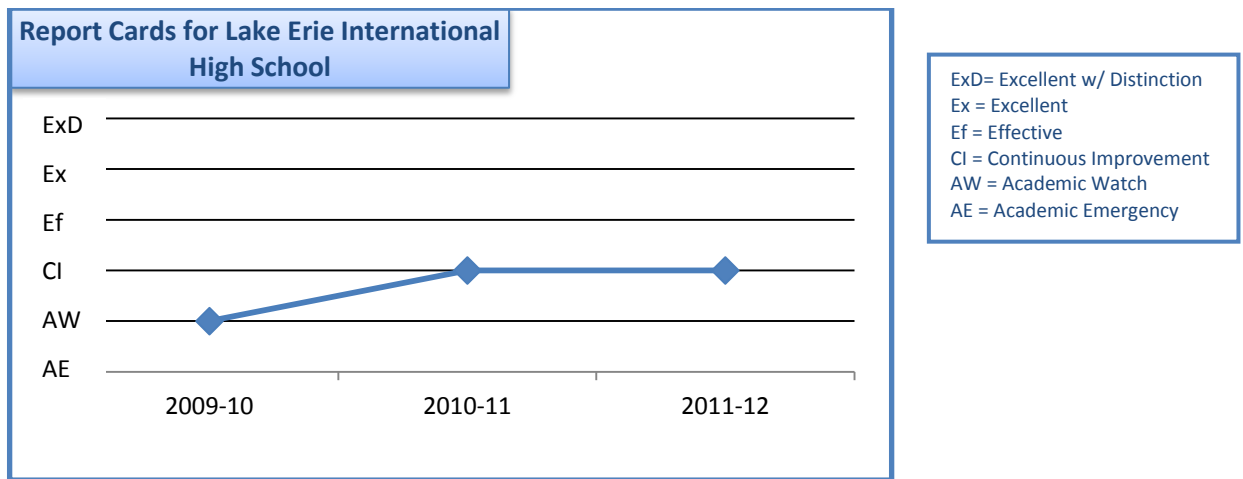
In 2012-2013 this school was designated as an Improvement School, its eighth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011, 2011-2012 and 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 82.5 in 2011-2012, 82.4 in 2010-2011 and 70.6 in 2009-2010. The Performance Index has been trending upward from 2009-2012. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 and 2010-2011 this school was rated in Continuous Improvement after having been rated in Academic Watch in 2009-2010. Academic Ratings have been replaced with an over-all rating of Does Not Meet , Meets or Exceeds Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	3
2010-11	12	2
2011-12	12	2

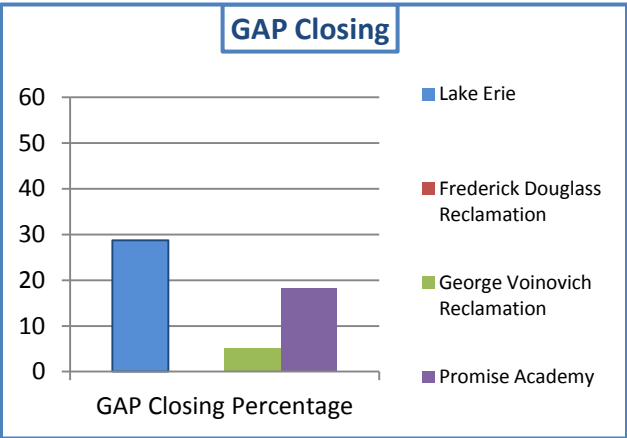
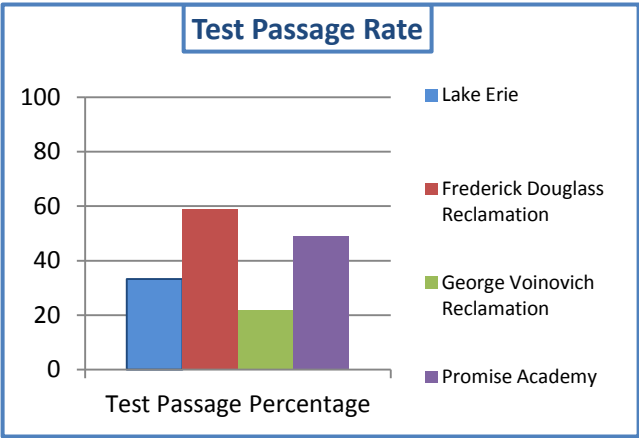
Students at this school have a history of not meeting any of the required state indicators. Historically this school met 2 of 12 required state indicators in 2011-2012, 2 of 12 required state indicators in 2010-2011, and 3 of 12 required state indicators on 2009-2010. This school has consistently failed to meet the required state indicators.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

Although this school has consistently failed to meet the required state indicators this school has demonstrated some successes. Attendance is a significant strength. Reading achievement is also a significant strength for this school, which exceeded the AMO goals and made gains in all of the rated subgroups in reading. This school should continue to build on its strengths in reading and attendance, applying similar strategies to improvement in math achievement. Instructional delivery needs to focus on improving achievement in math to close that achievement gap. This school needs to continue the trajectory it has set for itself to improve the test passage rate and graduation rate. The school’s improvement plan needs to focus on developing instructional strategies in math as well as the other areas assessed by the OGT. This school has clearly addressed barriers to attendance. This school has exceeded the test passage rate of its comparison group.

III. Comparison of Similar Schools



The school’s test passage rate is above one selected comparison drop-out recovery school and below the two other comparison schools. The school scored well above two comparison schools in GAP closing percentage. Frederick Douglass Reclamation was not rated in this measure.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Lake Erie International High School AKA Life Skills of Lake Erie.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 2.28	 2.62	 6.79	 3.03	 16.54

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.




The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 57.50	 69.72	 85.22	 70.49	 73.77

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt

to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.77	 0.69	 0.74	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.09)	 (0.14)	 (0.00)	 0.02	 0.02






The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.07)	 (0.03)	 0.01	 0.02	 0.02

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired.











In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.43	 0.38	 0.15	 0.33	 0.06


Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (176,201)	 (206,700)	 (10,124)	 67,650	 576,126
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (382,901)	 (216,824)	 57,526	 643,776	 576,126

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (54.53)	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	No

Comment: Lake Erie International High School (Lake Erie) is currently operating in its twelfth year. Previously, Lake Erie operated as the Life Skills Center of Lake Erie under the management of White Hat Management. In 2012, Lake Erie opted to change management companies to Cambridge Education Group. Lake Erie has been overall compliant during on-site reviews conducted by the sponsor, being found partially compliant on only two (2) items over the past five (5) years. Historically, Lake Erie has not required charter modifications, only during the management company change. The sponsor has only requested one corrective action plan from Lake Erie relative to a lawsuit with White Hat Management. At the time, the sponsor wanted to ensure Lake Erie had a contingency plan to operate the school without White Hat. By and large, Lake Erie submits all required documentation to the sponsor.

LINCOLN PREPARATORY SCHOOL

**4215 Robert Avenue
Cleveland, Ohio 44109
216-772-1336**

Mission:

“Lincoln Preparatory School is dedicated to improving the lives of its students by providing authentic learning experiences in a collaborative, nurturing environment that will build a foundation for students’ success in school, at future work, and in life. To achieve the mission, our School will integrate current learning technologies into each classroom. We will offer authentic learning experiences that are representative of how children learn best, as well as offer a schedule and support activities that enable each student to reach to his or her potential. We want our students to leave with the skills and abilities necessary to achieve academic excellence, personal growth, and success as lifelong learners. This mission requires the support of the faculty, staff, families, and community in order to encourage and empower students to be responsible and valued citizens.”

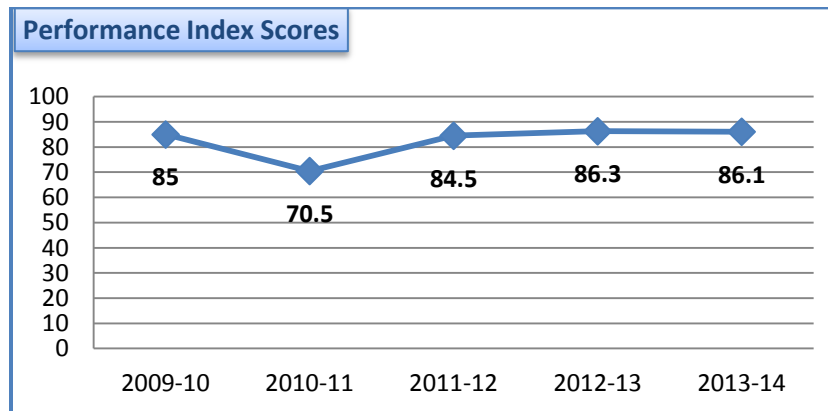
- ✦ Board President: *William Dean El*
- ✦ School Leader: *Holly Williams*
- ✦ Opened: *1999*
- ✦ Grades Served: *K-8*
- ✦ Enrollment from 2013-14: *182*

- ✦ Racial/Ethnic Balance: *Hispanic: 41.1%, Black, Non-Hispanic: 31.1%, White, Non-Hispanic: 17.4%, Multiracial: 10.4%*
- ✦ Students with Disabilities: *16.8%*
- ✦ Economically Disadvantaged: *98.6%*
- ✦ Limited English Proficiency: *11%*
- ✦ EMO: *Cambridge Education Group*

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 86.1, which equates to a 71.7% and a grade of C. The raw score for Performance Index was 86.3 and a percentage score of 71.9% with a grade of C for the 2012-2013 school year. The raw score for the performance index for 2011-2012 was 84.5, for 2010-2011 70.5 and for 2009-2010 85. The school's Performance Index has increased from a low of 70.5 in 2010-2011 to a high score of 86.3 in 2012-2013. The Performance Index for this school has remained relatively flat for the last three years with a significant drop in the 2010-2011 and a significant recovery the following year. About 35% of the students' scores are in the basic or limited levels. About 65% of the students' scores are at proficient or higher with about 23% of the students' scores at the advanced and accelerated achievement levels.

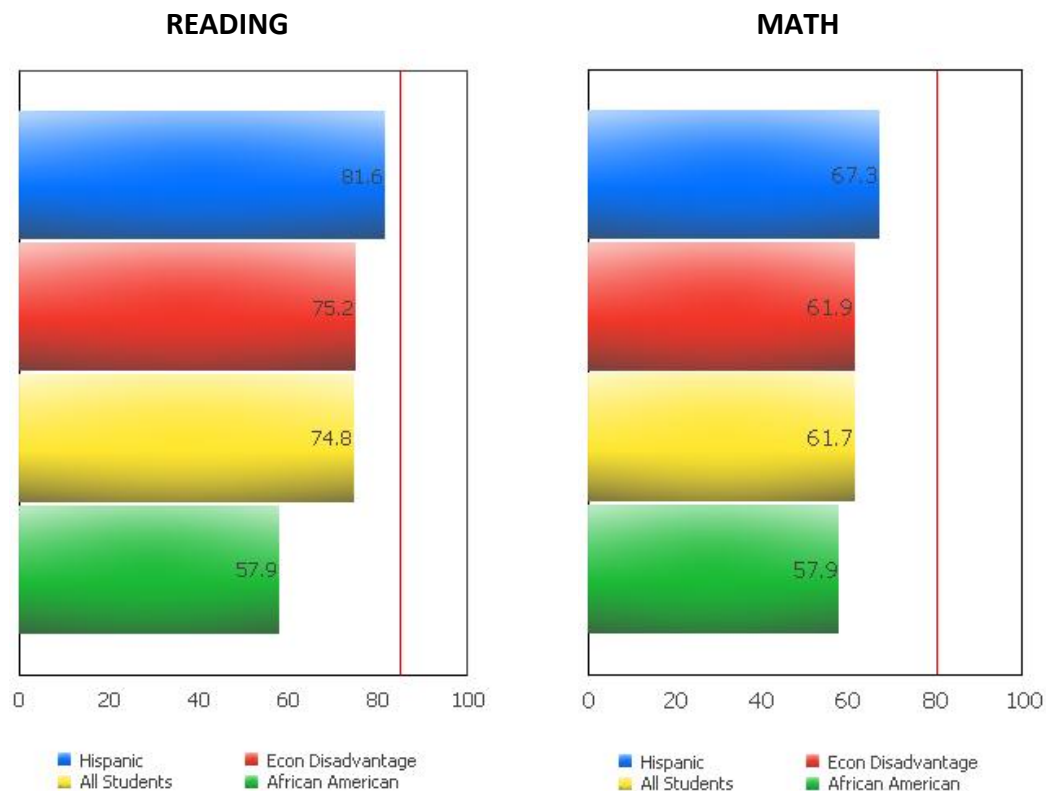
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Above	Above	Above	-
2010-11	Met	Met	Met	-
2011-12	Above	Met	Met	-
2012-13	-	-	-	A
2013-14	-	-	-	B

The overall Value Added grade for 2013-2014 is a B, with a grade of C for students in the bottom 20% statewide and a grade of C students with disabilities. This indicates that students overall made more than a year's worth of growth for a year's worth of instruction while students in the bottom 20% and students with disabilities made approximately one year's worth of growth for one year's worth of instruction. This school lost some ground in the Value Added dimension compared to the 2012-2013 school year. This school's overall Value Added grade for 2012-2013 was an A. This indicates that students made significantly more than one year's worth of growth for one year's worth of instruction. For 2011-2012 the school Met value added in reading and math and scored in the Above range in combined Value Added. This indicates that students were making about one year's worth of growth for one year's worth of instruction in reading and math during the 2011-2012 school year. For 2010-2011 this school rated in the Met range for combined Value Added, math and reading. This indicates that the students were making a year's worth of growth for a year's worth of instruction. For the 2009-2010 school year the school scored in the Above range for reading, math, and combined Value Added. This means that students were achieving more than a year's worth of growth for a year's worth of instruction. This school has been making progress in the Value Added dimension. Students are consistently making at least a year's worth of growth for a year's worth of instruction. In 2012-2013 students made significantly more than a year's worth of growth. For students to meet state indicators and grade level expectations, students need to continue to make more than a year's worth of growth each year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO grade of F with a score of 35.3%. In 2013-2014 this school received an AMO grade of F with a score of 3.2%. This school lost ground in math in all of the disaggregate subgroups for the 2013-2014 school year and there are significant achievement gaps in math in all the measurable subgroups. The school also lost ground in reading in most of the subgroups with gaps continuing to exist between the achievement levels and AMO targets in most of the disaggregate subgroups. Attendance may be a contributing factor in student achievement. This school received a demotion in the AMO rating due to not meeting the attendance rate of 93% in three of the measured subgroups. This school needs to use data to drive instruction to meet the needs of the significant achievement gaps within subgroups with a particular focus on math.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	10	6
2010-11	15	4
2011-12	15	4
2012-13	14	5
2013-14	14	3

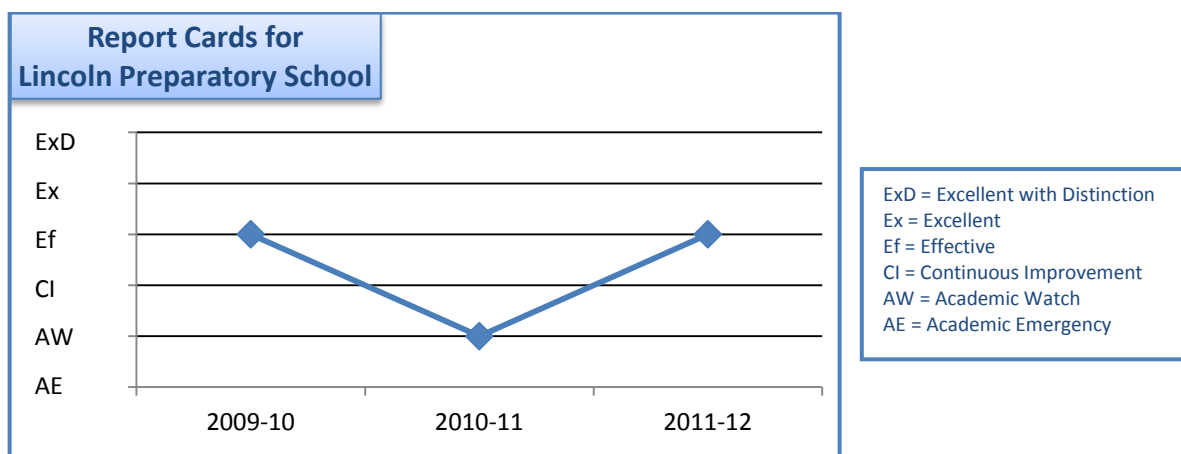
This school met 6 of the 10 required state indicators in 2009-2010, 4 of 15 required state indicators in 2010-2011, 4 of 15 required state indicators in 2011-2012, 5 of 14 required state indicators in 2012-2013 for a grade of F, and 3 of 14 required state indicators 2013-2014 for a grade of F. Although this school has met some state required indicators, this school consistently fails to meet a sufficient number of the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Improvement	4 (delay)
2010-11	Improvement	5
2011-12	Improvement	5 (delay)
2012-13	Improvement	7
2013-14	Improvement	8

This school was designated in school improvement in 2009-2010, 2010-2011, 2011-2012 and 2012-2013. 2012-2013 was this school's 7th year in school improvement status. The school was in school improvement delay 2009-2010 and 2011-2012. This school was designated as an Improvement School for 2013-2014.

f. Historical Report Card Grades



This school was rated Effective in 2009-2010, dropped two levels to Academic Watch in 2010-2011, and rose again to Effective in 2011-2012. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

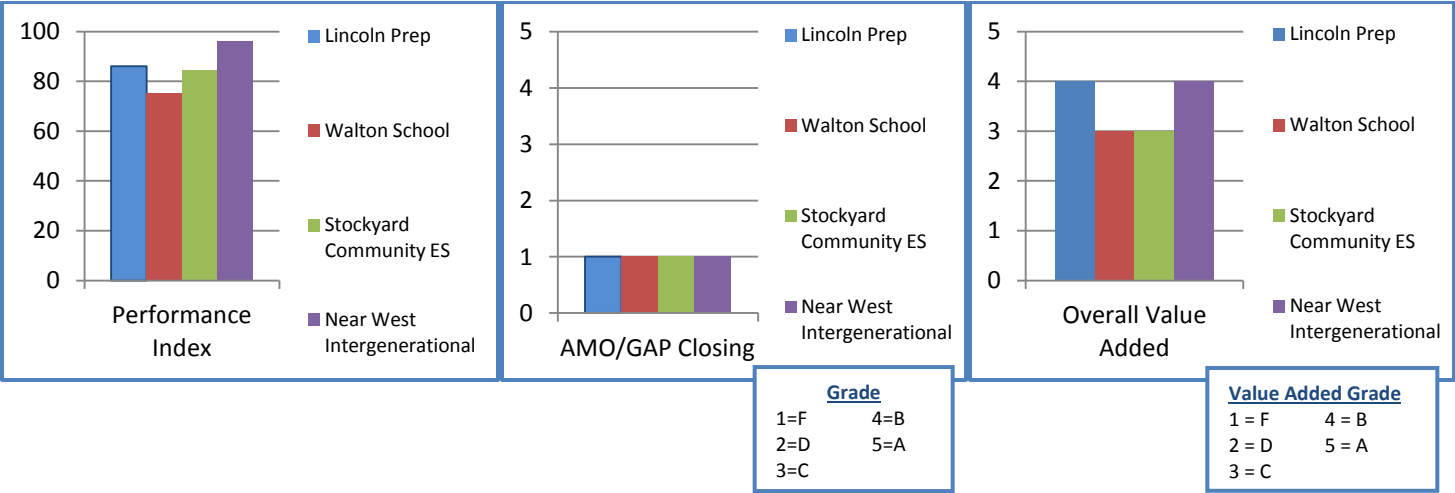
SCHOOL YEAR	AYP
2009-10	Met
2010-11	Not Met
2011-12	Not Met

This school did not meet AYP in 2011-2012 or in 2010-2011. This school met AYP in 2009-2010. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The Performance Index for this school has remained relatively flat for the last three years with a significant drop in the 2010-2011 school year and a significant recovery the following year. About 35% of the students' scores are in the basic or limited levels. About 65% of the students' scores are at proficient or higher with about 23% of the students' scores at the advanced and accelerated achievement levels. The data indicates that this school is having some difficulty achieving success with all students as evidenced that only a minimum number of state indicators have been met each year. There are still significant achievement gaps in both reading and math compared to the AMO targets. All measured subgroups lost ground in math and most lost ground in reading compared to AMO targets from the previous year. The overall Value Added grade for 2013-2014 is a B with a grade of C for students in the bottom 20% statewide and a grade of C students with disabilities. This indicates that students overall made more than a year's worth of growth for a year's worth of instruction while students in the bottom 20% and students with disabilities made approximately one year's worth of growth for one year's worth of instruction. This school lost some ground in the Value Added dimension compared to the 2012-2013 school year. The Overall Value Added grade of A for 2012-2013 indicates that students made significantly more than a year's worth of growth for a year's worth of instruction. Students need to maintain that pace of growth if the students are to achieve at a level to meet state indicators and grade level expectations, as well as to close the achievement gaps in reading and math for AMOs. Attendance rates need to be addressed overall and for disaggregate subgroups to meet AMO attendance requirements. This school needs to maintain, and even improve, its trajectory. The school should continue to focus on using data as an integral part of its comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all subgroups. This school has made growth for all student groups in reading and math as evidenced by the grade of A in Value Added for 2012-2013 but lost some ground with an overall grade of B for the 2013-2014 school year.

III. Comparison of Similar Schools



The school outperformed a local traditional public school and one similar local community school in performance index score, which assesses student achievement level. The school scored below one additional local community school in the same measure. The school compares similarly to these schools in AMO/GAP closing. The school also outperformed two comparison schools in overall value added and scored the same as another local community school.

IV. Special Education Services

Based on information gathered during site visits over the past two years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Lincoln Preparatory School AKA Hope Academy Lincoln.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.63	 0.60	 0.47	 0.73	 0.83


Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 18.02	 4.05	 0.10	 0.61	 0.76

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.03	Not Available	Not Available	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.01	 (0.01)	 (0.01)	 (0.01)	 (0.01)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.01)	 (0.01)	 (0.01)	 (0.01)	 (0.01)











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.49	 1.63	 1.93	 1.16	 0.88

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 80,191	 23,704	 (2,335)	 (142)	 3,105
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 103,895	 21,369	 (2,477)	 2,963	 3,105

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	No	Yes	No	Yes	Yes	Overall Compliant	In Process	No
2012-2013	No	No	No	n/a	Yes	No	No	No	Yes	Overall Compliant	No findings	Yes
2011-2012	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor
2010-2011	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor
2009-2010	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor

Comment: Lincoln Preparatory School (Lincoln Prep) has been operating for over fifteen (15) years. Lincoln Prep initially opened as Hope Academy Lincoln Park operated by White Hat Management. In 2013, Lincoln Prep opted to change management companies to Cambridge Education Group. St. Aloysius has sponsored Lincoln Prep since 2012. During the first year of sponsorship by St. Aloysius, Lincoln Prep experienced some challenges in submitting required documentation. Additionally, Lincoln Prep submitted a corrective action plan related to special education reporting. Lincoln Prep did improve on this practice during the 2013-2014 school year, submitting all required documentation and not receiving a request for a corrective action plan. However, Lincoln Prep did fail to attend the OIP workshop offered by the sponsor in 2013-2014. Lincoln Prep has been overall compliant during on-site reviews conducted by the sponsor, being found compliant on every item during 2013-2014.

LORAIN PREPARATORY ACADEMY

3038 Leavitt Road
Lorain, Ohio 44052
440-282-3127

Mission:

“LPA is committed to providing a safe, nurturing environment where our students develop positive self-esteem, leadership, multi-cultural awareness, community involvement, a love for life-long learning, and achieve academic excellence.”

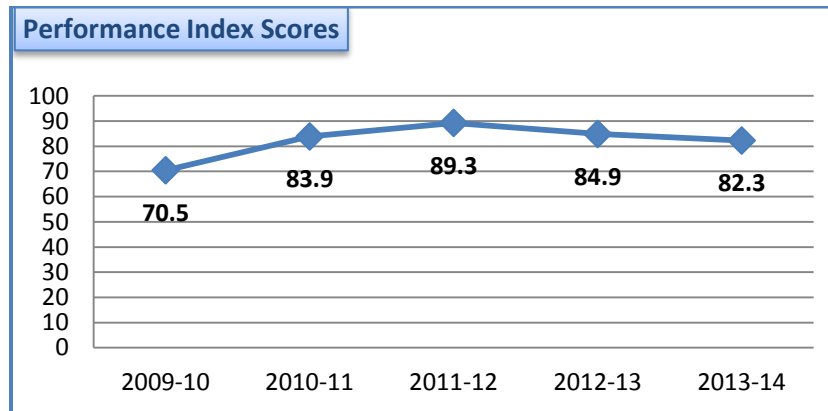
- ✦ Board President: *Suzanne Dills*
- ✦ School Leader: *James Sinclair*
- ✦ Opened: *2007*
- ✦ Grades Served: *3-8*
- ✦ Enrollment from 2013-14: *149*

- ✦ Racial/Ethnic Balance: *Hispanic: 31.1%, White, Non-Hispanic: 30.4%, Black, Non-Hispanic: 24.4%, Multiracial: 14%*
- ✦ Students with Disabilities: *19.4%*
- ✦ Economically Disadvantaged: *26.8%*
- ✦ EMO: *Mosaica Education, Inc.*

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 82.3, which equates to a 68.6% and a grade of D. The raw score for Performance Index was 84.9 and a percentage score of 70.7% with a grade of C for the 2012-2013 school year. The raw score for the performance index for 2011-2012 was 89.3, for 2010-2011 83.9 and for 2009-2010 70.5. The school's Performance Index has increased from a low of 70.5 in 2009-2010 to a high score of 89.3 in 2012-2013, decreasing since then. 38.6% of the students' scores are in the basic or limited levels which are the lowest two levels of achievement. 61.3% of the students' scores are at proficient or higher with 19% of the students' scores at the advanced and accelerated achievement levels.

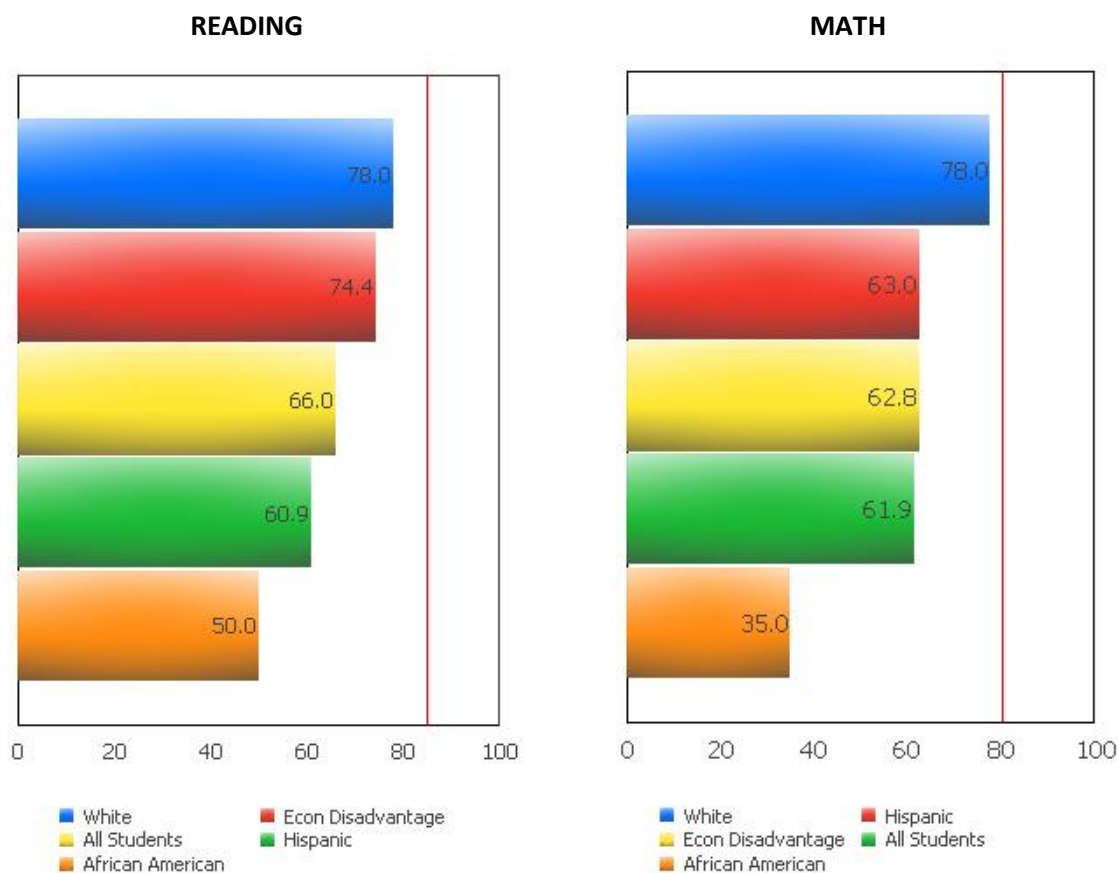
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Above	Above	Met	-
2010-11	Above	Above	Above	-
2011-12	Above	Above	Above	-
2012-13	-	-	-	A
2013-14	-	-	-	A

The overall Value Added grade for 2013-2014 is an A with a grade of C for students in the bottom 20% statewide and a grade of C for students with disabilities. This indicates that overall students are making significantly more than a year's worth of growth for a year's worth of instruction while students in the bottom 20% and students with disabilities are making approximately one year's worth of growth for one year's worth of instruction. This school's overall Value Added grade for 2012-2013 was also an A. This indicates that students made significantly more than one year's worth of growth for one year's worth of instruction. For 2011-2012 and 2010-2011 the school was in the Above range for Value Added in reading, math and in combined Value Added. This indicates that students were making more than a year's worth of growth for one year's worth of instruction overall and in reading and math. For the 2009-2010 school years the school scored in the Above range for math and combined Value Added and the Met range in reading. This means that student were achieving more than a year's worth of growth for a year's worth of instruction in math and approximately a year's worth of growth for a year's worth of instruction in reading. This school has been making progress in the Value Added dimension. Students overall are consistently making more than a year's worth of growth for a year's worth of instruction. For students to meet state indicators and grade level expectations, students need to continue to make more than a year's worth of growth each year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO grade of F with a score of 0 %. In 2013-2014 this school received an AMO grade of F with a score of 0%. This school lost ground in both math and reading in all of the measurable disaggregate subgroups for the 2013-2014 school year and there are significant achievement gaps in math and reading in all the disaggregate subgroups for the 2013-2014 school year. This school met the attendance rate of 93% in all of the measured subgroups. Participation rate for assessments was 100%. This school needs to use data to drive instruction to meet the needs of the significant achievement gaps within subgroups in both reading and math with a particular focus on subgroups with large achievement gaps in the 2013-2014 school year.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	15	3
2010-11	15	6
2011-12	12	5
2012-13	8	3
2013-14	11	0

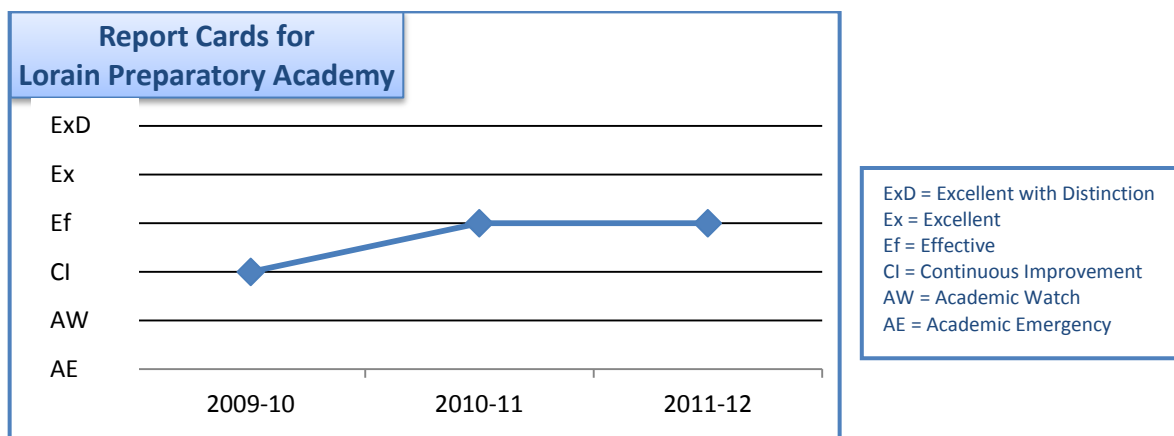
This school met 3 of the 15 required state indicators in 2009-2010, 6 of 15 required state indicators in 2010-2011, 5 of 12 required state indicators in 2011-2012, 3 of 8 required state indicators in 2012-2013 for a grade of F, and 0 of 11 required state indicators 2013-2014 for a grade of F. Although this school has met some state required indicators, this school consistently fails to meet a sufficient number of the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	2
2010-11	Yes	2 (delay)
2011-12	No	-
2012-13	No	-
2013-14	No	-

This school was designated in school improvement in 2009-2010, 2010-2011. This school was not rated in school improvement status for 2011-2012, 2012-2013 and 2013-2014.

f. Historical Report Card Grades



This school was rated Continuous Improvement in 2009-2010. This school was rated Effective in 2010-2011 and 2011-2012. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

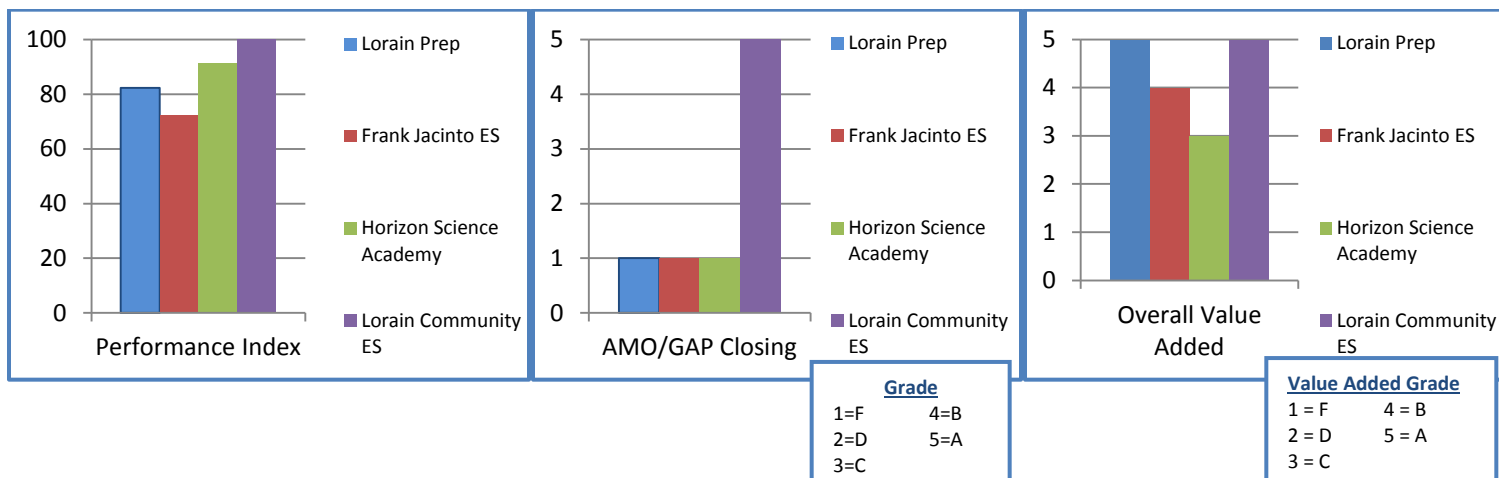
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Met
2011-12	Met

This school met AYP in 2011-2012 and in 2010-2011. This school did not meet AYP in 2009-2010. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The Performance Index for this school has trended downward over the last two years from a high of 89.3 in 2011-2012 to the current score of 82.3. The raw score for the 2013-2014 performance index for this school was 82.3, which equates to a 68.6% and a grade of D. The raw score for Performance Index was 84.9 and a percentage score of 70.7 % with a grade of C for the 2012-2013 school year. About 38% of the students' scores are in the basic or limited levels which are the lowest two levels of achievement. About 61% of the students' scores are at proficient or higher with about 19% of the students' scores at the advanced and accelerated achievement levels. The data indicates that this school is having some difficulty achieving success with all students as evidenced that only a few state indicators have been met each year with no indicators having been met this year. There are still significant achievement gaps in both reading and math compared to the AMO targets. All measured subgroups lost ground in both reading and math compared to AMO targets from the previous year. Achievement levels of subgroups during the 2013-2014 school year are of particular concern and need to be analyzed. The overall Value Added grade for 2013-2014 is an A with a grade of C for students in the bottom 20% statewide and a grade of C for students with disabilities. This indicates that overall students are making significantly more than a year's worth of growth for a year's worth of instruction while students in the bottom 20% and students with disabilities are making approximately one year's worth of growth for one year's worth of instruction. Achievement of the Overall Value Added grade of A for 2012-2013 indicates that students achieved significantly more than a year's worth of growth for a year's worth of instruction. Students need to maintain that pace of growth if the students are to achieve at a level to meet state indicators and grade level expectations as well as to close the achievement gaps in reading and math for AMOs. This school needs to use data to develop a comprehensive improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs as well as the achievement gaps of disaggregate groups. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all subgroups. The school should examine the strategies that have facilitated the overall grades of A in Value added and apply them to the other measured groups.

III. Comparison of Similar Schools



The school outperformed a local traditional public school in performance index score, which assesses student achievement level. The school scored below two similar local community schools in this measure. The school compares similarly to two of the comparison schools in AMO/GAP closing, but scored well below the third comparison school, a local community school. The school also outperformed two comparison schools in overall value added and scored similarly to the third comparison school.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Mansfield Preparatory Academy dba Lorain Prep.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.02	 0.04	 0.02	 0.05	 0.13




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.83	 1.59	 0.68	 0.89	 9.40

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.01	 0.88	 0.86	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N	N	N	N	N






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.33)	 (0.28)	 (0.14)	 (0.22)	 (0.15)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.24)	 (0.21)	 (0.17)	 (0.19)	 (0.15)











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 18.73	 12.39	 12.71	 8.16	 4.17






Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (3,121)	 3,715	 (1,840)	 (34,626)	 39,191
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 594	 1,875	 (36,466)	 4,565	 39,191

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.62)	 (0.65)	 (1.62)	 (1.37)	 (1.62)

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	Yes	In Process	In Process	Yes
2012-2013	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	Yes
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	Yes
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	No

Comment: Lorain Preparatory Academy (Lorain Prep) has been operating for eight years. Lorain Prep previously operated under the name of Mansfield Preparatory Academy, but in the same location with the same management company. Lorain Prep has performed extremely well during on-site visits conducted by the sponsor. To that measure, Lorain Prep has been found compliant on all items during site visits over the past five (5) years. Historically, Lorain Prep has required few charter modifications and seems to operate well within the bounds of the charter agreement. Lorain Prep also submits documentation required by the sponsor in a timely manner. The biggest challenge for Lorain Prep is the debt it carries to Mosaica Education, its management company. This debt has resulted in corrective action plans for the school over the past four (4) years. Lorain Prep has performed well on state administered financial audits, having no findings over the past five (5) years.

LIFE SKILLS HIGH SCHOOL OF CLEVELAND

**4600 Carnegie Avenue
Cleveland, Ohio 44103
216-431-7571**

Mission:

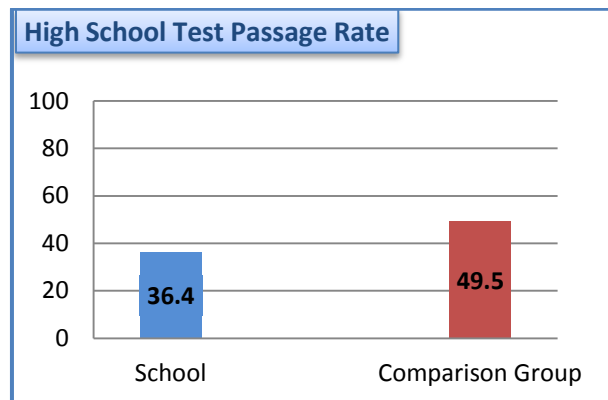
“The mission of Life Skills Center is to educate, engage and inspire students in a learning environment that models the values of integrity, teamwork, perseverance and personal responsibility, and where respect is the foundation of productive relationships, such that each graduate possesses the knowledge and character to meet the challenges of learning, working and living in the 21st Century. This mission will be served by providing the School’s students with an individualized and self-paced program set in a flexible environment that is responsive to its students’ needs, and by providing an educational experience that leads to a high school diploma (not a GED) and post-secondary success. The School will provide a comprehensive, positive educational experience that will impart to each student the knowledge, desire, and confidence needed to succeed in reaching his/her goals. The School will strive to motivate, teach, and guide each student through his/her educational growth and development. This will be accomplished by emphasizing the development of both cognitive and social skills. Life Skills Center offers a safe, secure, clean environment, and researched field-tested educational programs which have proven very successful in educating at-risk students.”

<ul style="list-style-type: none">✦ Board President: <i>Stephen Marchweitz</i>✦ School Leader: <i>Janet Cooper</i>✦ Opened: <i>2012</i>✦ Ages Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>114</i>✦ Attendance Rate: <i>48.8%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 92.0%</i>✦ Students with Disabilities: <i>10.8%</i>✦ Economically Disadvantaged: <i>95.0%</i>✦ EMO: <i>White Hat Management</i>
---	---

ACADEMICS

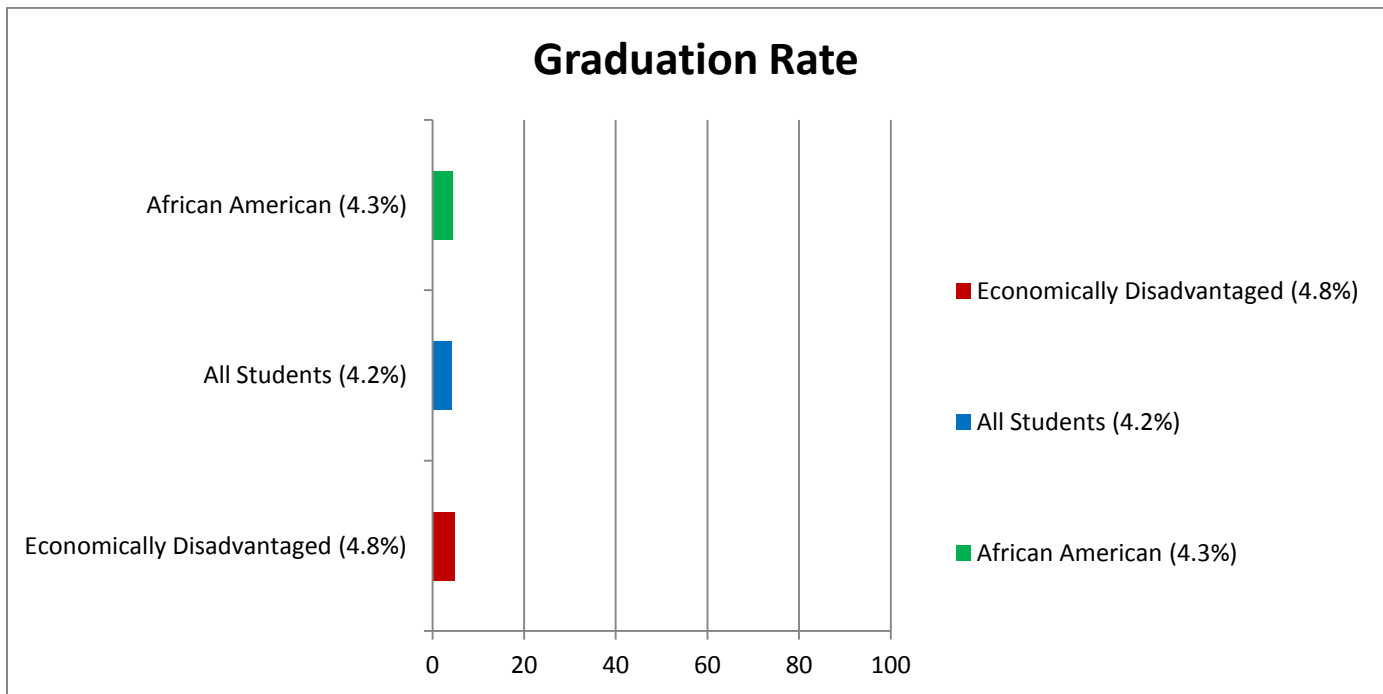
I. Local Report Card

a. High School Test Passage Rate 2013-2014



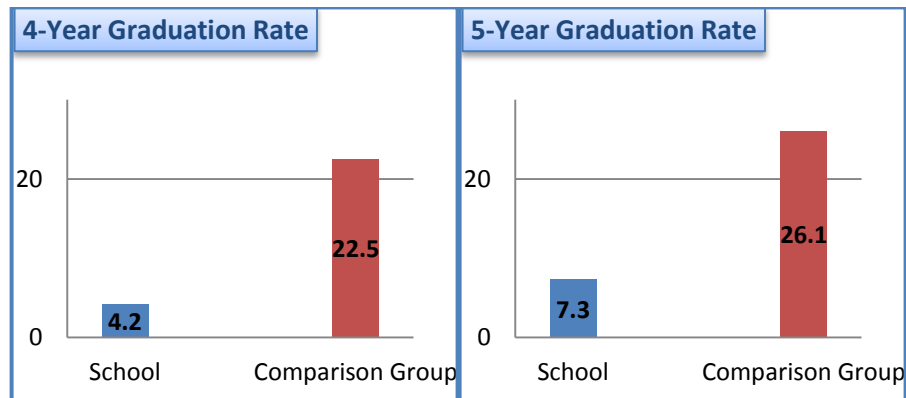
The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 11 students in the school for a full academic year. The high school test passage rate was 36.4% which Meets Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was not rated as there were not enough students to be rated. This school opened in June 2012.

b. Annual Measurable Objectives (AMOs) 2013-2014



Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was not calculated in reading or math because there were not enough students in any of the subgroups to be calculated. The data indicates that there are achievement gaps in math and that the school is making some progress in reading. There is not comparison data available for graduation rate AMO. This school did not meet the minimum attendance rate of 75% in any of the rated subgroups. The attendance rate for all students was 48.8%. The school was not rated in participation rate because of an insufficient number of students to be rated. The data indicates that this school also needs to improve the participation rate in reading and math to improve its AMO rates in the future. This school's final AMO for 2013-2014 was 0% with a rating of Does Not Meet Standards.

c. Graduation Rate 2013-2014



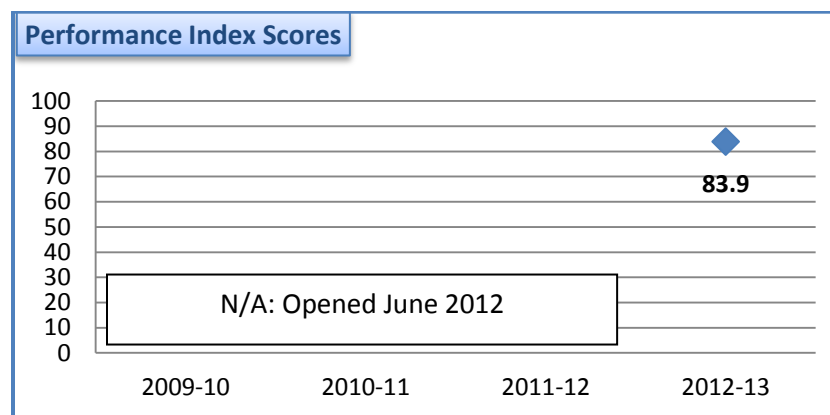
The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2013-2014 school year, the 4 year graduation rate was 4.2% which Does Not Meet Standards.

