



2017-18 Fifteen-Year Charter Renewal Report

Latin American Montessori Bilingual Public Charter School

February 26, 2018

DC Public Charter School Board
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KEY FINDINGS AND BOARD VOTE

After reviewing the renewal application¹ submitted by the Latin American Montessori Bilingual Public Charter School (LAMB PCS), as well as the school's record established by the DC Public Charter School Board (DC PCSB), DC PCSB staff concludes that LAMB PCS meets the standard for charter renewal set out in the District of Columbia School Reform Act of 1995, D.C. Code §§ 38-1802 *et seq.* (SRA).

LAMB PCS is a local education agency (LEA) that adopted the Performance Management Framework (PMF) as its goals and student academic achievement expectations. Pursuant to the school's Charter² and Charter Agreement, LAMB PCS has met its goals and student academic achievement expectations. LAMB PCS had an average PMF score of 81.6% during the years under review. This score far exceeds the 50% minimum required per the LEA's Charter Agreement. LAMB PCS also met the floor of every Early Childhood (EC) PMF measure during school year (SY) 2013-14, which is also a goal required by the Charter Agreement.

LAMB PCS has neither materially violated applicable law nor its Charter, and is in compliance with the SRA's requirements regarding procurement contracts. The school has complied with generally accepted accounting principles (GAAP), has not engaged in a pattern of fiscal mismanagement, and is economically viable. Based on these findings, the DC PCSB Board voted 7 - 0 to renew the school's charter for a second fifteen-year term.

CHARTER RENEWAL STANDARD

The standard for charter renewal is established in the SRA: DC PCSB shall approve a school's renewal application, except that DC PCSB shall not approve the application if it determines one or both of the following:

- (1) The school committed a material violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in its charter, including violations relating to the education of children with disabilities; or

¹ See LAMB PCS renewal application, attached to this report as Appendix A.

² DC Code § 38-1802.03(h)(2) lists the six specific provisions that comprise a school's charter under the SRA.

(2) The school failed to meet the goals and student academic achievement expectations set forth in its charter.³

Separate and apart from the renewal process, DC PCSB is required by the SRA to revoke a school's charter if DC PCSB determines that the school (1) has engaged in a pattern of non-adherence to GAAP; (2) has engaged in a pattern of fiscal mismanagement; and/or (3) is no longer economically viable.⁴

Given the SRA's standard for charter renewal, as well as DC PCSB's obligation to revoke a school's charter if it has engaged in the above fiscal misconduct, this report is organized into three sections. Sections One and Two are analyses of the school's academic performance and legal compliance, respectively, and serve as the basis for DC PCSB staff's renewal recommendation. Section Three is an analysis of the school's fiscal performance.

³ D.C. Code §38-1802.12(c).

⁴ D.C. Code §38-1802.13(b).

BACKGROUND INFORMATION ABOUT SCHOOL

School History and Overview

LAMB PCS began operating in 2003 under authorization from the DC Board of Education, and currently serves students in grades pre-kindergarten (PK) through 5.

The mission of the school is:

LAMB PCS aims to create a self-directed learning environment in which children build a foundation of knowledge essential for a lifetime of learning while developing bi-literacy in English and Spanish.⁵

LAMB PCS is a single campus LEA but operates out of three facilities, located at 1375 Missouri Avenue, NW (Ward 4); 1800 Perry Street, NE (Ward 5); and 6900 Georgia Avenue, NW (Ward 4). The facility on Missouri Avenue, housed in the Military Road School building (established in 1864 as one of the first schools to educate freedmen), serves PK3-3; the facility on Perry Street serves students in PK3-5; and the Georgia Avenue facility serves students in grades 1-5.

The school offers a dual language Montessori educational program. Its students are organized into three multi-age groupings: (1) primary (PK3-K), (2) lower elementary (1-3), and (3) upper elementary (4-5).⁶ Primary students receive the majority of instruction in Spanish, with English literacy and vocabulary formally introduced in kindergarten. Lower elementary students receive 60% of instruction in Spanish and 40% in English, and upper elementary students receive 50% of instruction in Spanish and 50% in English.⁷

LAMB PCS, along with four other language-immersion DC charter schools, is a member school of DC International School (DCI), an IB middle-high school offering language immersion instruction in Chinese, French, and Spanish. As a DCI member school, per the DC Code, graduating LAMB PCS students are eligible to enroll in DCI without applying through the DC school lottery.⁸

Enrollment and Demographic Trends

The table below shows the school's audited enrollment. On May 16, 2016, DC PCSB approved a request from the school to increase its enrollment ceiling to 483 for SY 2017-18, and for this ceiling to increase annually to an enrollment ceiling of 602 in SY 2022-

⁵ See LAMB PCS charter agreement, p. 4, attached to this report as Appendix B.

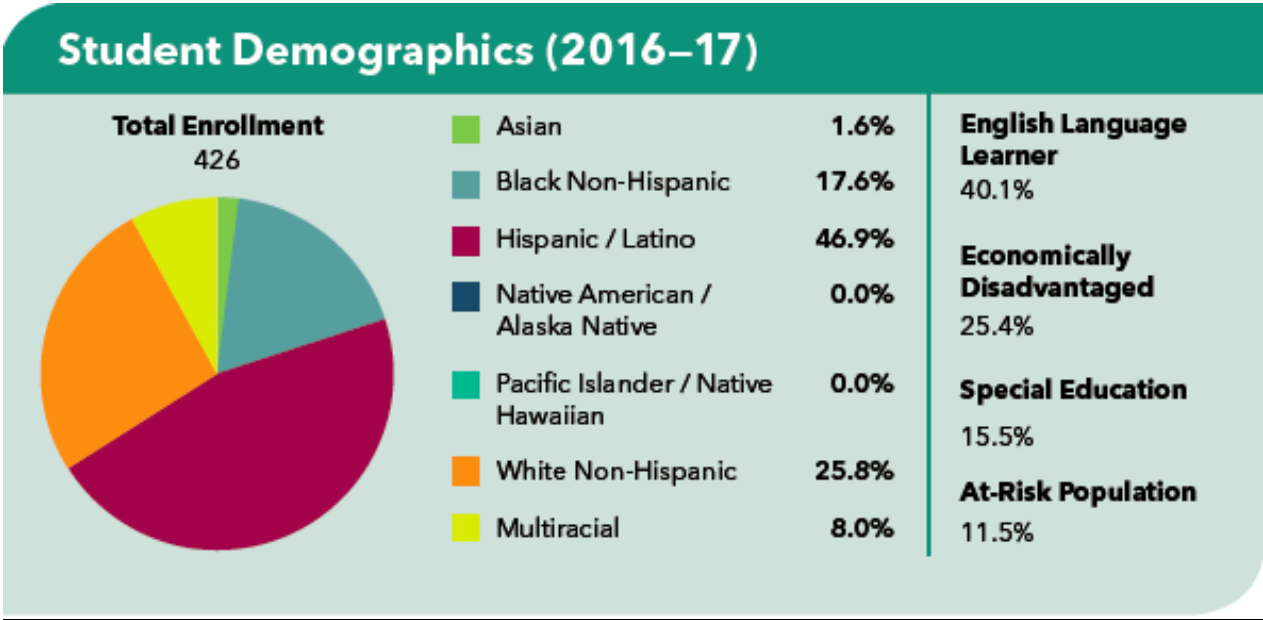
⁶ See LAMB PCS 2016-17 Annual Report, p. 4, attached to this report as Appendix C.

