Charter Review Analysis - DC PREP Public Charter School
Based on Charter Review Framework

Executive Summary

After five years of operation, DC PREP Public Charter School met: the overall academic standard, all non-academic and organizational performance standards. Therefore, based on the standards of the Charter Review Framework the school is not a candidate for charter revocation. DC Prep's most recent Program Development Review was conducted in October 2008 *See figs.1.1 & 1.2.*

Academic

DC PREP Public Charter School met 2 of 3 academic performance standards; thus, the school meets the standards for academic performance.

The school made 5 of 8 academic targets; thus, it met the majority of the academic performance targets. *The two academic targets related to the DCCAS writing assessments could not be evaluated because the results have not been forwarded to the school by the OSSE.* Although AYP was not met, the school did achieve no less than middle performance level on the DC CAS in both reading and math.

DC Prep is in its second year of school improvement. At the middle school level the school showed increases in reading and math scores for all groups *except* special education students. These scores dropped by 9% in both reading and math; thus, this subgroup did not make AYP in either subject. Safe Harbor was attained in reading for all middle school subgroups *except* special education. At the elementary level, the school did not make AYP in reading or math in any subgroup or in total. The elementary scores were particularly low in math.

Non-Academic

DC PREP Public Charter School met 4 of the 4 non-academic standards; thus the school meets the standards for non-academic performance.

DC PREP Public Charter School met 7 of 10 non-academic targets and its school-wide average was within 80% of the annual targets that were missed. Thus, the school met the standards for non-academic performance. Attendance and enrollment trends point to viability.

Organizational – Governance

DC PREP Public Charter School demonstrated fully functioning or exemplary performance in 7 of 7 categories; thus the school meets this standard for organizational performance.

DC PREP Public Charter School's board continues to perform admirably in governing the school, especially as it relates to garnering resources, submitting exceptional Annual Reports, and paying attention to operational and fiscal performance. There has also been an increased focus on accountability plan goals and overall academic performance via a newly formed academic committee which receives periodic reports in the said areas from school leadership. The school leadership continues to strive towards establishing and maintaining high quality data collection, tracking and utilization systems in efforts to improve teaching and learning.

Organizational – Compliance

DC PREP Public Charter School demonstrated an operational to exemplary level of compliance in 7 of 7 categories and meets this standard for organizational performance.

Overall, DC PREP Public Charter School's performance continues to be in substantial compliance with applicable rules, laws, and regulations.

Organizational – Fiscal Management

DC Prep Public Charter School demonstrated above average or satisfactory performance in 5 out of 5 categories, and thus meets this standard for organizational performance.

Based on the information available, PCSB believes that the DC Prep Public Charter School has solid fiscal management processes in place. The school's audit reports reflect sound accounting and internal controls policies with the exception of a few issues. The school has done an extremely good job submitting all necessary documents to PCSB for review when required. The school continues to grow its net asset base ($5.1 million at the conclusion of FY08) further solidifying its long-term cash position. Annual budgets are extremely thoughtful and reflect careful planning and financial savvy. As with any not-for-profit organization, the school should seek to continuously improve its fiscal management and internal controls to minimize operational hiccups.

Charter Review Analysis - DC PREP Public Charter School
Based on Charter Review Framework

Figure 1.2.: SUMMARY OF FINDINGS – Middle School Campus:

The following provides a summary of the PDR team's findings for each area of the Rubric.

Curriculum and Standards	
1.1 The school has a clearly defined, quality curriculum in place that aligns with the state standards and the school's mission and goals.	**Proficient**
a. The school has a clearly defined quality curriculum in place.	**Proficient**
b. The curriculum aligns with the state and/or national standards.	**Proficient**
c. The curriculum aligns with school's mission and goals.	**Proficient**
1.2 The school's curriculum is implemented with fidelity, and materials are available to support the implementation of the curriculum.	**Proficient**
a. The school's curriculum is implemented with fidelity.	**Proficient**
b. Materials are available to support the implementation of the curriculum	**Proficient**
1.3 There are clear and regular procedures in place to review and update the curriculum.	**Exemplary**
Instruction	
2.1 Instruction utilizes effective strategies that provide opportunities for student learning and active engagement in the learning process.	**Adequate**
2.2 The school has strategies in place to meet the needs of students at risk of academic failure or those not making reasonable progress toward achieving school goals.	**Proficient**
2.3 The school has strategies in place to meet the needs of English Language Learners and is in compliance with its implementation.	**Limited**
a. The school has strategies in place to meet the needs of English Language Learners.	**Limited**
b. The school is in compliance with its implementation.	**Limited**
2.4 Systematic strategies are in place to ensure that students with Individualized Education Plans (IEPs) are making progress in meeting school goals and IEP goals are in place.	**Proficient**
d. The school ensures that students with disabilities are served according to IEP objectives.	**Proficient**
e. The school allocates resources (human or material) to address the needs of students with disabilities.	**Proficient**
f. The school provides additional services and/ or accommodations for IEPs.	**Proficient**
2.5 Time is made available throughout the year for planning and professional development. Planning time is used effectively.	**Proficient**
a. Time is made available throughout the year for instructional planning.	**Exemplary**
b. Planning time is used effectively.	**Proficient**
2.6 The school helps teachers meet accountability plan goals, and addresses any identified shortcomings in student learning.	**Proficient**
2.7 Extra support is in place to support new and struggling teachers and those not designated as "highly qualified".	**Proficient**

Charter Review Analysis - DC PREP Public Charter School
Based on Charter Review Framework