For the 2013-2014 school year, the 5 year graduation rate was 7.3% which Does Not Meet Standards.

The 6 year and 7 year graduation rates were not calculated for this school because there were not enough students to be assessed.

d. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 83.9 in 2012-2013. Performance Index is no longer used as a metric in the revised DOPR Report Card.

e. Historical Report Card Grades

There are no historical report card grades for this school. Academic Ratings have been replaced with an overall rating of Does Not Meet, Meets or Exceeds Standards for the 2014-2015 school year.

f. Historical Adequate Yearly Progress (AYP) Data

This school has no history relating to meeting AYP as this school opened in the 2012-2013 school year. AYP has been replaced by the Gap Closing component (AMO) on the report card.

g. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	N/A	N/A
2012-13	5	1

This school met 1 of 5 required state indicators in 2012-2013.

h. Historical School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	N/A	N/A
2012-13	Improvement	-

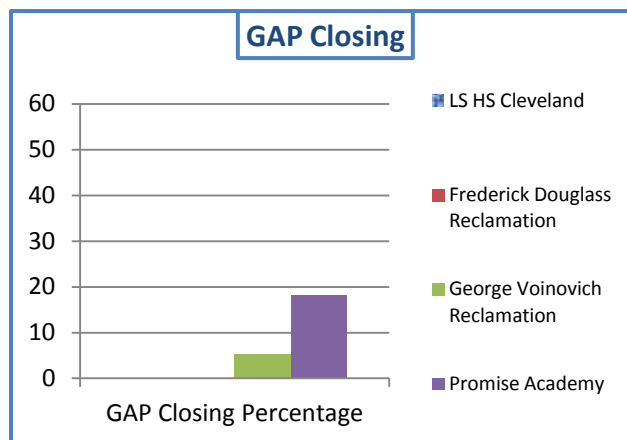
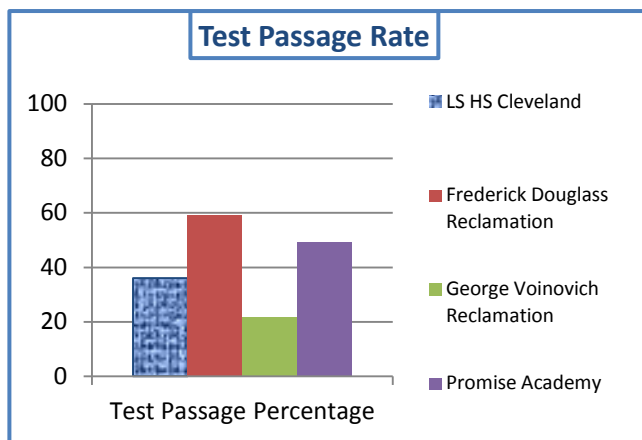
In 2012-2013 this school was designated as an Improvement School. It was not designated as an Improvement School for 2013-2014.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

This school is a Drop-Out Prevention and Recovery School. During the 2012-2013 school year, this school failed to apply as a DOPR school. Consequently its report card data for 2012-2013 reflects the requirements of a traditional high school. For the 2013-2014 school year, the results reflect those of a DOPR school. There is insufficient data to provide for an in-depth analysis of the school's progress; however, the available data seems to indicate that there is some progress in reading while there is a significant achievement gap in math. Attendance and test participation are significant issues for this school. It will be difficult for this school to improve its passage rate on the 5 required assessments (OGT) with the overall attendance rate of 48.8% for all students. This school needs to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on an effective curriculum delivery system for all students and improved professional practice for teachers. This plan also needs to focus on intense interventions for reading and math as well as the other three areas assessed by the OGT. Instructional delivery needs to focus on improving achievement in both reading and math to close achievement gaps in both subjects. This plan needs to provide a significant assessment of intervention strategies relating to the barriers to attendance to improve both the AMO scores and student achievement levels.

III. Comparison of Similar Schools



The school's test passage rate is above one of the selected comparison drop-out recovery schools and below the two other comparison schools. This school received a 0% for AMO, scoring below two of the comparison drop-out recovery schools. Frederick Douglass Reclamation was not rated in this measure.

IV. Special Education Services

Based on information gathered during site visits over the past two years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management


The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Life Skills High School of Cleveland.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:


- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

6/30/2013	
	1.00

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

6/30/2013	
	3.39

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt

to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>
Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>
N/A


Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES


These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

<u>6/30/2013</u>
 0.0003


The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>
 0.0003

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired.



In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	
	1.00

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	
One Year Cash Flow = Year 2 Cash - Year 1 Cash		9,837
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash		9,837

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

6/30/2013

N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	Yes	Overall Compliant	In Process	No
2012-2013	n/a	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2011-2012	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2010-2011	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2009-2010	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open

Comment: Life Skills High School of Cleveland is currently in its third year of operation. During its first two (2) years of operation, Life Skills High School of Cleveland performed well during on-site reviews by the sponsor. Additionally, Life Skills High School of Cleveland submitted all documentation required by the sponsor and attended sponsor provided OIP trainings. The sponsor has not requested any corrective action plans for Life Skills High School of Cleveland and will continue to monitor the school as it grows.

LIFE SKILLS CENTER OF CINCINNATI

2612 Gilbert Avenue
Cincinnati, Ohio 45206
(513) 475-0222

Mission:

"The mission of Life Skills Center is to educate, engage and inspire students in a learning environment that models the values of integrity, teamwork, perseverance and personal responsibility, and where respect is the foundation of productive relationships, such that each graduate possesses the knowledge and character to meet the challenges of learning, working and living in the 21st Century. This mission will be served by providing the School's students with an individualized and self-paced program set in a flexible environment that is responsive to its students' needs, and by providing an educational experience that leads to a high school diploma (not a GED) and post-secondary success. The School will provide a comprehensive, positive educational experience that will impart to each student the knowledge, desire, and confidence needed to succeed in reaching his/her goals. The School will strive to motivate, teach, and guide each student through his/her educational growth and development. This will be accomplished by emphasizing the development of both cognitive and social skills. Life Skills Center offers a safe, secure, clean environment, and researched field-tested educational programs which have proven very successful in educating at-risk students."

<ul style="list-style-type: none">✦ Board President: <i>Durk Rorie</i>✦ School Leader: <i>John Horn</i>✦ Opened: <i>1999</i>✦ Ages Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>115</i>✦ Attendance Rate: <i>42.5%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 90.4%</i> <i>White, Non-Hispanic: 9.0%</i>✦ Students with Disabilities: <i>28.2%</i>✦ Economically Disadvantaged: <i>91.3%</i>✦ EMO: <i>White Hat Management</i>
--	--

ACADEMICS

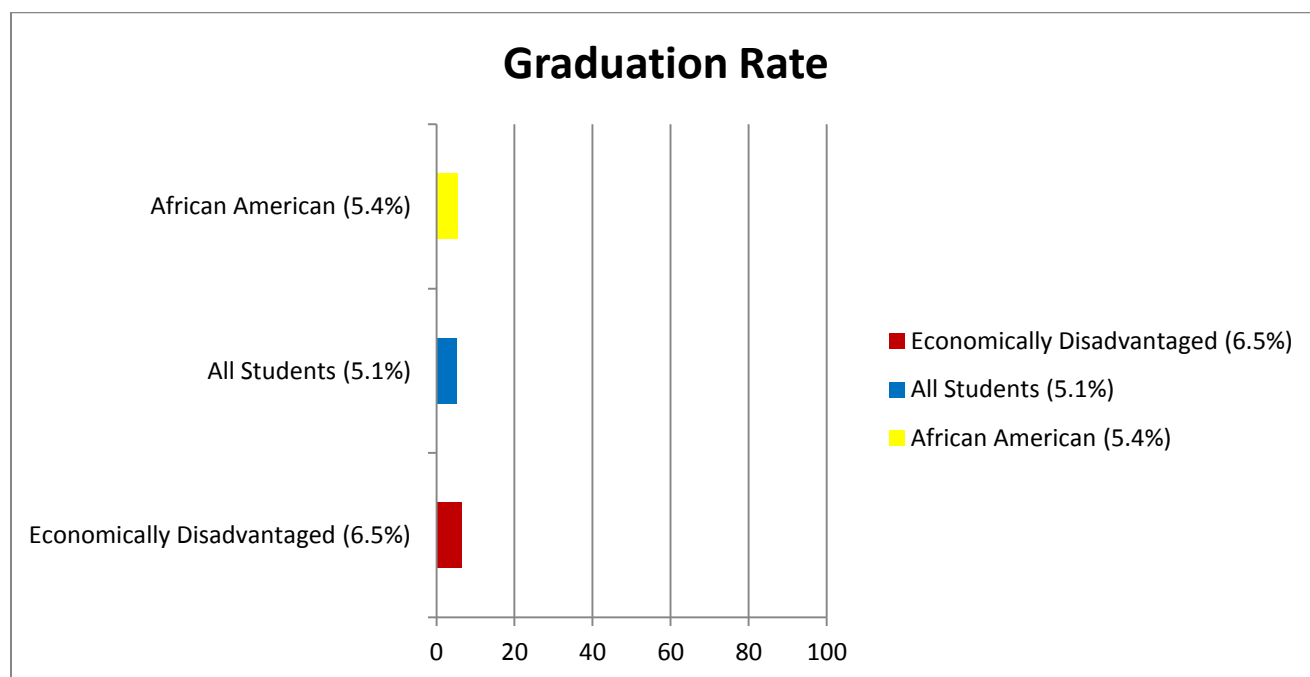
I. Local Report Card

a. High School Test Passage Rate 2013-2014

This school has not been evaluated for High School Assessment Test Passage Rate because there are not enough students to evaluate.

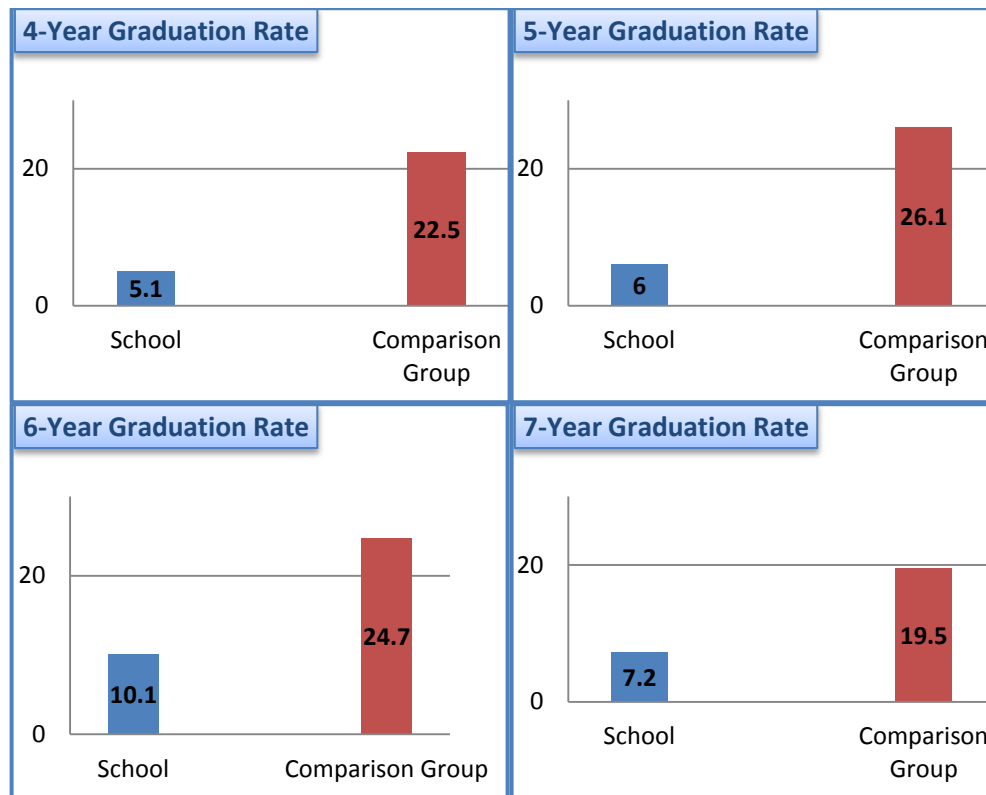
The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 7 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 was not calculated because there were not enough students to calculate. The high school assessment test passage rate for 2012-2013 was not calculated because there were not enough students to calculate.

b. Annual Measurable Objectives (AMOs) 2013-2014



Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 and 2012-2013 this school was not rated for reading or math AMO because there were not enough students to be rated. For 2013-2014, this school received points for a small improvement in graduation rate in each of the rated subgroups. The attendance rate for all students was 42.5%. This school's AMO was 4.1% with a rating of Does Not Meet Standards.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 2.4% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 4 year graduation rate increased slightly to 5.1% and Does Not Meet Standards.

For the 2012-2013 school year, the 5 year graduation rate was 7.2% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 5 year graduation rate decreased slightly to 6.0% and Does Not Meet Standards.

For the 2012-2013 school year, the 6 year graduation rate was 7.2% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 6 year graduation rate increased slightly to 10.1% and Does Not Meet Standards.

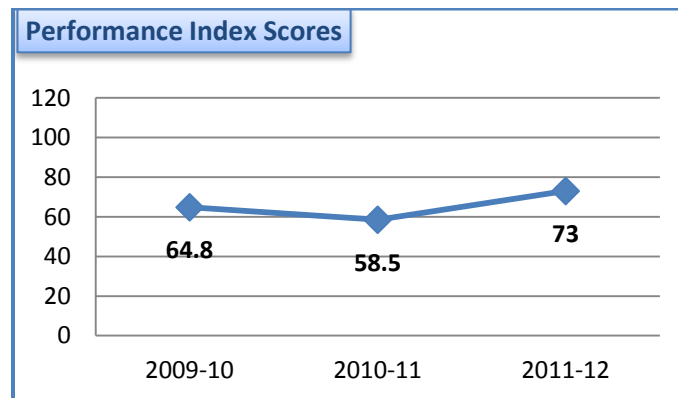
For the 2013-2014 school year, the 7 year graduation rate was 7.2% and Does Not Meet Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	5
2010-11	Yes	6
2011-12	Yes	7
2012-13	Improvement	8
2013-14	Improvement	9

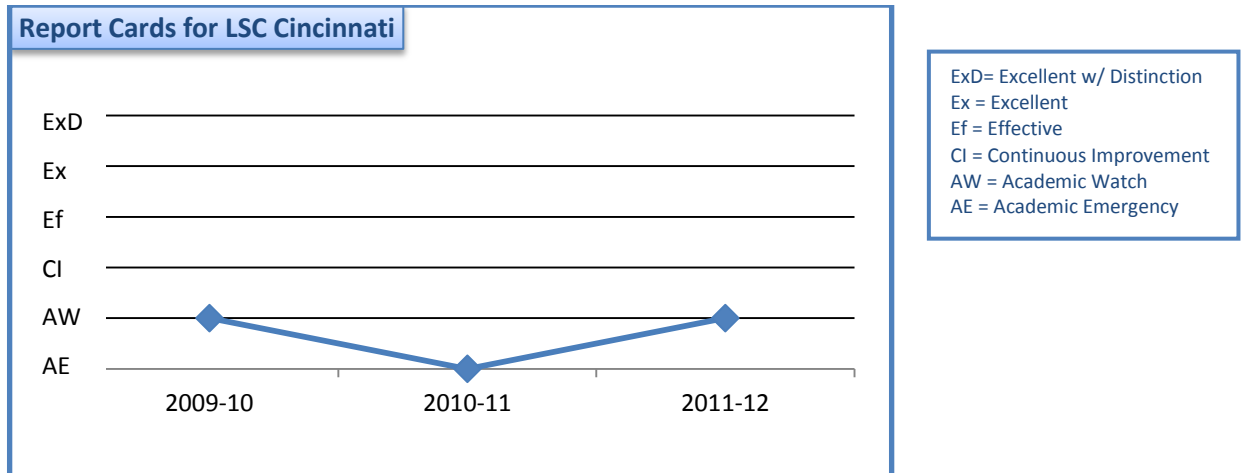
In 2012-2013 this school was designated as an Improvement School, its eighth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. This school was designated an Improvement School again for 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 73 in 2011-2012, 58.5 in 2010-2011 and 64.8 in 2009-2010. The Performance Index has been inconsistent from 2009-2012. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 this school was rated in Academic Watch after having been rated in Academic Emergency in 2010-2011 and in Academic Watch in 2009-2010. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	0
2010-11	12	1
2011-12	12	0

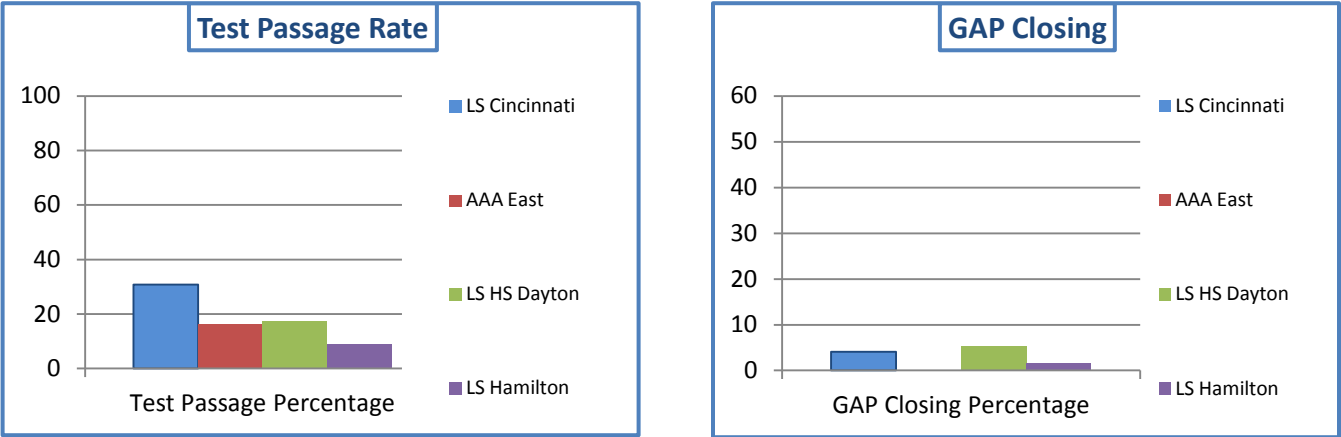
Students at this school have a history of not meeting any of the required state indicators. Historically this school met 0 of 12 required state indicators in 2011-2012, 1 of 12 required state indicators in 2010-2011, and 0 of 12 required state indicators on 2009-2010. This school has consistently failed to meet the required state indicators.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

This school did not meet the standards for the 4, 5, 6 and 7 year graduation rate for the 2013-2014 or 2012-2013 school year. For the 2013-2014 and 2012-2013 school years, improvement in the areas of reading and math for AMOs could not be calculated because there were not enough students. Because of the limited number of students, resulting in insufficient data, the use of data to examine achievement gaps in reading and math is a challenge. It is difficult to analyze academic performance, although the school has a history of not meeting academic indicators in previous report cards. There are still significant gaps between the AMO targets for graduation and the graduation rates. This school made very slight gains in graduation rates for the 2013-2014 school year. Attendance is a significant issue for this school. It will be difficult for this school to improve its passage rate on the 5 required assessments (OGT) with the overall attendance rate of 42.5% for all students. This school's AMO score was 4.1% with a rating of Does Not Meet Standards. This school needs to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on an effective curriculum delivery system for all students and improved professional practice for teachers. This plan also needs to focus on intense interventions for reading and math as well as the other three areas assessed by the OGT. This plan needs to provide a significant assessment of and intervention strategies relating to the barriers to attendance to improve both the AMO scores and student achievement levels. This plan also needs to focus on student retention to enable more students to remain in school for a full academic year.

III. Comparison of Similar Schools



The school’s test passage rate is higher than selected comparison drop-out recovery schools. The school compared similarly with one comparison school in GAP closing percentage and slightly above another comparison school. AAA East was not rated in this measure.

IV. Special Education Services

Based on information gathered during site visits over the past year, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Life Skills Center of Cincinnati.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were used, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 4.23	 3.03	 2.97	 3.39	 4.23

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 76.25	 88.56	 66.67	 66.54	 76.25

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
Not Available	Not Available	Not Available	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.0016)	 (0.0058)	 (0.0079)	 0.0002	 (0.0016)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.0050)	 (0.0042)	 (0.0030)	 (0.0006)	 (0.0016)











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.24	 0.32	 0.34	 0.30	 0.24

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 73,836	 (30,876)	 (21,751)	 (21,209)	 469,015
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 42,960	 (52,627)	 (42,960)	 447,806	 469,015

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	No	Overall Compliant	In Process	No
2012-2013	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor
2011-2012	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor
2010-2011	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor
2009-2010	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor

Comment: Life Skills Center of Cincinnati (LS Cincinnati) has been operating for fifteen years. St. Aloysius has only sponsored LS Cincinnati since 2013. Historically, LS Cincinnati has performed well on state conducted financial audits, having no findings over the past five (5) years. LS Cincinnati also performed well during its first round of on-site compliance visits, being found partially compliant on only one item. LS Cincinnati has complied well in submitting all sponsor required documentation.

LIFE SKILLS CENTER OF COLUMBUS NORTH

1900 Dublin-Granville Road, Suite 200
Columbus, Ohio 43229
614-891-9041

Mission:

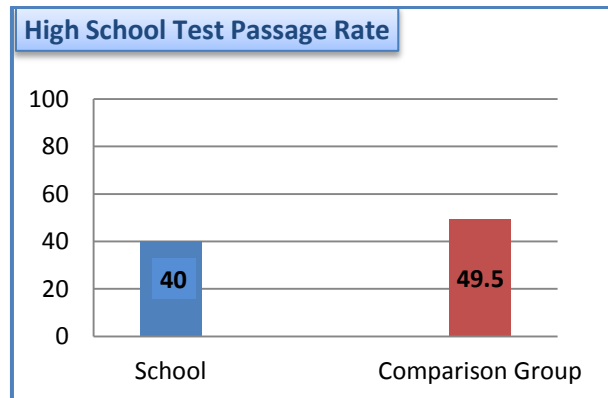
“The mission of Life Skills Center is to educate, engage and inspire students in a learning environment that models the values of integrity, teamwork, perseverance and personal responsibility, and where respect is the foundation of productive relationships, such that each graduate possesses the knowledge and character to meet the challenges of learning, working and living in the 21st Century. This mission will be served by providing the School’s students with an individualized and self-paced program set in a flexible environment that is responsive to its students’ needs, and by providing an educational experience that leads to a high school diploma (not a GED) and post-secondary success. The School will provide a comprehensive, positive educational experience that will impart to each student the knowledge, desire, and confidence needed to succeed in reaching his/her goals. The School will strive to motivate, teach, and guide each student through his/her educational growth and development. This will be accomplished by emphasizing the development of both cognitive and social skills. Life Skills Center offers a safe, secure, clean environment, and researched field-tested educational programs which have proven very successful in educating at-risk students.”

<ul style="list-style-type: none">✦ Board President: <i>Bradley Harshaw</i>✦ School Leader: <i>Joe Buckalew</i>✦ Opened: <i>2006</i>✦ Ages Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>171</i>✦ Attendance Rate: <i>52.8%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 6.4.6%, White, Non-Hispanic: 21.2%, Hispanic: 8.8%</i>✦ Students with Disabilities: <i>6.5%</i>✦ Economically Disadvantaged: <i>78.7%</i>✦ EMO: <i>White Hat Management</i>
--	---

ACADEMICS

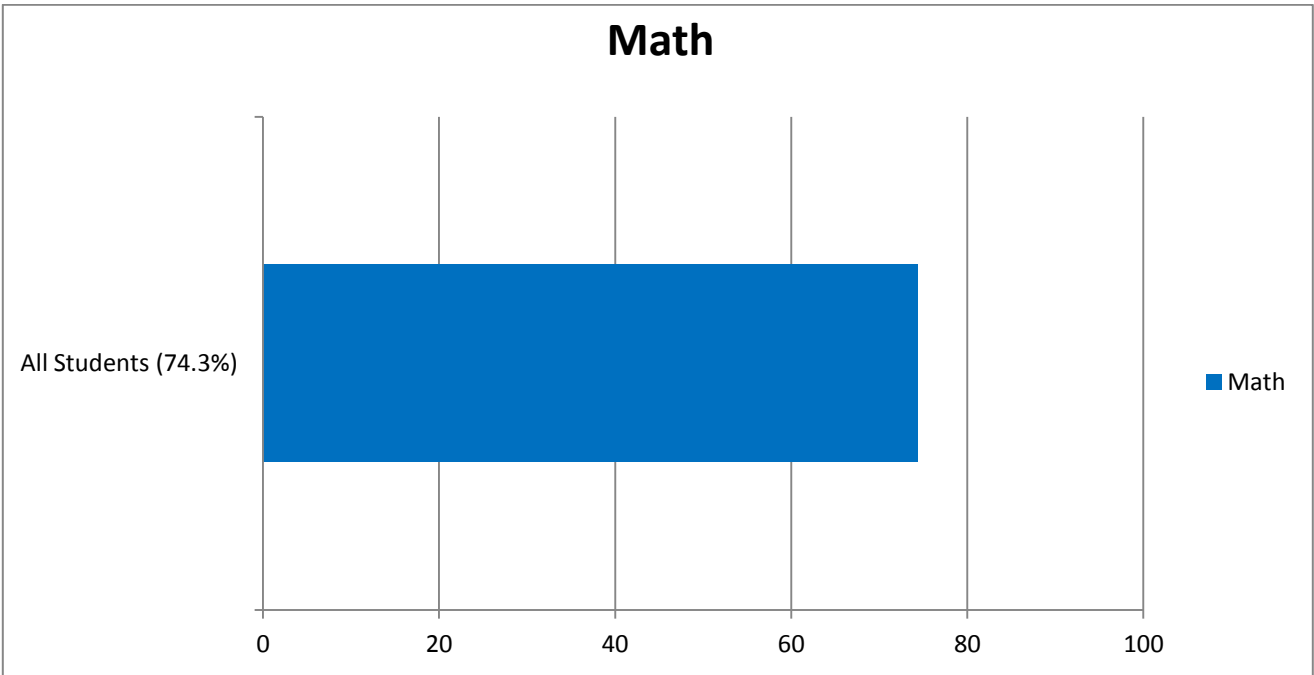
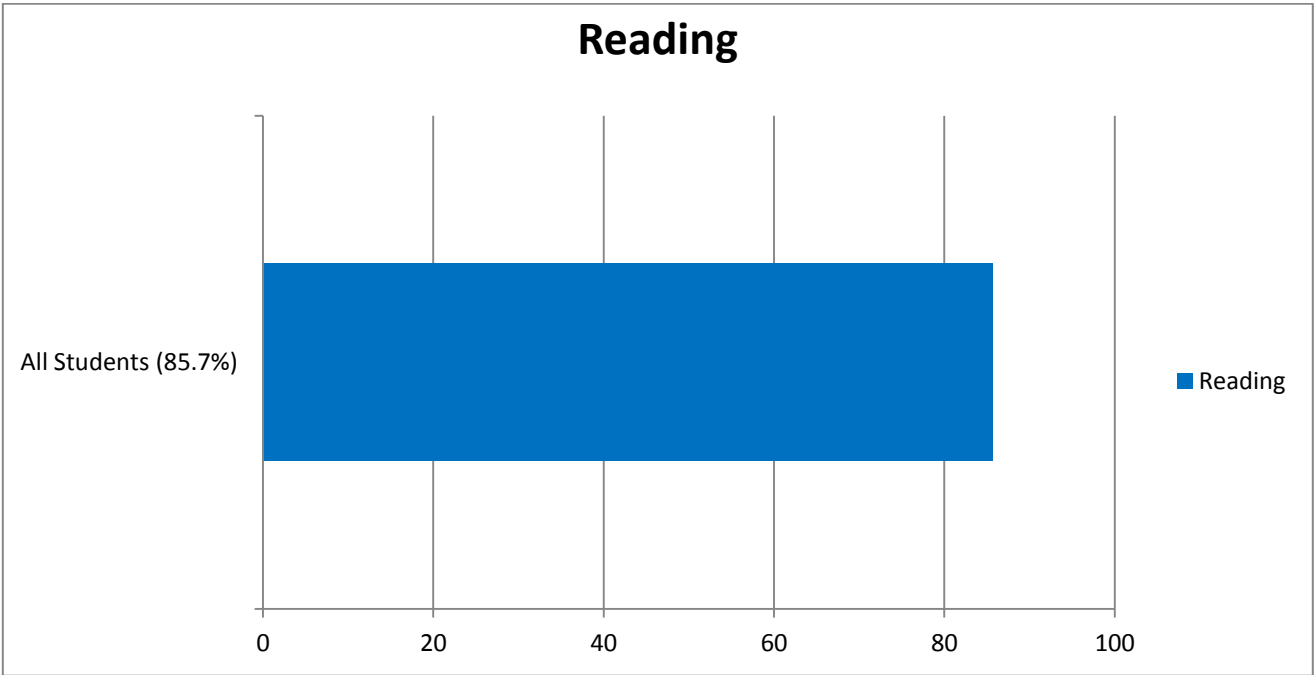
I. Local Report Card

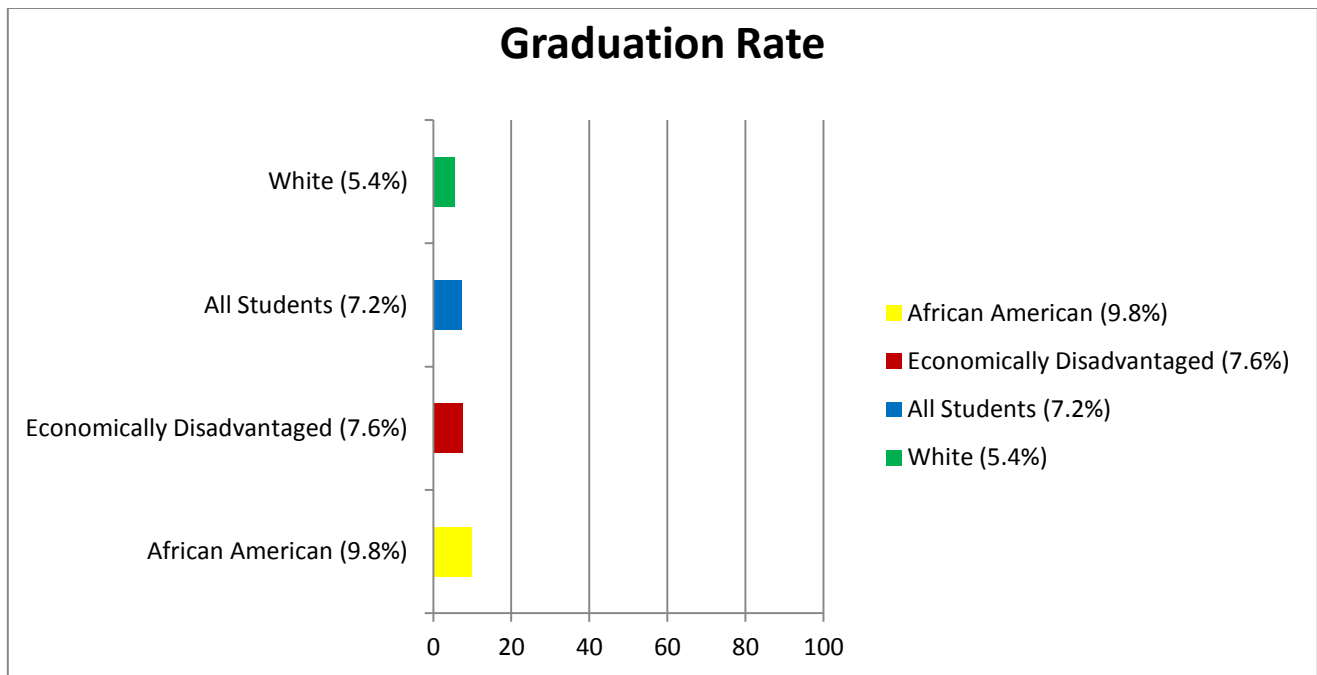
a. High School Test Passage Rate 2013-2014



The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 22 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 40.0% which Meets Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was 7.7% which would have equated to Does Not Meet Standards if a rating had been assigned.

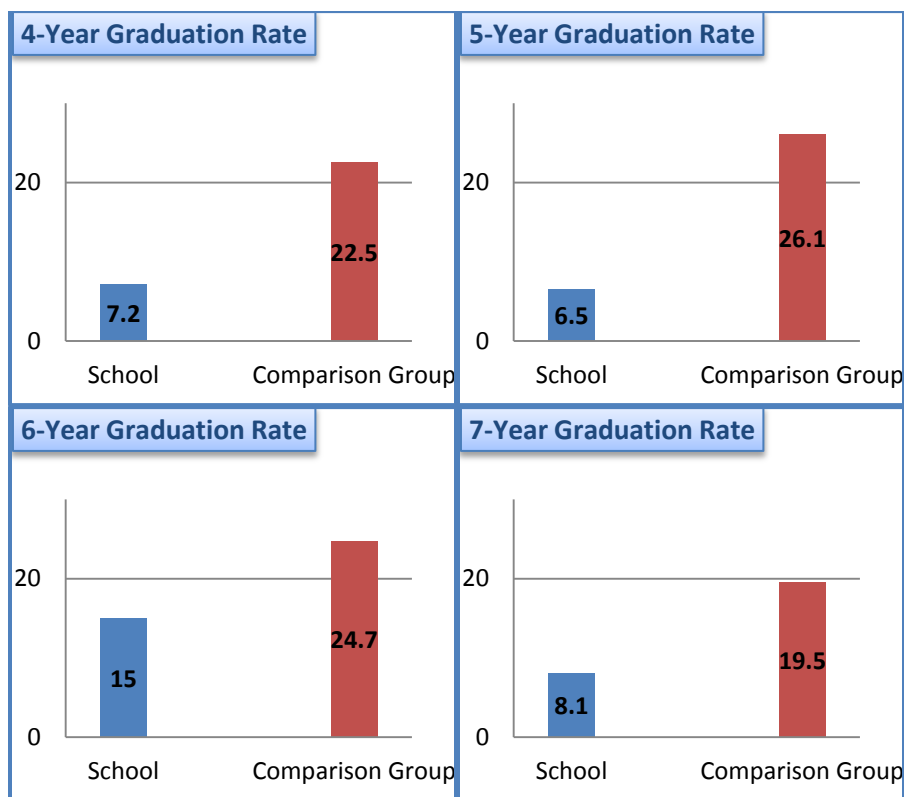
b. Annual Measurable Objectives (AMOs) 2013-2014





Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was 67.6% and Exceeds Standards. For the 2012-2013 school year, this school's AMO was 0% which would have equated to Does Not Meet Standards if a rating had been assigned. For 2013-2014, this school made improvement in reading and exceeded the AMO target in the all subgroups. The all student subgroup was the only rated subgroup. As a result there is no longer an achievement gap in reading in the rated subgroup. There is a small achievement gap between the AMO goal in math and the students' achievement level for the 2013-2014 school year. For 2013-2014, this school showed substantial improvement in math; however, the school still demonstrates a small achievement gap in math in the all students subgroup (the only rated subgroup). This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. The highest attendance rate was 53.1% in in one of the subgroups. This school made gains in graduation rate for AMO in all three of the rated subgroups. There is still a significant gap between the graduation rate for the AMO target and the school's graduation rate.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 6.2% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 4 year graduation rate increased to 7.2% and now Meet Standards.

For the 2012-2013 school year, the 5 year graduation rate was 14.3% which would have equated to Meets Standards if a rating had been assigned. For the 2013-2014 school year, the 5 year graduation rate decreased to 6.5% and now Does Not Meet Standards.

For the 2012-2013 school year the 6 year graduation rate was 8.1% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 6 year graduation rate increased to 15% and now Meet Standards.

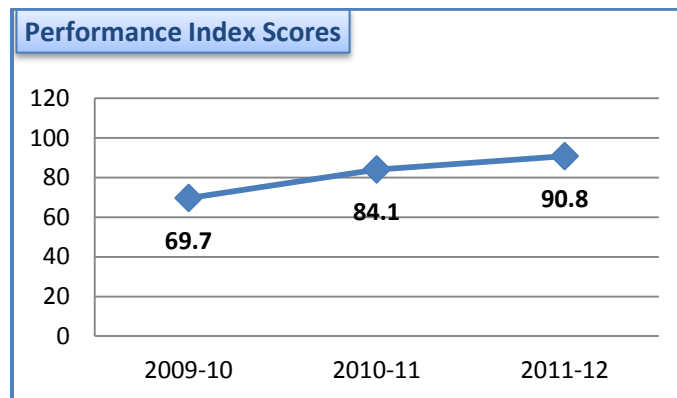
For the 2013-2014 school year the 7 year graduation rate was 8.1% and Does Not Meet Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	3
2010-11	Yes	4
2011-12	Yes	5
2012-13	Improvement	6
2013-14	Improvement	7

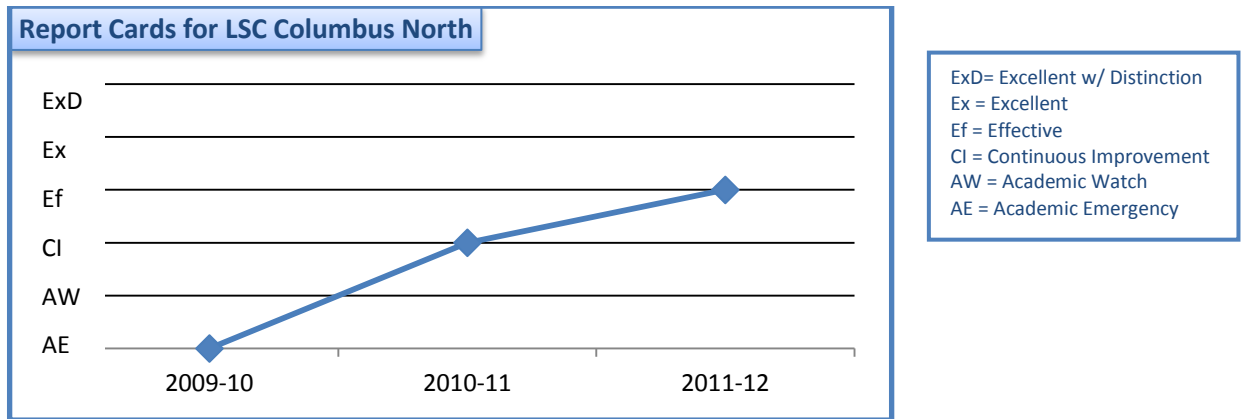
In 2012-2013 this school was designated as an Improvement School, its sixth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. The school was also designated as an Improvement School for 2012-2013 and 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 90.8 in 2011-2012, 84.1 in 2010-2011 and 69.7 in 2009-2010. The Performance Index has demonstrated a significant upward trend. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 this school was rated Effective. In 2010-2011 this school was rated in Continuous Improvement and in 2009-2010 was rated in Academic Emergency. This school has made steady and significant progress. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	7	0
2010-11	12	2
2011-12	9	3

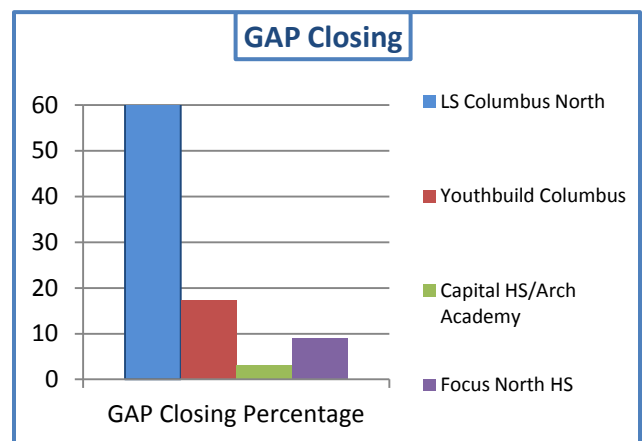
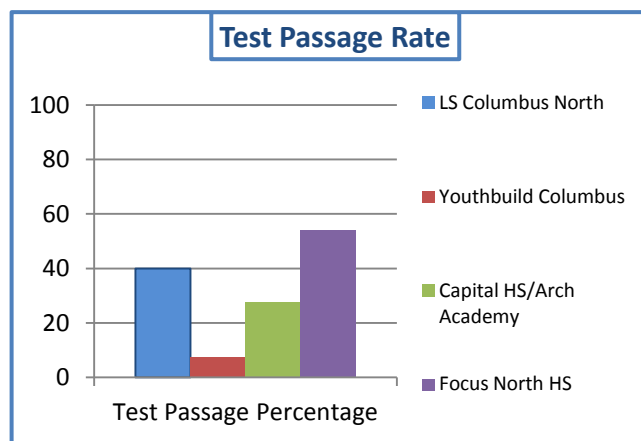
Historically this school met 3 of 9 required state indicators in 2011-2012, 2 of 12 required state indicators in 2010-2011, and 0 of 7 required state indicators on 2009-2010. This school has demonstrated improvement in meeting indicators; however, this school has failed to meet a sufficient number of required state indicators each year.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

For the 2013-2014 school year, this school's AMO score was 67.6% which Exceeds Standards. For 2013-2014, this school made improvement in reading and exceeded the AMO target in the all students subgroup. The all students subgroup was the only rated subgroup. As a result there is no longer an achievement gap in reading in this rated subgroup. For 2013-2014, this school showed substantial improvement in math; however, the school still demonstrates a small achievement gap in math in the all students subgroup (the only rated subgroup). It is important for this school to regularly disaggregate student assessment data to closely monitor its disaggregate groups. Most of this school's disaggregate subgroups did not have enough students to rate for AMO although the numbers were close and could count in the upcoming years. Attendance is an issue for this school. It will be difficult for this school to improve its passage rate on the 5 required assessments (OGT) with the overall attendance rate of 52.4 % for all students. This school has set a positive trajectory for itself. The school should capitalize on the strengths and progress it has demonstrated. This school needs to expand upon the school improvement plan it has developed. This plan needs to focus on interventions for math as well as the other four areas assessed by the OGT, analyze the barriers to attendance and develop a plan for improving student attendance.

III. Comparison of Similar Schools



The school's test passage rate is higher than two selected comparison drop-out recovery schools and below the third comparison school. The school scores well above all comparison schools in GAP closing percentage.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Life Skills of Columbus North.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 3.92	 2.47	 2.63	 1.72	 2.23




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 34.44	 38.48	 34.10	 28.02	 20.74

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.01	 0.77	 0.76	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.019)	 (0.008)	 (0.004)	 0.010	 0.017

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.009)	 0.001	 0.009	 0.013	 0.017











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.23	 0.40	 0.37	 0.57	 0.43

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (23,032)	 (12,154)	 (4,777)	 39,606	 113,093
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (35,186)	 (16,931)	 34,829	 152,699	 113,093

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	No	Overall Compliant	In process	No
2012-2013	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	Yes
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Partially Compliant	No findings	Yes

Comment: Life Skills Center of Columbus North (LS Columbus North) is currently operating in its ninth year. Over the past five (5) years, LS Columbus North has performed well on state conducted financial audits, receiving only minor comments resulting in corrective action plans. During 2009-2010, LS Columbus North was found non-compliant on two (2) items during on-site reviews conducted by the sponsor. However, these items were fully corrected and LS Columbus North has been found overall compliant in subsequent years. Historically, LS Columbus North has provided all documentation required by the sponsor. Additionally, LS Columbus North has attended all OIP trainings provided by the sponsor. LS Columbus North has required few charter modifications and operates well within the bounds of the charter as established.

LIFE SKILLS CENTER OF COLUMBUS SOUTHEAST

2400 S. Hamilton Road
Columbus, Ohio 43232
614-863-9175

Mission:

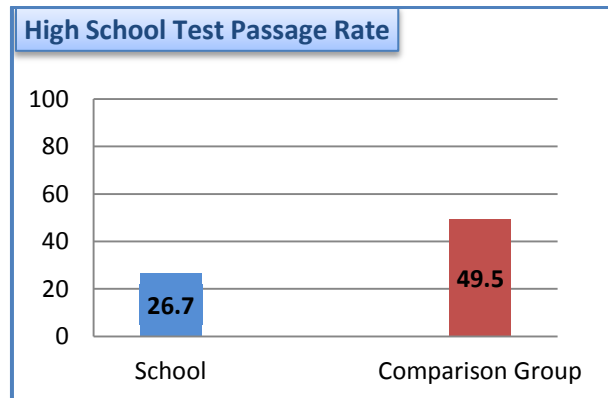
“The mission of Life Skills Center is to educate, engage and inspire students in a learning environment that models the values of integrity, teamwork, perseverance and personal responsibility, and where respect is the foundation of productive relationships, such that each graduate possesses the knowledge and character to meet the challenges of learning, working and living in the 21st Century. This mission will be served by providing the School’s students with an individualized and self-paced program set in a flexible environment that is responsive to its students’ needs, and by providing an educational experience that leads to a high school diploma (not a GED) and post-secondary success. The School will provide a comprehensive, positive educational experience that will impart to each student the knowledge, desire, and confidence needed to succeed in reaching his/her goals. The School will strive to motivate, teach, and guide each student through his/her educational growth and development. This will be accomplished by emphasizing the development of both cognitive and social skills. Life Skills Center offers a safe, secure, clean environment, and researched field-tested educational programs which have proven very successful in educating at-risk students.”