⁷ <http://www.lambpcs.org/curriculum/>, printout attached as Appendix D.

⁸ D.C. Code § 38-1802.01(c-1).

23.⁹ LAMB PCS does not admit students after Kindergarten. While the school is one of the most racially diverse schools in DC, it's percentage of At-Risk students is low compared with most charter schools.

LAMB PCS – Enrollment					
	2012-13	2013-14	2014-15	2015-16	2016-17
PK3	42	69	47	63	77
PK4	66	59	62	54	84
Kindergarten	57	60	60	58	51
Grade 1	31	46	53	57	55
Grade 2	34	29	43	49	54
Grade 3	23	33	27	42	44
Grade 4	13	18	32	25	38
Grade 5	7	6	18	26	23
Total	273	320	342	374	426
Enrollment Projections	276	314	358	383	400



Performance Management Framework (PMF) Outcomes

The school’s overall performance data on the PMF – which assess reading and math proficiency, academic growth, attendance, and re-enrollment – are summarized in the table below. LAMB PCS has achieved a Tier 1 on the PMF in each of the past four years that a score was assigned.

⁹ See LAMB PCS Approved Enrollment Ceiling Increase, May 16, 2016, attached to this report as Appendix E.

LAMB PCS – PMF Outcomes						
2012-13		2013-14		2014-15	2015-16	2016-17
PK3-2	3-5	PK3-2	3-5	PK3-5 ¹⁰	PK3-5	PK3-5
Met 7 of 7 EC targets	Tier 1 80.5%	EC PMF's 1st year; no scores issued	Tier 1 75.0%	No PMF scores or tiers due to change in state assessment	Tier 1 83.3%	Tier 1 87.7%

Prior Charter Reviews and Renewal

DC PCSB conducted a five-year review of LAMB PCS during the 2011-12 school year—its review was delayed after oversight of the school transitioned from DC BOE to DC PCSB—and a ten-year review in 2014, fully continuing the school’s charter both times.

Five-Year Review

In LAMB PCS’s first charter review, DC PCSB noted that the school had strong academic achievement; had no known violations relating to the education of children with disabilities; had not engaged in a pattern of fiscal mismanagement; had followed generally accepted accounting principles; and was economically viable.¹¹

DC PCSB also found that the school was serving grades 4-6, which were outside the scope of its charter. Staff recommended that this violation be cured by the school submitting a petition to amend its charter to allow it to serve the additional grades. The school submitted such a petition, which the DC PCSB Board approved in February 2012.¹² The DC PCSB Board then voted to fully continue the school’s charter.¹³ The school only served sixth grade in SYs 2010-11 and 2011-12. It went back to PK3 – grade 5 in SY 2012-13.

Ten-Year Review

In 2014, DC PCSB conducted a ten-year charter review of LAMB PCS and determined that the school met all of its goals, and that it had met the compliance and fiscal charter review standards.¹⁴ In this review report, DC PCSB commended LAMB PCS for its strong performance on the PMF; at the time of the review, it had earned Tier 1 status for four years in a row. The review report noted that, “LAMB PCS students consistently outperform their peers in both reading and math achievement and growth as measured by the state assessment.” Based on the fact that the school met its goals, the DC PCSB Board voted to fully continue the school’s charter.

¹⁰ DC PCSB moved to a PK-8 PMF this year.

¹¹ See LAMB PCS Five-Year Charter Review Report, attached to this report as Appendix F.

¹² DC PCSB Meeting Minutes for February 27, 2012, attached to this report as Appendix G.

¹³ See Appendix G.

¹⁴ See LAMB PCS Ten-Year Charter Review Report, attached to this report as Appendix H.

SECTION ONE: GOALS AND ACADEMIC ACHIEVEMENT EXPECTATIONS

The SRA requires DC PCSB to review whether a school has met its goals and student academic achievement expectations at least once every five years. Goals and academic achievement expectations are considered as part of the renewal analysis only if they were included in a school’s charter or charter amendments approved by the DC PCSB Board.

In January 2018, the DC PCSB Board approved LAMB PCS’s request to amend its charter to adopt the PMF as its goals and student academic achievement expectations.¹⁵

The chart below summarizes DC PCSB’s determination of whether the school met its goals and academic achievement expectations. This determination is further detailed in the body of this report.

Goals and Academic Expectations	Met?
1 The School Corporation will be deemed to have met its goals and academic achievement expectations if at its fifteen-year charter renewal, it obtains an average PMF score for school years 2012-13, 2013-14, 2015-16, and 2016-17 equal to or exceeding 50%; and has met the floor of all Early Childhood PMF measures in school year 2013-14.	Yes.

Assessment: **LAMB PCS met its goals and academic expectations.** The school had an average PMF score of 81.6% during the period under review. This score far exceeds the 50% minimum required by the school’s charter and charter agreement. LAMB PCS also met the floor of every EC PMF measure during SY 2013-14.

The following table provides an overview of the school’s PMF performance. LAMB PCS’s PMF trends are detailed on the following pages. DC charter schools did not receive a score on the SY 2014-15 PMF, given the District of Columbia’s transition from the District of Columbia Comprehensive Assessment System (DC CAS) to the Partnership for Assessment of Readiness for College and Careers (PARCC) assessment.

¹⁵ Please see the January 2018 Charter Amendment attached as Appendix I.

LAMB PCS – PMF Outcomes

2012-13		2013-14		2014-15	2015-16	2016-17	Average
PK3-2	3-5	PK3-2	3-5	PK3-5	PK3-5	PK3-5	
Met 7 of 7 EC targets	Tier 1 80.5%	EC PMF's 1st year; no scores issued	Tier 1 75.0%	No PMF scores or tiers due to change in state assessment	Tier 1 83.3%	Tier 1 87.7%	81.6%

Student Academic Achievement and Progress Measures

The PMF measures progress and achievement in English Language Arts (ELA) and math. The proficiency tables display results for subgroups only if more than 10 students took the state assessment. The PMF also includes the following school environment measures: attendance, re-enrollment, and scores from the Classroom Assessment Scoring System (CLASS). The charts are color coded according to the following key:

KEY for Campus Rate Data Charts

3+	<ul style="list-style-type: none"> A PARCC score of 3 = Approaching College and Career Ready 3+ denotes the percentage of students who obtained a 3, 4, or 5 on the PARCC
4+	<ul style="list-style-type: none"> A PARCC score of 4 = College and Career Ready 4+ denotes the percentage of students who obtained a 4 or 5 on the PARCC 4+ is considered to be proficient performance
n-size	Number of students who took the state assessment at this school
Green	<ul style="list-style-type: none"> Met the EC PMF floor in 2013-14 Greater than or equal the state average or charter sector average of the same grade band
Red	<ul style="list-style-type: none"> Did not meet the EC PMF floor in 2013-14 Less than the state average or charter sector average of the same grade band
No Shading	<ul style="list-style-type: none"> Data from 2014-15, when the state transitioned to PARCC and the school performed below the state average. (Note – as stated above, if the school did better than the state average, this is colored green.) PK – 2 “display only” data that does not factor into the PMF score or goal attainment.

English Language Arts (ELA)

ELA Proficiency

In SY 2016-17, LAMB PCS's overall ELA proficiency rates were well above the state average for "college and career ready" and higher (4+), which is considered proficient, and "approaching college and career ready" and higher (3+). The rates of proficiency for students with disabilities at the school were above the state average in SYs 2015-16 and 2016-17. At-risk students also outperformed the state average in SY 2016-17 with 30% of the students scoring 4+ and 70% scoring 3+.

In SY 2014-15, the state switched to the PARCC assessment. To account for schools' adjustment to the new assessment, LAMB PCS' SY 2014-15 PARCC outcomes are included in this charter renewal analysis (and the charts below) only when they are above the state average.

Latin American Montessori Bilingual PCS - ELA Proficiency Grades 3-5											
	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
All	76.2	49.7	73.2	49.4	3 +	70.3	48.5	75.6	51.8	86.7	55.1
					4 +	52.7	25.3	56.7	27.7	58.2	31.4
	42		56		<i>n-size</i>	74		90		98	
Black Non-Hispanic	92.3	42.3	80.0	41.9	3 +	57.1	40.7	75.0	44.2	64.7	47.3
					4 +	57.1	16.6	58.3	19.7	52.9	22.3
	13		10		<i>n-size</i>	14		12		17	
Hispanic	57.1	50.9	63.6	47.1	3 +	65.9	47.4	70.0	51.4	88.7	56.2
					4 +	38.6	20.4	50.0	24.2	53.2	29.0
	21		33		<i>n-size</i>	44		60		62	
White	N/A	92.9	90.0	93.3	3 +	93.8	90.8	100.0	90.8	100.0	93.5
					4 +	87.5	76.5	81.2	73.5	76.5	81.2
	<i>n < 10</i>		10		<i>n-size</i>	16		16		17	
Multiracial	N/A	79.1	N/A	84.2	3 +	N/A	80.6	50.0	80.8	100.0	85.4
					4 +		62.7	50.0	62.7	100.0	67.8
	<i>n < 10</i>		<i>n < 10</i>		<i>n-size</i>	N/A		<i>n < 10</i>		<i>n < 10</i>	
English Learners	65.2	43.8	48.0	39.9	3 +	15.8	37.7	27.3	42.4	75.8	47.1
					4 +	5.3	13.1	4.5	16.8	21.2	19.7

**Latin American Montessori Bilingual PCS -
ELA Proficiency Grades 3-5**

	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
	23		25		<i>n-size</i>	19		22		33	
Students with Disabilities	45.5	21.2	41.7	21.2	3 +	18.2	14.1	23.1	19.4	75.0	20.8
					4 +	9.1	4.4	23.1	6.7	31.2	7.5
	11		12		<i>n-size</i>	11		13		16	
Econ Dis	60.0	41.1	58.8	40.1	3 +	34.8	38.3	51.9	43.3	71.4	47.5
					4 +	17.4	14.4	29.6	18.5	25.0	21.9
	10		17		<i>n-size</i>	23		27		28	
At-Risk	N/A		N/A		3 +	N/A		N/A	34.9	70.0	38.4
					4 +			N/A	13.2	30.0	15.8
					<i>n-size</i>			<i>n<10</i>		10	
Male	69.2	44.7	65.5	44.4	3 +	65.9	43.6	73.5	46.5	87.0	49.4
					4 +	48.8	21.5	55.1	23.8	53.7	26.5
	26		29		<i>n-size</i>	41		49		54	
Female	87.5	54.9	81.5	54.4	3 +	75.8	53.5	78.0	57.2	86.4	60.9
					4 +	57.6	29	58.5	31.6	63.6	36.3
	16		27		<i>n-size</i>	33		41		44	

ELA Growth

A median growth percentile (MGP) of 50 indicates that a school's students have average year-to-year growth in ELA, as compared to other DC students in the same grades and with the same initial state assessment performance. An MGP above 50 indicates that the school's students have above-average year-to-year growth, while an MGP below 50 indicates below-average growth.

Overall, there were positive trends for LAMB PCS's student growth over the past several years. The overall MGP and MGP for every subgroup has increased since SY 2015-16. In the two-year weighted average¹⁶ shown in the column for SY 2016-17, LAMB PCS's ELA MGP was well above 50 overall and for every subgroup.

Latin American Montessori Bilingual PCS - ELA MGP Grades 3-5					
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
All	64	66	66	76	86
Hispanic	55	65	71	76	86
White	n < 10	n < 10	77	79	n < 10
English Learners	n < 10	n < 10	37	42	68
Students with Disabilities	n < 10	n < 10	n < 10	35	61
Econ Dis	56	n < 10	40	60	84
Male	57	48	60	73	83
Female	n < 10	n < 10	69	78	90

¹⁶ DC PCSB calculates a two-year weighted average (by n-size) by averaging the school's MGP values from two consecutive years. The two-year weighted average is used to mitigate fluctuations in scores from year to year.

LAMB PCS chose its own school assessments to measure PK literacy for the PMF. SY 2012-13 was the pilot year of the EC PMF, and the results are not a part of the school's goals. The results for SY 2013-14 are shaded green because the school met the floor of the measures, as required by its charter agreement; in fact, the school exceeded the floors of the EC PMF literacy measures. Starting in SY 2014-15 through to SY 2016-17, the results on these assessments are for display only and do not factor into the school's PMF score.

PK Reading Growth Targets		
Year	Measure	Result
2012-13	60% of pre-kindergarten-3 and pre-kindergarten-4 students will progress to age equivalency in language composite on the Learning Accomplishment Profile-Diagnostic.	83.0%
2013-14	PK Pre-Literacy: Bracken School Readiness Assessment Percent of students who met or exceeded the publisher's expectations for growth at the end of the year. Floor: ¹⁷ 60 Target: ¹⁸ 100	90.6%
2014-15	PK Pre-Literacy: Bracken School Readiness Assessment Percent of students who met or exceeded the publisher's expectations for growth at the end of the year. Floor: 75 Target: 100	97.2% of students met or exceeded the publisher's expectations.
2015-16		97.4% of students met or exceeded the publisher's expectations.
2016-17		94.4% of students met or exceeded the publisher's expectations.

¹⁷ The floor is the minimum value for which any points are awarded.

¹⁸ The target is the value at which the maximum points for a common measure are awarded.

In K-2 Reading Student Progress, the school met the floor in SY 2013-14 and had results above the floor each year considered for this report. In SY 2016-17, 68.8% of the students at these grade levels met or exceeded the publisher’s expectations.