<ul style="list-style-type: none">✦ Board President: <i>Bradley Harshaw</i>✦ School Leader: <i>Eunique Seifullah</i>✦ Opened: <i>2004</i>✦ Grades Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>162</i>✦ Attendance Rate: <i>55.9%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 68.3%, White, Non-Hispanic: 17.7%, Multiracial: 8.0%</i>✦ Students with Disabilities: <i>12.5%</i>✦ Economically Disadvantaged: <i>67.4%</i>✦ EMO: <i>White Hat Management</i>
---	--

ACADEMICS

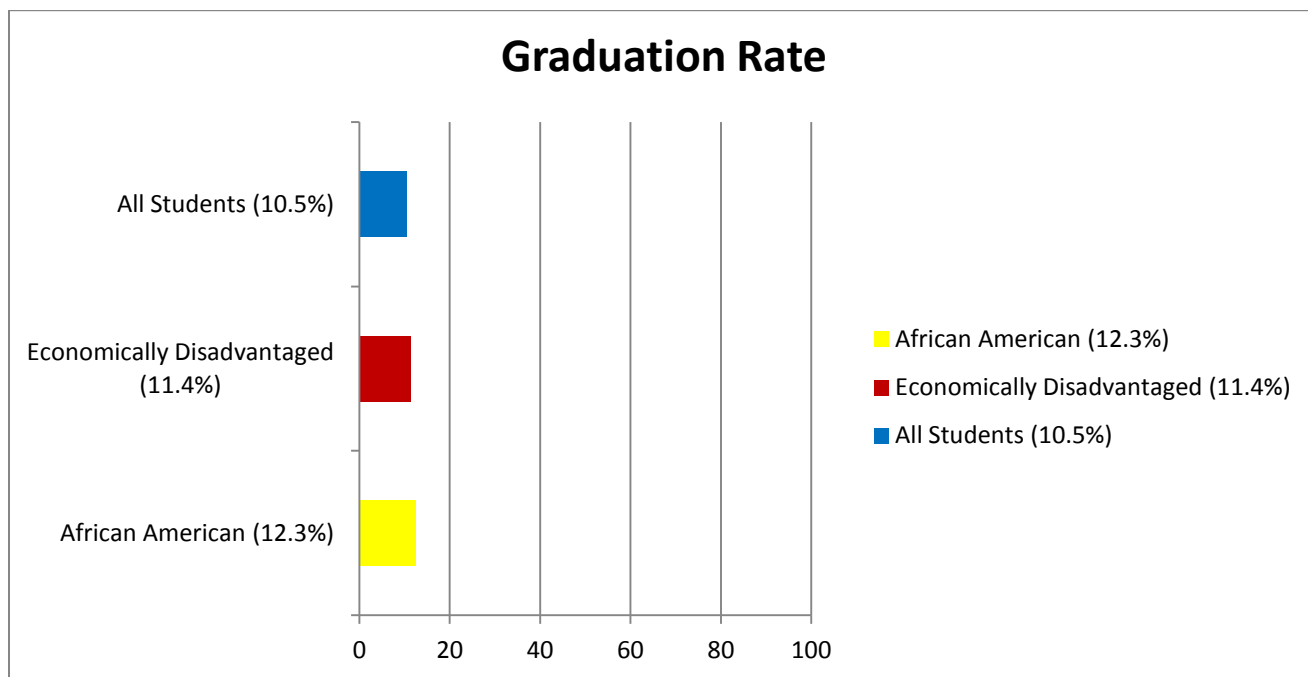
I. Local Report Card

a. High School Test Passage Rate 2013-2014



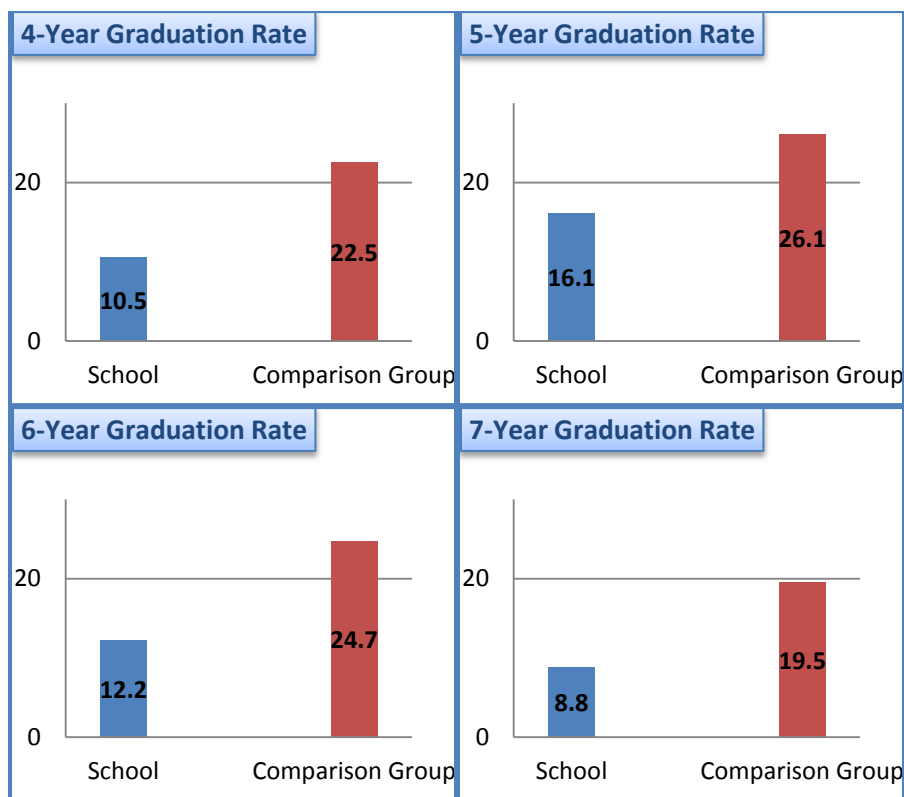
The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 10 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 26.7% which Meets Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was 30.4% which would have equated to Meets Standards if a rating was assigned.

b. Annual Measurable Objectives (AMOs) 2013-2014



Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was not rated in reading and math because there were not enough students in any subgroups from the 2013-2014 school year for comparison to demonstrate progress from the previous year. Although the AMO was not rated, the data demonstrates significant achievement gaps in both reading and math. This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. The attendance rate for all students was 55.9%. This school's AMO score was 6.2 with a rating of rating from Meeting Standards. This school made gains in graduation rate for AMO in all of the three rated subgroups. There remains a significant gap between the AMO target for graduation and the school's graduation rate.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year the 4 year graduation rate was 8% which would have equated to Meets Standards if a rating was assigned. For the 2013-2014 school year, the 4 year graduation rate increased to 10.5% and Meets Standards.

For the 2012-2013 school year, the 5 year graduation rate was 9.6% which would have equated to Does Not Meet Standards if a rating was assigned. For the 2013-2014 school year, the 5 year graduation rate increased to 16.1% and now Meets Standards.

For the 2012-2013 school year, the 6 year graduation rate was 8.8% and which equates to Does Not Meet Standards if a rating was assigned. For the 2013-2014 school year, the 6 year graduation rate increased to 12.2% and now Meets Standards.

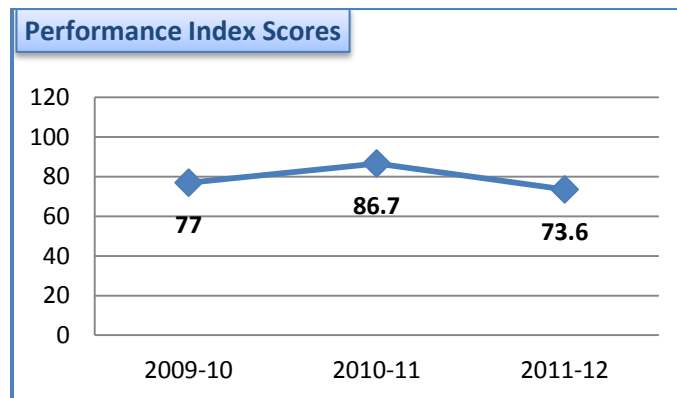
For the 2013-2014 school year the 7 year graduation rate was 8.8% and Did Not Meet Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	4
2010-11	Yes	5
2011-12	Yes	6
2012-13	Improvement	7
2013-14	Improvement	8

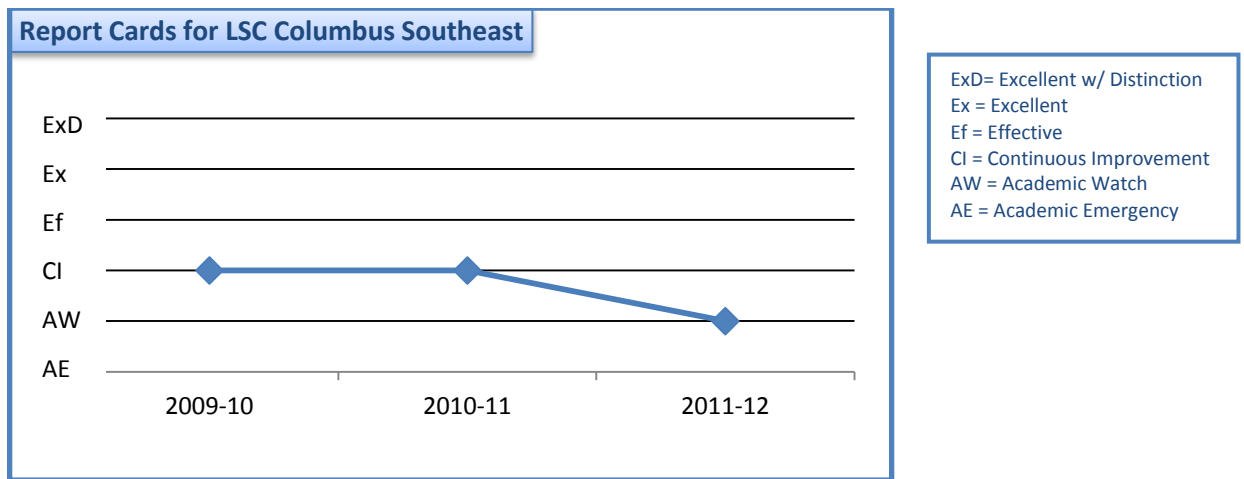
In 2012-2013 this school was designated as an Improvement School, its seventh year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. This school was designated as an Improvement School for 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 73.6 in 2011-2012, 86.7 in 2010-2011 and 77 in 2009-2010. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 this school was rated in Academic Watch after having been rated In Continuous Improvement in 2010-2011 and 2009-2010. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards which will be provided in the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	3
2010-11	12	6
2011-12	12	0

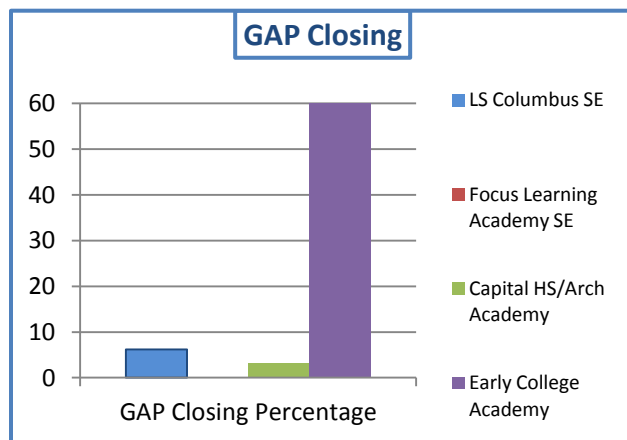
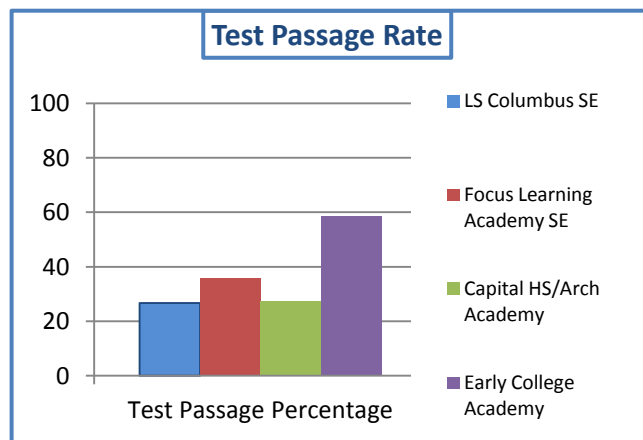
Historically this school met 0 of 12 required state indicators in 2011-2012, 6 of 12 required state indicators in 2010-2011, and 3 of 12 required state indicators on 2009-2010.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

This school did meet the 4, 5, and 6 year graduation rate for the 2013-2014 school year. In 2013-2014, the school did not have a sufficient number of students to compare with the students' scores in reading and math from the 2012-2013 school year. The data indicates that there are significant achievement gaps in both reading and math. Attendance is a significant issue for this school. It will be difficult for this school to improve its rate on the 5 required assessments (OGT) with the overall attendance rate of 55.9% for all students. This school needs to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on an effective curriculum delivery system for all students and improved professional practice for teachers. This plan needs to focus on intense interventions for reading and math as well as the other three areas assessed by the OGT. Instructional delivery needs to focus on improving achievement in both reading and math to close achievement gaps in both subjects. This plan needs to provide a significant assessment of and intervention strategies relating to the barriers to attendance to improve both the AMO scores and student achievement levels.

III. Comparison of Similar Schools



The school's test passage rate compares similarly to one selected comparison drop-out recovery school and is below the two other comparison schools. The school scores well below a comparison school in GAP closing percentage and slightly above another comparison school. Focus Learning Academy SE was not rated in GAP closing.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Life Skills Center of Columbus SE.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 2.41	 1.70	 1.62	 1.73	 1.79




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 24.13	 25.37	 25.55	 25.35	 27.05

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.86	 0.76	 0.87	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.022)	 (0.012)	 (0.007)	 0.007	 0.011

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.013)	 (0.003)	 0.004	 0.009	 0.011











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.37	 0.58	 0.61	 0.57	 0.54

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (27,218)	 (29,523)	 (10,931)	 (6,385)	 161,615
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (56,741)	 (40,454)	 (17,316)	 155,230	 161,615

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	No	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	NO	No	No	Overall Compliant	No findings	Yes

Comment: Life Skills Center of Columbus Southeast (LS Columbus SE) is currently operating in its eleventh year. In general, LS Columbus SE has performed well during on-site reviews conducted by the sponsor, with only minor items being found partially compliant during the past two (2) years. LS Columbus SE was found to be partially compliant with EMIS reporting in 2009-2010 resulting in a corrective action plan, but this issue has been rectified in all subsequent years. Historically, LS Columbus SE has submitted all documentation required by the sponsor. LS Columbus SE has also performed well on state conducted financial audits, having only one corrective action plan for minor audit issues and no findings. LS Columbus SE requests very few charter modifications and operates well within the bounds of the current charter.

LIFE SKILLS CENTER OF DAYTON

**1721 N. Main Street
Dayton, Ohio 45405
937-274-2841**

Mission:

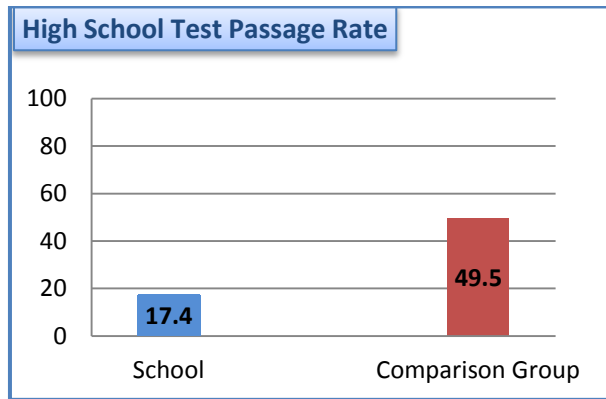
“The mission of Life Skills Center is to educate, engage and inspire students in a learning environment that models the values of integrity, teamwork, perseverance and personal responsibility, and where respect is the foundation of productive relationships, such that each graduate possesses the knowledge and character to meet the challenges of learning, working and living in the 21st Century. This mission will be served by providing the School’s students with an individualized and self-paced program set in a flexible environment that is responsive to its students’ needs, and by providing an educational experience that leads to a high school diploma (not a GED) and post-secondary success. The School will provide a comprehensive, positive educational experience that will impart to each student the knowledge, desire, and confidence needed to succeed in reaching his/her goals. The School will strive to motivate, teach, and guide each student through his/her educational growth and development. This will be accomplished by emphasizing the development of both cognitive and social skills. Life Skills Center offers a safe, secure, clean environment, and researched field-tested educational programs which have proven very successful in educating at-risk students.”

✦ Board President: <i>Debbie Clements-Carter</i>	✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 74.4%, White, Non-Hispanic: 17.7%, Multiracial: 6.8%</i>
✦ School Leader: <i>James Brown</i>	✦ Students with Disabilities: <i>17.3%</i>
✦ Opened: <i>2005</i>	✦ Economically Disadvantaged: <i>89.7%</i>
✦ Ages Served: <i>16-21</i>	✦ EMO: <i>White Hat Management</i>
✦ Enrollment from 2013-14: <i>283</i>	
✦ Attendance Rate: <i>42.1%</i>	

ACADEMICS

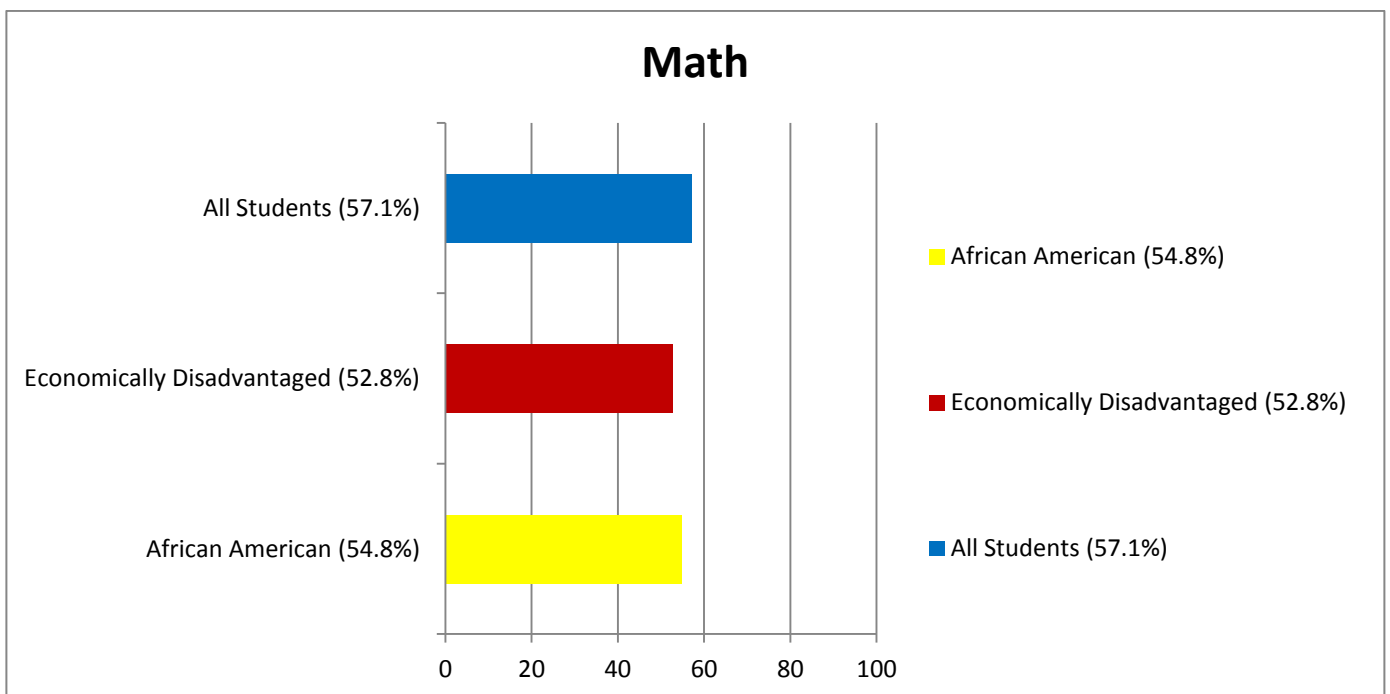
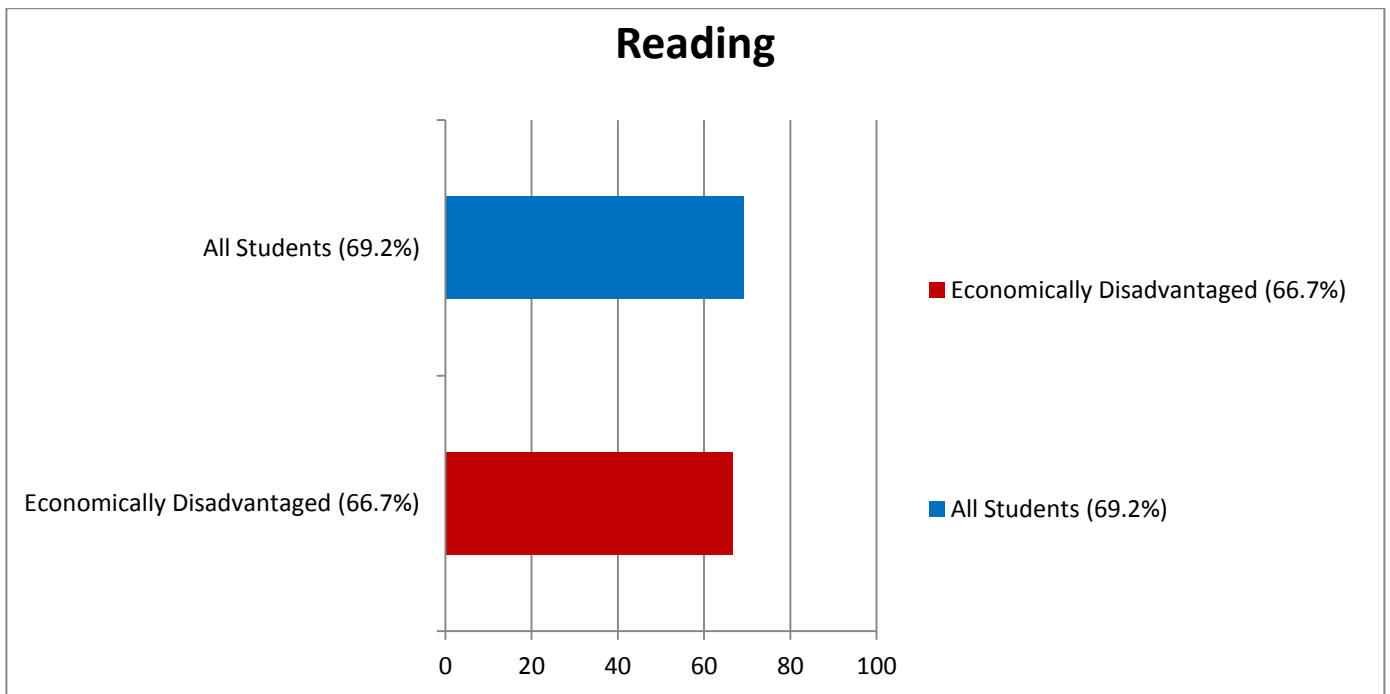
I. Local Report Card

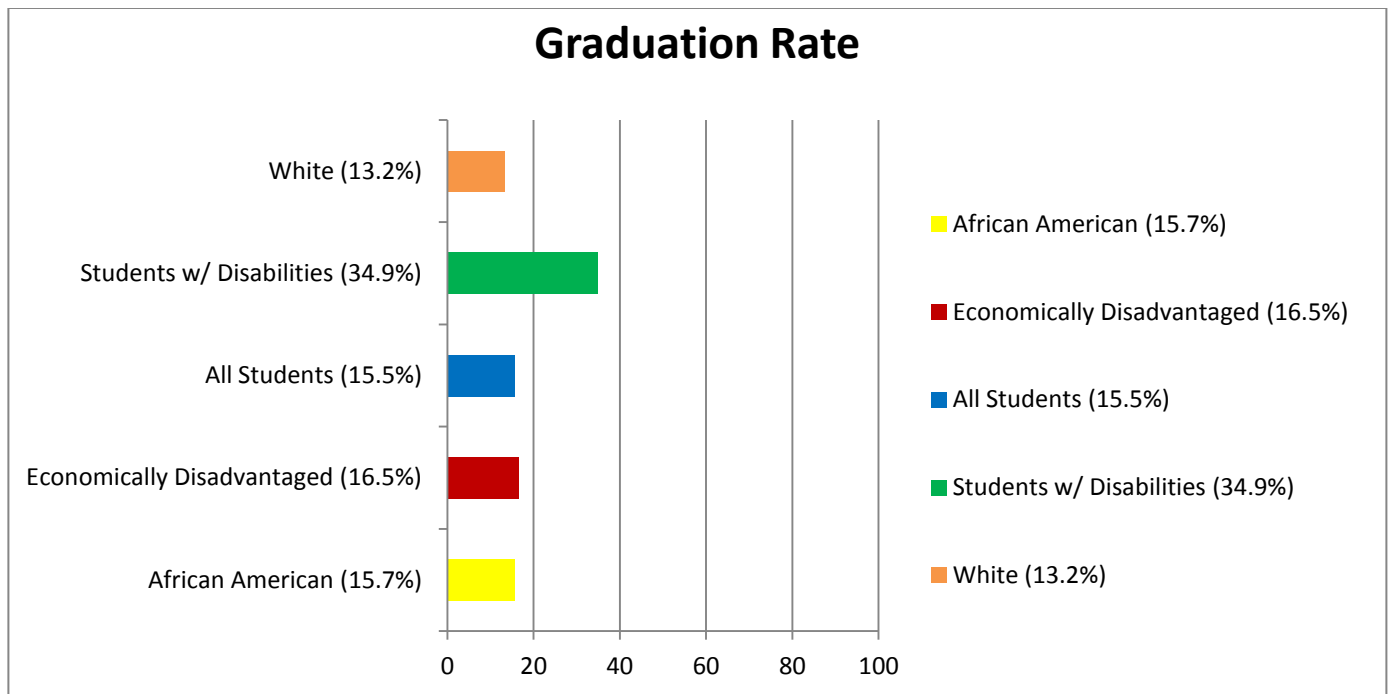
a. High School Test Passage Rate 2013-2014



The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 20 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 17.4% which Does Not Meet Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was 26.1% which would have equated to Meets Standards if ratings had been assigned.

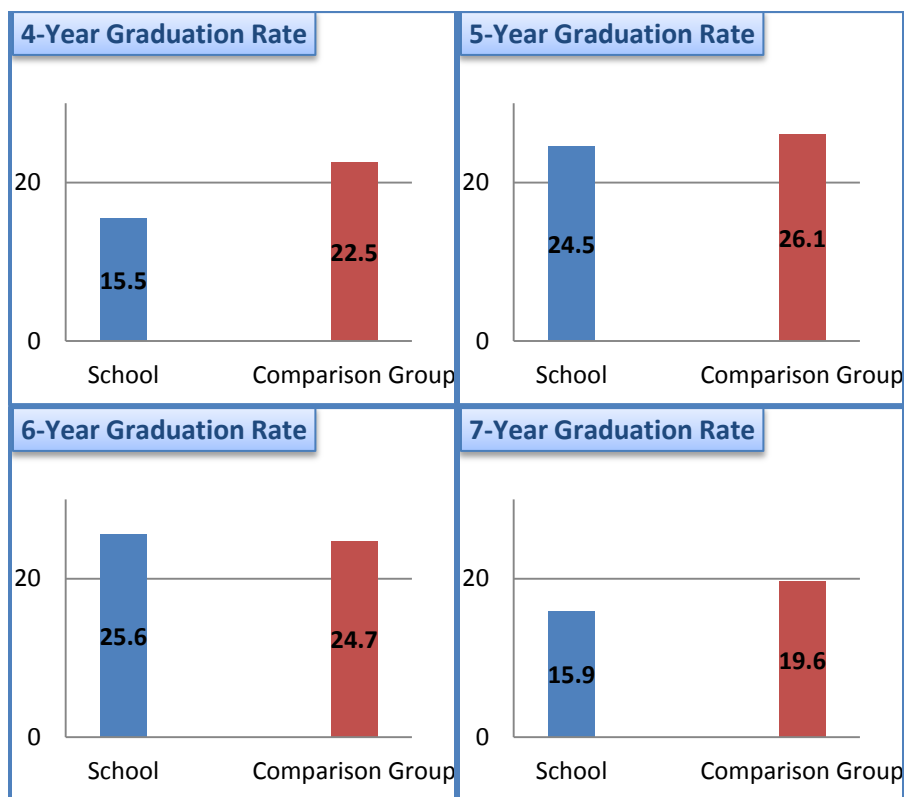
b. Annual Measurable Objectives (AMOs) 2013-2014





Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school demonstrated improvement in the all students subgroup in reading and math. The all students subgroup was the only subgroup rated for this school the 2013-2014 school year. There are still significant achievement gaps between the AMO targets and student achievement in both subjects. In reading the gap is 14.2 and in math the gap is 21.4 in the all student subgroup. This school did not meet the minimum attendance rate of 75%. The attendance rate for all students was 42.2%. This school's final AMO rating for 2013-2014 is 5.4 Meets Standards. This school lost ground in graduation rate for AMO in each of the 5 rated subgroups. There remains a significant achievement gap between the AMO target for graduation and the school's graduation rate.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year the 4 year graduation rate was 17.6% which would have equated to Meets Standards if ratings had been assigned. For the 2013-2014 school year, the 4 year graduation rate decreased slightly to 15.5% and Meets Standards.

For the 2012-2013 school year the 5 year graduation rate was 21.8% which would have equated to Meets Standards if ratings had been assigned. For the 2013-2014 school year, the 5 year graduation rate increased to 24.5% and Meets Standards.

For the 2012-2013 school year the 6 year graduation rate was 15.9% which would have equated to Meets Standards if ratings had been assigned. For the 2013-2014 school year, the 6 year graduation rate increased to 25.6% and Meets Standards.

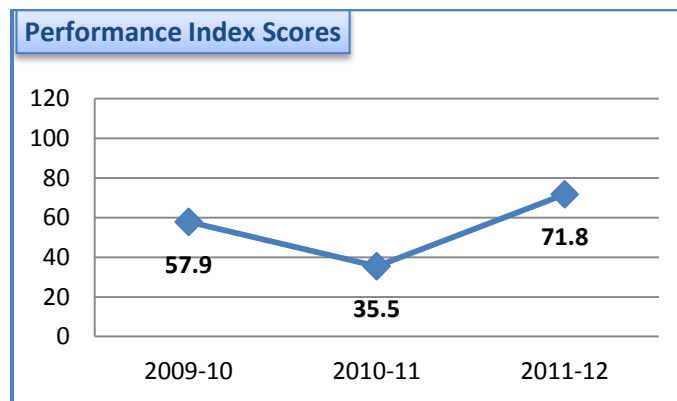
For the 2013-2014 school year the 7 year graduation rate was 15.9% and Meets Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	4
2010-11	Yes	5
2011-12	Yes	6
2012-13	Improvement	7
2013-14	Improvement	8

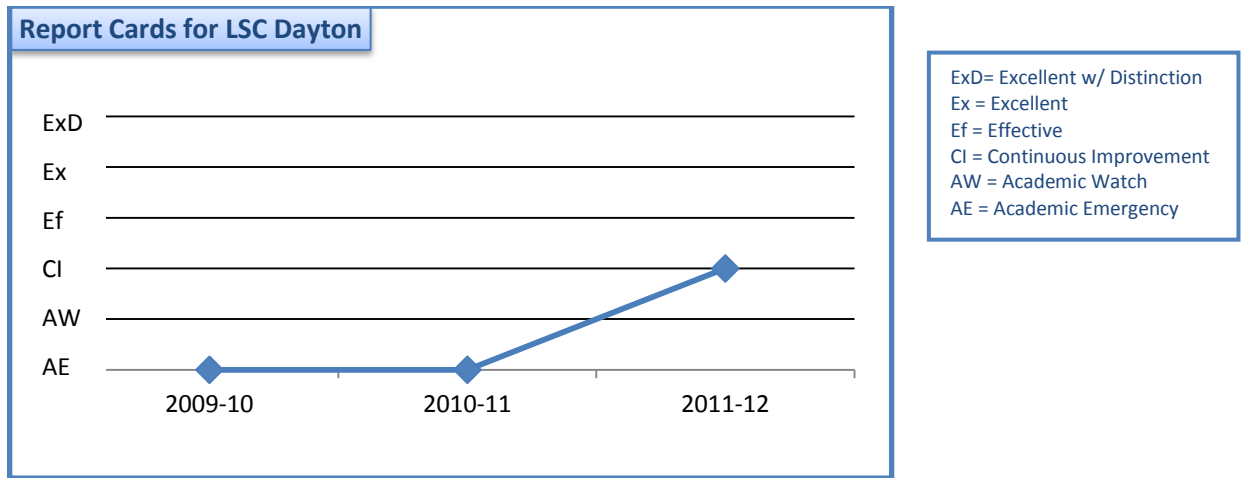
In 2012-2013 this school was designated as an Improvement School, its seventh year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. This school was designated as an Improvement School again in 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 71.8 in 2011-2012, 35.5 in 2010-2011 and 57.9 in 2009-2010. For 2010-2011, the school experienced a data entry error in calculating the performance index score. Without this error, the school has experienced steady improvement in this measure. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 this school was rated in Continuous Improvement after having been rated In Academic Emergency in 2010-2011 and 2009-2010. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	0
2010-11	12	0
2011-12	12	0

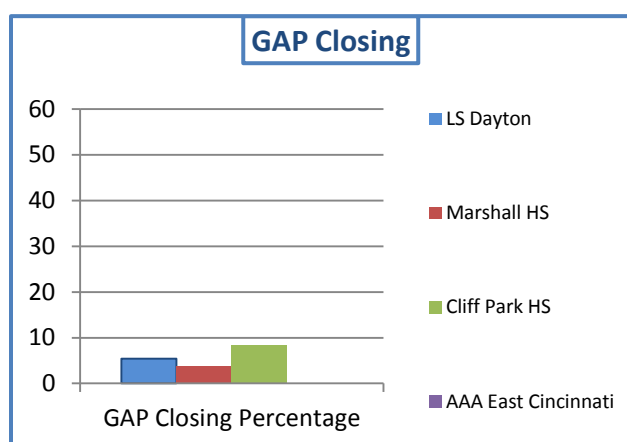
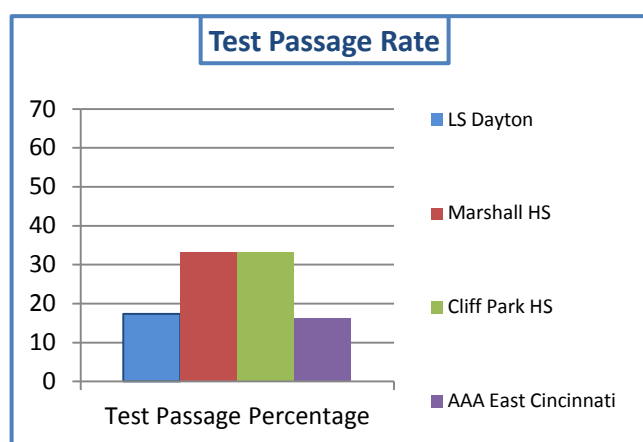
Students at this school have a history of not meeting any of the required state indicators. Historically this school met 0 of 12 required state indicators in 2011-2012, 0 of 12 required state indicators in 2010-2011, and 0 of 12 required state indicators on 2009-2010. This school has consistently failed to meet the required state indicators.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

This school met the standards for the 4, 5, 6 and 7 year graduation rate for the 2013-2014 school year and met the standards for all of the graduation rates for the 2012-2013 school year. For the 2013-2014 school year, this school demonstrated improvement in the all students subgroups in reading and math. The all students subgroup was the only subgroup rated for this school in the 2013-2014 school year. There are still significant achievement gaps between the AMO targets and student achievement in both subjects. In reading the gap is 14.2 and in math the gap is 21.4 in the all student subgroup. Attendance is a significant issue for this school. It will be difficult for this school to improve its rate on the 5 required assessments (OGT) with the overall attendance rate of 42.2% for all students. This school did not meet the minimum attendance rate of 75%. The final AMO rating for 2013-2014 is Meets Standards. This school needs to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on an effective curriculum delivery system for all students and improved professional practice for teachers. This plan needs to focus on intense interventions for reading and math as well as the other three areas assessed by the OGT. Instructional delivery need to focus on improving achievement in both reading and math to close achievement gaps in both subjects. This plan needs to provide a significant assessment of and intervention strategies relating to the barriers to attendance to improve both the AMO scores and student achievement levels.

III. Comparison of Similar Schools



The school's test passage rate is slightly above one selected comparison drop-out recovery school and below the two other comparison schools. The school scores similarly to two comparison schools in GAP closing percentage. AAA East Cincinnati was not rated in GAP closing.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Life Skills Center of Dayton.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.68	 1.55	 1.41	 2.05	 2.07




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 82.87	 45.37	 35.76	 36.09	 32.47

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.11	 0.89	 0.87	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.010)	 0.014	 (0.014)	 0.005	 0.004

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.002)	 0.002	 (0.003)	 0.004	 0.004











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.58	 0.63	 0.68	 0.44	 0.40

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 59,713	 158,414	 60,398	 58,430	 265,142
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 218,127	 218,812	 118,828	 323,572	 265,142

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	No	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	Yes
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	Ni	No	No	Overall Compliant	Yes	No

Comment: Life Skills Center of Dayton (LS Dayton) is in its ninth year of operation. Overall, LS Dayton has performed very well during on-site reviews conducted by the sponsor. LS Dayton was the first St. Aloysius school to develop a wikispace to maintain all compliance data. In general, LS Dayton has also performed well on state conducted financial audits, only receiving findings in 2009-2010. These findings were fully corrected before the next audit period. LS Dayton has submitted a corrective action plan to the sponsor regarding a low performance index score related to testing of students. LS Dayton immediately corrected this issue and has not experienced any difficulty in this area over the past (2) years. LS Dayton also submits all required documentation to the sponsor in a timely manner.

LIFE SKILLS CENTER OF ELYRIA

2015 W. River Road North
Elyria, Ohio 44035
440-324-1755

Mission:

“The mission of Life Skills Center is to educate, engage and inspire students in a learning environment that models the values of integrity, teamwork, perseverance and personal responsibility, and where respect is the foundation of productive relationships, such that each graduate possesses the knowledge and character to meet the challenges of learning, working and living in the 21st Century. This mission will be served by providing the School’s students with an individualized and self-paced program set in a flexible environment that is responsive to its students’ needs, and by providing an educational experience that leads to a high school diploma (not a GED) and post-secondary success. The School will provide a comprehensive, positive educational experience that will impart to each student the knowledge, desire, and confidence needed to succeed in reaching his/her goals. The School will strive to motivate, teach, and guide each student through his/her educational growth and development. This will be accomplished by emphasizing the development of both cognitive and social skills. Life Skills Center offers a safe, secure, clean environment, and researched field-tested educational programs which have proven very successful in educating at-risk students.”

<ul style="list-style-type: none">✦ Board President: <i>George Wakeman</i>✦ School Leader: <i>Crystal Garmon</i>✦ Opened: <i>2002</i>✦ Grades Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>No data available</i>✦ Attendance Rate: <i>No data available</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>No data available</i>✦ Students with Disabilities: <i>No data available</i>✦ Economically Disadvantaged: <i>No data available</i>✦ EMO: <i>White Hat Management</i>
---	--

ACADEMICS

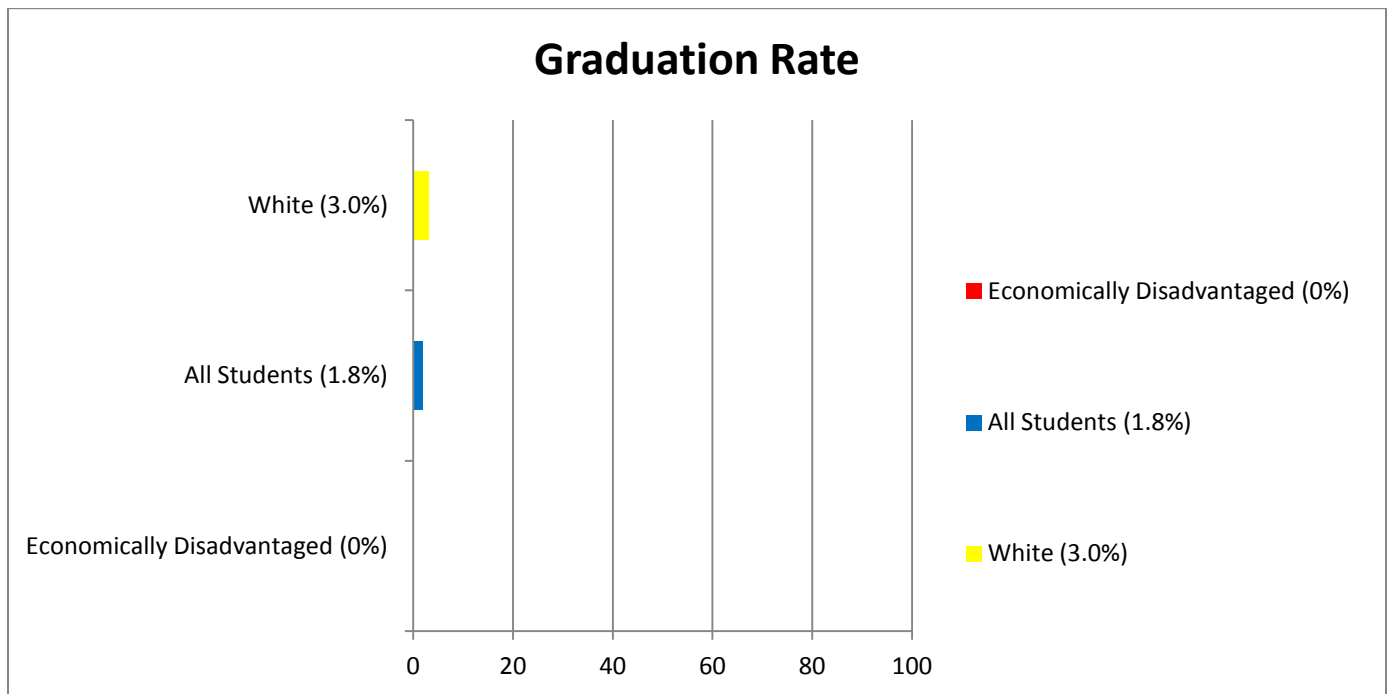
I. Local Report Card

a. High School Test Passage Rate 2013-2014

This school has not been evaluated for High School Assessment Test Passage Rate because there are not enough students to evaluate.

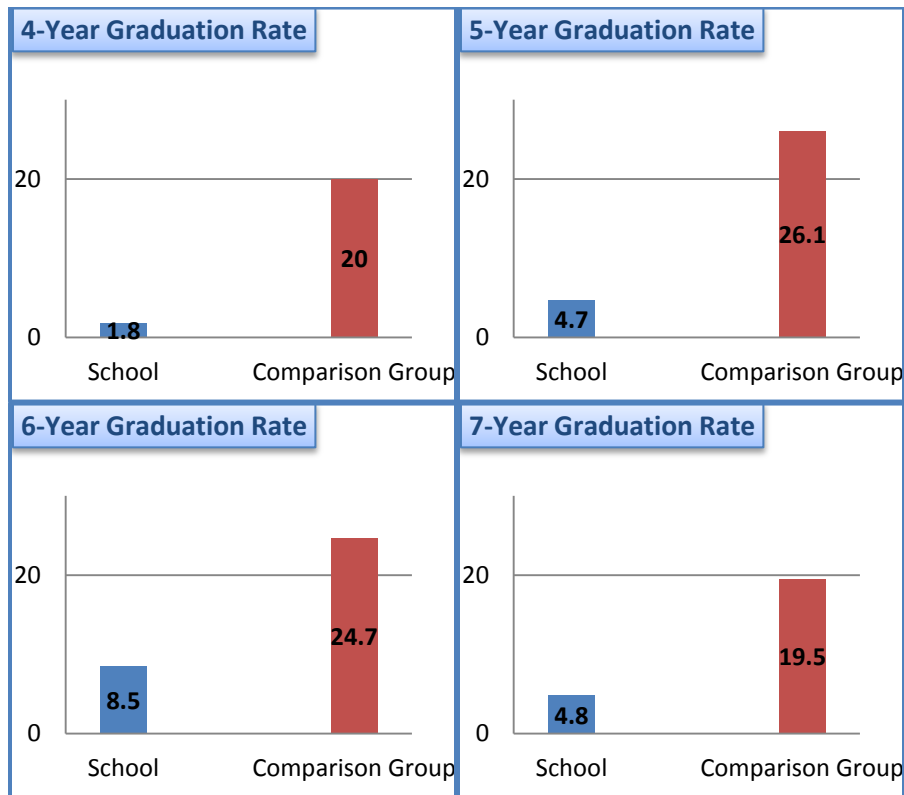
The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 5 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was not rated because there were not enough students to rate. The high school assessment test passage rate for 2012-2013 was not rated because there were not enough students to rate.

b. Annual Measurable Objectives (AMOs) 2013-2014



Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school was not rated for reading and math AMOs. The data does indicate that some subgroups are approaching the AMO targets in reading for both the 2013-2014 and 2012-2013 school years. The data for both of those school years also indicates that there are achievement gaps in math that need to be addressed. The participation rate for the 2013-2014 school year was not rated because there were not enough students to rate. This school made no gain in one subgroup and incremental gains (0.8 and 1.1) in two other subgroups in graduation rate for AMO in 2013-2014. There are significant gaps in graduation rate between the AMO target for graduation and the school's graduation rate. The final AMO rating for 2013-2014 is 0.8% and Does Not Meet Standards.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 1% which would have equated to Does Not Meet Standards if ratings had been assigned. For the 2013-2014 school year, the 4 year graduation rate increased slightly to 1.8% and still Does Not Meets Standards.

For the 2012-2013 school year, the 5 year graduation rate was 7.8% which would have equated to Does Not Meet Standards if ratings had been assigned. For the 2013-2014 school year, the 5 year graduation rate decreased to 4.7 % and still Does Not Meets Standards.