K-2 Reading Student Progress		
Year	Measure	Result
2012-13	60% of kindergarten through first grade students will advance at least one level in reading on the Dynamic Indicators of Basic Early Literacy Skills assessment.	67.0%
2013-14	Indicadores Dinámicos del Éxito en la Lectura (IDEL) Floor: ¹⁹ 50 Target: ²⁰ 90	80.9%
2014-15	Indicadores Dinámicos del Éxito en la Lectura (IDEL) Floor: 60 Target: 100	79.5% of students met or exceeded the publisher’s expectations.
2015-16		68.1% of students met or exceeded the publisher’s expectations.
2016-17		68.8% of students met or exceeded the publisher’s expectations.

¹⁹ The floor is the minimum value for which any points are awarded.

²⁰ The target is the value at which the maximum points for a common measure are awarded.

Math

Math Proficiency

LAMB PCS's overall math proficiency rates were above the state average for both "college and career ready" and higher (4+), which is considered proficient, and for "approaching college and career ready" and higher (3+) in both SYs 2015-16 and 2016-17. Students with Disabilities were slightly above the state average for "college and career ready" in SY 2016-17, with 12.5% scoring 4+. However, in since 2015-16, English Learners and Economically Disadvantaged students have rates below the state average.

In SY 2014-15, the state switched to the PARCC assessment. To account for schools' adjustment to the new assessment, SY 2014-15 PARCC outcomes are included in charter review analyses only if they are above the state average.

Latin American Montessori Bilingual PCS - Math Proficiency Grades 3-5											
	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
All	71.4	50.6	69.6	53.0	3 +	65.3	54.5	66.7	57.2	75.5	59.3
					4 +	38.9	27.9	47.8	33.2	43.9	34.1
	42		56		<i>n-size</i>	72		90		98	
Black Non-Hispanic	76.9	42.4	80.0	45.2	3 +	61.5	46.8	58.3	49.8	64.7	51.8
					4 +	38.5	20	41.7	25.1	35.3	25.0
	13		10		<i>n-size</i>	13		12		17	
Hispanic	61.9	55.9	69.7	55.5	3 +	60.5	56.1	60.0	59.4	71.0	61.4
					4 +	30.2	24.4	43.3	30.5	38.7	34.0
	21		33		<i>n-size</i>	43		60		62	
White	N/A	91.4	60.0	92.6	3 +	81.2	91.1	100.0	92.2	100.0	94.5
					4 +	62.5	72.7	68.8	77.7	70.6	80.5
	<i>n < 10</i>		10		<i>n-size</i>	16		16		17	
Multiracial	N/A	80.5	N/A	85.3	3 +	N/A	84.4	50.0	84.3	100.0	84.3
					4 +		59.6	50.0	65.3	50.0	68.5
	<i>n < 10</i>		<i>n < 10</i>		<i>n-size</i>	<i>N/A</i>		<i>n < 10</i>		<i>n < 10</i>	
English Learners	65.2	51.6	56.0	52.1	3 +	17.6	50.9	9.1	53.2	45.5	55.9
					4 +	5.9	19.8	4.5	26.3	12.1	28.2
	23		25		<i>n-size</i>	17		22		33	
	54.5	24.8	50.0	27.1	3 +	N/A	19.6	23.1	26.4	37.5	26.8

**Latin American Montessori Bilingual PCS -
Math Proficiency Grades 3-5**

	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
Students with Disabilities					4 +		5.8	15.4	10.9	12.5	10.5
	11		12		<i>n-size</i>	<i>n < 10</i>		13		16	
Econ Dis	40.0	42.3	52.9	44.7	3 +	38.1	45.9	37.0	49.8	46.4	52.4
					4 +	14.3	18.6	22.2	24.5	10.7	26.0
	10		17		<i>n-size</i>	21		27		28	
At-Risk	N/A		N/A		3 +	N/A		N/A	33.8	20.0	36.5
					4 +				12.9	20.0	14.1
					<i>n-size</i>			<i>n < 10</i>		10	
Male	69.2	48.9	69.0	51.3	3 +	69.2	52.8	71.4	55.1	75.9	57.3
					4 +	41.0	27.6	53.1	32	46.3	33.4
	26		29		<i>n-size</i>	39		49		54	
Female	75.0	52.3	70.4	54.6	3 +	60.6	56.2	61.0	59.4	75.0	61.4
					4 +	36.4	28.2	41.5	34.3	40.9	34.9
	16		27		<i>n-size</i>	33		41		44	

Math Growth

An MGP of 50 indicates that a school’s students have average year-to-year growth in math proficiency, as compared to other DC students in the same grades and with the same initial state assessment performance. An MGP above 50 indicates that a school’s students have above-average year-to-year growth, while an MGP below 50 indicates below-average growth.

Students in every subgroup at LAMB PCS showed above-average growth in the past five years. Hispanic students' growth was above average in every year measured, reaching a new high of 76 in SY 2016-17. Growth for Economically Disadvantaged students was also above average every year, with an MGP of 74 for SY 2016-17. The overall MGP and the MGP for most subgroups has improved each year since SY 2014-15.

Latin American Montessori Bilingual PCS - Math MGP Grades 3-5					
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
All	72	67	59	64	77
Hispanic	71	63	57	64	76
White	n < 10	n < 10	60	52	n < 10
English Learners	n < 10	n < 10	n < 10	n < 10	73
Students with Disabilities	68	n < 10	n < 10	n < 10	n < 10
Econ Dis	69	n < 10	58	59	74
Male	71	63	51	62	81
Female	n < 10	n < 10	59	61	73

LAMB PCS chose its own school assessments to measure PK math for the PMF, beginning in SY 2013-14. The results for SY 2013-14 are shaded green because the school met the floor of the measures, as required by its charter agreement; in fact, the school exceeded the floors of the EC PMF math measures. Starting in SY 2014-15 through to SY 2016-17, the results on these assessments are for display only and do not factor into the school’s PMF score.

PK Math Growth Targets		
Year	Measure	Result
2012-13	The school did not have a math assessment for PK this year.	N/A
2013-14	PK Mathematics: Bracken School Readiness Assessment Percent of students who met or exceeded the publisher’s expectations for growth at the end of the year. Floor: ²¹ 60 Target: ²² 100	90.6%
2014-15	PK Mathematics: Bracken School Readiness Assessment Percent of students who met or exceeded the publisher’s expectations for growth at the end of the year. Floor: 75 Target: 100	97.2% of students met or exceeded the publisher’s expectations.
2015-16		96.6% of students met or exceeded the publisher’s expectations.
2016-17		94.4% of students met or exceeded the publisher’s expectations.

²¹ The floor is the minimum value for which any points are awarded.

²² The target is the value at which the maximum points for a common measure are awarded.

In K-2 Math Student Progress, the school met the floor in SY 2013-14. In SYs 2015-16 and 2016-17, the school did not meet the floor for student progress, though the school missed the target by only 1.1 percentage points in SY 2015-16.

K-2 Math Student Progress		
Year	Measure	Result
2012-13	60% of kindergarten through second-grade students will score on grade level or higher in mathematics on the Easy Curriculum-Based Measures.	62.0%
2013-14	Mathematics: Easy Curriculum-Based Measures. Floor: 50 Target: 90	55.7%
2014-15	Mathematics: Easy Curriculum-Based Measures. Floor: 60 Target: 100	60.9% of students met or exceeded the publisher's expectations.
2015-16		58.9% of students met or exceeded the publisher's expectations.
2016-17		54.7% of students met or exceeded the publisher's expectations.