For the 2012-2013 school year, the 6 year graduation rate was 4.8% which would have equated to Does Not Meet Standards if ratings had been assigned. For the 2013-2014 school year, the 6 year graduation rate increased to 8.5% and still Does Not Meets Standards.

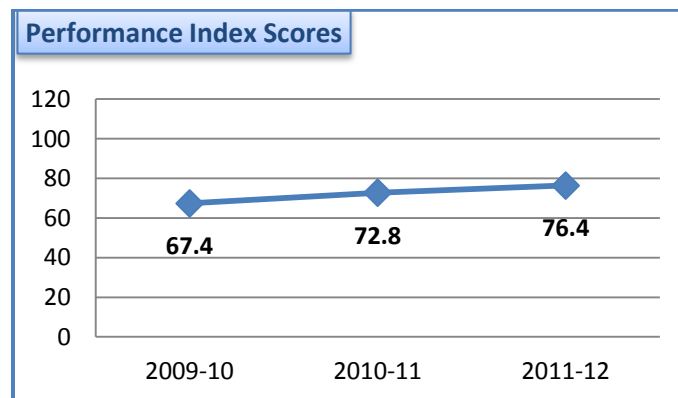
For the 2013-2014 school year the 7 year graduation rate was 4.8% and Does Not Meets Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	6
2010-11	Yes	7
2011-12	Yes	8
2012-13	Improvement	9
2013-14	Improvement	10

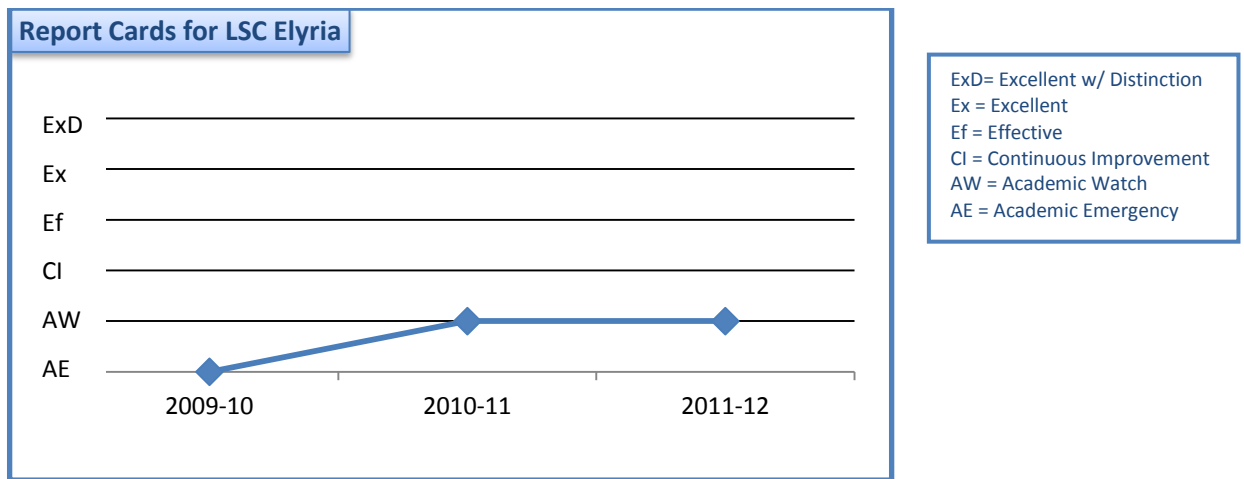
In 2012-2013 this school was designated as an Improvement School, its ninth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011, 2011-2012, 2013-2013 and 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 76.4 in 2011-2012, 72.8 in 2010-2011 and 67.4 in 2009-2010. The Performance Index has been trending upward from 2009-2012. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 and 2010-2011 this school was rated in Academic Watch after having been rated In Academic Emergency in 2009-2010. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	1
2010-11	7	0
2011-12	7	1

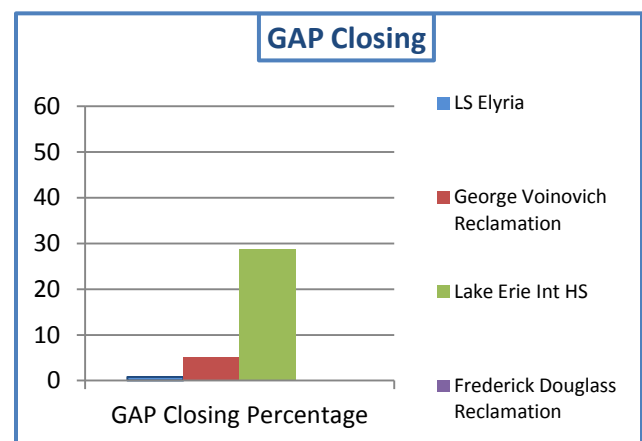
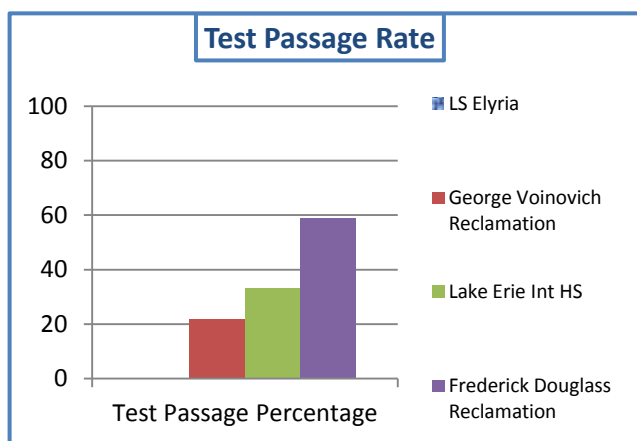
Students at this school have a history of not meeting the required state indicators. Historically this school met 1 of 7 required state indicators in 2011-2012, 0 of 7 required state indicators in 2010-2011, and 1 of 12 required state indicators on 2009-2010.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

This school did not meet the standards for the 4, 5, 6 and 7 year graduation rates for the 2013-2014 school year or the 4, 5, 6 year graduation rates for the 2012-2013 school year. For the 2013-2014 and the 2012-2013 school years, there were not enough students to provide sufficient data to demonstrate improvement in reading and math. The data does indicate that some subgroups are approaching the AMO target in reading for both the 2013-2014 and 2012-2013 school years. The data for both of those school years also indicates that there are achievement gaps in math that need to be addressed. The participation rate for the 2013-2014 school year was not rated because there were not enough students to rate. The AMO rating for 2013-2014 is 0.9% Does Not Meet Standards. This school needs to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on an effective curriculum delivery system for all students and improved professional practice for teachers. This plan needs to focus on intense interventions for math as well as the other four areas assessed by the OGT. Instructional delivery needs to focus on improving achievement especially in math to close achievement gaps. This plan needs to provide a significant assessment of and intervention strategies relating to the barriers to attendance to improve both the AMO scores and student achievement levels. Participation rates need to be addressed.

III. Comparison of Similar Schools



The school was not rated in test passage rate due to low enrollment. The school scored below two similar drop-out recovery schools in GAP closing. Frederick Douglass Reclamation was not rated in this measure.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Life Skills of Elyria-Greater Cleveland.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.48	 2.06	 2.34	 2.05	 2.75




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 13.13	 30.21	 34.94	 34.43	 49.00

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.13	 0.86	 0.74	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES











These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.04)	 (0.03)	 (0.02)	 (0.03)	 (0.01)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
  (0.03)	  (0.03)	  (0.02)	  (0.02)	  (0.01)











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.61	 0.47	 0.41	 0.48	 0.35

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (55,583)	 (40,439)	 (38,124)	 (66,636)	 246,523
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (96,022)	 (78,563)	 (104,760)	 179,887	 246,523

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	Yes
2011-2012	Yes	Yes	No	No	Yes	No	No	No	No	Overall Compliant	No findings	No
2010-2011	No	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	No

Comment: Life Skills Center of Elyria (LS Elyria) is currently operating in its thirteenth year. LS Elyria has been overall compliant during on-site reviews conducted by the sponsor. However, submissions by LS Elyria to the sponsor of required documentation have been delayed and sometimes not submitted. LS Elyria has performed well on state conducted financial audits, receiving no findings. LS Elyria has only submitted two corrective action plans over the past five (5) years related to minor audit issues and special education reporting.

LIFE SKILLS CENTER OF NORTHEAST OHIO

**12201 Larchmere Blvd.
Cleveland, Ohio 44120
216-421-7587**

Mission:

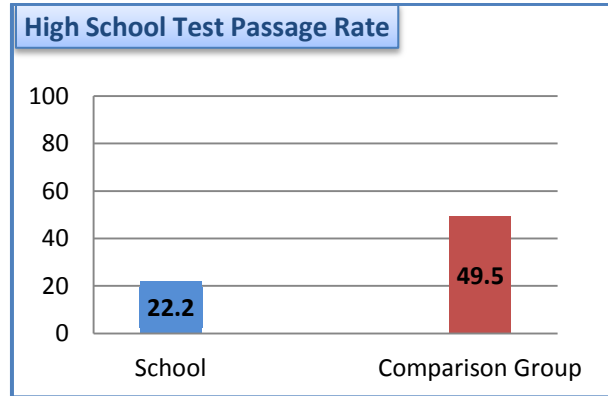
“The mission of Life Skills Center is to educate, engage and inspire students in a learning environment that models the values of integrity, teamwork, perseverance and personal responsibility, and where respect is the foundation of productive relationships, such that each graduate possesses the knowledge and character to meet the challenges of learning, working and living in the 21st Century. This mission will be served by providing the School’s students with an individualized and self-paced program set in a flexible environment that is responsive to its students’ needs, and by providing an educational experience that leads to a high school diploma (not a GED) and post-secondary success. The School will provide a comprehensive, positive educational experience that will impart to each student the knowledge, desire, and confidence needed to succeed in reaching his/her goals. The School will strive to motivate, teach, and guide each student through his/her educational growth and development. This will be accomplished by emphasizing the development of both cognitive and social skills. Life Skills Center offers a safe, secure, clean environment, and researched field-tested educational programs which have proven very successful in educating at-risk students.”

<ul style="list-style-type: none">✦ Board President: <i>Maria Meredith</i>✦ School Leader: <i>Jennifer Ciptak</i>✦ Opened: <i>2003</i>✦ Ages Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>187</i>✦ Attendance Rate: <i>45.3%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 95%</i>✦ Students with Disabilities: <i>11.0%</i>✦ Economically Disadvantaged: <i>78.0%</i>✦ EMO: <i>White Hat Management</i>
--	---

ACADEMICS

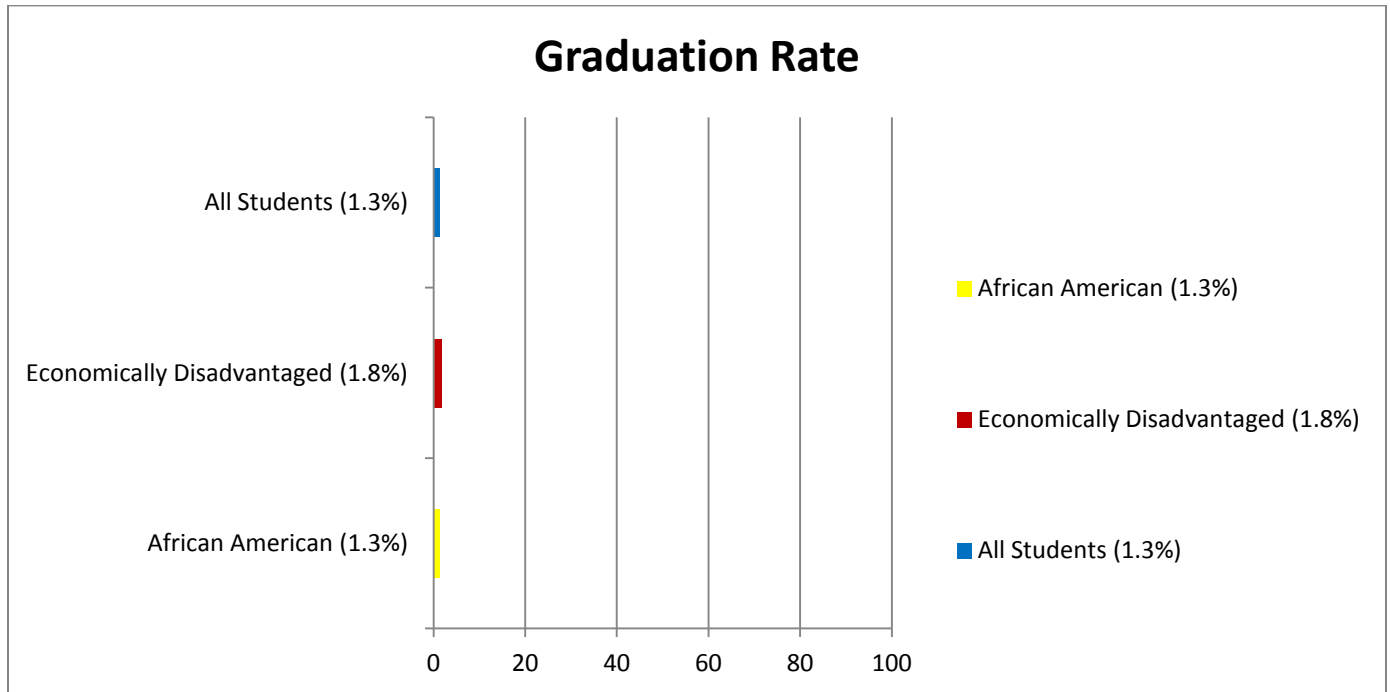
I. Local Report Card

a. High School Test Passage Rate 2013-2014



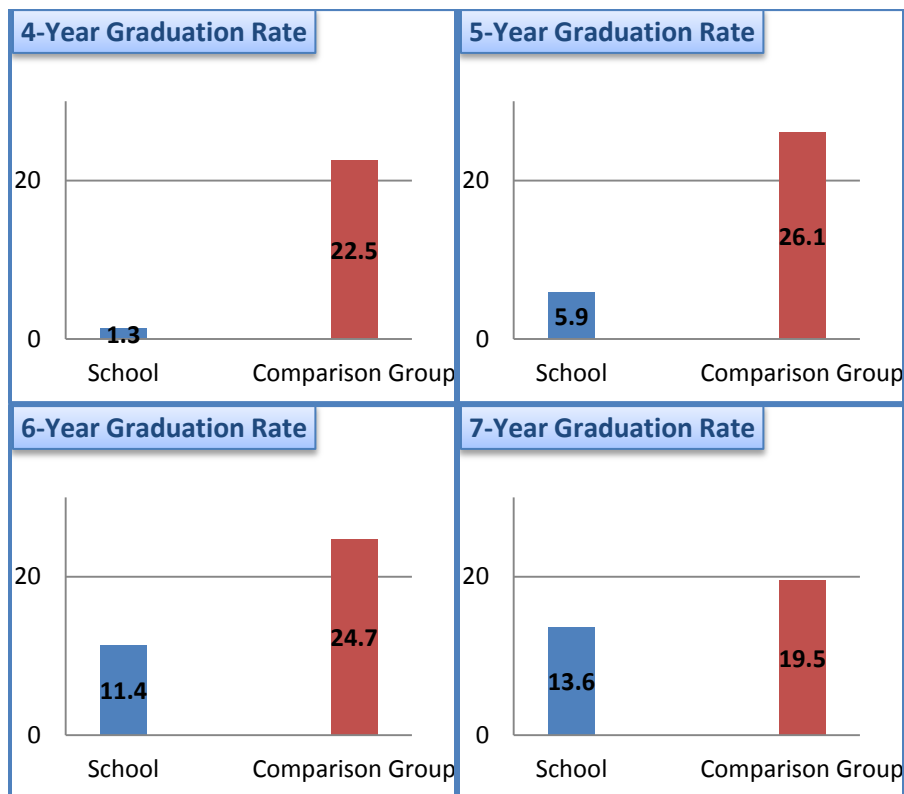
The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 18 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 22.2% and Meets Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was 40.7% which would have equated to Meets Standards if ratings had been assigned. The ratings for test passage rate have been consistent.

b. Annual Measurable Objectives (AMOs) 2013-2014



Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was not rated in reading and math because there were not enough students in any subgroups from the 2013-2014 school year with which to compare to the scores from the 2012-2013 school year to demonstrate progress. The data indicates that the school made progress in reading and slight progress in math and that achievement gaps still exist in math. This school lost a small amount of ground in graduation rates in the three measured subgroups for the 2013-2014 school year. This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. The highest attendance rate was 46.8% in one of its subgroups. The attendance rate for all students was 45.3%. The school's final AMO score was 0% with a rating of Does Not Meet Standards.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 3.9% which would have equated to Does Not Meet Standards if ratings had been assigned. For the 2013-2014 school year, the 4 year graduation rate decreased to 1.3% and Does Not Meets Standards.

For the 2012-2013 school year, the 5 year graduation rate was 10.1% which would have equated to Does Not Meets Standards if ratings had been assigned. For the 2013-2014 school year, the 5 year graduation rate decreased to 5.9% and Does Not Meet Meets Standards.

For the 2012-2013 school year, the 6 year graduation rate was 13.6% which would have equated to Meets Standards if ratings had been assigned. For the 2013-2014 school year, the 6 year graduation rate decreased to 11.4% and Does Not Meets Standards.

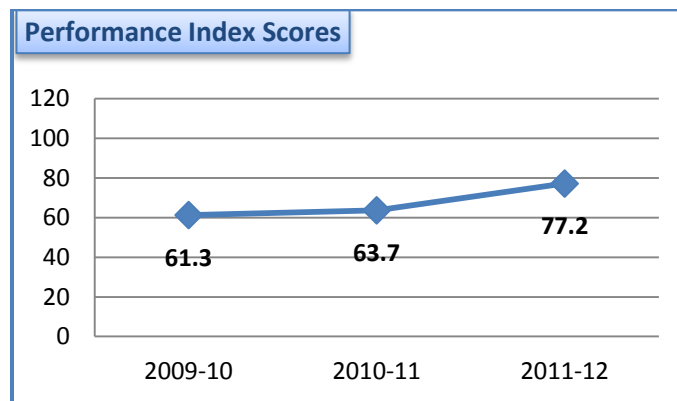
For the 2013-2014 school year, the 7 year graduation rate was 13.6% and Meets Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	5
2010-11	Yes	6
2011-12	Yes	7
2012-13	Improvement	8
2013-14	Improvement	9

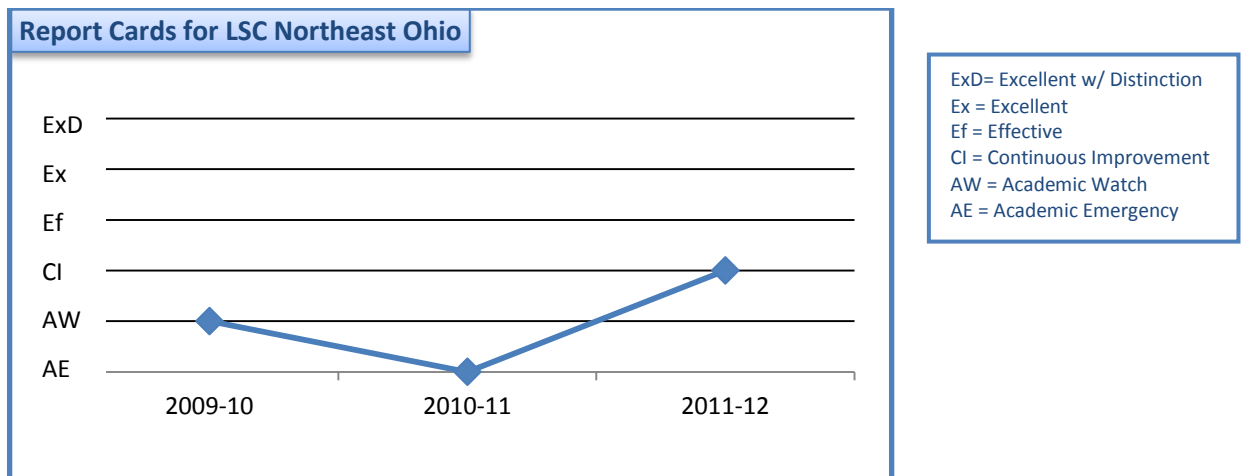
In 2012-2013 this school was designated as an Improvement School, its eighth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. This school was designated as an Improvement School again in 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 77.2 in 2011-2012, 63.7 in 2010-2011 and 61.3 in 2009-2010. The Performance Index has steadily increased. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 this school was rated in Continuous Improvement after having been rated In Academic Emergency in 2010-2011 and in Academic Watch in 2009-2010. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	0
2010-11	12	0
2011-12	12	1

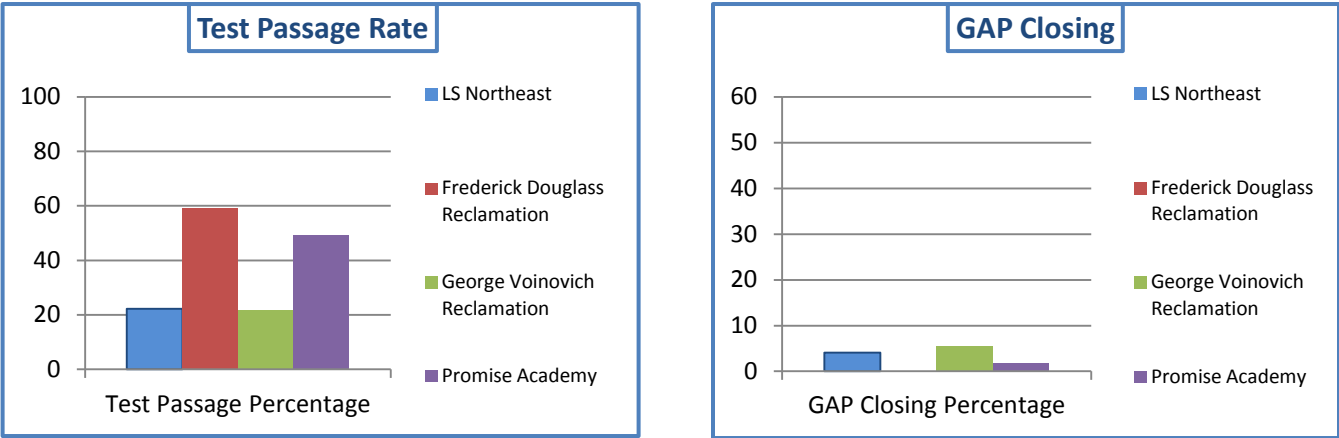
Students at this school have a history of not meeting the required state indicators. Historically this school met 1 of 12 required state indicators in 2011-2012, 0 of 12 required state indicators in 2010-2011, and 0 of 12 required state indicators on 2009-2010.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

This school's graduation rate for the 2013-2014 and 2012-2013 is very inconsistent. For the 2013-2014 school year, this school's AMO was not rated in reading and math because there were not enough students in any subgroups from the 2013-2014 school year with which to compare to the scores from the 2012-2013 school year to demonstrate progress. The data indicates that the school made progress in reading and slight progress in math and that achievement gaps still exist in math. This school lost ground in graduation rates. This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. The highest attendance rate was 46.8% in one of its subgroups. The attendance rate for all students was 45.3%. The school's AMO score was 0% with a rating of Does Not Meet Standards. Attendance is a significant issue for this school. It will be difficult for this school to improve its rating on the 5 required assessments (OGT) with the overall attendance rate of 45.3% for all students. It is important for this school to regularly disaggregate student assessment data to closely monitor its disaggregate groups. Most of this school's disaggregate subgroups did not have enough students to rate for AMO; however, subgroups could count in the upcoming years and it is important for the school to ensure that all groups are making progress. This school needs to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on an effective curriculum delivery system for all students and improved professional practice for teachers. This plan also needs to focus on interventions for math as well as the other four areas assessed by the OGT. Instructional delivery needs to focus on improving achievement in math to close achievement gaps in that subject. This school has a large number of students with disabilities. The school improvement plan needs to also focus on developing strategies and practices specifically designed to help students with disabilities succeed. The continuous improvement plan needs to provide a significant assessment of and intervention strategies relating to the barriers to attendance and help improve both the AMO scores and student achievement levels.

III. Comparison of Similar Schools



The school’s test passage rate is slightly higher than one selected comparison drop-out recovery school and well below two other comparison schools. The school compares similarly with two of the comparison schools in GAP closing percentage. Frederick Douglass Reclamation was not rated in GAP closing.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Life Skills of Northeast, OH.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 15.97	 2.87	 4.82	 5.58	 11.56




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.24	 0.21	 0.18	 0.15	 0.16

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.76	 0.90	 0.87	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.00229	 (0.01441)	 0.01114	 0.00820	 0.00841

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.00004)	 0.00246	 0.00924	 0.00830	 0.00841











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.06	 0.34	 0.20	 0.17	 0.08

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (81,766)	 37,932	 35,554	 25,892	 442,489
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (43,834)	 73,486	 61,446	 468,381	 442,489

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	No	Yes	Partially Compliant	In Process	No
2012-2013	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	Overall Compliant	No findings	Yes
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	No

Comment: Life Skills Center of Northeast Ohio (LS Northeast) is in its twelfth year of operation. Over the past five (5) years, LS Northeast has performed well during on-site reviews conducted by the sponsor. During the 2009-2010, 2010-2011, 2011-2012 and 2012-2013 school years, LS Northeast was compliant on every item during the on-site reviews. However, during the 2013-2014 reviews, LS Northeast was found partially compliant on several items and needed to follow-up on these items. LS Northeast has achieved high marks on state conducted financial audits, having no findings over the five (5) year review period. LS Northeast has submitted two (2) corrective action plans for minor audit issues and special education reporting. LS Northeast submits all sponsor required documentation in a timely manner.

LIFE SKILLS CENTER OF SUMMIT COUNTY

**2168 Romig Road
Akron, Ohio 444320
330-745-3678**

Mission:

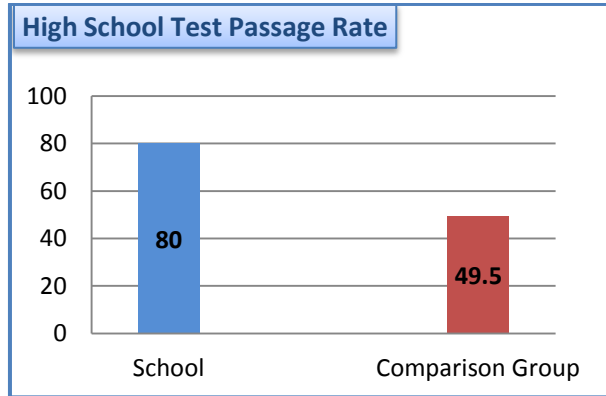
“The mission of Life Skills Center is to educate, engage and inspire students in a learning environment that models the values of integrity, teamwork, perseverance and personal responsibility, and where respect is the foundation of productive relationships, such that each graduate possesses the knowledge and character to meet the challenges of learning, working and living in the 21st Century. This mission will be served by providing the School’s students with an individualized and self-paced program set in a flexible environment that is responsive to its students’ needs, and by providing an educational experience that leads to a high school diploma (not a GED) and post-secondary success. The School will provide a comprehensive, positive educational experience that will impart to each student the knowledge, desire, and confidence needed to succeed in reaching his/her goals. The School will strive to motivate, teach, and guide each student through his/her educational growth and development. This will be accomplished by emphasizing the development of both cognitive and social skills. Life Skills Center offers a safe, secure, clean environment, and researched field-tested educational programs which have proven very successful in educating at-risk students.”

<ul style="list-style-type: none">✦ Board President: <i>Rhonda Hurt</i>✦ School Leader: <i>Steven Garton</i>✦ Opened: <i>2003</i>✦ Ages Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>101</i>✦ Attendance Rate: <i>47.1%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>White, Non-Hispanic: 49.7%, Black, Non-Hispanic: 42.1%</i>✦ Students with Disabilities: <i>12.1%</i>✦ Economically Disadvantaged: <i>85.8%</i>✦ EMO: <i>White Hat Management</i>
---	---

ACADEMICS

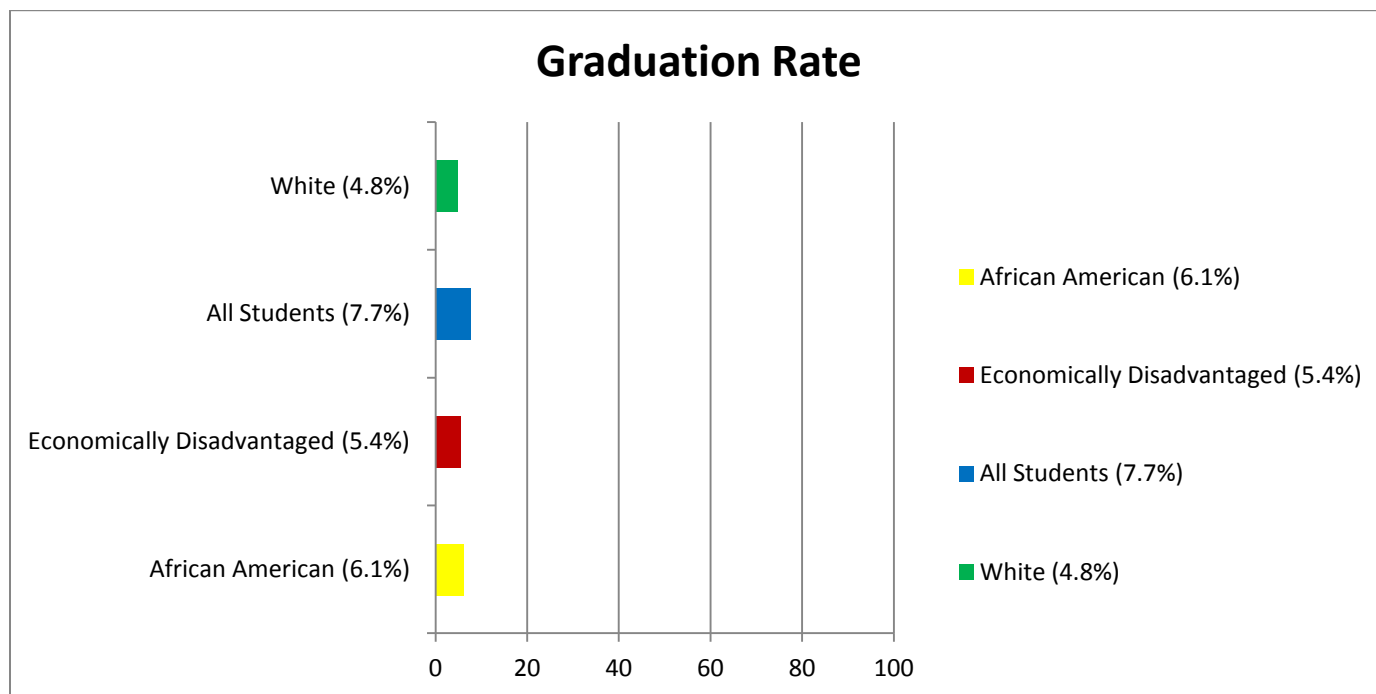
I. Local Report Card

a. High School Test Passage Rate 2013-2014



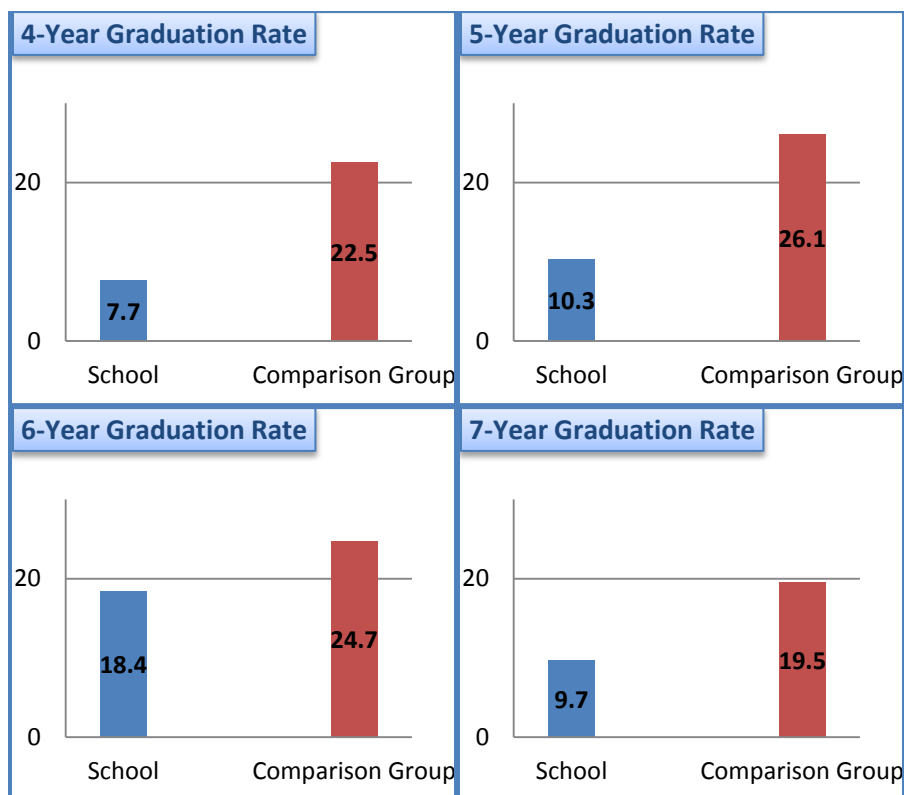
The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 10 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was not officially calculated due to insufficient numbers of students. However the data indicates that 8 out of the 10 students passed all 5 OGT assessments. The high school assessment test passage rate for 2012-2013 for all 5 tests was 45.5% which would have equated to Meets Standards if ratings had been assigned.

b. Annual Measurable Objectives (AMOs) 2013-2014



Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was not rated in reading and math because there were not enough students in any subgroups from the 2013-2014 or the 2012-2013 school year with which to compare to demonstrate progress. The data indicates that the school lost ground in reading and math and that achievement gaps exist in both reading and math. This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. The attendance rate for all students was 47.1%. This school demonstrated a slight increase in graduation rate for AMO in the all students subgroup (1.2%); however, a slight decrease in AMO for graduation was demonstrated in the other three rated subgroups. There remains a significant gap between the AMO target for graduation and the school's graduation rate. The school's AMO rating was .40% which Does Not Meet Standards.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 6.5% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 4 year graduation rate increased to 7.7% and now Meets Standards.

For the 2012-2013 school year, the 5 year graduation rate was 16.5% which would have equated to Meets Standards if a rating had been assigned. For the 2013-2014 school year, the 5 year graduation rate decreased to 10.3% and now Does Not Meet Standards.

For the 2012-2013 school year, the 6 year graduation rate was 9.7% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 6 year graduation rate increased to 18.4% and now Meets Standards.

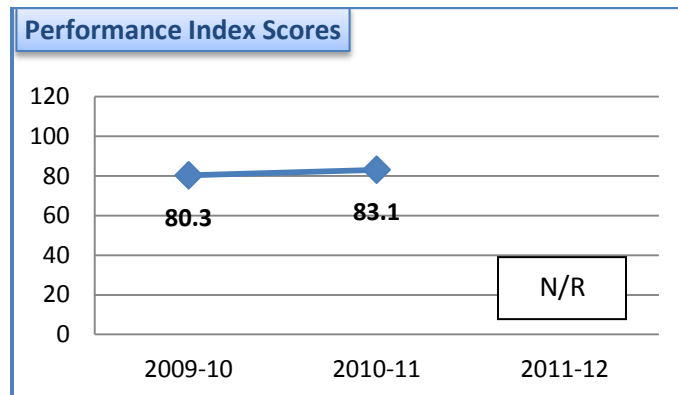
For the 2013-2014 school year, the 7 year graduation rate was 9.7% and Does Not Meet Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	5
2010-11	Yes	6
2011-12	Yes	7
2012-13	Improvement	8
2013-14	Improvement	9

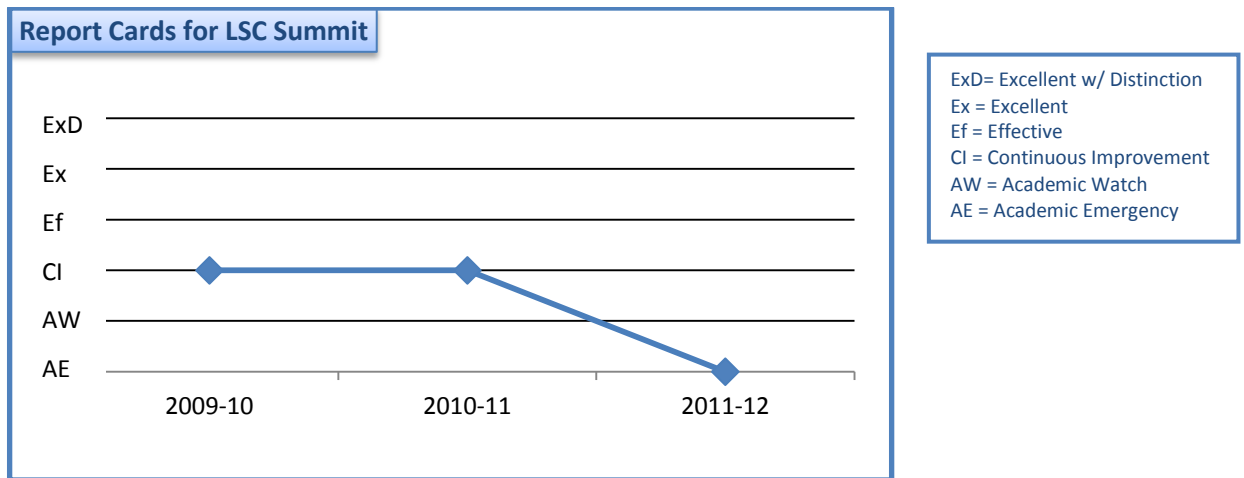
In 2012-2013 this school was designated as an Improvement School, its eighth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. This school was designated as an Improvement School again for 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of Not Rated in 2011-2012, 83.1 in 2010-2011 and 80.3 in 2009-2010. The Performance Index data is inconclusive with only 2 years of data available. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 this school was rated in Academic Emergency after having been rated In Continuous Improvement in 2010-2011 and 2009-2010. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	8	1
2010-11	12	2
2011-12	7	0

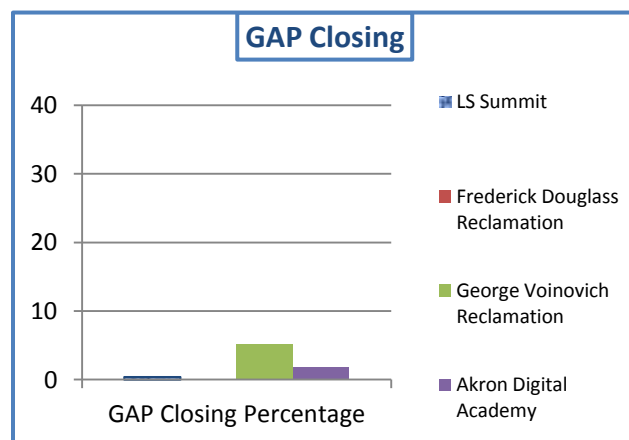
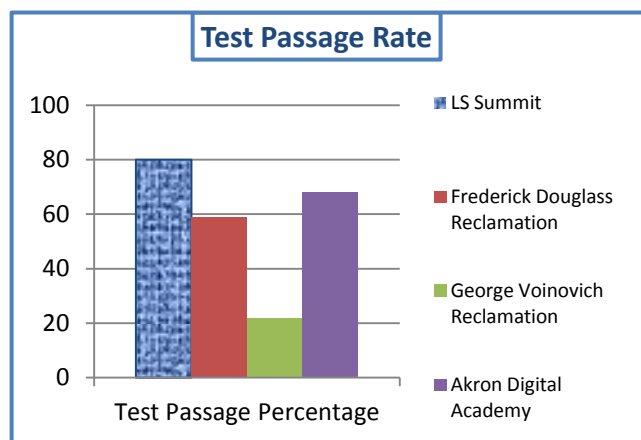
Students at this school have a history of not meeting the required state indicators. Historically this school met 0 of 7 required state indicators in 2011-2012, 2 of 12 required state indicators in 2010-2011, and 1 of 8 required state indicators on 2009-2010. This school has consistently failed to meet the required state indicators.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

This school did meet the 4 year and 6 year graduation rate for the 2013-2014 school year. For the 2013-2014 school year, this school's AMO was not calculated in reading and math because there were not enough students in any subgroups from the 2013-2014 or the 2012-2013 school year with which to compare to demonstrate progress. The data indicates that the school lost ground in reading and math and that achievement gaps exist in both reading and math. Attendance is a significant issue for this school. It will be difficult for this school to improve its rate on the 5 required assessments (OGT) with the overall attendance rate of 47.1 % for all students. This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. The school's AMO rating was .40% and Does Not Meet Standards. This school needs to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on an effective curriculum delivery system for all students and improved professional practice for teachers. This plan also needs to focus on intense interventions for reading and math as well as the other three areas assessed by the OGT. Instructional delivery needs to focus on improving achievement in both reading and math to close achievement gaps in both subjects. This school has a large number of students with disabilities. The school improvement plan needs to also focus on developing strategies and practices specifically designed to help students with disabilities succeed. This plan needs to provide a significant assessment of and intervention strategies relating to the barriers to attendance and to help improve both the AMO scores and student achievement levels.

III. Comparison of Similar Schools



The school's test passage rate is well above all selected comparison drop-out recovery schools. This school received an AMO score of 0.4% and scores below two other comparison schools in this measure. Frederick Douglass Reclamation was not rated in this measure.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Life Skills Center - Summit.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:





- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.37	 1.68	 2.66	 1.61	 2.36

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.




The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 3.81	 16.90	 18.12	 22.71	 28.17

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt

to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.87	 0.84	 0.79	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.031)	 (0.024)	 (0.008)	 (0.020)	 (0.001)






The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.020)	 (0.017)	 (0.010)	 (0.011)	 (0.001)

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired.











In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.73	 0.60	 0.38	 0.62	 0.42

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (49,628)	 (16,686)	 (37,516)	 (17,847)	 132,378
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (66,314)	 (54,202)	 (55,363)	 114,531	 132,378

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	No	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	No	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	No

Comment: Life Skills Center of Summit County (LS Summit) is currently operating in its twelfth year. Overall, LS Summit has performed well during on-site reviews conducted by the sponsor. LS Summit also performs well on state conducted financial audits, receiving no findings and only one corrective action plan relative to a minor issue. LS Summit has requested few charter modifications, operating well within the bounds of the charter agreement. LS Summit did update its curriculum for the 2013-2014 school year. LS Summit has failed to submit management company evaluations over the past two (2) years with another evaluation coming due. LS Summit has submitted all other data requested by the sponsor and attended sponsor provided OIP trainings.

LIFE SKILLS CENTER OF TRUMBULL COUNTY

458 Franklin Street, SE
Warren, Ohio 44484
330-392-0231

Mission:

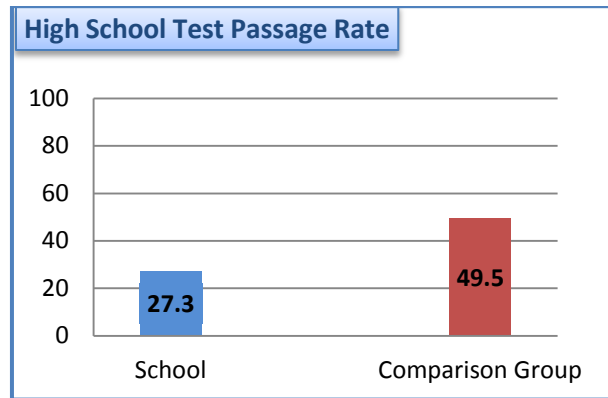
“The mission of Life Skills Center is to educate, engage and inspire students in a learning environment that models the values of integrity, teamwork, perseverance and personal responsibility, and where respect is the foundation of productive relationships, such that each graduate possesses the knowledge and character to meet the challenges of learning, working and living in the 21st Century. This mission will be served by providing the School’s students with an individualized and self-paced program set in a flexible environment that is responsive to its students’ needs, and by providing an educational experience that leads to a high school diploma (not a GED) and post-secondary success. The School will provide a comprehensive, positive educational experience that will impart to each student the knowledge, desire, and confidence needed to succeed in reaching his/her goals. The School will strive to motivate, teach, and guide each student through his/her educational growth and development. This will be accomplished by emphasizing the development of both cognitive and social skills. Life Skills Center offers a safe, secure, clean environment, and researched field-tested educational programs which have proven very successful in educating at-risk students.”