School Environment Measures

School environment measures—in-seat attendance (ISA), re-enrollment, and Classroom Assessment Scoring System (CLASS)—are designed to show the school’s climate and parent satisfaction.

In-Seat Attendance (ISA)

To measure attendance, DC PCSB measures ISA. DC PCSB considers ISA an indicator of a school’s climate. The school’s ISA rates were above the charter average from SY 2012-13 through SY 2016-17.

Latin American Montessori Bilingual PCS - Grades PK3 - 5 In-Seat Attendance										
	2012-13		2013-14		2014-15		2015-16		2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	97.8	91.8	96.9	92.3	94.4	92.7	93.6	92.5	95.3	92.6

Re-enrollment

A school’s re-enrollment rate measures family satisfaction with a school by measuring the rate at which eligible students return from one year’s official enrollment audit to the next year’s official enrollment audit. Students who move out-of-state or have other situations that would prevent them from re-enrolling are excluded from this rate.

LAMB PCS’s re-enrollment rate was well above the charter sector rate for each year considered in this report, except between school years 2012-13 to 2013-14. Since it has partnered with DC International, more than 95% of the school’s students have returned each year.

Latin American Montessori Bilingual PCS - Re-enrollment Rates								
	2012-13 to 2013-14		2013-14 to 2014-15		2014-15 to 2015-16		2015-16 to 2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	72.7	81.3	97.3	82.1	95.8	83.0	96.4	81.8

CLASS

The table below shows LAMB PCS’s CLASS²³ performance for its PK grades. The school has been above or slightly below the charter sector average in the Emotional Support and Classroom Organization domains for all years under review. For Instructional Support, the school was below the sector average every year considered for this report.

LAMB PCS - CLASS Performance			
Year	Domain	LAMB PCS	Charter Sector
2013-14	Emotional Support	6.0	5.7
2014-15		6.3	5.9
2015-16		6.1	6.0
2016-17		6.0	6.1
2013-14	Classroom Organization	5.7	5.2
2014-15		5.8	5.5
2015-16		5.7	5.9
2016-17		5.6	5.8
2013-14	Instructional Support	2.2	2.5
2014-15		2.0	2.8
2015-16		2.2	3.1
2016-17		2.2	3.0

²³ All DC early childhood programs are assessed by independent reviewers using the CLASS tool, which focuses on classroom interactions that boost student learning. The CLASS tool measures Emotional Support, Classroom Organization, and Instructional Support on a scale from 1-7. The Emotional Support and Classroom Organization indicators have a floor of three and a target of six on the PMF. On a national level, pre-school programs score lower on the Instructional Support indicator. Accordingly, DC PCSB’s floor for this indicator is one with a target of four.

SECTION TWO: COMPLIANCE WITH CHARTER AND APPLICABLE LAWS

The SRA requires DC PCSB to determine at least once every five years whether a school has “committed a material violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in its charter, including violations relating to the education of children with disabilities,” and at renewal requires DC PCSB not to renew the school’s charter if it finds such a violation²⁴ The SRA contains a non-exhaustive list of applicable laws, which DC PCSB monitors in its annual compliance reviews. The below table discusses the school’s compliance with various requirements from 2012-13 to the time of this report’s publication.

Compliance Item	Description	School’s Compliance Status 2012-13 to Present²⁵
Fair enrollment process D.C. Code § 38-1802.06	DC charter schools must have a fair and open enrollment process that randomly selects applicants and does not discriminate against students.	Compliant since 2012-13
Notice and due process for suspensions and expulsions D.C. Code § 38-1802.06(g)	DC charter school discipline policies must afford students due process ²⁶ and the school must distribute such policies to students and parents.	Compliant since 2012-13
Student health and safety D.C. Code §§ 38-1802.04(c)(4), 4-1321.02, 38-651	The SRA requires DC charter schools to maintain the health and safety of its students. ²⁷ To ensure that schools adhere to this clause, DC PCSB monitors schools for various indicators, including but not limited to whether schools: <ul style="list-style-type: none"> - have qualified staff members that can administer medications; - conduct background checks for all school employees and volunteers²⁸; and - have an emergency response plan in place and conduct emergency drills as required by DC code and regulations. 	Compliant since 2012-13

²⁴ D.C. Code § 38.1802.12(c)(1).

²⁵ See Compliance Reports, attached to this report as Appendix J.

²⁶ See *Goss v. Lopez*, 419 U.S. 565 (1975).

²⁷ D.C. Code § 38.1802.04(c)(4)(A).

Compliance Item	Description	School's Compliance Status 2012-13 to Present²⁵
Equal employment D.C. Code § 38-1802.04(c)(5)	A DC charter school's employment policies and practices must comply with federal and local employment laws and regulations.	Compliant since 2012-13
Insurance As required by the school's charter	A DC charter school must be adequately insured.	Compliant since 2012-13
Facility licenses D.C. Code § 47-2851.03(d); D.C. Mun. Regs., tit. 14, §§ 14-1401 et seq.	A DC charter school must possess all required local licenses.	Compliant since 2012-13
Proper composition of board of trustees D.C. Code § 38-1802.05	A DC charter school's Board of Trustees must have: an odd number of members that does not exceed 15; a majority of members that are DC residents; and at least two members that are parents of a student attending the school.	Compliant since 2012-13
Accreditation Status D.C. Code § 38-1802.02(16)	A DC charter school must maintain accreditation from an SRA-approved accrediting body approved by the SRA.	Compliant since 2012-13

In June 2017, a former LAMB PCS teacher admitted in DC Superior Court that he sexually abused six LAMB PCS students between 2015 and 2017. When the teacher was accused of misconduct, the school commissioned an investigation by a third party. The school had properly conducted a background check on this employee, but an investigation by the school's board found a "failure of administration to recognize the [teacher's] inappropriate behaviors as red flags and make appropriate decisions." In response, the head of school stepped down, effective at the end of the school year, as did the principal, effective immediately. However, it is important to note that the school's board is ultimately responsible for the safety and well-being of the students at the school and DC PCSB expects the board to take further action and training on board governance to ensure the board is satisfying its fiduciary duties, particularly as school leadership transitions.

Procurement Contracts

D.C. Code § 38-1802.04(c)(1) requires DC charter schools to use a competitive bidding

process for any procurement contract valued at \$25,000 or more, and within three days of awarding such a contract, to submit to DC PCSB all bids received, the contractor selected, and the rationale for which contractor was selected. To ensure compliance with this law, DC PCSB requires schools to submit a "Determinations and Findings" form to detail any qualifying procurement contract that the school has executed.

For SY 2015-16, DC PCSB staff found the school to be in compliance with the Procurement Contract Submission Policy. For SYs 2013-14 and 2014-15, the school did not properly submit all contract documents. However, these contracts were entered into before DC PCSB implemented the current version of the Procurement Contract Submission Policy and it would be impractical for the school to submit these contracts at this time.

Special Education Compliance

Charter schools are required to comply with all federal and local laws regarding students with disabilities, including the Individuals with Disabilities Education Act²⁹ (IDEA) and Section 504 of the Rehabilitation Act of 1973.³⁰ The following section summarizes LAMB PCS's IDEA special education compliance from SY 2012-13 to the present.

The D.C. Office of the State Superintendent of Education (OSSE) Special Education Compliance Reviews

OSSE monitors charter schools' special education compliance and publishes three primary types of reports detailing these findings: (1) Annual Determinations; (2) On-Site Monitoring; and (3) Special Conditions Reports. OSSE's findings regarding special education compliance for LAMB PCS are summarized below.

(1) Annual Determinations

As required by federal regulation, OSSE annually analyzes each LEA's compliance with special education compliance indicators and publishes these findings in an Annual Determination report.³¹ Each year's report is based on compliance data collected from the prior federal fiscal year. For example, in SY 2016-17, OSSE published its 2014 Annual Determination reports (based on the school's 2014-15 performance).

LAMB PCS's Annual Determination compliance performance is detailed in the table below.³²

²⁹ 20 U.S.C. §§ 1400 *et seq.* See 20 U.S.C. § 1413(a)(5).

³⁰ 29 U.S.C. § 794.

³¹ As required by federal regulation 34 C.F.R. § 300.600(c).

³² See Annual Determination reports, attached to this report as Appendix K.

Year	Percent Compliant with Audited Special Education Federal Requirements	Determination Level ³³
2013	85%	Meets Requirements
2014	89%	Meets Requirements
2015	68%	Needs Assistance

LAMB PCS received a Needs Assistance designation in its 2015 Determination. OSSE recommended that the school’s team seek training and technical assistance to improve overall performance. However, the LEA is not legally required to undertake the recommendations or any actions.

(2) On-Site Monitoring Report

OSSE conducts an on-site assessment of an LEA’s special education compliance with student-level and LEA-level indicators in alignment with its coordinated Risk-Based Monitoring³⁴ and publishes its findings in an On-Site Monitoring Report. Annually, OSSE assigns a risk designation to each LEA based on several criteria, including its IDEA Part B performance,³⁵ which OSSE then uses to determine if an LEA will receive on-site monitoring.³⁶ LEAs are responsible for being 100% compliant with student-level indicators and LEA-level indicators.³⁷

In 2014, OSSE published an on-site Compliance Monitoring Report of LAMB PCS based on the school’s performance in SY 2013-14.³⁸ The school has since cured all areas of noncompliance.

³³ IDEA requires OSSE as the State educational agency to make determinations annually about the performance of LEAs. OSSE is required to use the same categories that the U.S. Department of Education, Office of Special Education Programs (OSEP) uses for state determinations as outlined in Section 616(d) of IDEA. These categories are: Meets Requirements, Needs Assistance, Needs Intervention, and Needs Substantial Intervention.

³⁴ See <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/Risk-Based%20Monitoring%20Guidance.pdf>.

³⁵ Part B of IDEA applies to students ages 3-22.

³⁶ The type of monitoring an LEA receives varies depending on its designation as a “high,” “medium,” or “low” risk sub-grantee. An on-site monitoring visit will occur for LEAs classified as “high” risk.

³⁷ If OSSE determined an LEA was less than 100% compliant with a student-level indicator that could not be cured retroactively, OSSE would identify the point of noncompliance as an LEA-level violation and give the LEA 365 days to cure the finding.

³⁸ See 2013-14 On-Site Monitoring Report Attachments, attached to this report as Appendix L.

On-Site Monitoring Report – LEA-Level Compliance			
Compliance Area	Compliant?	Noncompliant indicators	Corrected?
Extended School Year (ESY)	1 of 1 indicator compliant	N/A	N/A
Least Restrictive Environment (LRE)	1 of 1 indicator compliant	N/A	N/A
Individualized Education Program (IEP)	1 of 1 indicator compliant	N/A	N/A
Data	2 of 2 indicators compliant	N/A	N/A
Fiscal	13 of 13 indicators compliant	N/A	N/A

On-Site Monitoring Report – Student-Level Compliance			
Compliance Area	Compliant?	Noncompliant indicators	Corrected?
Initial Evaluation and Reevaluation	6 of 8 indicators compliant	<ul style="list-style-type: none"> Parents Provided Procedural Safeguards Parent Consent for Initial Evaluation 	Yes
IEP	7 of 15 indicators compliant	<ul style="list-style-type: none"> Parent/Student Invited to IEP Meeting Parent/Student Notified of Meeting General Education Teacher Attended IEP Meeting LEA Designee Attended IEP Meeting ESY Determined on Individual Basis Alternate Assessment Statement of Participation IEP Contains Benchmarks or Short-term Objectives IEP Developed Within 30 Days of Initial Eligibility Determination 	Yes
Least Restrictive Environment	2 of 2 indicators compliant	N/A	N/A

(3) Special Conditions Reports

OSSE submits reports to OSEP,³⁹ detailing LEAs’ compliance in three areas: (1)

³⁹ Prior to SY 2014-15, OSSE conducted reviews quarterly. The data for the special conditions from that timeframe is thus organized across four quarters.

Initial Evaluation timeliness,⁴⁰ (2) Reevaluation timeliness, and (3) Secondary Transition requirements (for students age 16 and up). LAMB PCS is evaluated in adhering to Initial Evaluation timeliness and Reevaluation timeliness. The outcomes are detailed in the tables below. The school has no identified areas of noncompliance.

Special Conditions Reporting Period – April 2012 through March 2013				
	Quarter 1 (April 1 – June 30)	Quarter 2 (July 1 – September 30)	Quarter 3 (October 1 – December 31)	Quarter 4 (January 1 – March 31)
Initial Evaluation Timeliness	N/A ⁴¹	N/A	N/A	N/A
Reevaluation Timeliness	N/A	N/A	N/A	N/A

Special Conditions Reporting Period – April 2013 through March 2014				
	Quarter 1 (April 1 – June 30)	Quarter 2 (July 1 – September 30)	Quarter 3 (October 1 – December 31)	Quarter 4 (January 1 – March 31)
Initial Evaluation Timeliness	N/A	N/A	N/A	N/A
Reevaluation Timeliness	N/A	N/A	N/A	N/A

⁴⁰ Starting with SY 2017-18, OSSE is no longer under special conditions with OSEP on Initial Evaluations. Moving forward, OSSE will only report on Reevaluation and Secondary Transition in Special Conditions reporting. Initial evaluation data will still be periodically reviewed for compliance and included in Public Reporting for Annual Performance Reports (APRs). For the purposes of this report, Initial Evaluations are included since OSSE reported on this area of compliance in the past.

⁴¹ Not applicable (N/A) indicates that OSSE did not conduct a review for the listed compliance area during the specified time-frame for the school.