<ul style="list-style-type: none">✦ Board President: <i>Thomas Conley</i>✦ School Leader: <i>Jason Cooper</i>✦ Opened: <i>2000</i>✦ Ages Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>179</i>✦ Attendance Rate: <i>53.8%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>White, Non-Hispanic: 61.3%, Black, Non-Hispanic: 27.4%, Multiracial: 10.3%</i>✦ Students with Disabilities: <i>14.1%</i>✦ Economically Disadvantaged: <i>80.1%</i>✦ EMO: <i>White Hat Management</i>
--	---

ACADEMICS

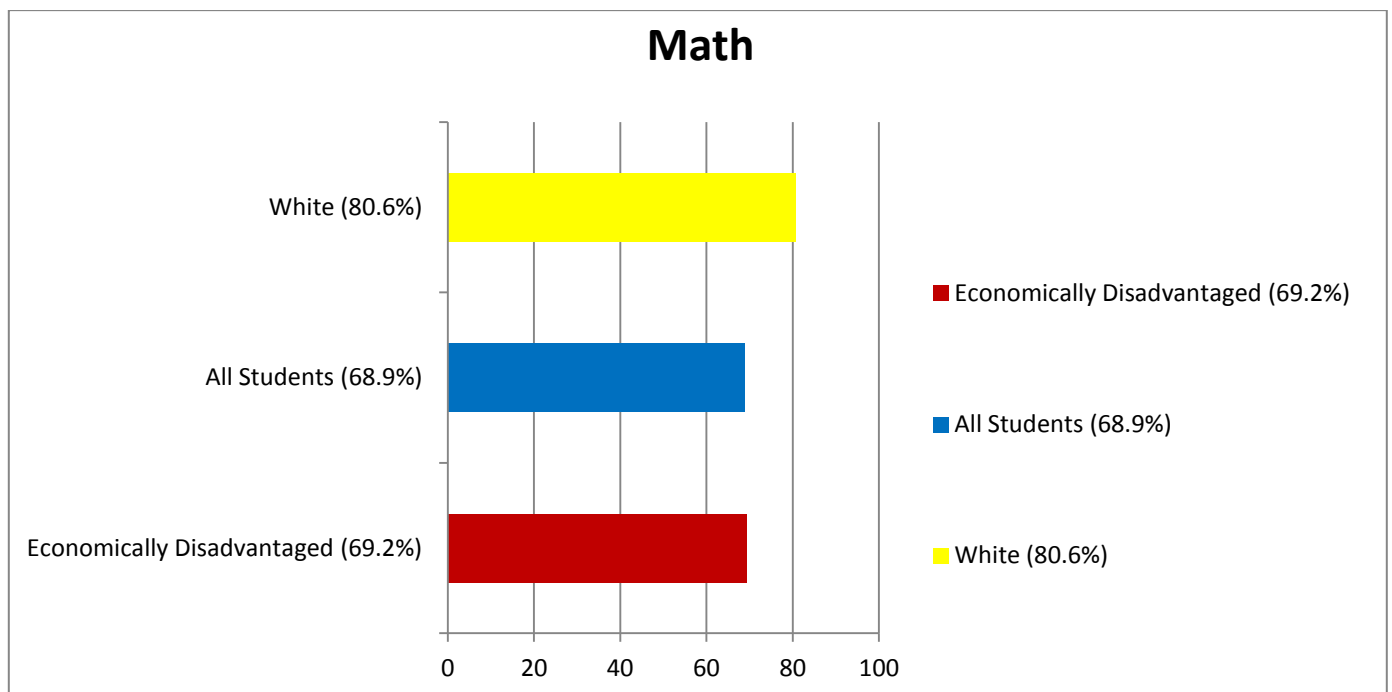
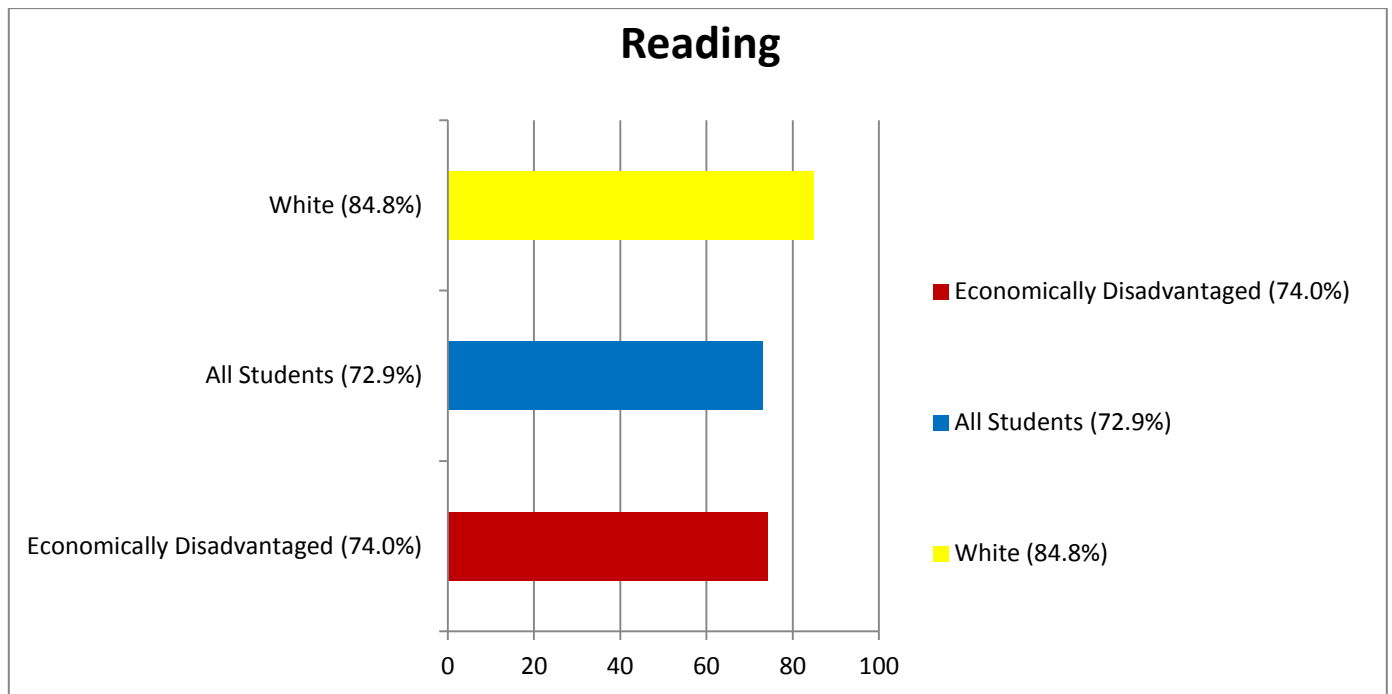
I. Local Report Card

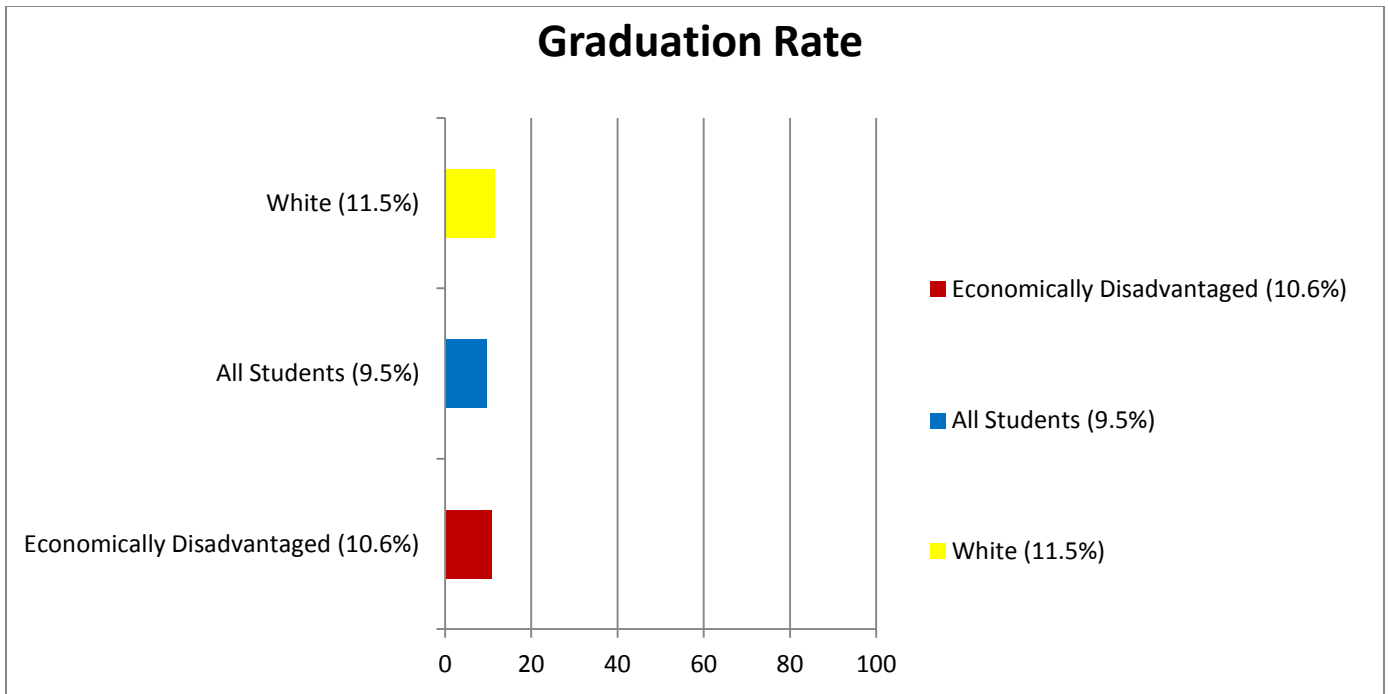
a. High School Test Passage Rate 2013-2014



The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 33 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 27.3% which Meets Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was 32% which would have equated to Meets Standards if a rating had been assigned.

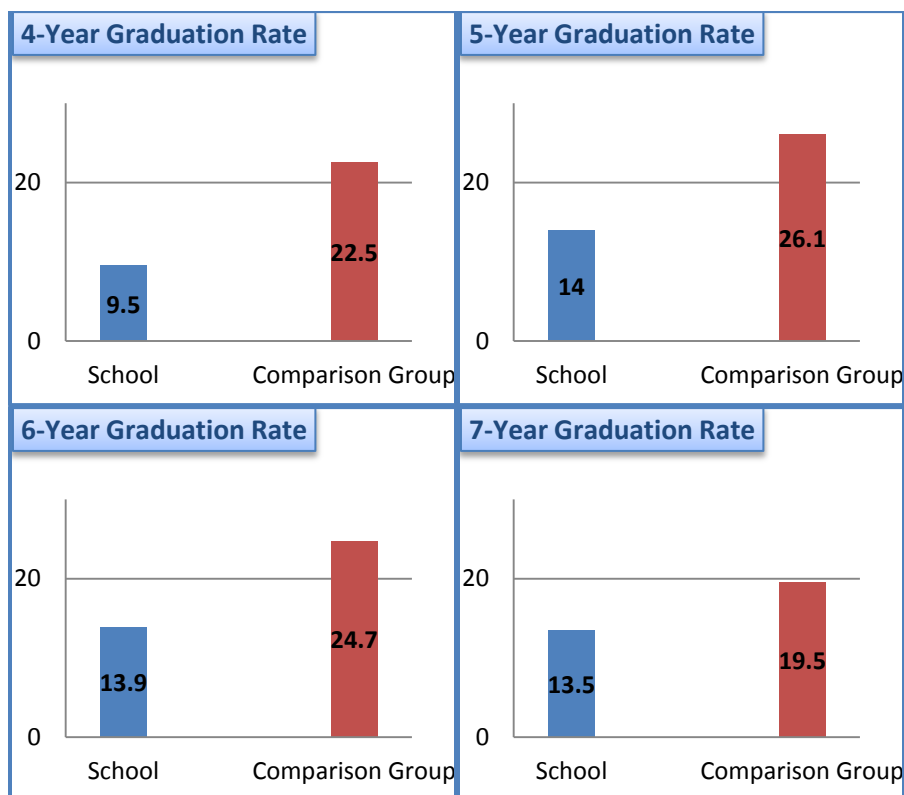
b. Annual Measurable Objectives (AMOs) 2013-2014





Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was 18.6% which Meets Standards. For the 2012-2013 school year, this school's AMO was 46.5% which would have equated to Exceeds Standards if ratings were assigned. For 2013-2014, this school made improvement in reading for one subgroup but lost ground in the other two rated subgroups. This school exceeded the AMO target in one subgroup. There continues to be a gap in the other two rated subgroups in reading. This school lost ground in math in all of the rated subgroups; however, even while losing ground, one of the rated subgroups exceeded the AMO target in math. There is an achievement gap between the AMO goal in math and the students' achievement level for the 2013-2014 in two of the rated subgroups. This school made incremental increases in graduation rate for AMO in all three of the rated subgroups. There remains a significant gap between the AMO target for graduation and the school's graduation rate. This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. The highest attendance rate was 56.6% in in one of the subgroups. The attendance rate for all students was 53.8%. This school received a demotion in AMO because it failed to meet the participation rate of 93% in all of the rated subgroups. The highest participation rate was 91.1%. Despite the demotion, this school's final AMO score for 2013-2014 is 18.1% which Meets Standards.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 7.1% which would have equated to Meets Standards if a rating had been assigned. For the 2013-2014 school year, the 4 year graduation rate increased to 9.5% and Meet Standards.

For the 2012-2013 school year, the 5 year graduation rate was 11.1% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 5 year graduation rate increased to 14.0% and now Meet Standards.

For the 2012-2013 school year, the 6 year graduation rate was 13.5% which would have equated to Meets Standards if a rating had been assigned. For the 2013-2014 school year, the 6 year graduation rate essentially stayed the same at 13.9% and still Meet Standards.

For the 2013-2014 school year, the 7 year graduation rate was 13.5% and Meet Standards. This is the first calculation of the 7 year graduation rate.

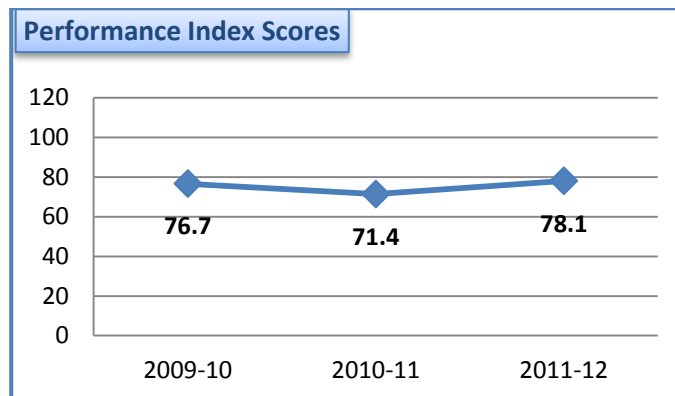
This school had only one cohort year in which it did not meet the standard for graduation.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	5
2010-11	Yes	6
2011-12	Yes	7
2012-13	Improvement	8
2013-14	Improvement	9

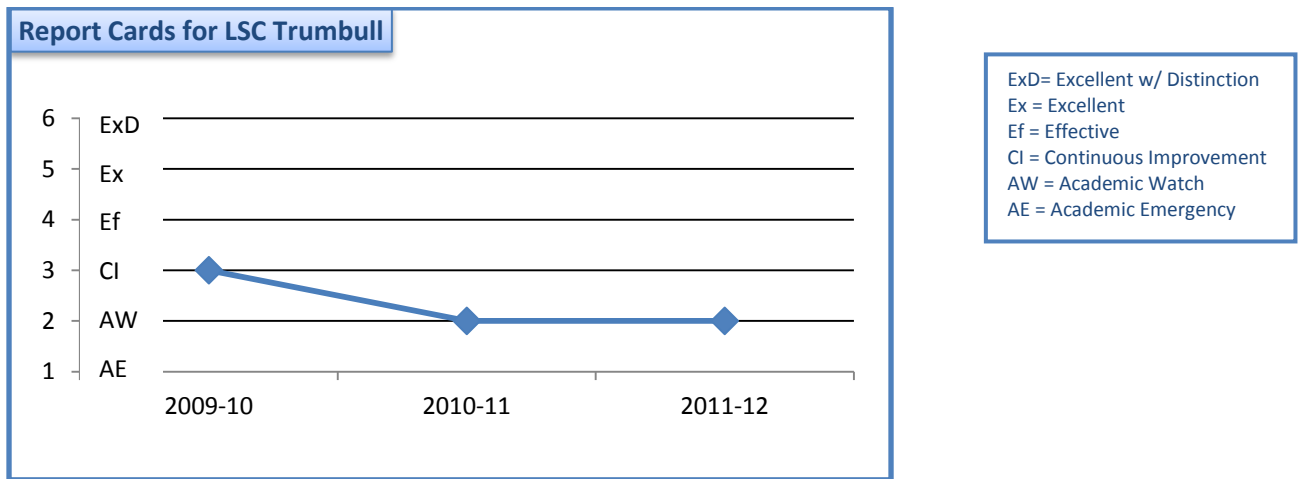
In 2012-2013 this school was designated as an Improvement School, its eighth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. This school is designated as an Improvement School again for 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 78.1 in 2011-2012, 71.4 in 2010-2011 and 76.7 in 2009-2010. The Performance Index has remained relatively consistent. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 and 2010-2011 this school was rated in Academic Watch and in 2009-2010 was rated in Continuous Improvement. This school has declined in its academic rating. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	2
2010-11	12	1
2011-12	12	1

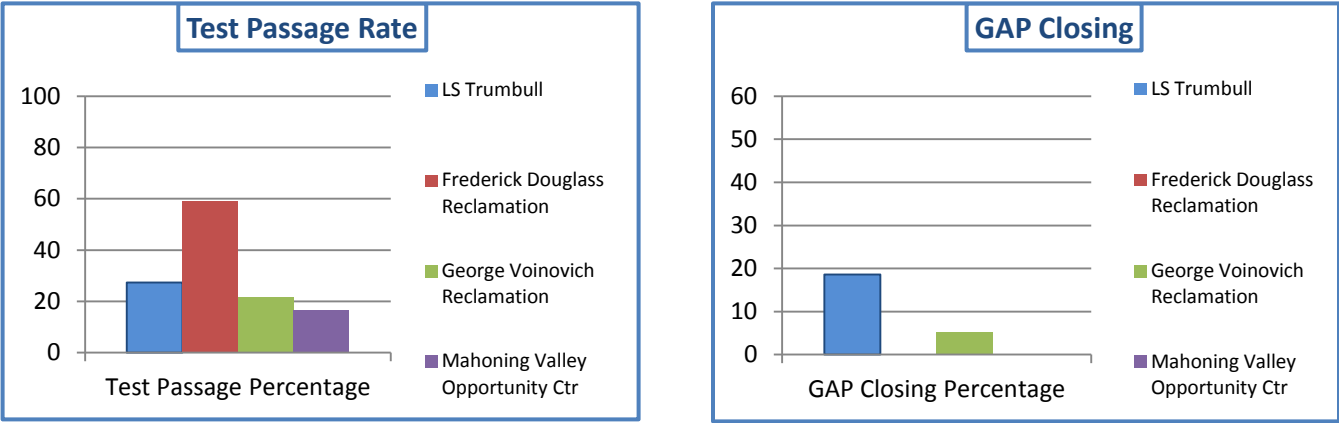
Students at this school have a history of not meeting the required state indicators. Historically this school met 1 of 12 required state indicators in 2011-2012, 1 of 12 required state indicators in 2010-2011, and 2 of 12 required state indicators on 2009-2010. This school has consistently failed to meet a sufficient number of required state indicators each year.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

This school has been successful in meeting the standards for graduation. This school had only one cohort year in which it did not meet the standard for graduation during the 2012-2013 and 2013-2014 school years. For the 2013-2014 school year, this school's AMO was 18.6% which Meets Standards. For the 2012-2013 school year, this school's AMO was 46.5% which equates to Exceeds Standards if a rating was applied. For 2013-2014, this school made improvement in reading for one subgroup but lost ground in the other two rated subgroups. This school exceeded the AMO target in one subgroup. There continues to be a gap in the other two rated subgroups in reading. This school lost ground in math in all of the rated subgroups; however, even while losing ground, one of the rated subgroups exceeded the AMO target in math. There is an achievement gap between the AMO goal in math and the students' achievement level for the 2013-2014 in two of the rated subgroups. This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. This school received a demotion in its AMO score because failed to meet the participation rate of 93% in all of the rated subgroups. It is important for this school to regularly disaggregate student assessment data to closely monitor its disaggregate groups. Most of this school's disaggregate subgroups did not have enough students to rate for AMO although the numbers could count in the upcoming years. It is important to monitor the progress of all disaggregate subgroups to ensure success of all groups of students. Attendance is an issue for this school. It will be difficult for this school to improve its passage rate on the 5 required assessments (OGT) with the overall attendance rate of 53.8% for all students. The school should capitalize on the strengths it has demonstrated in reading and expand those strategies and teaching practices to math instruction. This school needs to develop a comprehensive improvement plan. This plan needs to focus on interventions for math as well as the other four areas assessed by the OGT. This plan also needs to focus on strategies that improve instructional practices for the large number of students with disabilities to ensure their success. This school needs to analyze the barriers to attendance and develop a plan for improving both student attendance and student participation in assessment to improve AMO grades as well as overall student achievement.

III. Comparison of Similar Schools



The school’s test passage rate is above two selected comparison drop-out recovery schools and well below the third comparison school. The school scored above one comparison school in GAP closing percentage while the remaining two comparison schools were not rated in this measure.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Life Skills Center - Trumbull.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 10.36	 6.27	 5.15	 4.21	 4.73




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 140.46	 117.35	 106.38	 105.40	 97.82

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.78	 0.90	 0.86	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.020)	 (0.008)	 (0.009)	 0.017	 0.038

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.012)	 0.001	 0.016	 0.028	 0.038











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.10	 0.16	 0.19	 0.24	 0.21






Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (32,243)	 (24,466)	 (52,528)	 33,156	 845,932
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (56,709)	 (76,994)	 (19,372)	 879,088	 845,932

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.33)	 (0.17)	 (0.23)	 0.59	 1.50

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	No	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	No	No	Yes	No	No	No	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	No	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	No
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	No

Comment: Life Skills Center of Trumbull County (LS Trumbull) is currently operating in its fifteenth year. Overall, LS Trumbull has performed well during on-site reviews conducted by the sponsor. LS Trumbull also performs well on state conducted financial audits, receiving no findings over a five (5) year period. LS Trumbull has requested few charter modifications, operating well within the bounds of the charter agreement. LS Trumbull did update its curriculum for the 2013-2014 school year. LS Trumbull has failed to submit management company evaluations over the past two (2) years with another evaluation coming due. LS Trumbull has submitted all other data requested by the sponsor and attended most of the sponsor provided OIP trainings.

LIFE SKILLS CENTER OF YOUNGSTOWN

**3405 Market Street
Youngstown, Ohio 44507**

Mission:

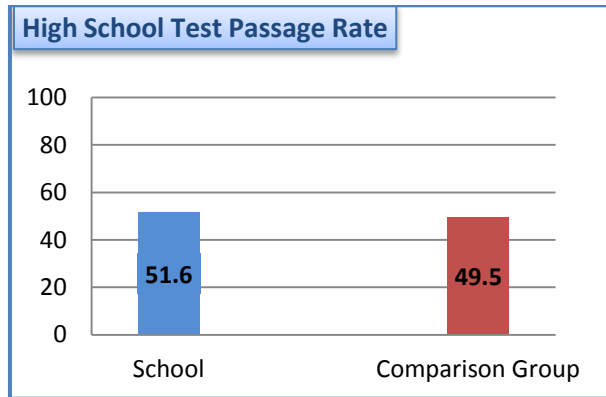
“The mission of Life Skills Center is to educate, engage and inspire students in a learning environment that models the values of integrity, teamwork, perseverance and personal responsibility, and where respect is the foundation of productive relationships, such that each graduate possesses the knowledge and character to meet the challenges of learning, working and living in the 21st Century. This mission will be served by providing the School’s students with an individualized and self-paced program set in a flexible environment that is responsive to its students’ needs, and by providing an educational experience that leads to a high school diploma (not a GED) and post-secondary success. The School will provide a comprehensive, positive educational experience that will impart to each student the knowledge, desire, and confidence needed to succeed in reaching his/her goals. The School will strive to motivate, teach, and guide each student through his/her educational growth and development. This will be accomplished by emphasizing the development of both cognitive and social skills. Life Skills Center offers a safe, secure, clean environment, and researched field-tested educational programs which have proven very successful in educating at-risk students.”

<ul style="list-style-type: none">✦ Board President: <i>Daryl Cameron</i>✦ School Leader: <i>Ruthann Smith-Harris</i>✦ Opened: <i>1999</i>✦ Ages Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>165</i>✦ Attendance Rate: <i>40.7%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 48.3%, White, Non-Hispanic: 30.0%, Hispanic: 12.2%, Multiracial: 9.5%</i>✦ Students with Disabilities: <i>12.3%</i>✦ Economically Disadvantaged: <i>91.3%</i>✦ EMO: <i>White Hat Management</i>
--	---

ACADEMICS

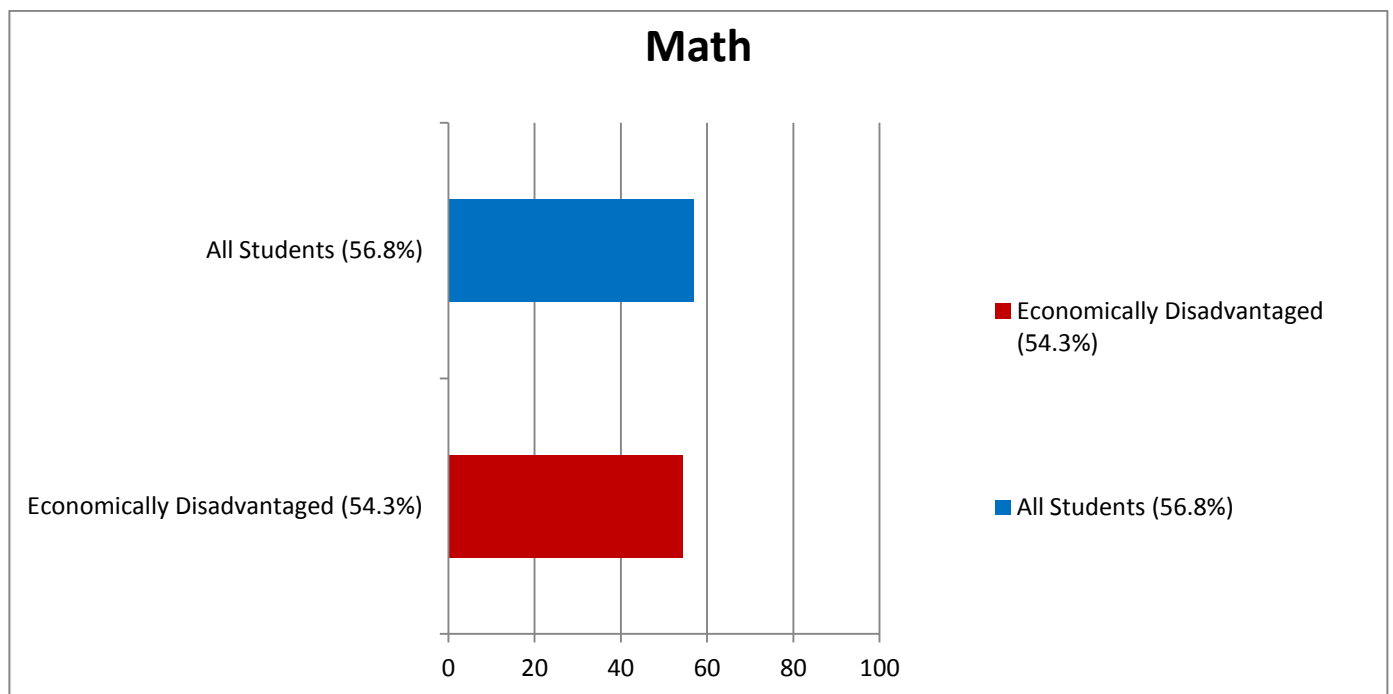
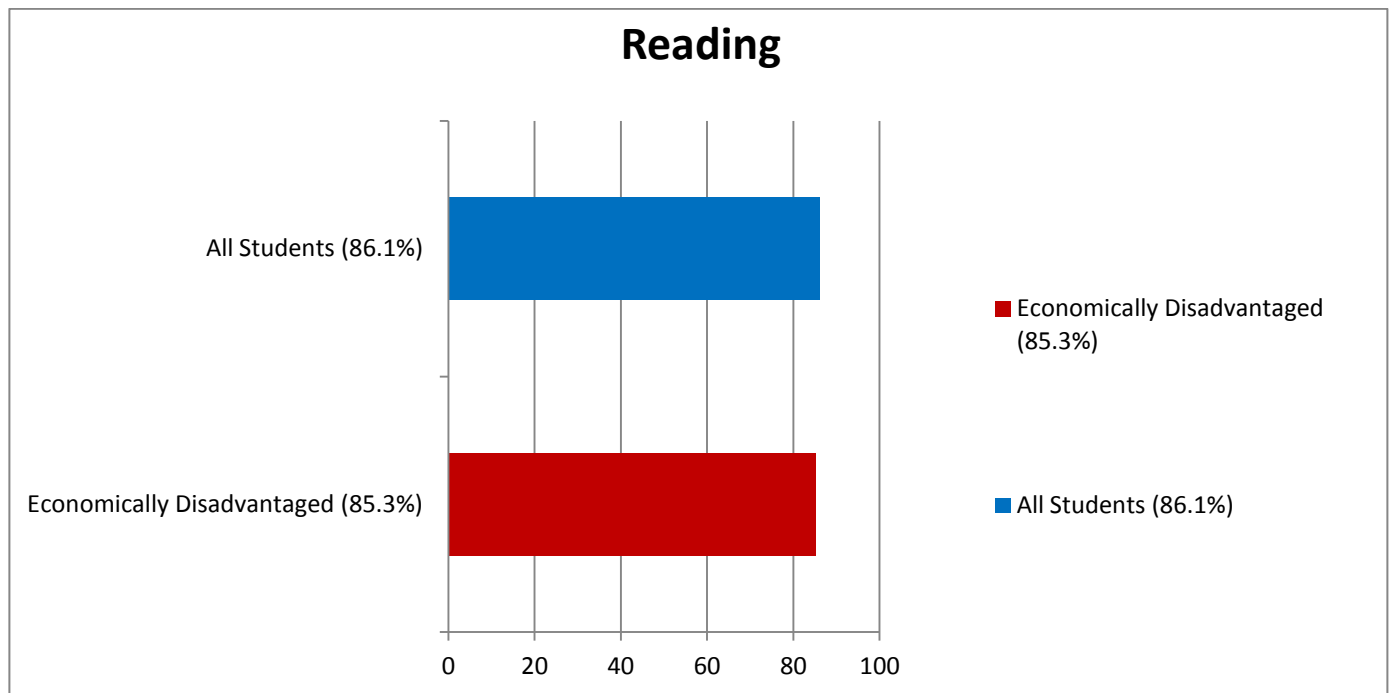
I. Local Report Card

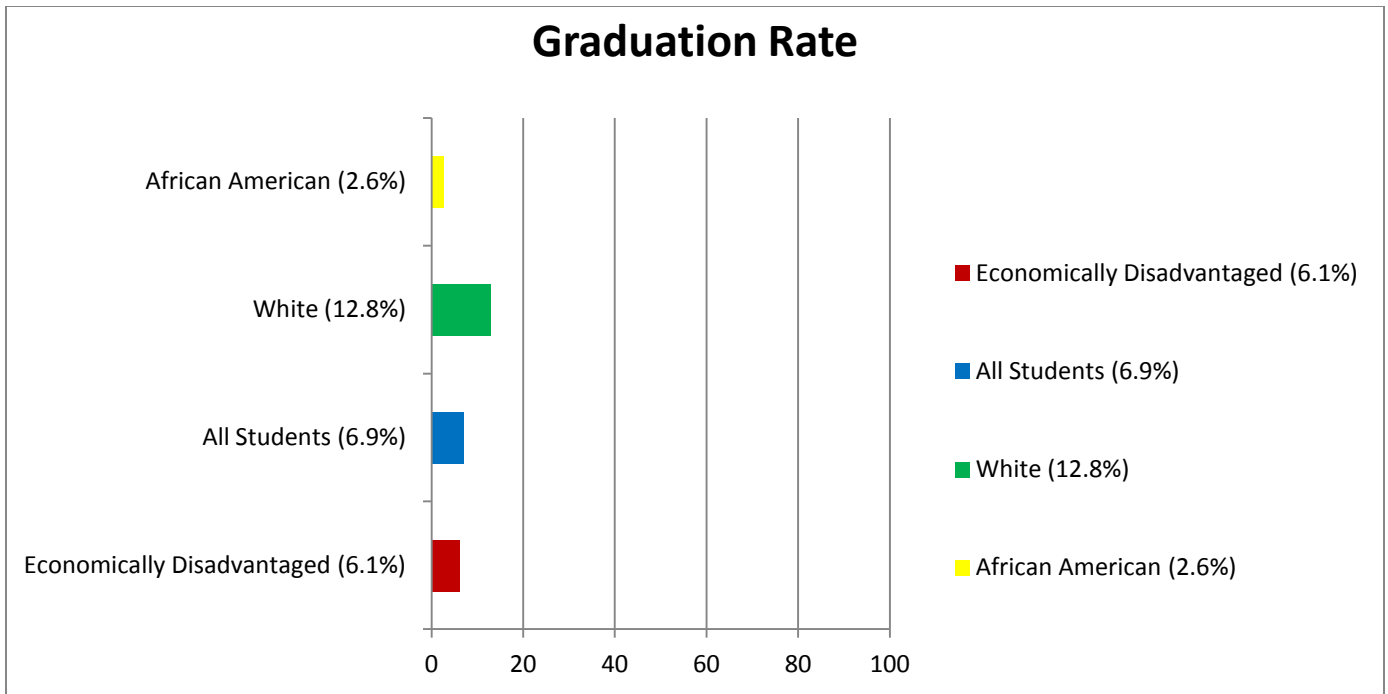
a. High School Test Passage Rate 2013-2014



The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 31 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 51.6% which Meets the Standard, a significant increase from the previous year. The high school assessment test passage rate for 2012-2013 for all 5 tests was 38.1% which would have equated to Meets Standards if a rating had been assigned.

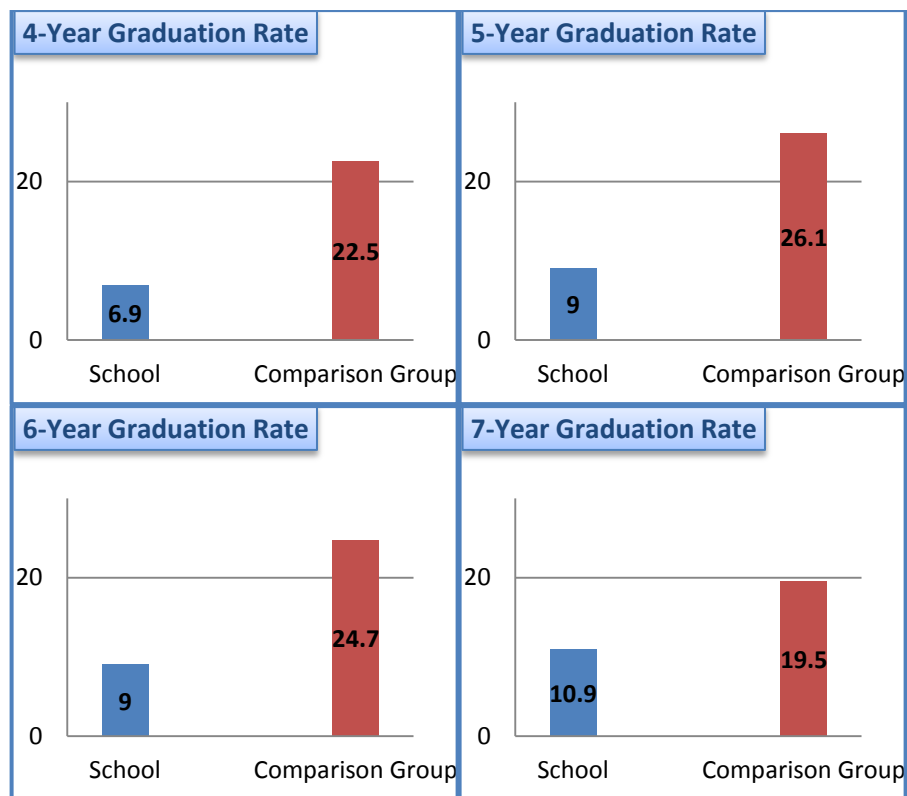
b. Annual Measurable Objectives (AMOs) 2013-2014





Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was 34.5% which Exceeds Standards. For the 2012-2013 school year, this school's AMO was 41.4% which would have equated to Exceeds Standards if a rating had been assigned. For 2013-2014, this school exceeded the AMO target in reading in all the rated subgroups. The school's math scores declined slightly; however, there is still a significant achievement gap in math in all rated subgroups. This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. The highest attendance rate was 50% in in one of the subgroups. The all student attendance rate was 40.7%. This school met the participation rate. This school demonstrated an increase in the graduation rate for AMO in three of the four rated subgroups with a slight decrease in one of the rated subgroups for the 2013-2014 school year. There remains a significant gap between the AMO rate for graduation ad the shool's graduation rate. This school's final AMO score for 2013-2014 is 34.5% which Exceeds Standards.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 4.7% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 4 year graduation rate increased to 6.9% and now Meets Standards.

For the 2012-2013 school year, the 5 year graduation rate was 6.6% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 5 year graduation rate increased to 9.0% and Does Not Meet Standards.

For the 2012-2013 school year, the 6 year graduation rate was 10.9% which would have equated to Does Not Meet Standards if a rating had been assigned. For the 2013-2014 school year, the 6 year graduation rate decreased to 9.0% and Does Not Meet Standards.

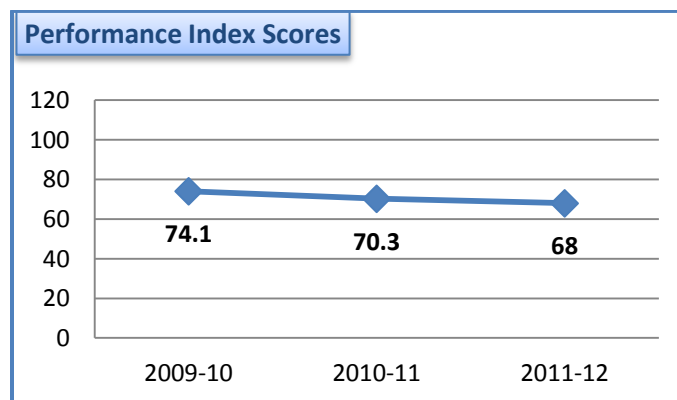
For the 2013-2014 school year, the 7 year graduation rate was 10.9% and Does Not Meet Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	5
2010-11	Yes	6
2011-12	Yes	7
2012-13	Improvement	8
2013-14	Improvement	9

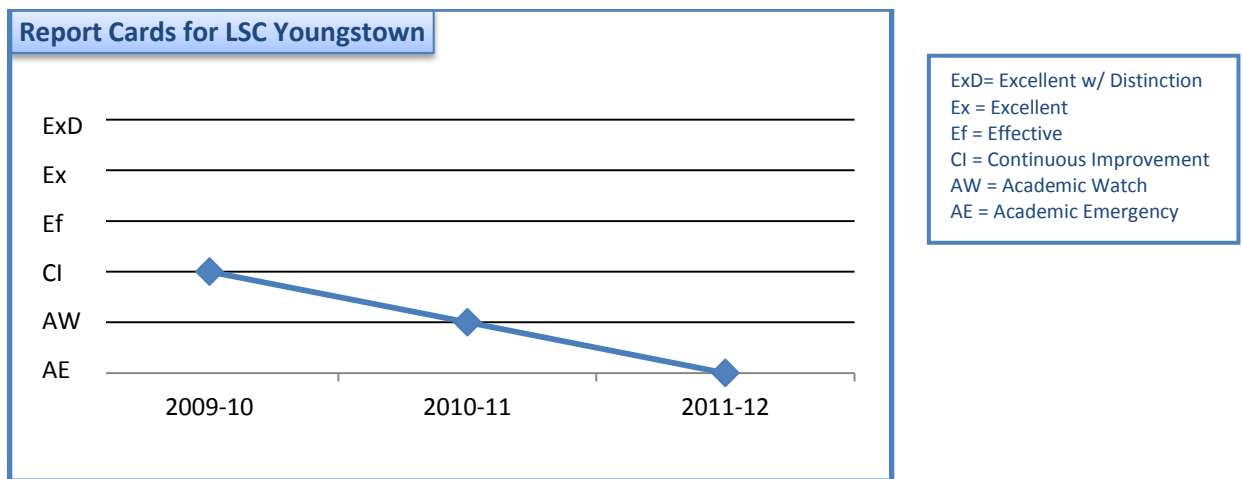
In 2012-2013 this school was designated as an Improvement School, its eighth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. This school was designated as an Improvement School again for 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 68 in 2011-2012, 70.3 in 2010-2011 and 74.1 in 2009-2010. The Performance Index has demonstrated a steady decline. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 this school was rated in Academic Emergency. In 2010-2011 this school was rated in Academic Watch and in 2009-2010 was rated in Continuous Improvement. This school has made a steady decline in its report card ratings. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	0
2010-11	12	0
2011-12	12	0

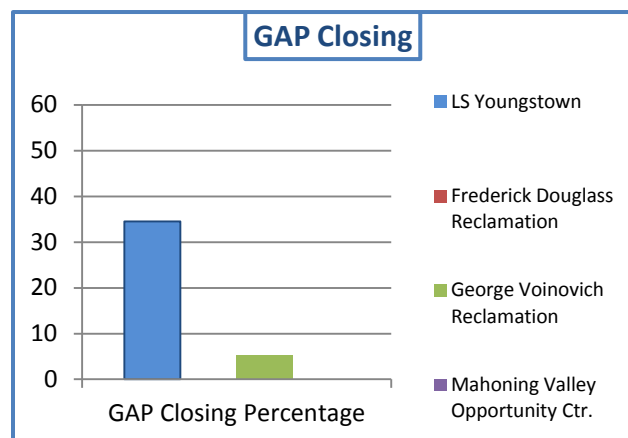
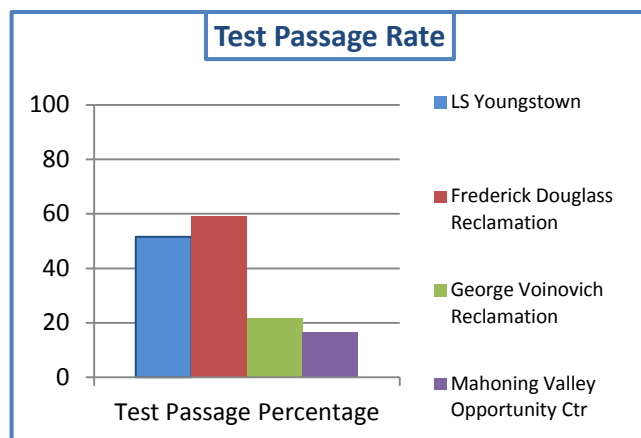
Students at this school have a history of not meeting any of the required state indicators. Historically this school met 0 of 12 required state indicators in 2011-2012, 0 of 12 required state indicators in 2010-2011, and 0 of 12 required state indicators on 2009-2010.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

This school has demonstrated inconsistent progress. There are some areas in which the school is demonstrating success and some areas that need attention. For the 2013-2014 school year, this school's AMO was 34.5% which Exceeds Standards. For the 2012-2013 school year, this school's AMO was 41.4% which equates to Exceeds Standards if a rating had been applied. For 2013-2014, this school exceeded the AMO target in reading in all the rated subgroups. The school's math scores declined slightly; however, there is still a significant achievement gap in math in all rated subgroups. This school did not meet the minimum attendance rate of 75% in any of its rated subgroups. The highest attendance rate was 50% in one of the subgroups. The all students attendance rate was 40.7%. It is important for this school to regularly disaggregate student assessment data to closely monitor its disaggregate groups. Most of this school's disaggregate subgroups did not have enough students to rate for AMO and the numbers could count in the upcoming years. Attendance is a significant issue for this school. It will be difficult for this school to improve its passage rate on the 5 required assessments (OGT) with the overall attendance rate of 40.7% for all students. This school needs to develop a comprehensive improvement plan. The school should capitalize on the strengths and progress it has demonstrated in reading and apply those strategies and teaching practices to improving math instruction and achievement. The improvement plan needs to focus on interventions for math as well as supporting the other four areas assessed by the OGT. The plan for this school needs to closely analyze the barriers to attendance and develop strategies for improvement. The improvement plan also needs to focus on improving graduation rates to a consistent level.

III. Comparison of Similar Schools



The school's test passage rate is well above two selected comparison drop-out recovery schools and slightly below the third comparison school. The school scored above one comparison school in GAP closing percentage while the remaining two comparison schools were not rated in this measure.

IV. Special Education Services

Based on information gathered during site visits over the past year, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Life Skills Center of Youngstown.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.99	 1.22	 1.23	 1.25	 1.47

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 6.30	 13.09	 15.16	 13.27	 18.31

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
Not Available	Not Available	Not Available	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.021)	 (0.001)	 (0.006)	 (0.003)	 (0.017)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.009)	 (0.003)	 (0.009)	 (0.010)	 (0.017)











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.88	 0.77	 0.81	 0.80	 0.68

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (41,777)	 (22,382)	 (7,404)	 (41,773)	 147,066
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (64,159)	 (29,786)	 (49,177)	 105,293	 147,066

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	No	No	Overall Compliant	In Process	No
2012-2013	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor
2011-2012	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor
2010-2011	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor
2009-2010	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	Did Not Sponsor	No findings	Did Not Sponsor

Comment: Life Skills Center of Youngstown (LS Youngstown) has been operating for fifteen years. St. Aloysius has only sponsored LS Youngstown since 2013. Historically, LS Youngstown has performed well on state conducted financial audits, having no findings over the past five (5) years. LS Youngstown also performed well during its first round of on-site compliance visits, being found partially compliant on only one item. LS Youngstown also complied well in submitting all sponsor required documentation and attended the OIP training offered by the sponsor.

MADISON AVENUE SCHOOL OF ARTS

1511 Madison Avenue
Toledo, Ohio 43604
419-259-4000

Mission:

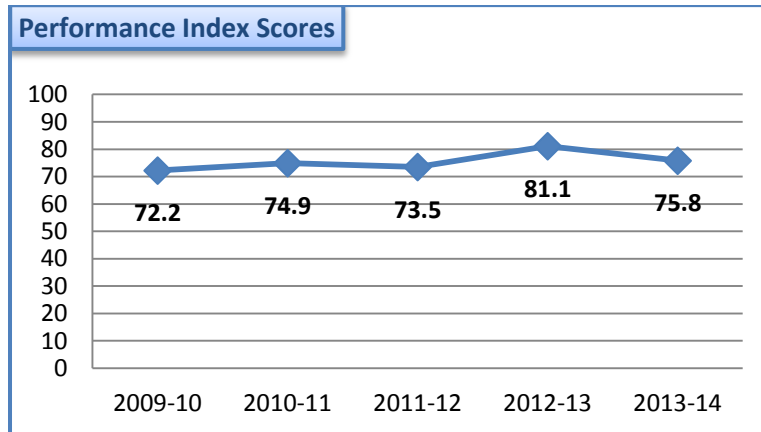
“Imagine Madison Avenue School of Arts, in partnership with families and the community, will assure that all children learn at high levels. As a school, we celebrate positive character development to produce high self-esteem and respect for others. Students will be prepared academically, artistically, and emotionally for their future life endeavors.”

<ul style="list-style-type: none">★ Board President: <i>Darlene Burke</i>★ School Leader: <i>Julie McLaughlin</i>★ Opened: <i>2008</i>★ Grades Served: <i>K-5</i>★ Enrollment from 2013-14: <i>556</i>	<ul style="list-style-type: none">★ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 74.1%</i> <i>Multiracial: 9.1%, White, Non-Hispanic: 8.7%,</i> <i>Hispanic: 8.2%</i>★ Students with Disabilities: <i>2%</i>★ Economically Disadvantaged: <i>99.7%</i>★ EMO: <i>Imagine Schools, Inc.</i>
--	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 75.8, which equates to a 63.1% and a grade of D. This is a decrease from the raw score of 81.1 and a percentage score of 67.5% with the same grade of D for the 2012-2013 school year. The raw score for the performance index for 2011-2012 was 73.5, for 2010-2011 74.9 and for 2009-2010 72.2. The school's Performance Index has remained relatively flat with the exception of a spike to 81.1 in 2012-2013. More than half of the students' scores (about 51%) are in the basic or limited levels, the bottom two achievement levels. About 49% of the students' scores are proficient or above with 14.6% of the score in the accelerated or advanced levels.

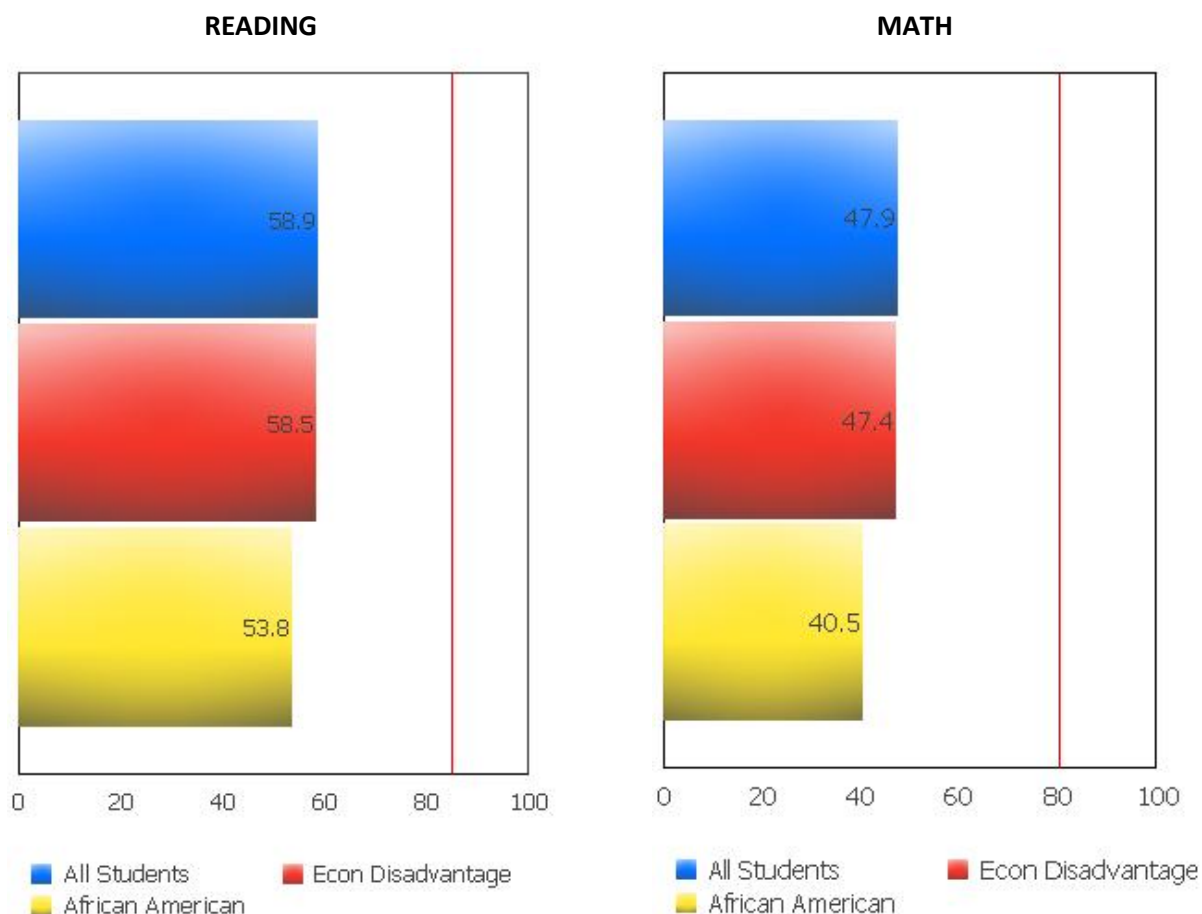
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Met	Met	Met	-
2010-11	Met	Met	Met	-
2011-12	Met	Met	Met	-
2012-13	-	-	-	A
2013-14	-	-	-	C

The overall Value Added grade for 2013-2014 is a C with a grade of C for students in the bottom 20% statewide. This indicates that overall, students are making approximately one year's worth of growth for one year's worth of instruction as are students in the bottom 20% of achievement. The school lost ground in its Value Added dimension when compared to the 2012-2013 school year. This school's overall Value Added grade for 2012-2013 was an A. This indicates that students made significantly more than one year's worth of growth for one year's worth of instruction in the 2012-2013 school year. For 2011-2012, 2010-2011, and 2009-2010 the school was in the Met range for Value Added in reading, math and combined Value Added. This indicates that students were making approximately one year's worth of growth for one year's worth of instruction in each of those three school years. This school has demonstrated progress in its Value Added dimension. Students are consistently making at least a year's worth of growth for a year's worth of instruction and made significantly more than a year's growth in the 2012-2013 school year. Students at this school need to continue to make significantly more than a year's worth of growth each year to enable students to meet state required indicators and grade level expectations.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 0%. In 2013-2014 this school received an AMO grade of F with a score of 0%. This school lost ground in both reading and math in all of the disaggregate subgroups for the 2013-2014 school year. There is a significant gap between the AMO goals and student achievement levels in reading and math for all of the measured subgroups. This school had a demotion in AMOs due to not meeting the attendance rate for one of the disaggregate subgroups. This school had a 100% participation rate for state required assessments. This school needs to focus additional efforts in both reading and math using data to drive instruction to meet the needs of all of the school's subgroups due to significant achievement gaps.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	8	0
2010-11	8	1
2011-12	8	1
2012-13	7	1
2013-14	7	0

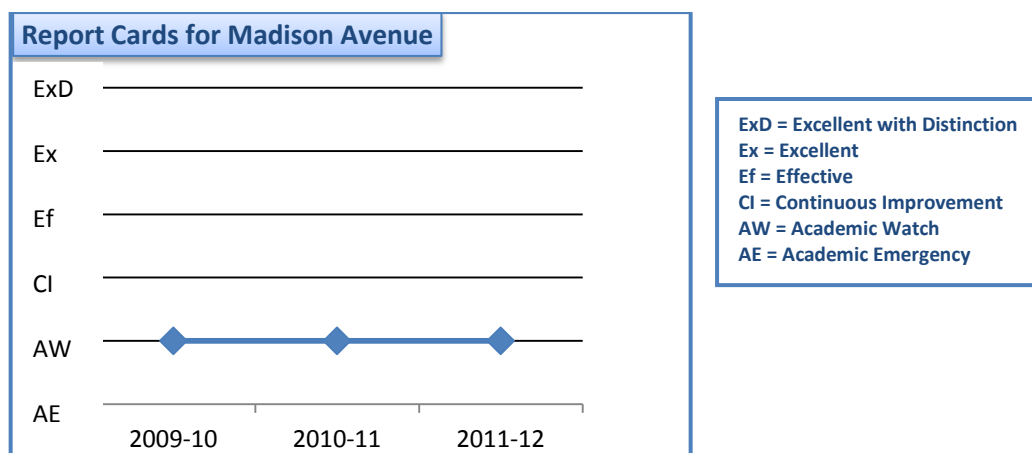
This school met 0 of the 8 required state indicators in 2009-2010, 1 of 8 required state indicators in 2010-2011, 1 of 8 required state indicators in 2011-2012, 1 of 7 required state indicators in 2012-2013 for a grade of F, and 0 of 7 required state indicators 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	1
2010-11	Yes	2
2011-12	Yes	3
2012-13	Focus	4
2013-14	Focus	5

This school was designated in school improvement in 2009-2010, 2010-2011, and 2011-2012. This school was identified as Focus School under the ESEA Flexibility Waiver for 2012-2013 and 2013-2014. 2012-2013 was this school's 4th year in school improvement status.

f. Historical Report Card Grades



This school was rated in Academic Watch in 2009-2010, 2010-2011, and 2011-2012. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

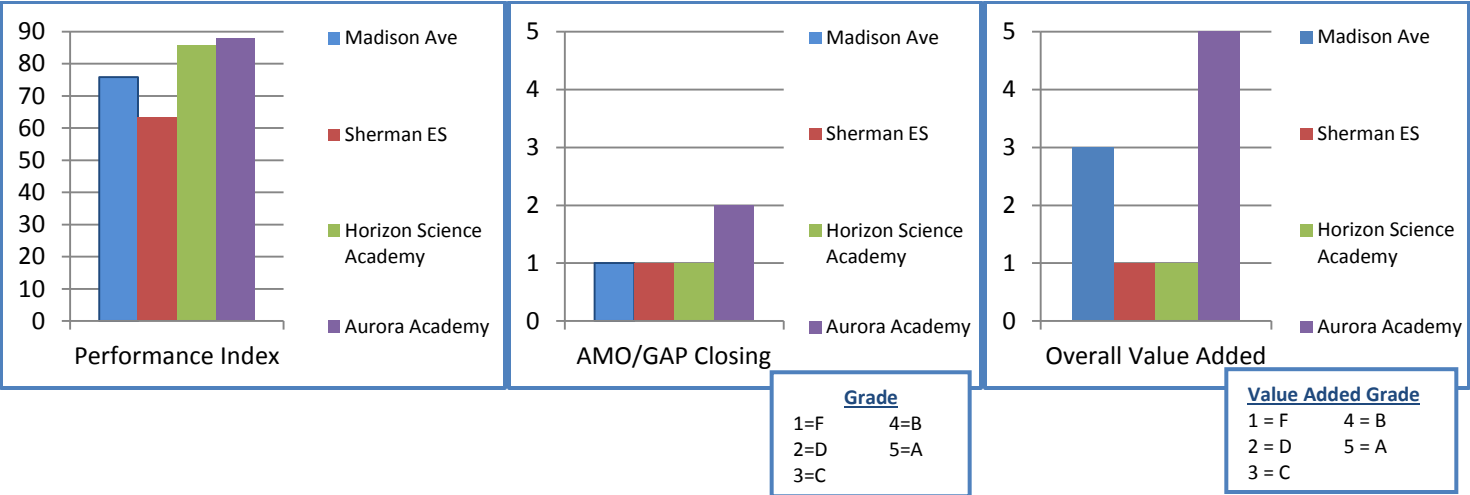
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has not met AYP in 2009-2010, 2010-2011, and 2011-2012. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The school's Performance Index has remained relatively flat with the exception of a spike to 81.1 in 2012-2013. More than half of the students' scores (about 51%) are in the basic or limited levels, the bottom two achievement levels. About 49 % of the students' scores are proficient or above with 14.6 % of the score in the accelerated or advanced levels. The overall Value Added grade for 2013-2014 is a C with a grade of C for students in the bottom 20% statewide. This indicates that overall students are making approximately one year's worth of growth for one year's worth of instruction as are students in the bottom 20% of achievement. The school lost ground in its Value Added dimension when compared to the 2012-2013 school year. This school's overall Value Added grade for 2012-2013 was an A. This indicates that students made significantly more than one year's worth of growth for one year's worth of instruction. For 2011-2012, 2010-2011, and 2009-2010 the school was in the Met range for Value Added in reading, math and combined Value Added. This indicates that students were making approximately one year's worth of growth for one year's worth of instruction in each of those three school years. The students at this school need to continue to make significantly more than a year's worth of growth for one year's worth of instruction if the students are to achieve at a level to meet state indicators and grade level expectations. This school needs to focus additional efforts in both reading and math as evidenced by the grade of F in AMOs. All of the disaggregate subgroups continue to demonstrate significant achievement gaps compared to AMO targets. During the 2013-2014 school year, all subgroups lost ground in both reading and math in comparison to AMO targets from the previous year. The school should focus on using data to develop a rigorous and comprehensive school improvement plan. The plan should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all subgroups of students with a focus on closing achievement gaps in both reading and math. This school may want to revisit the strategies that facilitated the A in the Value Added dimension for the 2012-2013 school year.

III. Comparison of Similar Schools



The school outperformed a local traditional public school in performance index score, which assesses student achievement level. The school scored below two local community schools in the same measure. The school compares similarly to most comparison schools in AMO/GAP closing but scored lower than one local community school. The school also outperformed two comparison schools in overall value added and scored below the same local community school as in AMO/GAP closing.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. One complaint has been made to the Office of Community Schools at the Ohio Department of Education. The school resolved the complaint in an appropriate and timely manner.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Madison Avenue School of Arts.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.99	 1.00	 1.00	 1.30	 31.47




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.02	 0.02	 0.01	 0.04	 0.00

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.05	 1.41	 1.14	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.0002)	 (0.0001)	 (0.0017)	 (0.0124)	 0.0211

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.0006)	 (0.0041)	 0.000002	 0.0011	 0.0211











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.01	 1.00	 1.00	 0.77	 0.03


Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 -	 127	 (364)	 460	 18
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 127	 (237)	 96	 478	 18

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	 0.17

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	Yes	Due October 2014	Yes	Yes	No	Yes	Yes	Overall Compliant	In process	No
2012-2013	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	No	Yes	Yes	No	No	No	Overall Compliant	No findings	Yes
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	Yes	No	Overall Compliant	No findings	No
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	No

Comment: Madison Avenue School of Arts (Madison Avenue) is currently operating in its seventh year. Madison has performed well during on-site reviews conducted by the sponsor, being found partially compliant on only one item in 2010-2011 over the past five (5) years. Madison Avenue has also performed well on state conducted financial audits, having no findings over the same five (5) year period. Madison Avenue has submitted one corrective action plan regarding the PCSP audit. Historically, Madison Avenue has submitted all sponsor required documentation, with the exception of a management company evaluation in 2011-2012. When an on-site academic coach has been required by the charter accountability standards, Madison Avenue has complied and hired a person to perform these duties within the school. Madison Avenue has requested few charter modifications and continues to operate well within the bounds of the charter agreement.

MARSHALL HIGH SCHOOL

4720 Roosevelt Blvd.
Middletown, Ohio 45044
513-423-1800

Mission:

Marshall High School is a student-centered organization delivering excellence in education. Our team is committed to our students, our communities, and each other. We believe that our cohesion and morale help us to achieve excellence in our school. Our commitment to our students and our dedication to impacting their education through innovative methods makes us unique.

At Marshall High School, we believe the following:

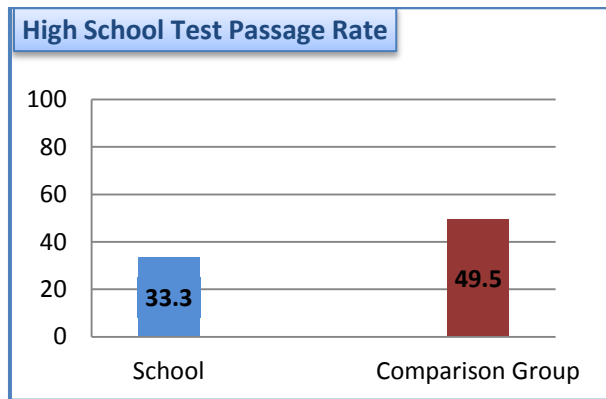
- Every student deserves an environment that enables them to achieve to their potential.
- We respect our work and each other.
- We use data to inform our decisions and measure our success.

<ul style="list-style-type: none">✦ Board President: <i>Rod Hale</i>✦ School Leader: <i>Chuck Hall</i>✦ Opened: <i>2001</i>✦ Grades Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>199</i>✦ Attendance Rate: <i>36.7%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>White, Non-Hispanic: 70.6%, Black, Non-Hispanic: 18.7%, Multiracial: 5.5%</i>✦ Students with Disabilities: <i>27.9%</i>✦ Economically Disadvantaged: <i>77.0%</i>✦ EMO: <i>Cambridge Education Group</i>
---	---

ACADEMICS

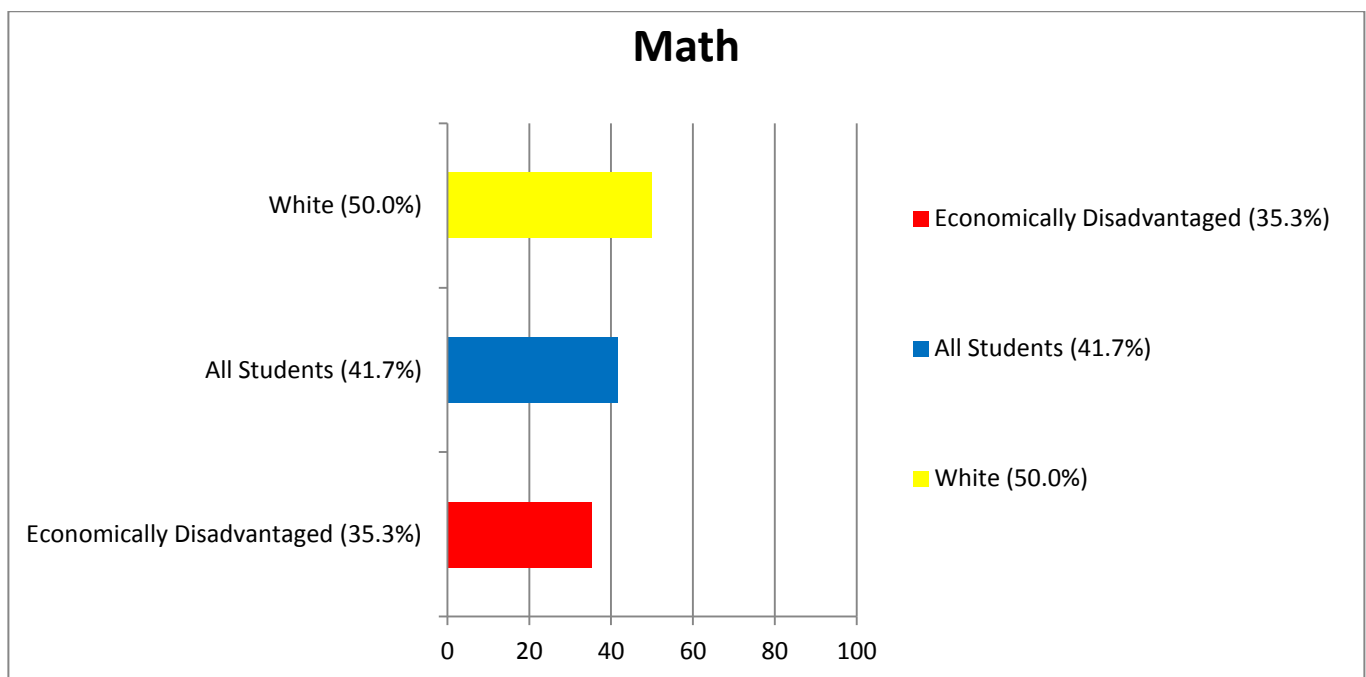
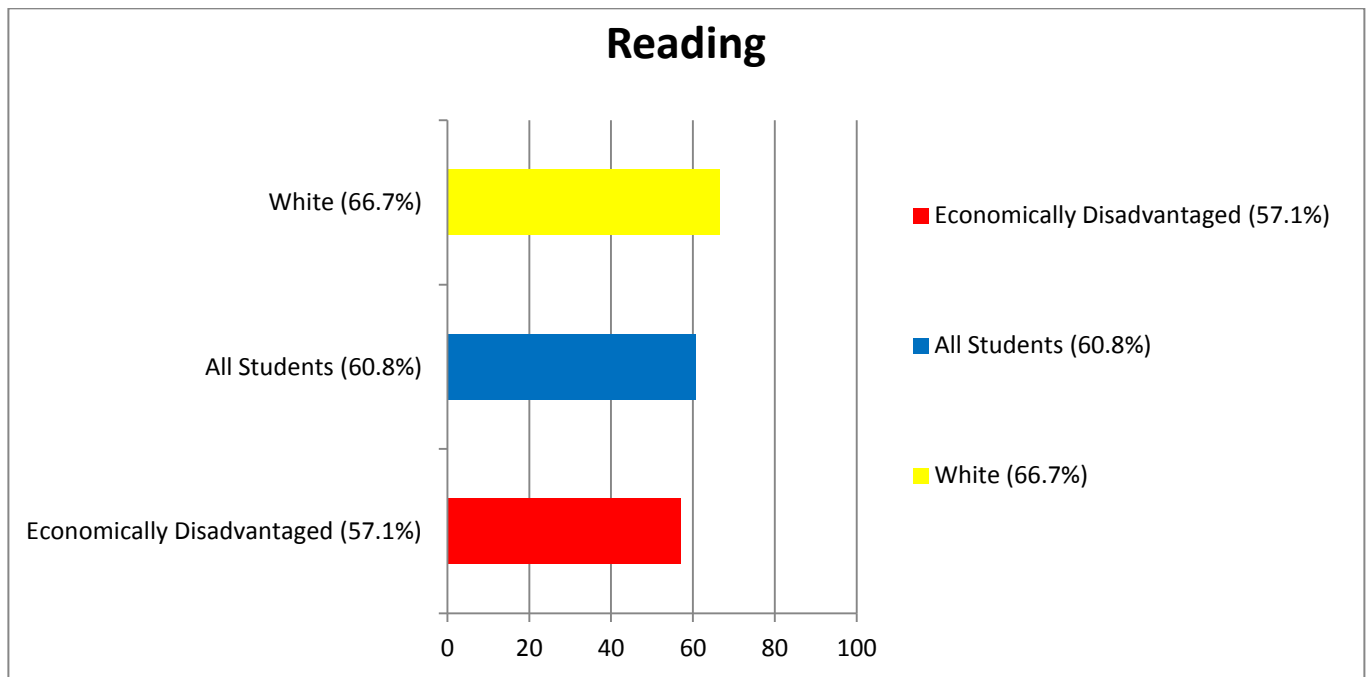
I. Local Report Card

a. High School Test Passage Rate 2013-2014

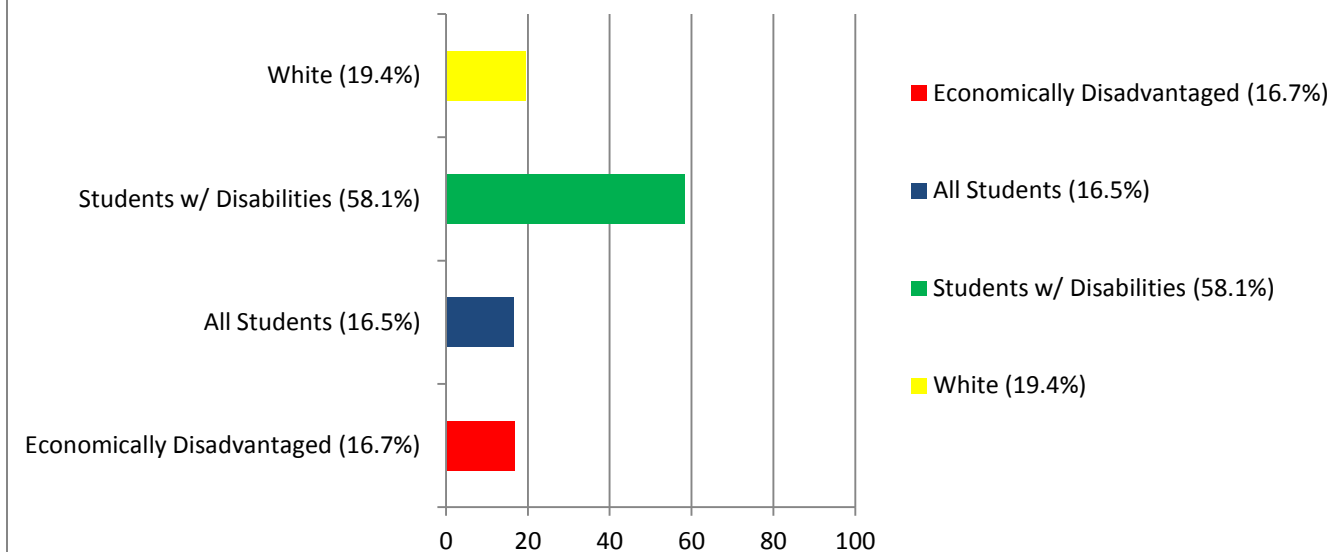


The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 21 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 33.3% which Meets Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was 33.3% which would have equated to Meets Standards if ratings had been assigned.

b. Annual Measurable Objectives (AMOs) 2013-2014

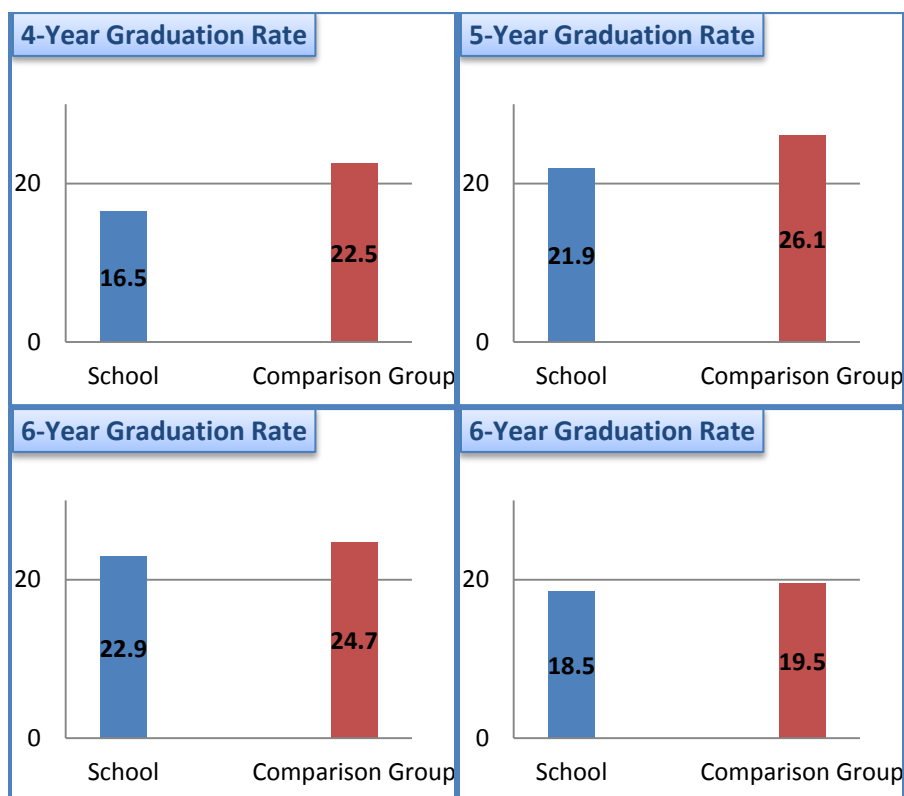


Graduation Rate



Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was 3.9% and Does Not Meet Standards. For the 2012-2013 school year, this school's AMO was 50.4% which equates to Exceeds the Standards if ratings had been assigned. For 2013-2014, this school lost ground in the AMO reading goal by 23.6% in the all students subgroup (the only rated subgroup). There is a significant achievement gap (22.6) between the AMO goal in reading and the students' achievement level for the 2013-2014 school year. For 2013-2014, this school lost ground in the AMO math goal by 27.1% in the all students subgroup (the only rated subgroup). There is a significant achievement gap (36.8) between the AMO goal in math and the students' achievement level for the 2013-2014 school year. This school did not meet the attendance goal of 75% in all of the rated subgroups, with the attendance rate for all students at 36.7%. This school received a demotion for failure to meet the participation rate of 95% having an all student participation rate of 92.3% in reading and 89.2% in math. This school did not make improvement in the graduation rate in AMO for all students; however, the school made a small improvement in AMO graduation rate for two subgroups, while making a significant improvement for IEP students of 27.5%. There remains a significant gap between the AMO target for graduation and the school's graduation rate. This school received a preliminary rating of Meets Standards however; with the demotion it had a final rating of Does Not Meet Standards for AMO.

c. Graduation Rate 2013-2014



The graduation rate applies to student graduation within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 16.5% would have equated to Meets Standards if ratings had been assigned. For the 2013-2014 school year, the 4 year graduation rate stayed exactly the same at 16.5% and Meets Standards.

For the 2012-2013 school year, the 5 year graduation rate was 18.8% which would have equated to Meets Standards if ratings had been assigned. For the 2013-2014 school year, the 5 year graduation rate increased to 21.9% and Meets Standards.

For the 2012-2013 school year, the 6 year graduation rate was 18.5% which would have equated to and Meets Standards if ratings had been assigned. For the 2013-2014 school year, the 6 year graduation rate increased to 22.9% and Meets Standards.

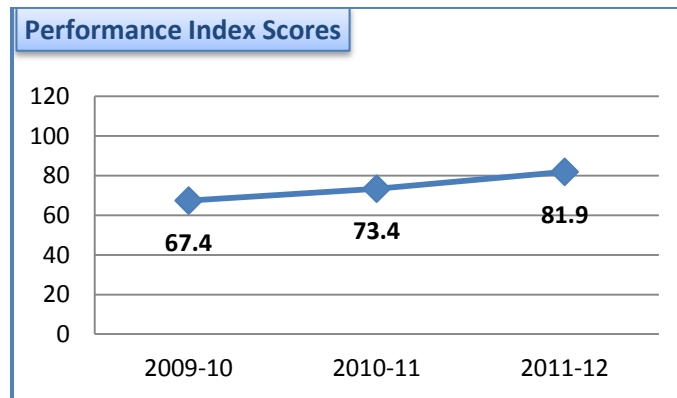
For the 2013-2014 school year, the 7 year graduation rate was 18.5% and Meets Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	5
2010-11	Yes	6
2011-12	Yes	6 (delay)
2012-13	Improvement	8
2013-14	Improvement	9

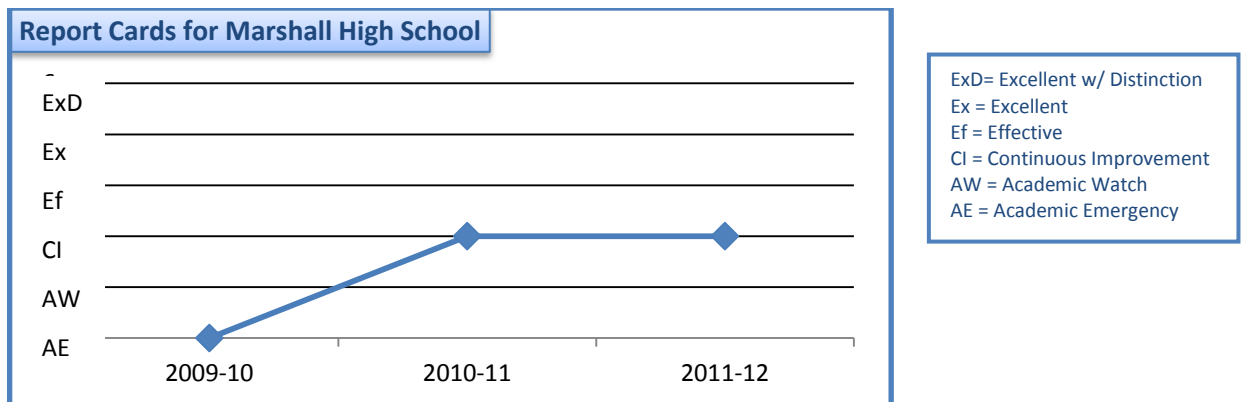
In 2012-2013 this school was designated as an Improvement School, its eighth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011 and 2011-2012. This school was designated as an Improvement School again for 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 81.9 in 2011-2012, 73.4 in 2010-2011 and 67.4 in 2009-2010. The Performance Index has been trending steadily upward from 2009 through 2012. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 and 2010-2011 this school was rated in Continuous Improvement after having been rated in Academic Emergency in 2009-2010. Academic Ratings have been replaced with an over-all rating of Does Not Meet, Meets or Exceeds Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	0
2010-11	12	1
2011-12	12	1

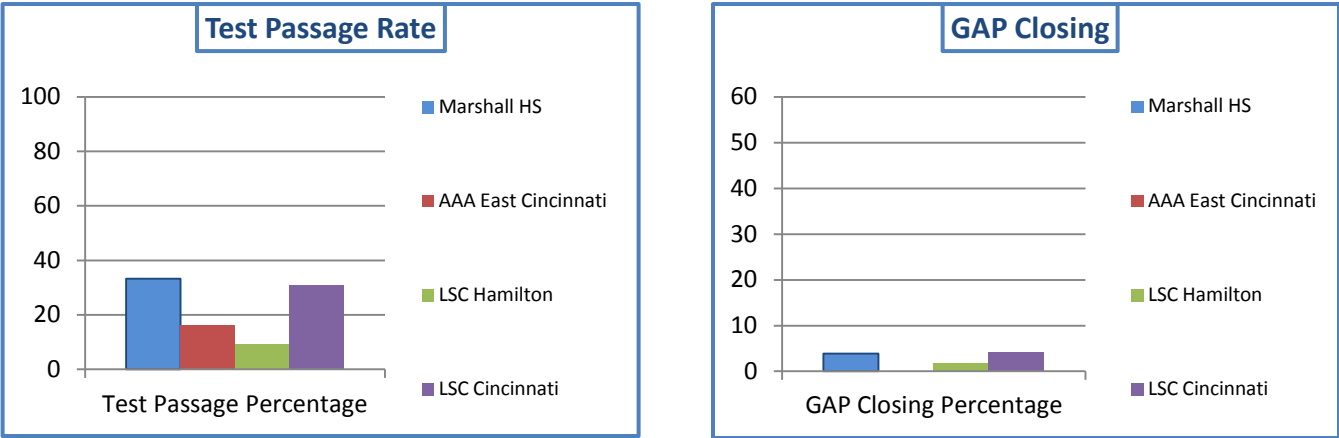
Students at this school have a history of not meeting the required state indicators. Historically this school met 1 of 12 required state indicators in 2011-2012, 1 of 12 required state indicators in 2010-2011, and 0 of 12 required state indicators on 2009-2010.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

While previously on a positive trajectory, this school lost significant ground in reading, math, attendance, and test participation this year. The preliminary rating for AMO was Meets Standards, while a demotion due to test participation resulted in an AMO rating of Does Not Meet Standards. This school has consistently failed to meet the required state indicators. This school has met standards for graduation in each of the cohort years. For the 2013-2014 school year there is a significant achievement gap (22.6%) in reading and (36.8%) in math. This is a significant decline in the progress this school had been achieving. This school needs to develop a rigorous and strategic improvement plan focusing on a detailed data analysis of all aspects of the educational program. The plan needs to include a focus on improved professional practice, intense intervention for both reading and math, and an analysis of and intervention for the barriers to attendance and test participation. This school needs to get back on the positive trajectory it previously realized.

III. Comparison of Similar Schools



The school’s test passage rate is well above two selected comparison drop-out recovery schools and compares similarly to the third comparison school. The school also compares similarly to two comparison schools in GAP closing percentage. AAA East was not rated in this measure.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Marshall High School AKA Life Skills of Middletown\Butler.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 2.34	 4.99	 5.59	 3.90	 2.59




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 55.05	 47.20	 33.83	 52.11	 48.59

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.92	 0.88	 0.85	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.02)	 0.00	 (0.04)	 0.01	 0.01

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.02)	 (0.01)	 (0.01)	 0.01	 0.01











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.43	 0.20	 0.18	 0.26	 0.39

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 28,220	 37,814	 (130,294)	 34,271	 297,850
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 66,034	 (92,480)	 (96,023)	 332,121	 297,850

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	No	Yes	Overall Compliant	In process	No
2012-2013	No	Yes	No	No	Yes	Yes	No	No	Yes	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	Yes

Comment: Marshall High School (Marshall) is currently operating in its fourteenth year. Prior to 2013, Marshall operated as Life Skills Center of Middletown, operated by White Hat Management. In 2013, Marshall opted to change its management company to Cambridge Education Group, its name and its location. Over the previous five (5) years, Marshall has performed well during on-site reviews conducted by the sponsor. Marshall has been found partially compliant on only two (2) items during these visits. One of these items related to EMIS reporting did require a corrective action plan in 2009-2010; yet, this issue has been resolved and the school was compliant every year thereafter. Historically, Marshall has submitted all required documentation to the sponsor, with the exception of assessment data for the 2012-2013 (which occurred during the transition in management companies). Marshall has performed well on state conducted financial audits, with only minor issues being addressed in a corrective action plan.

MIDDLEBURY ACADEMY

88 Kent Street
Akron, Ohio 44305
330-752-2766

Mission:

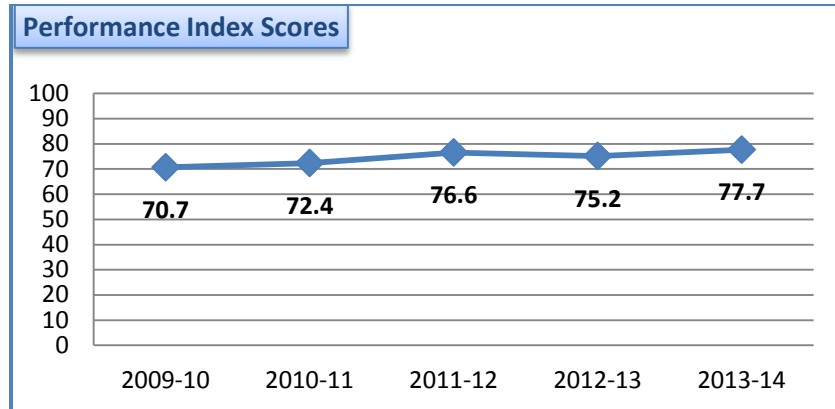
“Middlebury Academy is dedicated to improving the lives of its students by providing authentic learning experiences in a collaborative, nurturing environment that will build a foundation for students’ success in school, at future work, and in life. To achieve the mission, our School will integrate current learning technologies into each classroom. We will offer authentic learning experiences that are representative of how children learn best, as well as offer a schedule and support activities that enable each student to reach to his or her potential. We want our students to leave with the skills and abilities necessary to achieve academic excellence, personal growth, and success as lifelong learners. This mission requires the support of the faculty, staff, families, and community in order to encourage and empower students to be responsible and valued citizens.”

✦ Board President: <i>Ron McDaniel</i>	✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 88.6%, Multiracial: 8%</i>
✦ School Leader: <i>Veronica Fly</i>	✦ Students with Disabilities: <i>8.7%</i>
✦ Opened: <i>1998</i>	✦ Economically Disadvantaged: <i>97.4%</i>
✦ Grades Served: <i>1-8</i>	✦ EMO: <i>Cambridge Education Group</i>
✦ Enrollment from 2013-14: <i>289</i>	

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school is 77.7, which equates to an 64.8% and a grade of D. This is an increase in the raw score of 75.2 and a percentage score of 62.6% with a grade of D for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 76.6, for 2010-2011 72.4 and for 2009-2010 70.7. The school's Performance Index demonstrates an upward trend increasing from a low of 70.7 in 2009-2010 to a current score of 77.7. 46.3% of the students' score were in the limited and basic achievement levels. These are the bottom two achievement levels. 53.7% of the students' scores fell in the proficient or above with 14.9% in the advanced or accelerated achievement levels.

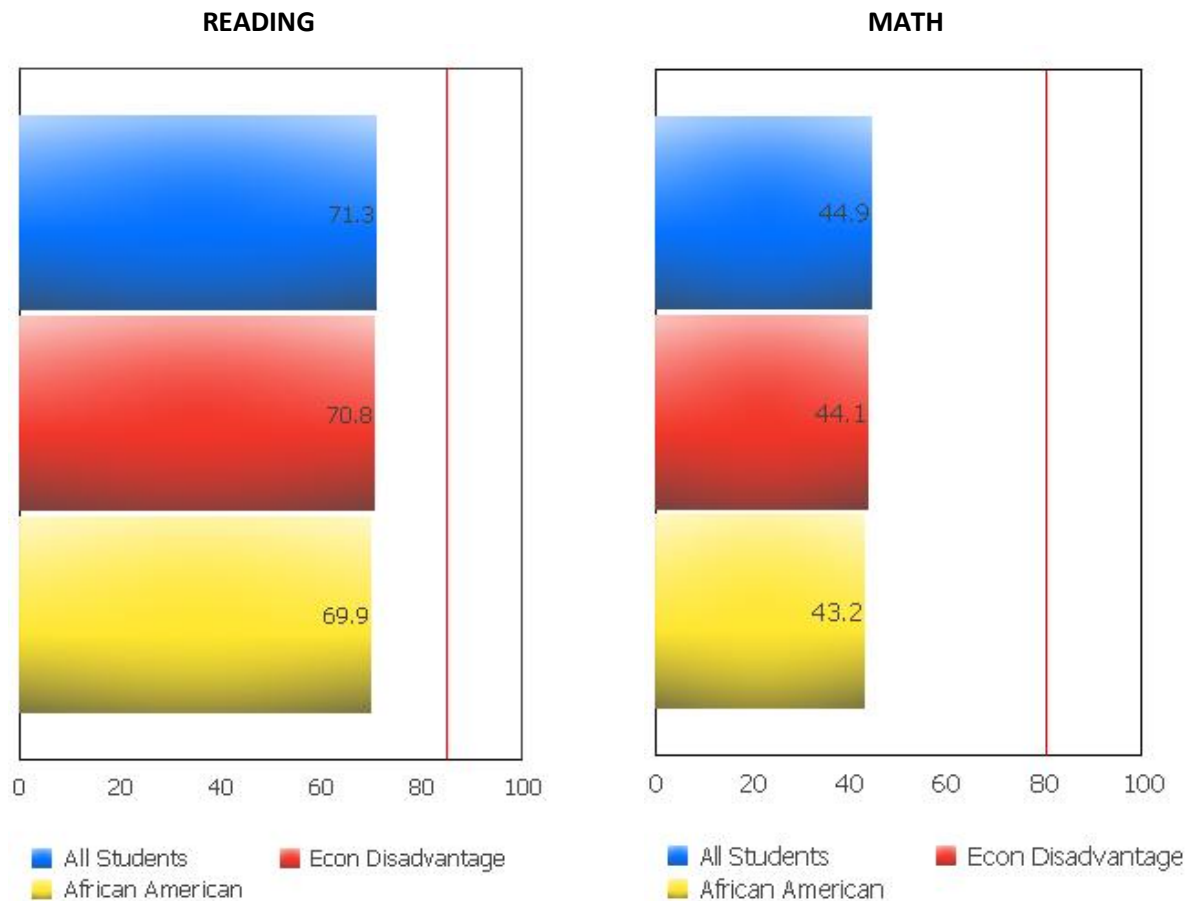
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Above	Above	Met	-
2010-11	Below	Below	Below	-
2011-12	Met	Above	Met	-
2012-13	-	-	-	B
2013-14	-	-	-	A

The overall Value Added grade for 2013-2014 is an A with a grade of B for students in the bottom 20% statewide and a grade of C students with disabilities. This indicates that overall students are achieving significantly more than a year's worth of growth for a year's worth of instruction while students in the bottom 20% are achieving more than a year's worth of growth for a year's worth of instruction. Students with disabilities are achieving approximately a year's worth of growth for a year's worth of instruction. This school's overall Value Added grade for 2012-2013 was a B. This indicates that students made more than one year's worth of growth for one year's worth of instruction. For the school year 2011-2012, math was in the Above range while reading and Value Added combined were in the Met range. For school year 2010-2011, reading, math, and Value Added combined were in the below range. For 2009-2010 reading was in the Met range while math and Value Added combined were in the above range. Students in this school have consistently achieved a year or more of growth for a year's worth of instruction for three of the past four years. In the 2010-2011 school year, students made less than a year's worth of growth for a year's worth of instruction. This school's value added dimension has improved in 2011-2012, 2012-2013 and 2013-2014.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 13.6%. In 2013-2014 this school received an AMO grade of F with a score of 24.6%. All measurable student subgroups made progress toward AMO targets in both reading and math for 2013-2014. However, there are still achievement gaps in reading and significant achievement gaps in math for all of the measurable disaggregate groups for the 2013-2014 school year.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	15	1
2010-11	15	2
2011-12	15	1
2012-13	14	2
2013-14	14	2

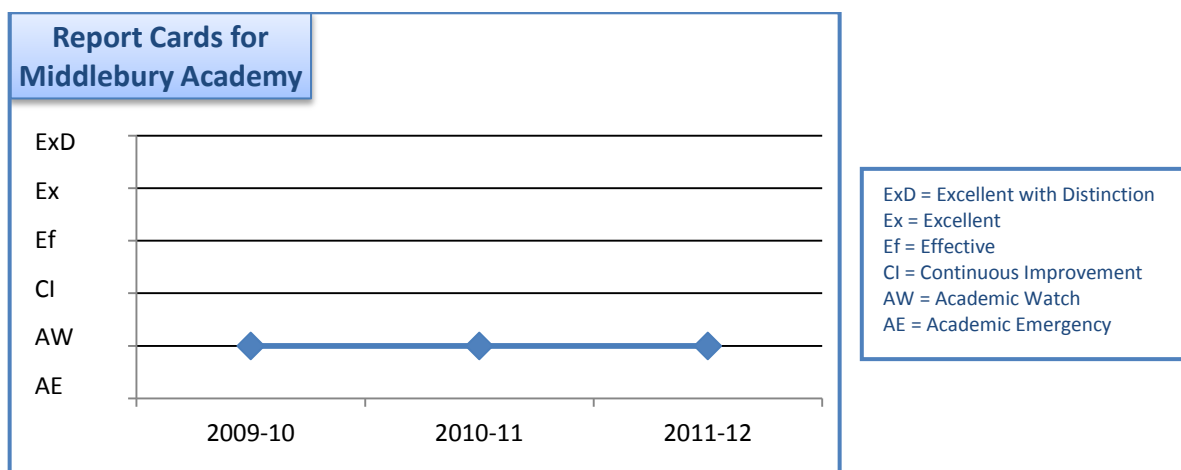
This school met 1 of the 15 required state indicators in 2009-2010, 2 of 15 required state indicators in 2010-2011, 1 of 15 required state indicators in 2011-2012, 2 of 14 required state indicators in 2012-2013 for a grade of F, and 2 of 14 required state indicators 2013-2014 for a grade of F. This school has consistently failed to meet state required indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Improvement	1
2010-11	Improvement	2
2011-12	Improvement	3
2012-13	Improvement	4
2013-14	Improvement	5

This school has been designated for school improvement status in 2009-2010, 2010-2011, 2011-2012 and 2012-2013, its fourth year of school improvement. This school has been designated as an Improvement School again for 2013-2014.

f. Historical Report Card Grades



This school was rated in Academic Watch in 2011-2012, 2010-2011, and in 2009-2010. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

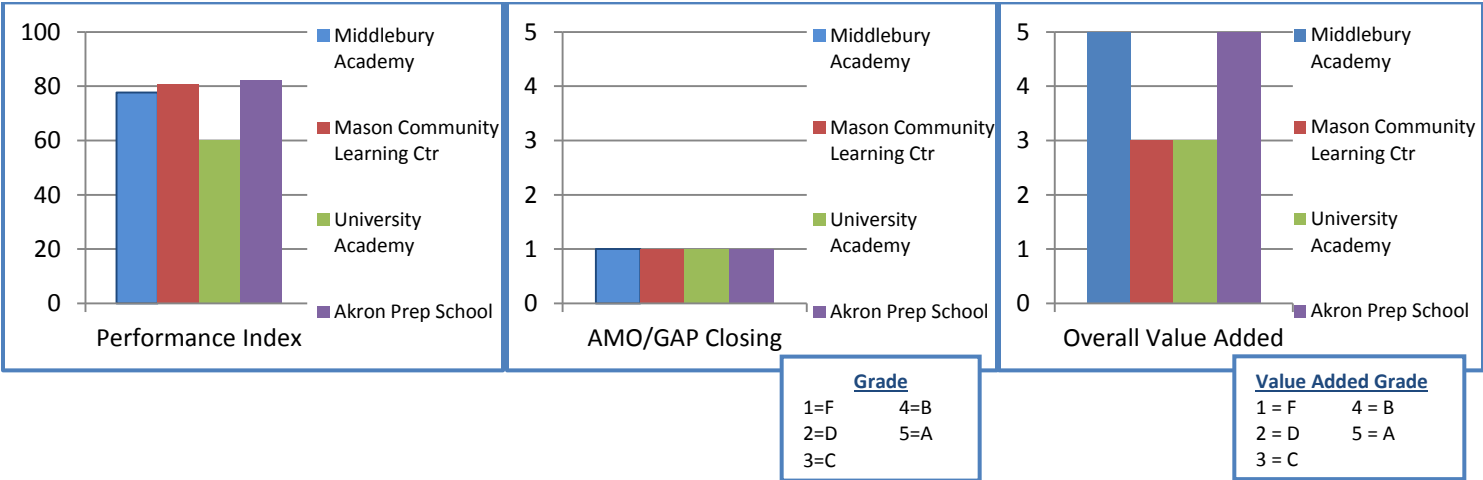
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school did not meet AYP for the school years 2011-2012, 2010-2011, and 2009-2010. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The school's Performance Index demonstrates an upward trend increasing from a low of 70.7 in 2009-2010 to a current score of 77.7. Approximately 46% of the students' scores were in the limited and basic achievement levels. These are the bottom two achievement levels. Approximately 54% of the students' scores fell in the proficient or above achievement levels with about 15% of the students' score falling within the advanced or accelerated achievement levels. The overall Value Added grade for 2013-2014 is an A with a grade of B for students in the bottom 20% statewide and a grade of C for students with disabilities. This indicates that overall students are achieving significantly more than a year's worth of growth for a year's worth of instruction while students in the bottom 20% are achieving more than a year's worth of growth for a year's worth of instruction. Students with disabilities are achieving approximately a year's worth of growth for a year's worth of instruction. Students in this school have consistently achieved a year or more of growth for a year's worth of instruction for four of the past five years. In the 2010-2011 school year, students made less than a year's worth of growth for a year's worth of instruction. This school's value added dimension has improved in 2011-2012, 2012-2013 and 2013-2014. This school has consistently failed to meet state required indicators. However in 2013-2014, 95% of the students tested in 8th grade reading scored proficient or higher, which is significant. All measurable student subgroups made progress toward AMO targets in both reading and math for 2013-2014. However, there are still achievement gaps in reading and significant achievement gaps in math for all of the measurable disaggregate groups for the 2013-2014 school year. The school should focus on using data to develop a comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all subgroups of students with a focus on eliminating achievement gaps in mathematics.