Special Conditions Reporting Period – April 2014 through March 2015			
	August 1 Report (April 1 – June 30)	November 1 Report (July 1 – September 30)	May 1 Report (October 1 – December 31)
Initial Evaluation Timeliness	N/A	N/A	Compliant
Reevaluation Timeliness	N/A	N/A	N/A

Special Conditions Reporting Period – April 2015 through March 2016			
	August 1 Report (April 1 – June 30)	November 1 Report (July 1 – September 30)	May 1 Report (October 1 – March 31)
Initial Evaluation Timeliness	N/A	Compliant	N/A
Reevaluation Timeliness	N/A	N/A	Compliant

Special Conditions Reporting Period – April 2016 through March 2017			
	August 1 Report (April 1 – June 30)	November 1 Report (July 1 – September 30)	May 1 Report (October 1 – March 31)
Initial Evaluation Timeliness	N/A	N/A	N/A
Reevaluation Timeliness	N/A	N/A	N/A

Hearing Officer Determination (HOD) Implementation Review

OSSE manages and oversees compliance through the HOD Tracker (formerly called the Blackman Jones database) that tracks the timely implementation of actions required by HODs. As of July 2017, no HODs have been issued against LAMB PCS.⁴²

⁴² HODs are the written decisions issued as a result of a due process complaint that proceeds to hearing. Many other complaints are withdrawn for a number of reasons, including settlement. Not all outcomes are required to be tracked; thus, for the purpose of charter reviews and renewals, DC PCSB reports only on HODs that resulted in a finding of noncompliance against the LEA.

SECTION THREE: FISCAL MANAGEMENT AND ECONOMIC VIABILITY

INTRODUCTION

The SRA requires DC PCSB to revoke a school’s charter if DC PCSB determines that the school:

- Has engaged in a pattern of nonadherence to generally accepted accounting principles (GAAP);
- Has engaged in a pattern of fiscal mismanagement; and/or
- Is no longer economically viable.⁴³

The results of DC PCSB’s review of LAMB PCS’s financial records are presented below.

SUMMARY OF FINDINGS

For this report, DC PCSB reviewed LAMB PCS’s financial statements from Fiscal Year (FY) 2012 through FY 2016. During this time period, LAMB PCS demonstrated adequate fiscal performance, as enrollment, total revenues, and cash reserves all increased. Its financial audit confirms compliance with GAAP and reveals no concerns about internal controls. It is economically viable.

FINANCIAL OVERVIEW

The following table displays LAMB PCS’s financial information between FY 2012 and FY 2016. During this time, enrollment and revenue grew by 42% and 45%, respectively. By June 30, 2016, the school built a net asset position of \$5.5 million. Overall, the school exhibited solid financial results as it continued to grow its program in a fiscally responsible manner.

Financial Highlights (\$ in 000s)					
	2012	2013	2014	2015	2016
Enrollment Ceiling⁴⁴	300	300	400	400	400
Audited Enrollment	263	273	320	342	374
Total Revenue	\$5,363	\$5,335	\$7,128	\$7,484	\$7,770
Surplus/ (Deficit)⁴⁵	\$823	\$452	\$558	\$678	\$448
Unrestricted Cash Balances	\$1,747	\$967	\$1,660	\$2,442	\$3,201
Number of Days of Cash on Hand⁴⁶	150	78	98	138	170
Net Asset Position⁴⁷	\$3,375	\$3,827	\$4,385	\$5,063	\$5,511

⁴³ See D.C. Code § 38-1802.13(b).

⁴⁴ The Enrollment Ceiling represents the largest possible number of students for which the school may receive public funding. It may be higher than the school’s targeted or budgeted enrollment, but provides a good proxy for the school’s enrollment expectations over time.

⁴⁵ Surplus / (Deficit) is total revenue minus total expenses.

⁴⁶ Number of Days of Cash on Hand equals unrestricted cash and cash equivalents divided by daily operating expenses (which equals annual operating expenses divided by 365 days). It is a measure of the school’s ability to pay debts and claims as they come due.

⁴⁷ Net Asset Position equals total assets minus total liabilities.

Financial Highlights (\$ in 000s)					
	2012	2013	2014	2015	2016
Primary Reserve Ratio⁴⁸	74%	78%	68%	75%	77%

FISCAL MANAGEMENT

Overall fiscal management considers the school’s liquidity, debt burden, cost management, and internal controls. Together, these factors reflect the effectiveness of the school’s board and leaders in managing the finances. LAMB PCS’s fiscal management appears to be sound: the school’s liquidity is strong; the school has an adequate ability to service debt; costs are effectively managed; and the internal control environment appears to be secure. These areas are discussed further below.

Liquidity

Liquidity refers to the school’s ability to meet its financial obligations, particularly in the short term. Too few assets or insufficient cash to pay vendors and/or creditors is a cause for concern and can reflect poor fiscal management.

The first measure of a school’s liquidity is its current ratio.⁴⁹ The current ratio measures a school’s financial resources available to meet short-term obligations (i.e., those obligations due in the following 12 months). When the current ratio is less than one, the school’s ability to meet these obligations is in doubt; we consider a current ratio of greater than 1.0 the “target” of acceptable performance. A current ratio less than 0.7 raises concern about the school’s liquidity; we consider this the “floor” of acceptable performance.

LAMB PCS’s current ratio of 3.4 indicates sufficient liquidity and no risk to economic viability.

The second measure, days of cash on hand, reflects a school’s ability to satisfy its financial obligations using only existing cash balances (in the event of unexpected cash delays). DC PCSB recommends 45 days of cash or more. Less than 15 days of cash is a liquidity concern.

LAMB PCS’s cash position is strong, growing from 78 days in 2013 to 170 days in 2016.

Together, these metrics provide evidence of continued strength in overall liquidity.

Liquidity							
	Floor	Target	2012	2013	2014	2015	2016
Current Ratio	<0.7	>1.0	1.0	1.5	2.2	2.9	3.4
Number of Days of Cash on Hand	<15	>45	150	78	98	138	170

⁴⁸ Primary Reserve Ratio equals total net assets, less intangible assets, divided by total annual expenses.

⁴⁹ A school’s current ratio is its current assets divided by current liabilities.

The final liquidity measure is solvency,⁵⁰ or the school’s ability to pay outstanding obligations to vendors, employees, and lenders in the event of an asset liquidation.

DC PCSB reviewed LAMB PCS’s 2016 audited financial statements and determined LAMB PCS’s solvency is not an area of concern.

Debt Burden

As part of the evaluation of a school’s long-term viability, DC PCSB considers a school’s debt burden. DC PCSB reviews two debt ratios – the debt ratio⁵¹ and the debt service coverage ratio.⁵²

The debt ratio measures how leveraged a school is, or the extent to which a school relies on borrowed funds to finance its operations. A ratio greater than 0.90 is a cause for concern (the floor for this metric); a ratio less than 0.50 is a signal of financial strength (the target).

LAMB PCS’s debt ratio of 0.54 is close to the DC PCSB target, indicating that the school has low amounts of financial obligations.

The debt service coverage ratio is a measure of surplus available to service long-term debt. For this metric, a ratio less than 1.0 is a cause for concern (the floor) and a ratio above 1.2 is a sign of strength (the target).

The school’s current debt service coverage ratio of 2.6 exceeded the DC PCSB target, indicating the school can adequately cover principal and interest payments. Together, these measures reveal no concerns surrounding LAMB PCS’s debt structure.