III. Comparison of Similar Schools



The school outperformed one similar community school in performance index score, which assesses student achievement level. The school scored below a local traditional public school and another similar community school in the same measure. The school compares similarly to the comparison schools in AMO/GAP closing. The school outperformed two comparison schools in overall value added and scored the same as the third comparison school.

IV. Special Education Services

Based on information gathered during site visits over the past two years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Middlebury Academy AKA Hope Academy University.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.31	 0.85	 1.55	 1.66	 2.14


Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 23.86	 1.92	 7.12	 14.77	 16.40

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.97	Not Available	Not Available	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.024	 (0.024)	 (0.016)	 (0.003)	 0.003

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.006)	 (0.014)	 (0.006)	 (0.0001)	 0.003











Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.73	 1.15	 0.63	 0.59	 0.43

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 201,548	 (55,545)	 (71,364)	 8,121	 137,976
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 146,003	 (126,909)	 (63,243)	 146,097	 137,976

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	Yes	Due October 2014	Yes	Yes	Yes	Yes	Yes	Overall Compliant	In Process	No
2012-2013	No	Yes	Yes	n/a	Yes	Yes	No	Yes	Yes	Overall Compliant	No findings	No
2011-2012	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No findings	Did not Sponsor
2010-2011	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No findings	Did not Sponsor
2009-2010	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No findings	Did not Sponsor

Comment: Middlebury Academy (Middlebury) has been operating since 1998. St. Aloysius has sponsored Middlebury since 2012. Middlebury initially operated as Hope Academy University under the management of White Hat Management until 2013. In 2013, Middlebury opted to change its management company to Cambridge Education Group and also change its name and location. Middlebury has experienced some challenges in submitting documentation required by the sponsor. In 2012-2013, Middlebury failed to submit assessment data and in 2013-2014, Middlebury failed to submit CSLT meeting forms. Also, Middlebury was required to hire an on-site academic coach per the charter accountability standards in 2012-2013 and failed to do so. Middlebury did however, hire an on-site academic coach for the 2013-2014 school year. Middlebury has performed well on state conducted financial audits, having no findings over a five (5) year period. Middlebury has also not been required to submit any corrective action plans.

SULLIVANT AVENUE COMMUNITY SCHOOL

**3435 Sullivant Avenue
Columbus, Ohio 43204
614-308-5991**

Mission:

“Our mission is to develop young men and women with active and creative minds, a sense of understanding and compassion for others, and the courage to do what is right. At Imagine Academy at Sullivant we recognize that each child is an individual; that all children are creative; that all children need to succeed.

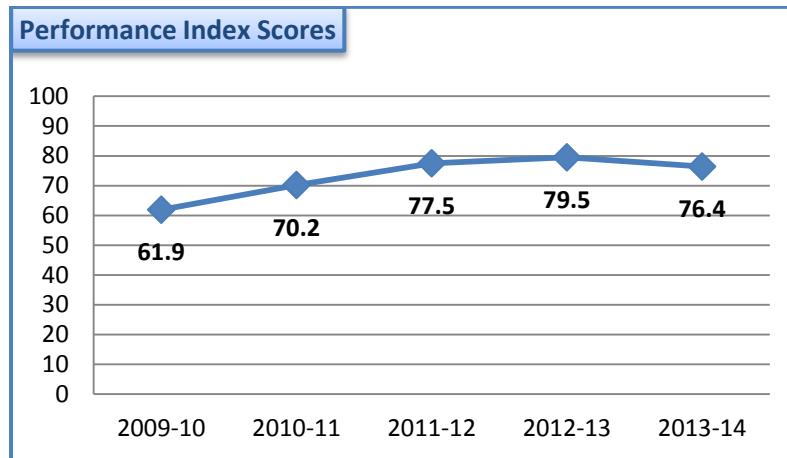
Therefore, Imagine Academy at Sullivant respects the individual needs of children; fosters a caring and creative environment; and emphasizes the social, emotional, physical, and intellectual development of each child.”

<ul style="list-style-type: none">✦ Board President: <i>Jill Stoll</i>✦ School Leader: <i>Jamie Lama</i>✦ Opened: <i>2008</i>✦ Grades Served: <i>K-6</i>✦ Enrollment from 2013-14: <i>402</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Hispanic: 39.8%, Black, Non-Hispanic: 27.4%, White, Non-Hispanic: 21.6%, Multiracial: 9.1%</i>✦ Students with Disabilities: <i>8.4%</i>✦ Economically Disadvantaged: <i>88.3%</i>✦ Limited English Proficiency: <i>31.3%</i>✦ EMO: <i>Imagine Schools, Inc.</i>
---	---

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph presented above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 76.4, which equates to a 63.7% and a grade of D. This is a decrease from the raw score of 79.5 and a percentage score of 66.2% with no change in the grade of D for the 2012-2013 school year. The raw score for the performance index for 2011-2012 was 77.5, for 2010-2011 70.2 and for 2009-2010 61.9. This school's Performance Index was on a steady increase from a low of 61.9 in 2009-2010 to a high of 79.5 in 2012-2013, until a decline to 76.4 occurred in the 2013-2014 school year. For the 2013-2014 school year, approximately 47% of the students are still scoring in the basic or limited levels. Approximately 53% of the students' scores fall in the proficient or above achievement levels with 18% of the scores falling in the accelerated or advanced achievement levels.

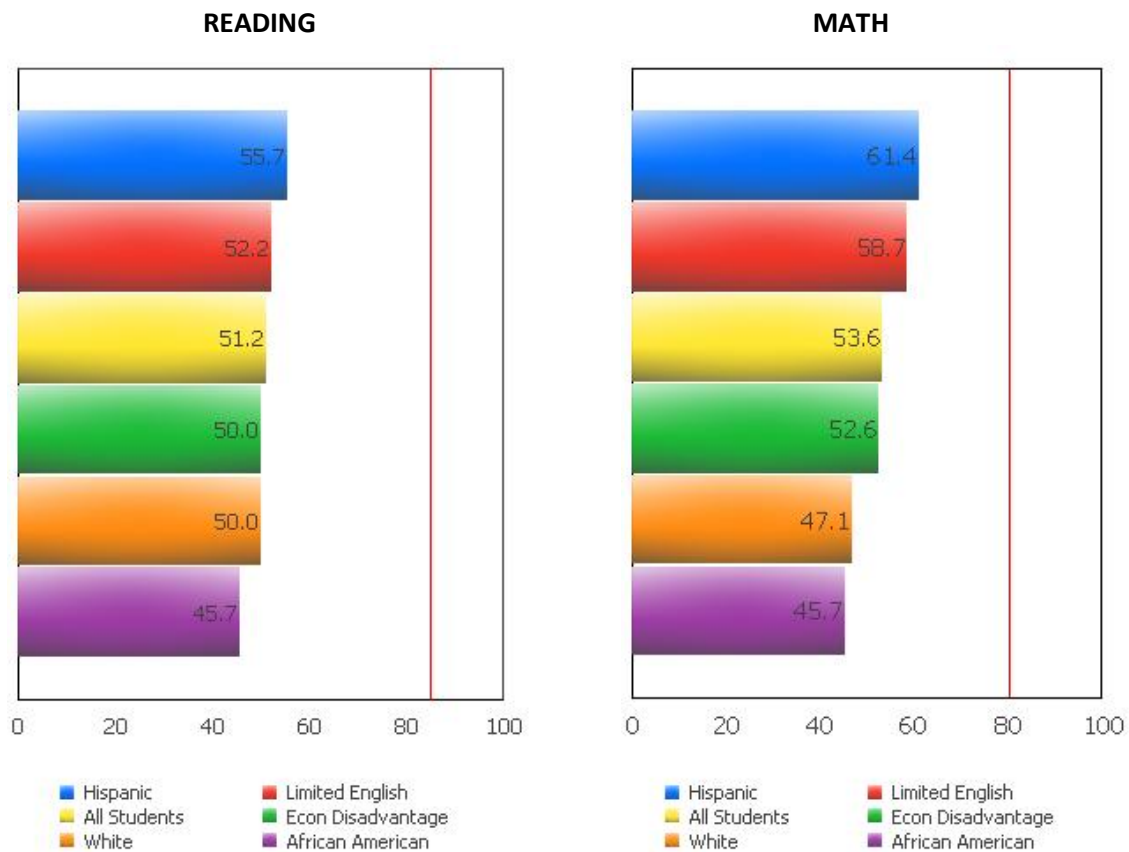
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	Met	Met	Met	-
2010-11	Above	Above	Met	-
2011-12	Met	Met	Met	-
2012-13	-	-	-	A
2013-14	-	-	-	A

The overall Value Added grade for 2013-2014 is an A with a grade of B for students in the bottom 20% statewide and a grade of D for students with disabilities. This indicates that overall for 2013-2014, students made significantly more than a year's worth of growth for a year's worth of instruction. Students in the bottom 20% made more than a year's worth of growth for a year's worth of instruction while students with disabilities made less than a year's worth of growth. This school's overall Value Added grade for 2012-2013 was an A. This indicates that students made significantly more than one year's worth of growth for one year's worth of instruction. For 2011-2012 the school scored in the Met range in reading, math and combined Value Added. This indicates that students were making approximately one year's worth of growth for one year's worth of instruction for the 2011-2012 school year. For 2010-2011 this school rated in the Met range for reading and the Above range for combined Value Added and math. This indicates that the student were making a year's worth of growth for a year's worth of instruction in reading while making more than a year's worth of growth for one year's worth of instruction in math and combined Value Added. For 2009-2010 the school was at the Met range in reading, math and combined Value Added. This indicates that students were making approximately one year's worth of growth for one year's worth of instruction during the 2009-2010 school year. This school has made consistent progress in the Value Added dimension. Students are consistently making at least a year's worth of growth for a year's worth of instruction and consistently more than a year's worth of growth for the 2012-2013 and 2013-2014 school year. However, for students to meet state required indicators and grade level expectations, students at this school need to continue to make significantly more than a year's worth of growth each year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 6.2%. In 2013-2014 this school received an AMO grade of F with a score of 7%. This school made small gains in math but lost substantial ground in reading in all of the measured disaggregate subgroups for the 2013-2014 school year. There are significant gaps between the AMO goals and student achievement levels in reading and math for all of the subgroups. This school needs to focus its efforts on closing the significant achievement gaps for all subgroups. This school received a demotion in its AMO rating because it did not meet the attendance rate of 93% in any of its rated disaggregate groups. Attendance needs to be addressed systemically. Assessment rates for participation were 100% for all subgroups.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	10	0
2010-11	10	2
2011-12	10	0
2012-13	9	1
2013-14	9	0

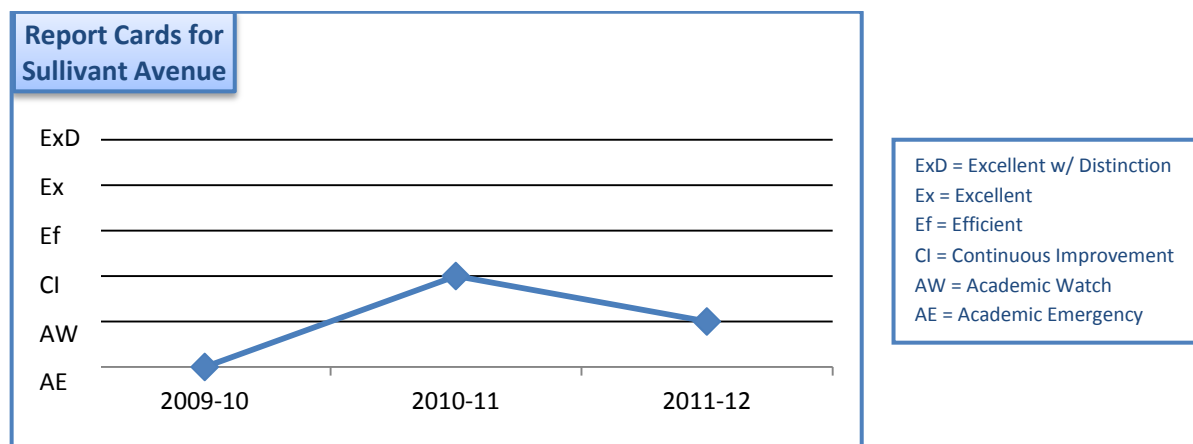
This school met 0 of the 10 required state indicators in 2009-2010, 2 of 10 required state indicators in 2010-2011, 0 of 10 required state indicators in 2011-2012, 1 of 9 required state indicators in 2012-2013 for a grade of F, and 0 of 9 required state indicators 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	1
2010-11	Yes	2
2011-12	Yes	3
2012-13	Improvement	4
2013-14	Improvement	5

This school was designated in school improvement in 2009-2010, 2010-2011, and 2011-2012. This school was identified as an Improvement School under the ESEA Flexibility Waiver for 2012-2013. Year 2012-2013 was this school's 4th year in school improvement status. This school was designated as an Improvement School again in 2013-2014.

f. Historical Report Card Grades



This school was rated in Academic Emergency in 2009-2010 and Continuous Improvement in 2010-2011 and Academic Watch 2011-2012. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

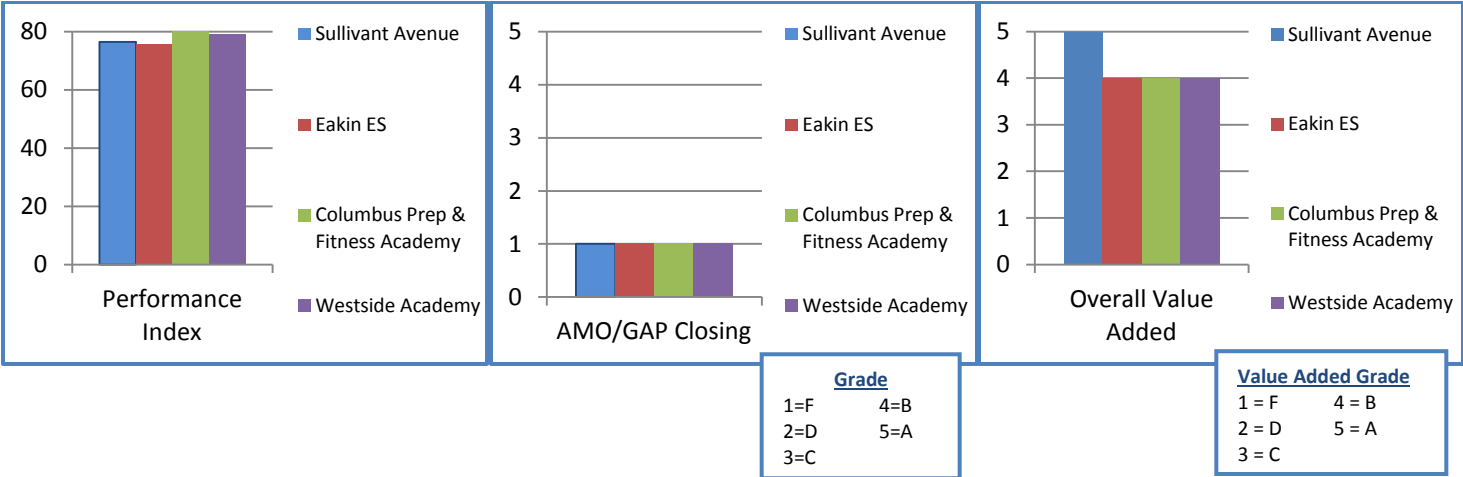
SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has not met AYP in any of its years of operation. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

This school's Performance Index was on a steady increase from a low of 61.9 in 2009-2010 to a high of 79.5 in 2012-2013, until a slight decline to 76.4 occurred in the 2013-2014 school year. For the 2013-2014 school year, approximately 47% of the students are still scoring in the basic or limited levels. Approximately 53% of the students' scores fall in the proficient or above achievement levels with 18% of the scores falling in the accelerated or advanced achievement levels. The data indicates that this school is having difficulty achieving success with all students as evidenced that no state indicators were met this year with very few if any indicators being met from 2009 through 2014. This school made some small gains in math but lost substantial ground in reading in all of the measured disaggregate subgroups for the 2013-2014 school year. There are significant gaps between the AMO goals and student achievement levels in reading and math for all of the subgroups. The overall Value Added grade for 2013-2014 is an A with a grade of B for students in the bottom 20% statewide and a grade of D for students with disabilities. This indicates that overall for 2013-2014, students made significantly more than a year's worth of growth for a year's worth of instruction. Students in the bottom 20% made more than a year's worth of growth for a year's worth of instruction while students with disabilities made less than a year's worth of growth. This school's overall Value Added grade for 2012-2013 was an A. This indicates that students made significantly more than one year's worth of growth for one year's worth of instruction. This school has made consistent progress in the Value Added dimension. Students are consistently making at least a year's worth of growth for a year's worth of instruction and consistently more than a year's worth of growth for the 2012-2013 and 2013-2014 school year. However, for students to meet state required indicators and grade level expectations, students at this school need to continue to make significantly more than a year's worth of growth each year. This school needs to focus additional efforts in both reading and math and to use data to drive instruction to meet the needs of all subgroups due to significant achievement gaps. The school should focus on using data to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on the instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all subgroups of students with a focus on improving reading achievement. This school has made some progress in closing achievement gaps in math, but significant achievement gaps remain in both math and reading.

II. Comparison of Similar Schools



The school outperformed the local traditional public school in performance index score, which assesses student achievement level. The school performs similarly to comparable community schools in the same measure. The school also compares similarly to the comparison schools in AMO/GAP closing. The school outperformed all comparison schools in overall value added.

III. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Sullivant Avenue Community School.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.9997	 0.9891	 1.0835	 0.6110	 0.9961




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.23	 0.21	 0.08	 0.08	 0.15

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.97	 1.00	 0.99	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.0006	 (0.0050)	 0.0130	 (0.0099)	 (0.0001)

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.0035	 (0.0002)	 0.0014	 (0.0061)	 (0.0001)

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.0003	 1.0110	 0.9229	 1.6366	 1.0040






Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 170.0000	 1,345.0000	 -	 (154.0000)	 1,106.0000
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 1,515.0000	 1,345.0000	 (154.0000)	 952.0000	 1,106.0000

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.0029	 (0.0236)	 0.0748	 (0.0551)	 (0.0003)

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	No	Yes	Yes	Overall Compliant	In process	No
2012-2013	Yes	Yes	No	No	Yes	Yes	Yes	No	No	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Overall Compliant	No findings	Yes
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	No

Comment: Sullivant Avenue Community School (Sullivant) is currently operating in its seventh year. Sullivant has been overall compliant during on-site reviews conducted by the sponsor over the past five (5) years. Sullivant has only been partially compliant on three (3) items related to student files, TBT meetings and CCIP alignment. Generally, Sullivant submits documentation required by the sponsor in a timely manner. Sullivant has performed well on state conducted financial audits over the past five (5) years with two (2) corrective action plans being submitted for minor audit issues. Historically, Sullivant has requested few charter modifications and continues to operate well within the bounds of the current charter.

TOWPATH TRAIL HIGH SCHOOL

275 W. Market Street
Akron, Ohio 44303
234-542-0102

Mission:

“Towpath Trail High School is a student-centered organization delivering excellence in education. Our team is committed to our students, our communities, and each other. We believe that our cohesion and morale help us to achieve excellence in our school. Our commitment to our students and our dedication to impacting their education through innovative methods makes us unique.

At Towpath Trail High School, we believe the following:

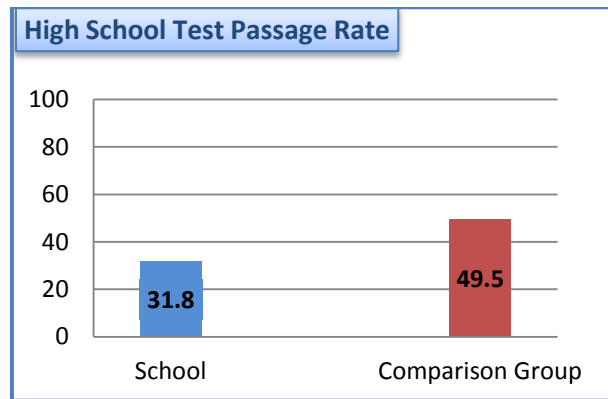
- Every student deserves an environment that enables them to achieve to their potential.
- We respect our work and each other.
- We use data to inform our decisions and measure our success.

<ul style="list-style-type: none">✦ Board President: <i>Debra Howell</i>✦ School Leader: <i>Karen Wachter</i>✦ Opened: <i>1999</i>✦ Grades Served: <i>16-21</i>✦ Enrollment from 2013-14: <i>237</i>✦ Attendance Rate: <i>43.2%</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 79.2%, White, Non-Hispanic: 11.8%, Multiracial: 8.1%</i>✦ Students with Disabilities: <i>27.5%</i>✦ Economically Disadvantaged: <i>91.4%</i>✦ EMO: <i>Cambridge Education Group</i>
--	---

ACADEMICS

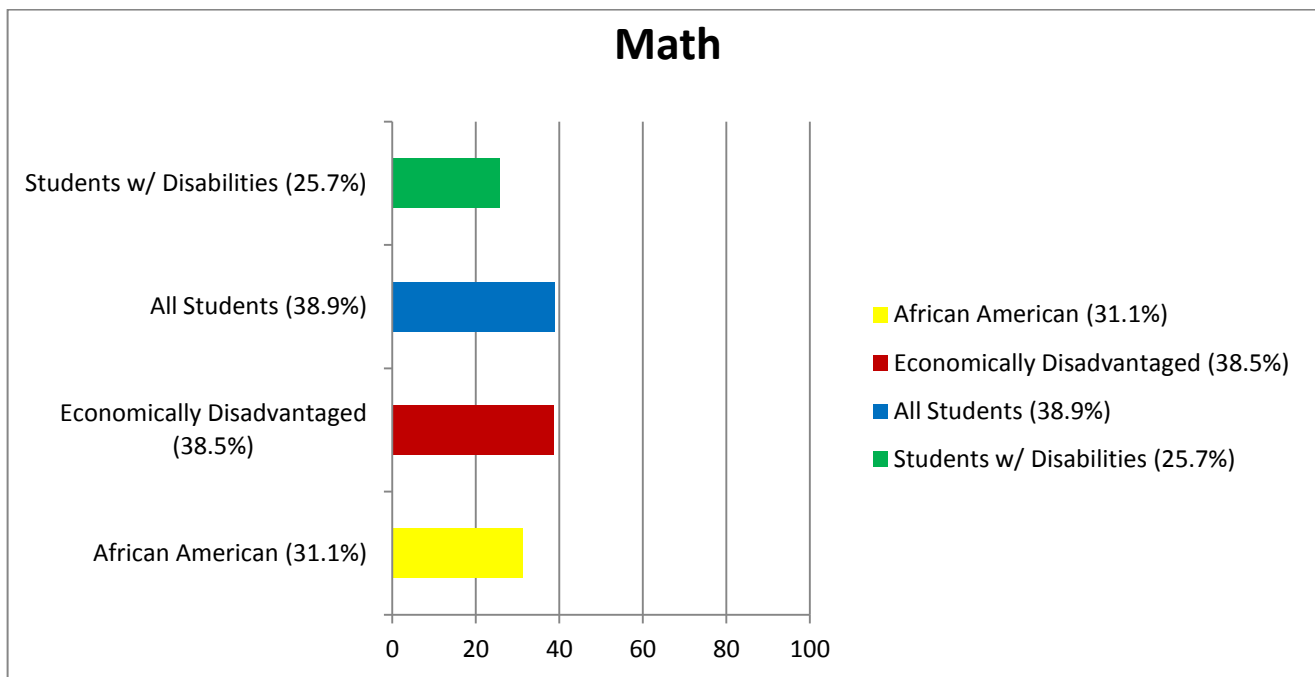
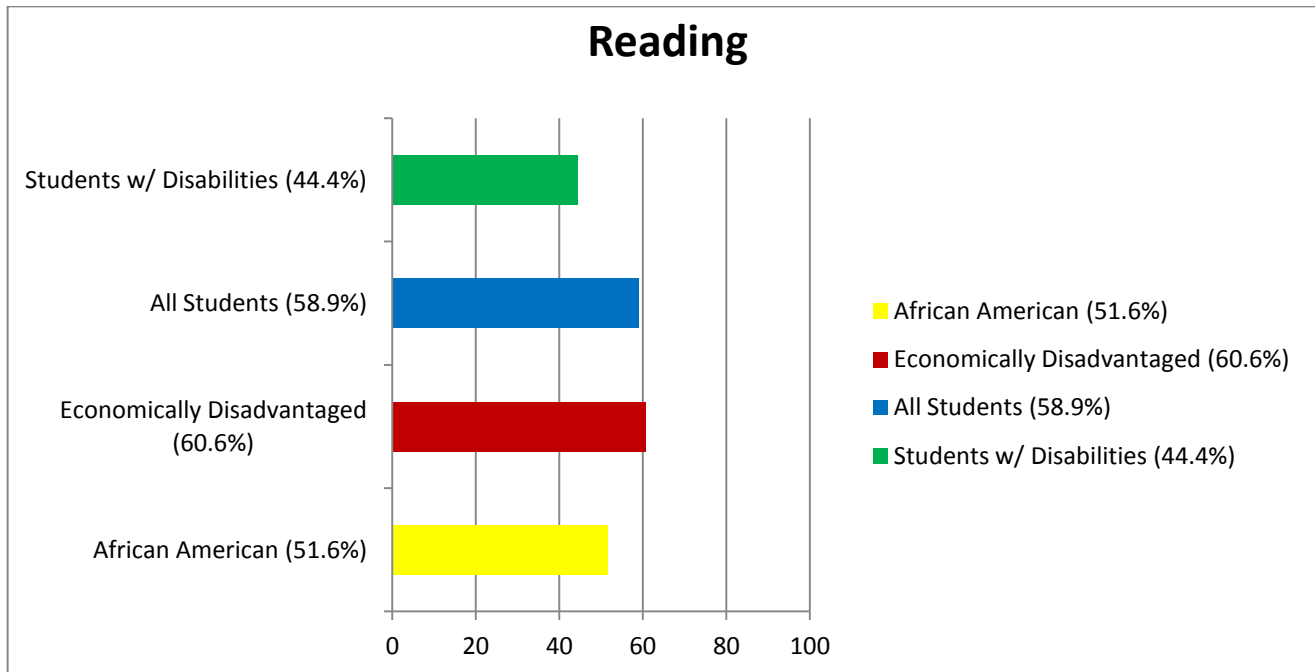
I. Local Report Card

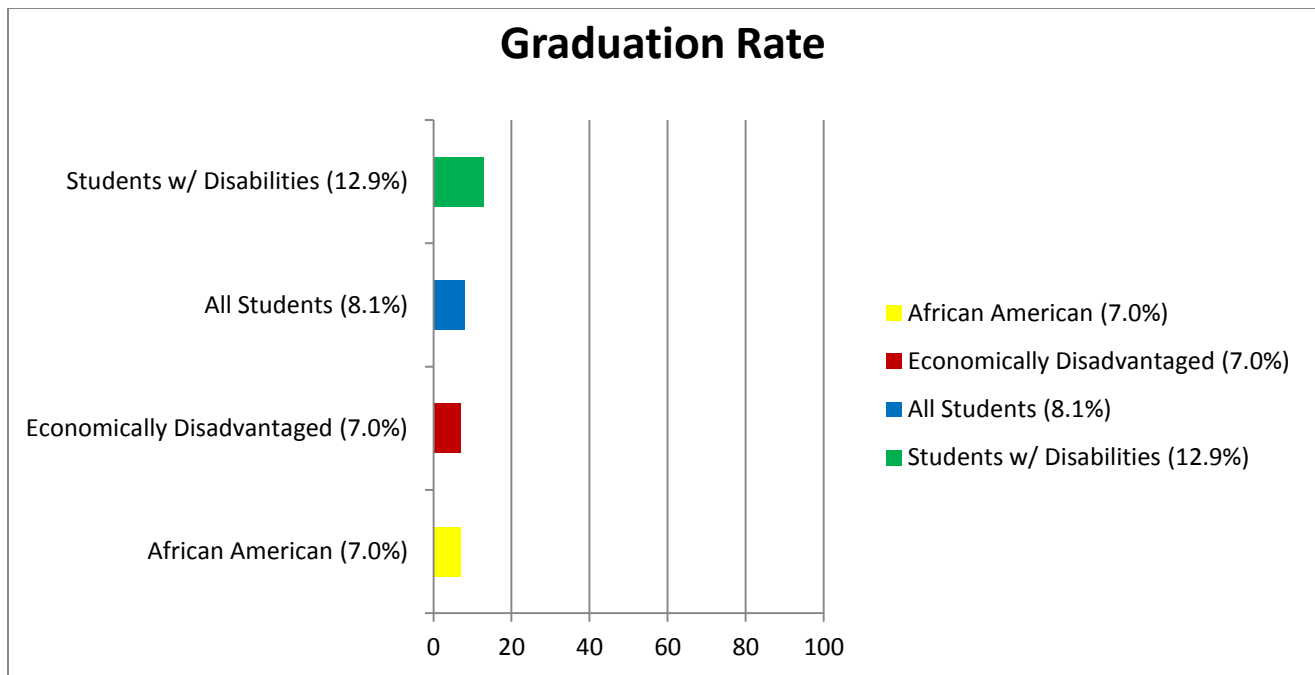
a. High School Test Passage Rate 2013-2014



The test passage rate is the percent of students in twelfth grade or nearing twenty-two years of age who have passed all required high school assessments. In 2013-2014, this school had 39 students in the school for a full academic year. The high school assessment test passage rate for 2013-2014 for all 5 tests was 31.8% which Meets Standards. The high school assessment test passage rate for 2012-2013 for all 5 tests was 70.6% which would have equated to Exceeds Standards if a rating had been assigned.

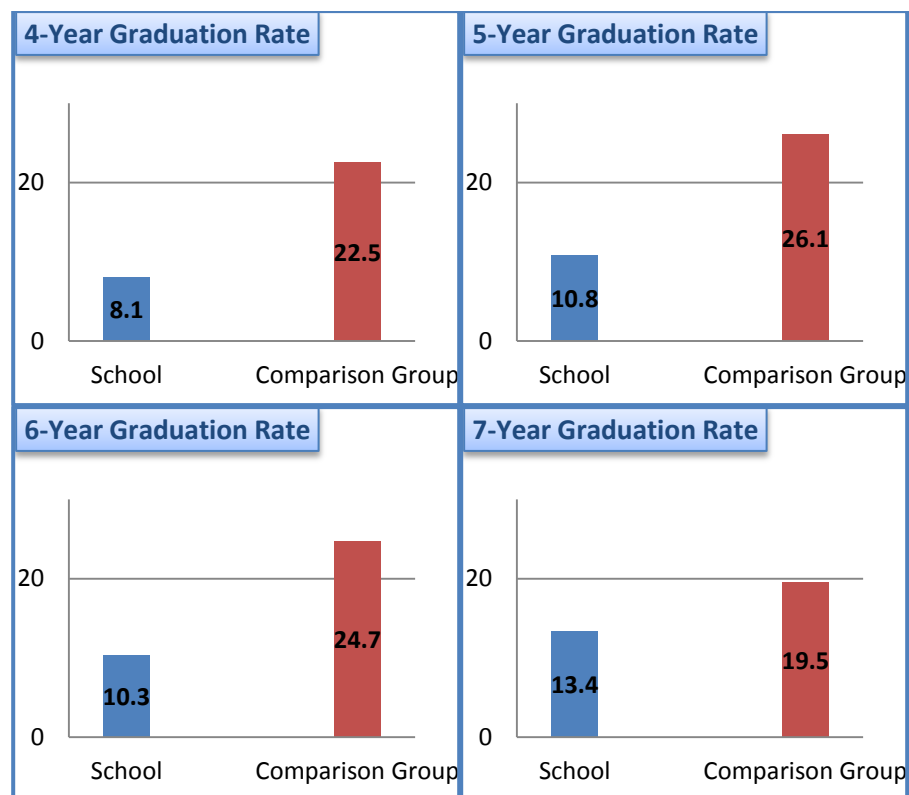
b. Annual Measurable Objectives (AMOs) 2013-2014





Annual Measurable Objectives or (AMOs) compare the performance of all students and disaggregate groups to a state goal. The ultimate goal is for all groups to achieve at high levels. For the 2013-2014 school year, this school's AMO was 0.4% which Does Not Meet Standards. For the 2012-2013 school year, this school's AMO was 62.9% which equates to Exceeds Standards if a rating had been assigned. For 2013-2014, this school lost significant ground in both reading and math in all the rated subgroups. There is a significant achievement gap (23.1) in the all students subgroup between the AMO goal in reading and the students' achievement level for the 2013-2014 school year. There is also a significant achievement gap (39.1) in the all students subgroup between the AMO goal in math and the students' achievement level for the 2013-2014 school year. This school met the minimum attendance rate of 75% in all of its rated subgroups with the lowest subgroup attendance rate of 95.6%. This school also meets the 95% participation rate with a participation rate of 100%. This school made gains in two of the three rated subgroups for graduation rate for AMO. The school made a slight decline in one subgroup for graduation rate for AMO. There is still a significant gap between the school's graduation rate and the AMO target for graduation. This school's final AMO rating for 2013-2014 is 0.4% which Does Not Meet Standards.

c. Graduation Rate 2013-2014



The graduation rate applies to students graduating within 4, 5, 6, or 7 years after having first entered the 9th grade.

For the 2012-2013 school year, the 4 year graduation rate was 8% which would have equated to Meets Standards if ratings had been assigned. For the 2013-2014 school year, the 4 year graduation rate essentially stayed the same at 8.1% and Meets Standards.

For the 2012-2013 school year, the 5 year graduation rate was 9.5% which would have equated to Does Not Meet Standards if ratings had been assigned. For the 2013-2014 school year, the 5 year graduation rate increased to 10.8% and still Does Not Meets Standards.

For the 2012-2013 school year, the 6 year graduation rate was 13.4% which would have equated to Meets Standards if ratings had been assigned. For the 2013-2014 school year, the 6 year graduation decreased to 10.3% and now Does Not Meet Standards.

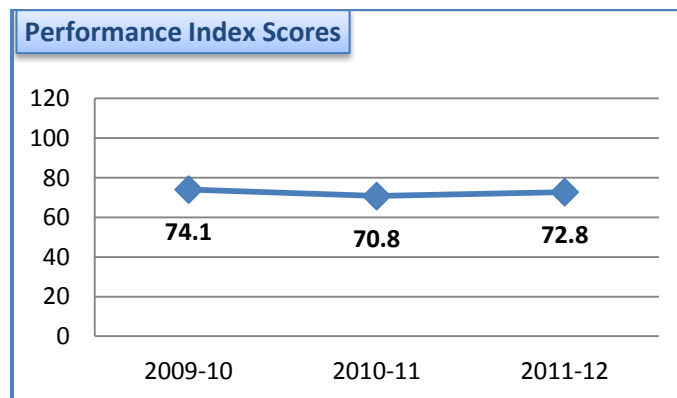
For the 2013-2014 school year, the 7 year graduation rate was 13.4% and Meet Standards. This is the first calculation of the 7 year graduation rate.

d. School Improvement Data

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	5
2010-11	Yes	6
2011-12	Yes	7
2012-13	Improvement	8
2013-14	Improvement	9

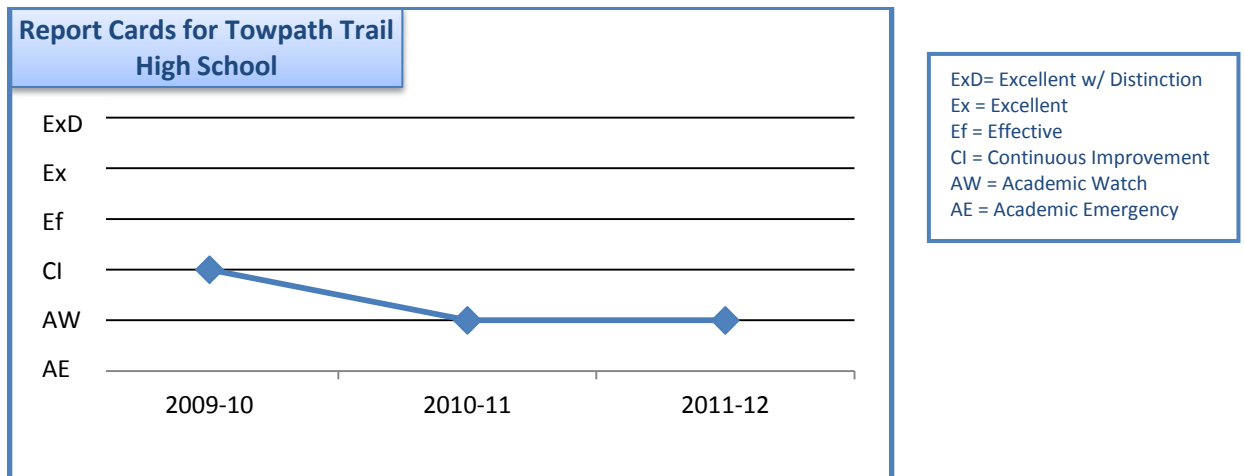
In 2012-2013 this school was designated as an Improvement School, its eighth year in school improvement status. This school was designated in school improvement status in 2009-2010, 2010-2011, and 2011-2012. This school was designated an Improvement School again or 2013-2014.

e. Historical Performance Index Data



Information presented in the graph represents the raw score performance index data. This school had a performance index of 72.8 in 2011-2012, 70.8 in 2010-2011 and 74.1 in 2009-2010. The Performance Index has remained relatively flat from 2009-2012. Performance Index is no longer used as a metric in the revised DOPR Report Card.

f. Historical Report Card Grades



In 2011-2012 and 2010-2011 this school was rated in Academic Watch after having been rated in Continuous Improvement in and 2009-2010. Academic Ratings have been replaced with an over-all rating of Not Meeting, Meeting or Exceeding Standards for the 2014-2015 school year.

g. Historical Adequate Yearly Progress (AYP) Data

SCHOOL YEAR	AYP
2009-10	Not Met
2010-11	Not Met
2011-12	Not Met

This school has a history of not meeting AYP in 2009-2010, 2010-2011, and 2011-2012. AYP has been replaced by the Gap Closing component (AMO) on the report card.

h. Historical Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	12	0
2010-11	7	1
2011-12	12	0

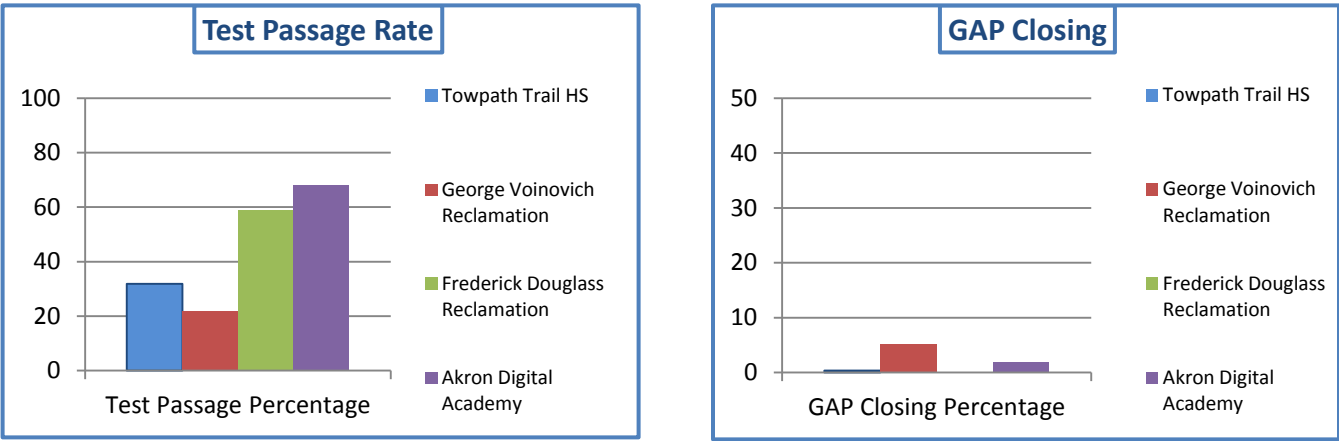
Students at this school have a history of not meeting any of the required state indicators. Historically this school met 0 of 12 required state indicators in 2011-2012, 1 of 12 required state indicators in 2010-2011, and 0 of 12 required state indicators on 2009-2010. This school has consistently failed to meet the required state indicators.

II. Academic Analysis

The historical report card data referenced above has not been representative of the type of school or population being served by drop-out recovery schools. Thus, drop-out recovery schools have long been measured on the same metrics as general population elementary and high schools. Currently, the drop-out recovery metrics are being revised and standards established. The first three sections under academics represent some of the new standards.

Attendance is strength for this school with an all student attendance rate of 96.7%. This school’s test participation rate is 100%. This school has a history of not meeting the state required indicators. This school did meet the standards on its passage rate on the 5 required assessments (OGT) for 2013-2014. However there are still significant achievement gaps between the AMO targets in reading and math and the students’ achievement levels. This school needs to develop a comprehensive improvement plan with a focus on Instructional delivery needed to close achievement gaps in both subjects. Math, however needs more attention as the achievement gap in math is 39.1. This plan needs to focus on intense interventions for math as well as the other four areas assessed by the OGT. Implementing formative instructional practices should be helpful in improving both professional practices and student achievement.

III. Comparison of Similar Schools



The school’s test passage rate is below two selected comparison drop-out recovery schools and above the third comparison school. The school scored below two comparison schools in GAP closing percentage. Frederick Douglass Reclamation was not rated in this measure.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Towpath Trail High School AKA Life Skills Center of Akron.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 3.20	 2.08	 5.06	 5.97	 7.27

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.




The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 67.52	 34.66	 74.97	 98.61	 108.40

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt

to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.96	 0.89	 1.02	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.046	 (0.135)	 (0.019)	 (0.014)	 0.011






The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.039)	 (0.054)	 (0.008)	 (0.002)	 0.011

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired.











In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.30	 0.45	 0.20	 1.64	 0.14


Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 80,820	 (228,520)	 (78,375)	 5,488	 494,399
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (147,700)	 (306,895)	 (72,887)	 499,887	 494,399

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 33.78	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	Due October 2014	Yes	Yes	Yes	No	Yes	Overall Compliant	In process	No
2012-2013	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	Overall Compliant	No findings	No
2011-2012	Yes	Yes	No	n/a	Yes	Yes	No	No	No	Overall Compliant	No findings	No
2010-2011	Yes	n/a	No	n/a	Yes	n/a	No	No	No	Overall Compliant	No findings	No
2009-2010	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	Did not Sponsor	No findings	Did not Sponsor

Comment: Towpath Trail High School (Towpath) is currently operating in its sixteenth year. St. Aloysius has sponsored Towpath since 2010. Towpath initially operated as Life Skills Center of Akron operated by White Hat Management. In 2012, Towpath opted to change management companies to Cambridge Education Group, also changing its location and name. Over the past four (4) years, Towpath has performed well during on-site reviews conducted by the sponsor, being found partially compliant on only one (1) item. Towpath has also performed well on state conducted financial audits and has never been asked to submit a corrective action plan to the sponsor. Largely, Towpath has submitted all documentation required by the sponsor, only failing to submit one management company evaluation during the transition process. Towpath has also attended all sponsor provided OIP workshops.

UBAH MATH & READING ACADEMY

3850 Sullivant Avenue
Columbus, Ohio 43228
614-279-6000

Mission:

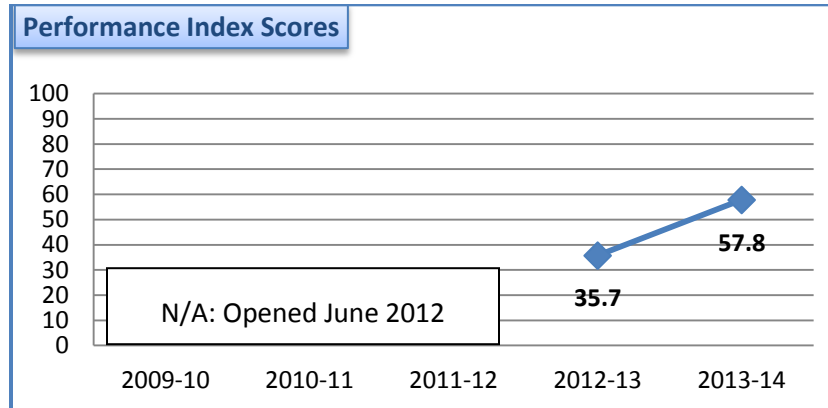
“The Mission is to serve inner city children through a rigorous curriculum that demands hard work from students, advocates effective and ongoing diagnostic testing, and emphasizes basic skills to ensure that every student has the requisite foundation, knowledge and preparation to achieve academically and succeed in college.”

<ul style="list-style-type: none">✦ Board President: <i>Mohamud Dallin</i>✦ School Leader: <i>Lance Weber</i>✦ Opened: <i>2012</i>✦ Grades Served: <i>K-8</i>✦ Enrollment from 2013-14: <i>142</i>	<ul style="list-style-type: none">✦ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 66.2%, Hispanic: 30.8%</i>✦ Students with Disabilities: <i>11.5%</i>✦ Economically Disadvantaged: <i>88.8%</i>✦ Limited English Proficient: <i>92.2%</i>
--	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The school opened in June 2011 currently having only two years of data. The raw score for the Performance Index for 2012-2013 was 35.7 with a percentage score of 29.7% and a grade of F. The raw score for Percentage Index for 2013-2014 is 57.8 equating to a percentage score of 48.2% and grade of F. This school made more than a 20 point increase in the performance index raw score from its opening in the 2012-2013 school year to the 2013-2014 school year. However, with a percentage of 48.2, the Performance Index is still in the F range. For 2013-2014, approximately 75% of the students' scores fall in the basic (30%) or limited (45%) ranges while about 25% of the students' scores are proficient (17%) or higher (8% accelerated and advanced).

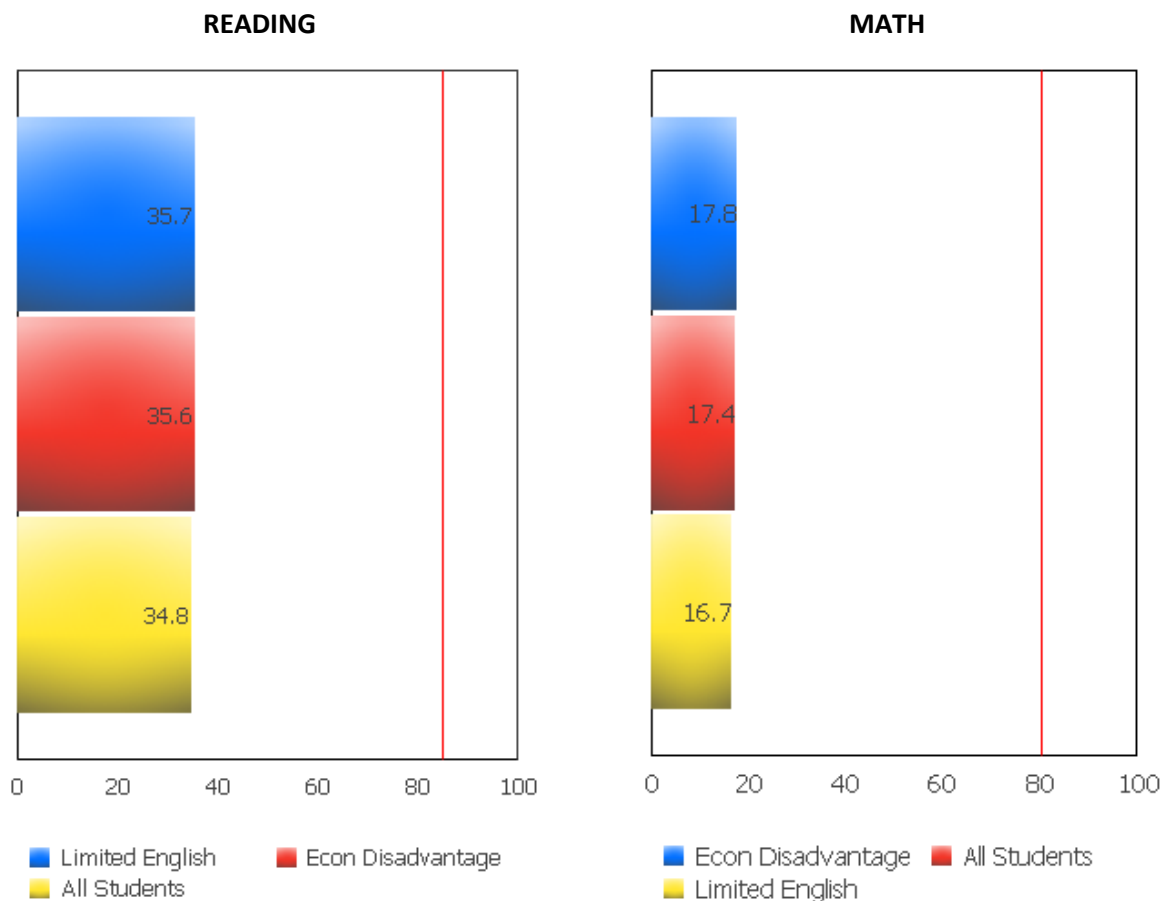
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	N/A	N/A	N/A	-
2010-11	N/A	N/A	N/A	-
2011-12	N/A	N/A	N/A	-
2012-13	-	-	-	C
2013-14	-	-	-	C

The overall Value Added grade for 2013-2014 is a C with a grade of C for students in the bottom 20% statewide. This indicates that students overall and students in the bottom 20% are making approximately a year's worth of growth for a year's worth of instruction. The school was rated with a grade of C for Value Added in 2012-2013. This indicates that students made approximately a year's worth of growth for a year's worth of instruction for the 2012-2013 school year. Students at this school need to consistently make more than a year's worth of growth each year if they are to meet state indicators and grade level expectations.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



The school does not have AMO data for reading or math because there was not comparison data from the previous year due to insufficient numbers of students tested/enrolled the opening year. The school met the attendance rate of 93% for AMOs. There are significant achievement gaps in both reading and math for all measured disaggregate subgroups. The achievement gaps are almost all 50% or higher.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	N/A	N/A
2012-13	0	0
2013-14	2	0

In 2013-2014 the school met 0 of 2 required State Indicators for a grade of F. In 2012-2013 the school had no required indicators due to limited enrollment.

e. School Improvement

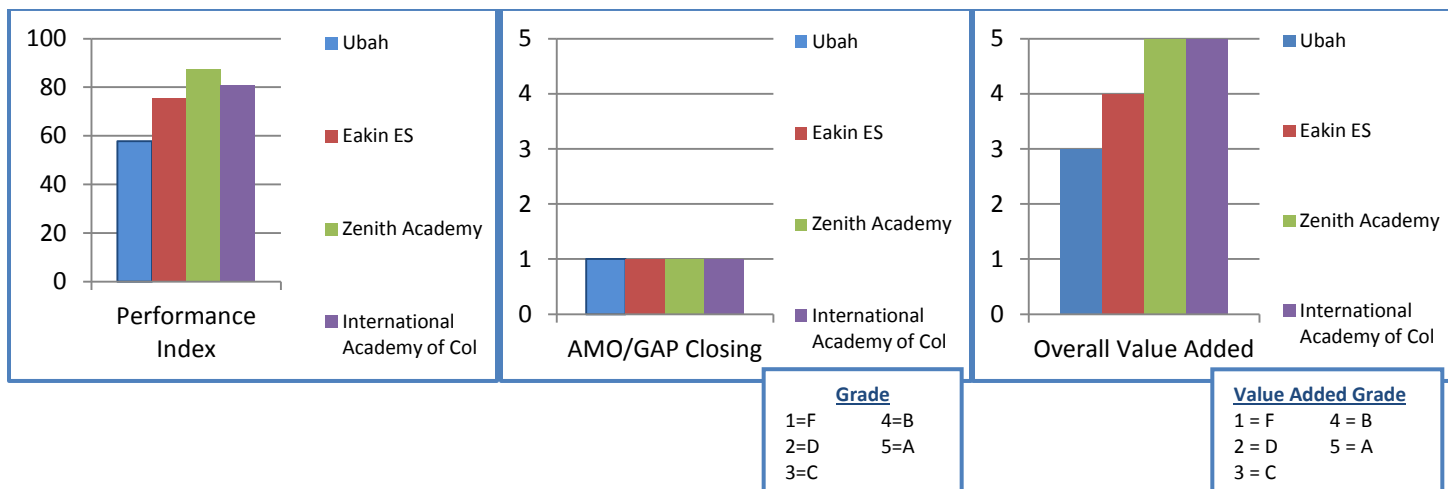
SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	N/A	N/A
2010-11	N/A	N/A
2011-12	N/A	N/A
2012-13	No	-
2013-14	No	-

This school was not designated for School Improvement Status in 2012-2013 or 2013-2014.

II. Academic Analysis

This school should take advantage of technical assistance and resources available through the school's sponsor to support efforts toward growth in professional practice and student achievement. The raw score for Percentage Index for 2013-2014 is 57.8 equating to a percentage score of 48.2% and grade of F. For 2013-2014, approximately 75% of the students' scores fall in the basic (30%) or limited (45%) range while about 25% of the students' scores are proficient (17%) or higher (8% accelerated and advanced). The school should also focus efforts toward the use of data to inform instruction particularly for meeting the needs of all subgroups as this school has extreme achievement gaps in both reading and math for all disaggregate subgroups. This school needs to focus additional efforts in math and reading and to use data to drive instruction to meet the needs of subgroups. This school must develop a rigorous and comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs as well as the extreme achievement gaps aforementioned. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all subgroups of students in both reading and math. The overall Value Added grade for 2013-2014 is a C with a grade of C for students in the bottom 20% statewide. This indicates that students overall and students in the bottom 20% are making approximately a year's worth of growth for a year's worth of instruction. The school was rated with a grade of C for Value Added in 2012-2013. This indicates that students made approximately a year's worth of growth for a year's worth of instruction for the 2012-2013 school year. However, students at this school need to consistently make significantly more than a year's worth of growth each year if they are to meet state indicators and grade level expectations and close achievement gaps.

III. Comparison of Similar Schools



The school performed well below a local traditional public school and two similar local community schools in performance index score, which assesses student achievement level. The school compares similarly to these schools in AMO/GAP closing. The school also performed below these same comparison schools in overall value added. It is worth noting this school is currently in its third year of operation whereas the comparable community schools have been operating significantly longer.

IV. Special Education Services

Based on information gathered during site visits over the past two years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management


The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Ubah Math & Reading Academy(New Citizens Academy).

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:


- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	
	0.12

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	
	8.40

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt

to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>
Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>
N


Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES


These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

<u>6/30/2013</u>
 (0.07)


The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>
 (0.07)

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired.



In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	
	1.43


Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	
One Year Cash Flow = Year 2 Cash - Year 1 Cash		14,336
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash		14,336

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	
	(0.19)

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	n/a	Yes	Yes	No	Yes	Yes	Partially Compliant	In Process	Yes/Probation
2012-2013	n/a	No	n/a	n/a	Yes	No	n/a	n/a	Yes	Partially Compliant	No findings	Yes/Probation
2011-2012	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2010-2011	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open
2009-2010	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open

Comment: Ubah Math and Reading Academy is currently operating in its third year. During its first two years of operation, Ubah has experienced several operational challenges. Ubah has been historically tardy in submitting required documentation and during the first year of operation even failed to submit some documentation. Ubah has been out of compliance with the charter agreement by failing to properly implement the education plan of the school and failing to obtain Governing Authority members BCI/FBI checks in a timely manner. These items have resulted in corrective action plans, probation and denial of adding a 6th grade in 2013-2014. Additionally, Ubah has only been partially compliant during site visits conducted in 2012-2013 and 2013-2014 on several issues. During both years, Ubah failed to complete vision and hearing screenings for students in an appropriate time frame. Ubah personnel have also been delayed in updating the governing authority materials kept on file at the school. Ubah has also attempted to change its school calendar without proper approval from the sponsor and the Ohio Department of Education. While many new start-up community schools experience challenges, Ubah has experienced more than typical.

WEST PREPARATORY ACADEMY

**13111 Crossburn Avenue
Cleveland, Ohio 44135
216-772-1340**

Mission:

West Preparatory Academy is dedicated to improving the lives of its students by providing authentic learning experiences in a collaborative, nurturing environment that will build a foundation for students success in school, at future work, and in life.

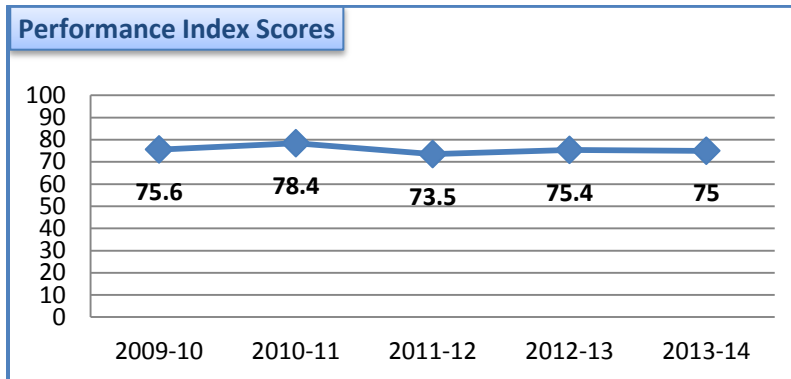
- ✦ Board President: *Arnell Hurt*
- ✦ School Leader: *Kristen Clotworthy*
- ✦ Opened: *2001*
- ✦ Grades Served: *K-8*
- ✦ Enrollment from 2013-14: *205*

- ✦ Racial/Ethnic Balance: *Black, Non-Hispanic: 30%
Hispanic: 39.3%, Multiracial: 9.8%
White, Non-Hispanic: 19.5%*
- ✦ Students with Disabilities: *14.9%*
- ✦ Economically Disadvantaged: *98%*
- ✦ Limited English Proficiency: *23.6%*
- ✦ EMO: *Cambridge Education Group*

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph presented above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 75, which equates to a 62.5% and a grade of D. The Performance Index raw score was 75.4 and a percentage score of 62.8 % with a grade of D for the 2012-2013 school year. The raw score for the performance index for 2011-2012 was 73.5, for 2010-2011 78.4 and for 2009-2010 75.6. The school's Performance Index has been relatively flat since the high score of 78.4 in 2010-2011. More than half (50.9%) of the students' scores are in the basic or limited levels. 49% of the students' scores are in the proficient or above achievement levels, with 17.2% of the scores falling in the accelerated or advance levels.

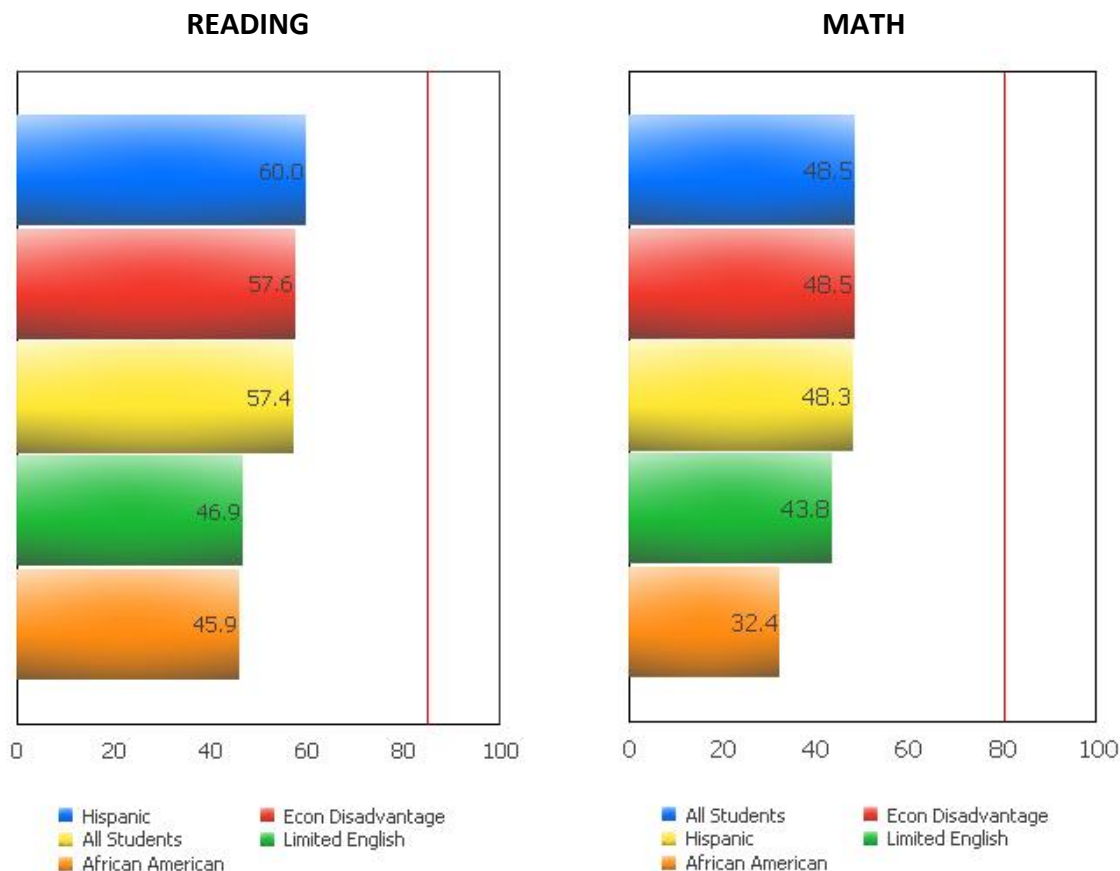
b. Value Added

SCHOOL YEAR	VA Composite	VA Math	VA Reading	Overall Value Added
2009-10	Below	Met	Below	-
2010-11	Met	Below	Met	-
2011-12	Below	Below	Below	-
2012-13	-	-	-	F
2013-14	-	-	-	F

The overall Value Added grade for 2013-2014 is an F with a grade of C for students in the bottom 20% statewide. This indicates that overall students at this school are making significantly less than a year's worth of growth for a year's worth of instruction while students in the bottom 20% are making approximately a year's worth of growth for a year's worth of instruction. This school's overall Value Added grade for 2012-2013 was an F. This indicates that students made significantly less than one year's worth of growth for one year's worth of instruction for the 2012-2013 school year. For 2011-2012 reading, math and combined Value Added were in the Below range. This indicates that students were making less than one year's worth of growth for one year's worth of instruction for the 2011-2012 school year. For 2010-2011 this school rated in the Below range for math and the Met range for reading and combined Value Added. This indicates that the student were making a year's worth of growth for a year's worth of instruction in reading and combined Value Added while making less than a year's worth of growth for one year's worth of instruction in math. For 2009-2010 the school was at the Met range in math and in the Below range in reading and combined Value Added. This school has been inconsistent in its Value Added progress in 2009-2010 and 2010-2011, while making less than a year's worth of growth for a year's worth of instruction in the 2011-2012 school year. This school's value added progress declined in the 2012-2013 and 2013-2014 school year with students making significantly less than a year's worth of growth for a year's worth of instruction. Students are not consistently making at least a year's worth of growth for a year's worth of instruction. For students to meet state required indicators and grade level expectations, students at this school need to make significantly more than a year's worth of growth each year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 13.8%. In 2013-2014 this school received an AMO grade of F with a score of 3.0%. This school continues to demonstrate a lack of progress in both reading and math in most of the disaggregate subgroups for the 2013-2014 school year. There is a significant achievement gap between the AMO goals and student achievement levels in reading and math for all of the subgroups with most subgroups losing ground in reading and math. This school needs to focus its efforts on closing achievement gaps for all subgroups. This school received a demotion in its AMO rating because it did not meet the attendance rate of 93% in all but one of its rated disaggregate groups. Attendance needs to be addressed systemically.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	15	1
2010-11	15	1
2011-12	15	2
2012-13	14	0
2013-14	14	1

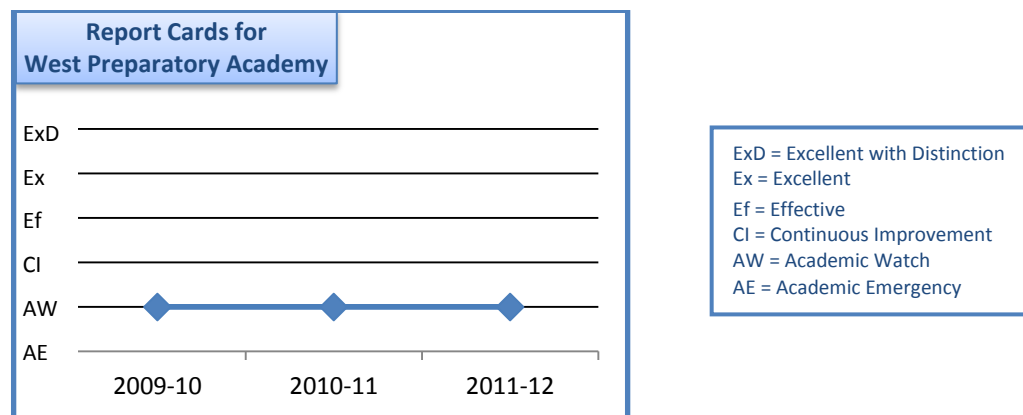
This school met 1 of the 15 required state indicators in 2009-2010, 1 of 15 required state indicators in 2010-2011, 2 of 15 required state indicators in 2011-2012, 0 of 14 required state indicators in 2012-2013 for a grade of F, and 1 of 14 required state indicators 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	Yes	4
2010-11	Yes	5
2011-12	Yes	6
2012-13	Focus	7
2013-14	Low	8

This school was designated in school improvement in 2009-2012, 2010-2011, and 2011-2012. This school was identified as a Focus School under the ESEA Flexibility Waiver for 2012-2013. 2012-2013 was this school's 7th year in school improvement status. This school continues to be designated as a Focus School for 2013-2014 as well as receiving the designation as a Low Support School under Differentiate Accountability (DA) for 2013-2014.

f. Historical Report Card Grades



This school was rated in Academic Watch in 2009-2010, 2010-2011 and 2011-2012. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

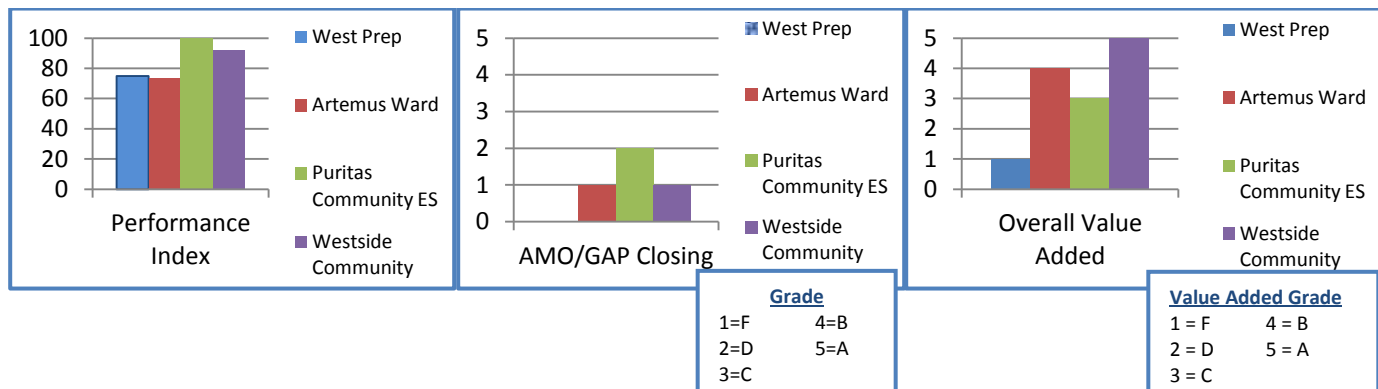
SCHOOL YEAR	AYP
2009-10	Not met
2010-11	Not met
2011-12	Not met

This school has not met AYP in 2009-2010, 2010-2011, and 2011-2012. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The school's Performance Index has been relatively flat since the high score of 78.4 in 2010-2011. More than half (50.9%) of the students' scores are in the basic or limited levels. 49 % of the students' scores are in the proficient or above achievement levels, with 17.2% of the scores falling in the accelerated or advance levels. The data indicate that this school is having difficulty achieving success with all students as evidenced that only one state indicator was met this year. This school continues to demonstrate a lack of progress in both reading and math in most of the disaggregate subgroups. There is a significant achievement gap between the AMO goals and student achievement levels in reading and math for all of the subgroups with most subgroups losing ground in reading and math for the 2013-2014 school year. The Overall Value Added grade of F for both the 2013-2014 and the 2012-2013 school year indicates that students overall are consistently achieving significantly less than a year's worth of growth for a year's worth of instruction. Students in the bottom 20% did make approximately a year's worth of growth for a year's worth of instruction for the 2013-2014 school year. The students at this school need to be making significantly more than a year's worth of growth for one year's worth of instruction if the students are to achieve at a level to meet state indicators and grade level expectations. This school needs to focus additional efforts in both reading and math and to use data to drive instruction to meet the needs of those subgroups with significant achievement gaps. The school should focus on using data to develop a rigorous and comprehensive school improvement plan. This plan needs to focus on instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. The school should emphasize the development of instructional strategies that focus on improved professional practice and improved student achievement for all subgroups of students with a focus on improving overall achievement. More than half (50.9%) of the students' scores are in the basic or limited levels the lowest two achievement levels. 49 % of the students' scores are in the proficient or above achievement levels, with 17.2% of the scores falling in the accelerated or advance levels.

III. Comparison of Similar Schools



The school outperformed a local traditional public school in performance index score, which assesses student achievement level. However, the school scored below two local community schools in the same measure. The school was not rated in AMO/GAP closing. The school performed below all comparison schools in overall value added.

IV. Special Education Services

Based on information gathered during site visits over the past five years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The educational management organization provides professional development and staff are encouraged to attend additional training provided by the state. Two complaints were filed with Office of Exceptional Children at the Ohio Department of Education prior to West Preparatory Academy changing management companies. No findings were issued against the school.

FINANCE

I. Financial Management






The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the West Preparatory Academy AKA Hope Academy West Campus Cuyahoga.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:






- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 2.19	 2.34	 4.16	 2.45	 3.48




Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 45.84	 27.55	 23.81	 31.93	 32.06

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 1.07	 0.96	 0.99	Not Available	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A






Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES






These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.






<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.015	 (0.021)	 (0.012)	 (0.023)	 0.001

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 (0.006)	 (0.018)	 (0.011)	 (0.011)	 0.001










Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
 0.43	 0.37	 0.19	 0.33	 0.22

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 204,084	 29,131	 (99,133)	 16,180	 366,874
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 233,215	 (70,002)	 (82,953)	 383,054	 366,874

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
N/A	N/A	N/A	N/A	N/A

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	Yes	Due October 2014	Yes	Yes	Yes	Yes	Yes	Overall Compliant	In process	No
2012-2013	No	Yes	Yes	n/a	Yes	Yes	Yes	Yes	Yes	Overall Compliant	No Findings	No
2011-2012	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Overall Compliant	No Findings	No
2010-2011	Yes	n/a	Yes	n/a	Yes	n/a	No	Yes	No	Overall Compliant	No Findings	Yes
2009-2010	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No Findings	Yes

Comment: West Preparatory Academy (West Prep) has been operating for fourteen years. West Prep initially began operating as Hope Academy Cuyahoga (West) Campus operated by White Hat Management. In 2012, West Prep opted to change management companies to Cambridge Education Group and also change locations and its name. During on-site reviews conducted by the sponsor, West Prep performs well, being found partially compliant on only one item over a five (5) year period. West Prep also performs well on state conducted financial audits, submitting two (2) corrective action plans for minor audit issues in 2009-2010 and 2010-2011. Each year that West Prep has been required to hire an on-site academic coach per the charter accountability standards, the school has complied. For the past two (2) years, West Prep has been required to submit quarterly reports relaying actions taken to improve academics. During the 2012-2013 year, West Prep only submitted one (1) out of four (4) reports. However, in the 2013-2014 school year, West Prep submitted all four (4). In general, West Prep has submitted all other documentation required by the sponsor, except assessment data in 2012-2013.

ZENITH ACADEMY EAST

2261 South Hamilton Road
Columbus, Ohio 43232
614-577-0999

Mission:

“The mission at Zenith Academy and Zenith Academy East is to provide high quality education, global consciousness, and competency-based education programs in all grade levels. In partnership with parents and the community, Zenith will graduate students who are successful life-long learners and responsible citizens of their school, community, neighborhoods, and beyond.

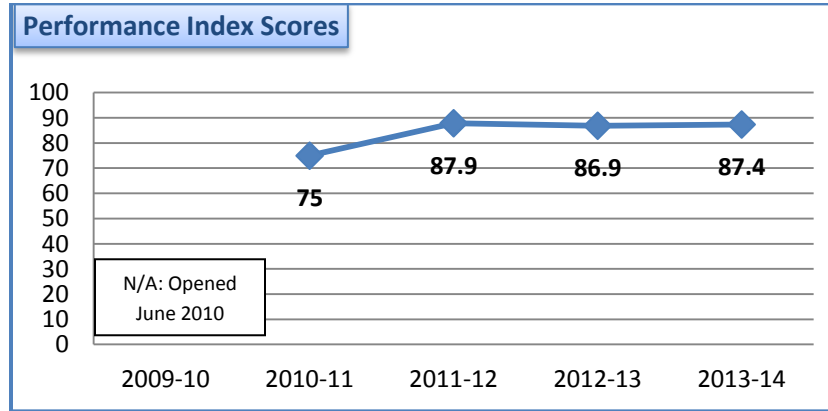
Zenith will meet the needs of the growing diverse population of central Ohio including the special student population group that is challenged by Limited English Proficiency (LEP) and comes with interrupted educational backgrounds.”

<ul style="list-style-type: none">★ Board President: <i>Jamal Naiyer</i>★ School Leader: <i>Robert R. Penrod</i>★ Opened: <i>2010</i>★ Grades Served: <i>K-8</i>★ Enrollment from 2013-14: <i>257</i>	<ul style="list-style-type: none">★ Racial/Ethnic Balance: <i>Black, Non-Hispanic: 99.4%</i>★ Economically Disadvantaged: <i>96%</i>★ Limited English Proficient: <i>39.4%</i>
---	--

ACADEMICS

I. Local Report Card

a. Performance Index



Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school is 87.4, which equates to an 72.8 % and a grade of C. This is a slight increase in the raw score of 86.9 and a percentage score of 72.4 % with a grade of C for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 87.9 and for 2010-2011 75. The school's Performance Index has been relatively consistent after reaching a high of 87.9 in 2011-2012. In 2013-2014, 31.3% of students' scores are in the limited and basic achievement levels. 68.7% of the students' scores are in the proficient or above achievement levels with 22.4% of the scores falling in the accelerated and advanced levels.

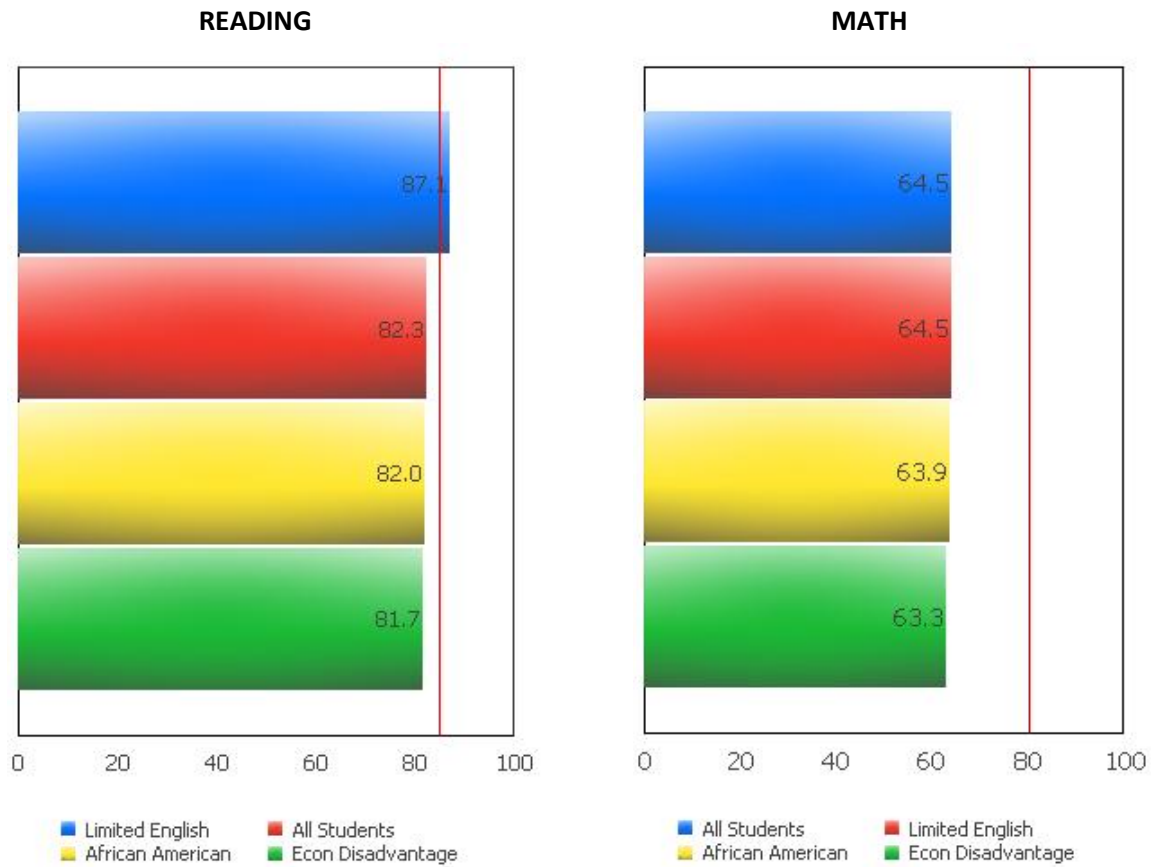
b. Value Added

SCHOOL YEAR	VA Combined	VA Math	VA Reading	Overall Value Added
2009-10	N/A	N/A	N/A	N/A
2010-11	Met	Met	Met	-
2011-12	Met	Met	Met	-
2012-13	-	-	-	A
2013-14	-	-	-	A

The overall Value Added grade for 2013-2014 is an A with a grade of C for students in the bottom 20% statewide. This indicates that overall students are making significantly more than a year's worth of growth for a year's worth of instruction while students in the bottom 20% are making approximately a year's worth of growth for a year's worth of instruction. This school's overall Value Added grade for 2012-2013 was an A. This indicates that students made significantly more than one year's worth of growth for one year's worth of instruction. For the school years 2011-2012 and 2010-2011, the school was in the Met range for reading, math and combined Value Added. Students in this school have consistently achieved a year or more of growth for a year's worth of instruction. This school's Value Added component demonstrated significant improvement for the 2012-2013 school year which the school maintained for the 2013-2014 school year.

c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.



In 2012-2013 this school received an AMO Grade of F with a score of 17.4%. In 2013-2014 this school received an AMO grade of F with a score of 52.2%. All student subgroups made progress toward AMO reading targets for 2013-2014; however, there are still small achievement gaps for all of the rated disaggregate groups for reading. This school is making progress in closing achievement gaps in reading. In math, however, the school failed to make improvement in all but one of the disaggregate subgroups. There are still achievement gaps in math. This school met both the attendance rate and the participation rate. The attendance requirement is 93% and this school's attendance rate was more than 97%.

d. Number of Indicators Met

SCHOOL YEAR	# OF INDICATORS REQUIRED	# MET
2009-10	N/A	N/A
2010-11	1	1
2011-12	13	7
2012-13	9	2
2013-14	10	4

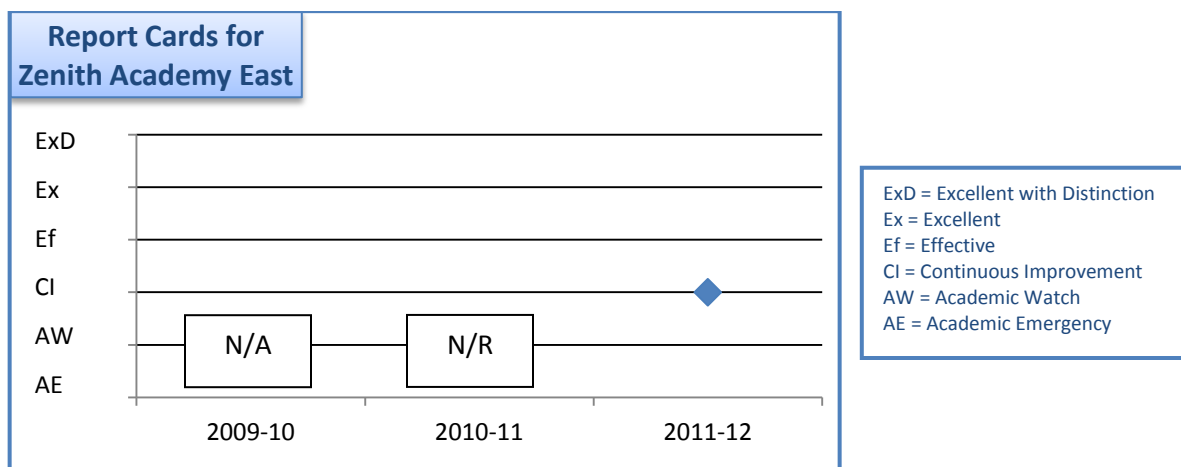
This school met the 1 required state indicators in 2010-2011, 7 of 13 required state indicators in 2011-2012, 2 of 9 required state indicators in 2012-2013 for a percentage of 22.2% for a grade of F, and 4 of 10 required state indicators 2013-2014 for a percentage of 40% and a grade of F. This school has demonstrated some progress in meeting state required indicators.

e. School Improvement

SCHOOL YEAR	SCHOOL IMPROVEMENT DESIGNATION	YEAR OF SCHOOL IMPROVEMENT
2009-10	N/A	N/A
2010-11	No	At Risk
2011-12	No	-
2012-13	No	-
2013-14	No	-

The school was at risk of going into school improvement status in 2010-2011, but has remained out of school improvement status over the past three years.

f. Historical Report Card Grades



This school was rated Continuous Improvement in 2011-2012. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.

g. Historical Adequate Yearly Progress (AYP) Data

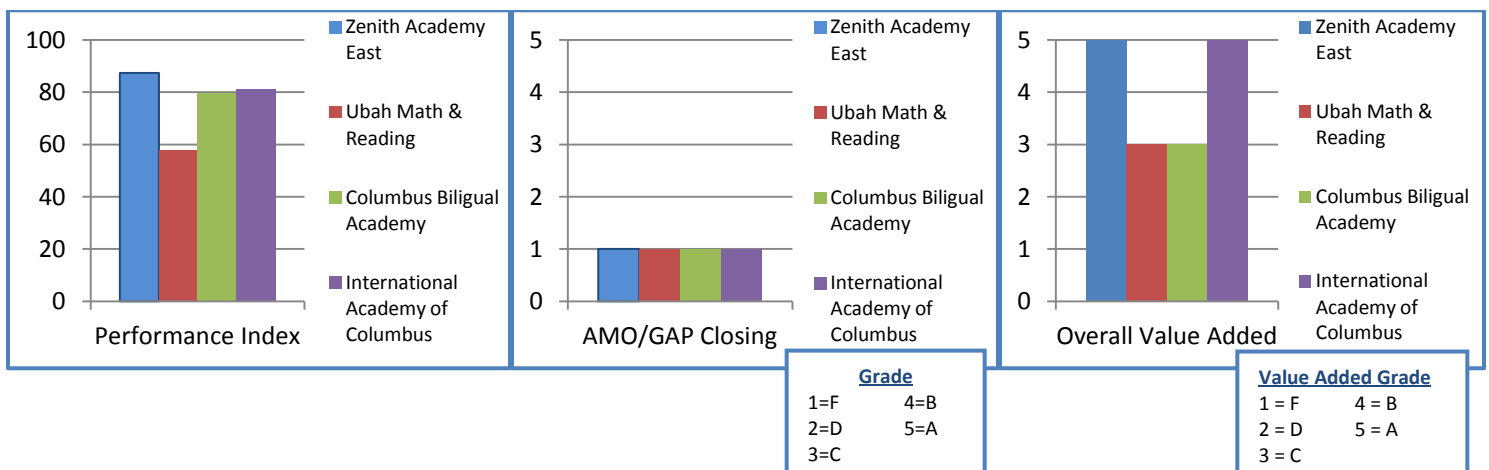
SCHOOL YEAR	AYP
2009-10	N/A
2010-11	Not Met
2011-12	Met

This school met AYP for the school year 2011-2012. For school year 2010-2011 AYP was not met. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

This school is demonstrating academic success as evidenced by its grade of A in Value Added in both 2012-2013 and 2013-2014. Students are consistently making more than a year's worth of growth for a year's worth of instruction. The school's performance index is consistently a C. In 2013-2014, 31.3% of students' scores are in the limited and basic achievement levels while 68.7% of the students' scores are in the proficient or above achievement levels with 22.4 % of the scores falling in the accelerated and advanced levels. Some student subgroups are close to meeting AMO targets in reading, however there are still small achievement gaps in reading. Math achievement gaps for all rated subgroups are larger than in reading with some subgroups failing to make progress. The school needs to continue to focus on developing instructional strategies for those subgroups not meeting AMO targets. All student subgroups are making progress toward meeting AMO targets in reading; however, there is still a gap for all student subgroups in meeting math targets. The school needs to continue to develop instructional strategies that focus on math achievement. All subgroups exceed the minimum attendance rate of 93% with the attendance rate for all student subgroups above 97%.

III. Comparison of Similar Schools



The school outperformed three similar local community schools in performance index score, which assesses student achievement level. The school compares similarly to these schools in AMO/GAP closing. The school performed above two comparison schools in overall value added and similarly to the third comparison school.

IV. Special Education Services

Based on information gathered during site visits over the past four years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management




The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school's financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Zenith Academy East.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school's financial performance:




- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The **current ratio** measures the school's ability to pay its obligations over the next 12 months. A **current ratio** that exceeds 1.0 indicates the school does have the ability to meet current obligations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 1.00	 3.38	 1.07

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.



The **unrestricted day's cash on hand ratio** indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 7.70	 49.50	 47.76

Comment: Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt

to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 1.21	 1.80	Not Available

Comment: The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

Debt default indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
N/A	N/A	N/A




Comment: Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

SUSTAINABILITY MEASURES




These are designed to measure if the school's financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

Total margin measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.




<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 (0.07)	 0.15	 0.12

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 0.05	 0.14	 0.12

Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The **debt to asset ratio** measures the extent to which the school relies on borrowed funds.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 0.36	 0.16	 0.63




Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The **cash flow** measure indicates the school's change in cash balance between periods.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
One Year Cash Flow = Year 2 Cash - Year 1 Cash	 (142,797)	 45,127	 141,687
Multi Year Cash Flow = Year 3 Cash - Year 1 Cash	 (97,670)	 186,814	 141,687

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The **debt service coverage ratio** measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
 (0.40)	 1.77	 1.33

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.

COMPLIANCE / OPERATIONS

	Assessment Data Submitted	CSLT Meeting Form Submitted	Onsite Academic Coach Required	Management Company Evaluation Submitted	Attendance at OIP Workshop	Student Intervention Plan Submitted	Quarterly Reports Required	6.4b Interventions Required	Charter Modifications Requested	Compliance Visits	Annual Audit Findings	Corrective Action Plans
2013-2014	Yes	Yes	No	n/a	Yes	Yes	No	Yes	Yes	Overall Compliant	In Process	No
2012-2013	Yes	Yes	No	n/a	Yes	Yes	No	No	No	Overall Compliant	Yes	Yes
2011-2012	Yes	n/a	No	n/a	Yes	n/a	No	No	Yes	Overall Compliant	Yes	Yes
2010-2011	n/a	n/a	No	n/a	n/a	n/a	No	No	No	Overall Compliant	No findings	No
2009-2010	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open	Not Open

Comment: Zenith Academy East (Zenith East) is currently operating in its fifth year. Zenith has performed well during on-site reviews conducted by the sponsor, being found compliant on every item over the past four (4) years. Zenith East even hired an academic coach in 2012-2013 without this being required by the charter accountability measures. Historically, Zenith East has submitted all required documentation to the sponsor in a timely manner. Zenith East has requested a few charter modifications over the years, including changes to its liability insurance and education plan. Zenith has experienced some challenges during state conducted financial audits, resulting in findings in 2011-2012 and 2012-2013 regarding financial statement reporting. These findings resulted in the submission of corrective action plans.