Debt Burden							
	Floor	Target	2012	2013	2014	2015	2016
Debt Ratio	>0.90	<0.50	0.70	0.63	0.60	0.56	0.54
Debt Service Coverage Ratio	<1.0	>1.2	<i>N/A-metric introduced in FY16</i>				2.6

Cost Management

The table below provides an overview of the school’s spending decisions over the past three years. Since FY 2012, expenses have grown 58%, as compared to a 45% growth in revenues. The most significant increase in expenses was in personnel salaries and

⁵⁰ Except when the school owns a facility, solvency equals unrestricted cash plus receivables with a high probability of collection, minus liabilities and closure expenses.

⁵¹ Debt Ratio equals the total liabilities divided by the total assets.

⁵² Debt Service Coverage Ratio equals Earnings Before Interest, Depreciation, and Amortization divided by the sum of scheduled principal payments and interest paid (not including balloon payments).

benefits, reflecting an investment in human capital. Costs appear to be effectively managed at the school and generally in line with sector medians.

Cost Management (\$ in 000s)					
	2012	2013	2014	2015	2016
Salaries and Benefits	\$2,840	\$3,337	\$4,428	\$4,640	\$4,889
Direct Student Costs	\$433	\$269	\$569	\$520	\$514
Occupancy Expenses	\$1,034	\$1,056	\$1,135	\$1,210	\$1,397
Office Expenses	\$103	\$70	\$64	\$49	\$387 ⁵³
General Expenses	\$130	\$151	\$248	\$345	

As a Percent of Expenses						
	2012	2013	2014	2015	2016	FY16 Sector Median
Salaries and Benefits	63%	68%	69%	69%	68%	61%
Direct Student Costs	10%	6%	9%	8%	7%	11%
Occupancy Expenses	23%	22%	18%	18%	19%	16%
Office Expenses	2%	1%	1%	1%	5%	11%
General Expenses	3%	3%	4%	5%		

Internal Controls

At the highest level, internal controls are processes assuring achievement of an organization's objectives in operational effectiveness, production of reliable financial reports, and compliance with laws, regulations, and policies.

Audits of LAMB PCS establish that the school has adhered to GAAP. The school's auditors issued unmodified audit opinions for all years and there were no material weaknesses or other findings identified. Based on the audits, LAMB PCS appears to have a secure internal control environment.

Internal Controls					
	Audit Year				
	2012	2013	2014	2015	2016
Modified Statement Opinion. The auditor issues an opinion letter on the basic financial statements. An <i>unmodified</i> opinion means the auditor is satisfied professionally that the statements present fairly the financial position of the school and the results of operations. Should there be areas of doubt, the opinion may be <i>modified, adverse, or disclaimed</i> .	No	No	No	No	No
Material Weakness. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the school's financial statements will not be prevented, or detected and corrected in a timely manner.	No	No	No	No	No

⁵³ DC PCSB has worked with the Financial Oversight Task Force to revise definitions of cost categories, including combining Office Expenses and General Expenses beginning in FY 2016. Other category definitions have also changed over time.

Internal Controls					
	Audit Year				
	2012	2013	2014	2015	2016
Statement Non-Compliance. The auditor tests for compliance with certain provisions of laws, regulations, contracts, and grant agreements. Non-compliance could have a direct and material effect on the determination of financial statement amounts.	No	No	No	No	No
Modified Program Opinion (Uniform Guidance). When expenditures of federal funds are greater than \$750,000, the auditor performs an extended review and issues an opinion letter on compliance with the requirements of laws, regulations, contracts, and grants applicable to each of the school's major federal programs. A <i>modified opinion</i> indicates instances of non-compliance.	N/A	N/A	N/A	N/A	N/A
Program Material Weakness (Uniform Guidance). In planning and performing the audit of major federal programs, the auditor considers internal control over compliance with the requirements of applicable laws, regulations, contracts, and grants. A material weakness in internal control indicates that there is a reasonable possibility of material non-compliance with a requirement of a federal program that will not be prevented, or detected and corrected, on a timely basis.	N/A	N/A	N/A	N/A	N/A
Findings & Questioned Costs. The auditor discloses audit findings that are important enough to merit attention by those charged with governance, with documentation of corrective action plans noting the responsible party.	0	0	0	0	0
Unresolved Prior Year Findings. The auditor discloses prior year audit findings that have not been corrected.	N/A	N/A	N/A	N/A	N/A
Going-Concern Issue. The auditor indicates that the financial strength of the school is questioned.	No	No	No	No	No
Debt-Compliance Issue. The audit discloses that the school was not in compliance with certain debt covenants. A debt-compliance issue may prelude insolvency.	No	No	No	No	No

ECONOMIC VIABILITY

DC PCSB assesses economic viability through five measures: operating results, earnings, net asset position, primary reserve ratio, and trends in enrollment and revenue. Based on these six criteria, LAMB PCS's economic viability is not at risk, as discussed below in further detail.

Operating Results

A school's fiscal operation produces a surplus or deficit each year. DC PCSB recommends a school's revenues should exceed its expenditures, producing a surplus. LAMB PCS exceeded our floor of \$0, generating a surplus in each year.

Earnings

DC PCSB reviews earnings before depreciation and amortization (EBDA)⁵⁴ separately from the operating results because depreciation is a non-cash expense and impacts the surplus/deficit of a school, but not actual cash flow. Here, LAMB PCS again exceeded our floor of \$0, generating positive EBDA annually.

(\$ in 000s)	Floor	2012	2013	2014	2015	2016
Surplus/(Deficit)	<0	\$823	\$452	\$558	\$678	\$448
Earnings before Depreciation and Amortization	<0	\$1,129	\$808	\$856	\$991	\$770

Net Asset Position

The net asset position is the accumulation of operating results over time. DC PCSB does not set a target for this metric, but we do set a floor of \$0. LAMB PCS has a strong net asset position, which has grown each year due to its operating surpluses.

Primary Reserve Ratio

The primary reserve ratio is the proportion of reserves relative to operating expenditures. Our target is 25%, and our floor is 0%.

LAMB PCS's primary reserve ratio has exceeded our target in each of the last five years.

(\$ in 000s)	Floor	Target	2012	2013	2014	2015	2016
Net Asset Position	<0	N/A	\$3,375	\$3,827	\$4,385	\$5,063	\$5,511
Primary Reserve Ratio	<0	>25%	74%	78%	68%	75%	77%

Enrollment and Revenue Trends

The final measures of economic viability are trends in enrollment and revenues. Enrollment trends provide information about the school's ability to attract students and earn DC and federal funds for operations over time. Stable or growing enrollment and revenue indicate that the school is likely to remain financially stable. Declining enrollment, however, may be cause for concern.

LAMB PCS's strong growth in enrollment and revenues indicate it is likely that the school will be able to continue to attract students and maintain consistent revenues.

Enrollment over Time						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Enrollment	263	273	320	342	374	426
Growth in Enrollment	32%	4%	17%	7%	9%	14%

⁵⁴ EBDA is the change in net assets plus depreciation and amortization.

Enrollment over Time						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Growth in Revenues	56%	0%	34%	5%	4%	N/A ⁵⁵

⁵⁵ FY 2017 Audited Financials were not available at publication time.