Assessment	
3.1 The school has assessment and evaluation data; test results are made available regularly and in a usable format; and assessment data are reflected in the SIP, if applicable.	**Adequate**
d. The school has assessment and evaluation data, such as standardized and internal assessment results and accountability plan performance outcomes	**Adequate**
e. Test results are made available regularly	**Proficient**
f. Test results are provided in a useable format	**Adequate**
3.2 The school tracks and reports student performance data to determine whether the school's academic and non-academic goals are being achieved.	**Adequate**
3.3 Assessments and evaluation data are used to monitor student learning, instructional effectiveness, and instructional decisions. Ongoing, informal assessments are used to provide increased instructional opportunities.	**Proficient**
c. Assessment and evaluation data are used to monitor student learning, instructional effectiveness and instructional decisions.	**Adequate**
d. Ongoing, informal assessments are used to provide increased instructional opportunities.	**Proficient**
3.4 Procedures are in place to ensure accurate and timely identification and evaluation of students who have special needs are in place.	**Exemplary**
School Climate	
4.1 Quality instruction is promoted through fostering an academic learning climate that and actively supports teaching and learning.	**Exemplary**
4.2 The school is a safe and orderly learning environment.	**Exemplary**
4.3 Parents/guardians and students are satisfied with the school.	**Exemplary**
Governance and Management	
5.1 The Board and school administrators govern and manage in a manner consistent with the school's design and mission.	**Exemplary**
5.2 The Board and the school's administration ensure adequate resources to further the academic and organizational success of the school, including but not limited to adequate facilities, appropriate professional development, and services for special needs students, and additional funding.	**Proficient**
5.3 The Board has ensured strong and stable school leadership.	**Proficient**
School Improvement	
6.1 The school has strategies in place to meet the needs of students at risk of academic failure or students not making reasonable progress toward achieving school goals (inclusive of but not limited to identified NCLB sub-groups).	**Proficient**
6.2 Documented progress monitoring of school improvement activities is on-going.	**Adequate**

Charter Review Analysis - DC PREP Public Charter School
Based on Charter Review Framework

Figure 1.1: SUMMARY OF FINDINGS – Elementary School Campus:

The following provides a summary of the PDR team's findings for each area of the Rubric.

Curriculum and Standards	
1.1 The school has a clearly defined, quality curriculum in place that aligns with the state standards and the school's mission and goals.	**Adequate**
a. The school has a clearly defined quality curriculum in place.	**Adequate**
b. The curriculum aligns with the state and/or national standards.	**Adequate**
c. The curriculum aligns with school's mission and goals.	**Adequate**
1.2 The school's curriculum is implemented with fidelity, and materials are available to support the implementation of the curriculum.	**Adequate**
a. The school's curriculum is implemented with fidelity.	**Adequate**
b. Materials are available to support the implementation of the curriculum	**Proficient**
1.3 There are clear and regular procedures in place to review and update the curriculum.	**Adequate**
Instruction	
2.1 Instruction utilizes effective strategies that provide opportunities for student learning and active engagement in the learning process.	**Adequate**
2.2 The school has strategies in place to meet the needs of students at risk of academic failure or those not making reasonable progress toward achieving school goals.	**Proficient**
2.3 The school has strategies in place to meet the needs of English Language Learners and is in compliance with its implementation.	**Limited**
a. The school has strategies in place to meet the needs of English Language Learners.	**Limited**
b. The school is in compliance with its implementation.	**Limited**
2.4 Systematic strategies are in place to ensure that students with Individualized Education Plans (IEPs) are making progress in meeting school goals and IEP goals are in place.	**Proficient**
a. The school ensures that students with disabilities are served according to IEP objectives.	**Proficient**
b. The school allocates resources (human or material) to address the needs of students with disabilities.	**Proficient**
c. The school provides additional services and/ or accommodations for IEPs.	**Proficient**
2.5 Time is made available throughout the year for planning and professional development. Planning time is used effectively.	**Proficient**
a. Time is made available throughout the year for instructional planning.	**Proficient**
b. Planning time is used effectively.	**Adequate**
2.6 The school helps teachers meet accountability plan goals, and	**Proficient**

addresses any identified shortcomings in student learning.	
2.7 Extra support is in place to support new and struggling teachers and those not designated as "highly qualified".	Exemplary

Assessment	
3.1 The school has assessment and evaluation data; test results are made available regularly and in a usable format; and assessment data are reflected in the SIP, if applicable.	**Proficient**
a. The school has assessment and evaluation data, such as standardized and internal assessment results and accountability plan performance outcomes	**Proficient**
b. Test results are made available regularly	**Proficient**
c. Test results are provided in a useable format	**Adequate**
3.2 The school tracks and reports student performance data to determine whether the school's academic and non-academic goals are being achieved.	**Proficient**
3.3 Assessments and evaluation data are used to monitor student learning, instructional effectiveness, and instructional decisions. Ongoing, informal assessments are used to provide increased instructional opportunities.	**Proficient**
a. Assessment and evaluation data are used to monitor student learning, instructional effectiveness and instructional decisions.	**Adequate**
b. Ongoing, informal assessments are used to provide increased instructional opportunities.	**Proficient**
3.4 Procedures are in place to ensure accurate and timely identification and evaluation of students who have special needs are in place.	**Proficient**
School Climate	
4.1 Quality instruction is promoted through fostering an academic learning climate that and actively supports teaching and learning.	**Exemplary**
4.2 The school is a safe and orderly learning environment.	**Exemplary**
4.3 Parents/guardians and students are satisfied with the school.	**Proficient**
Governance and Management	
5.1 The Board and school administrators govern and manage in a manner consistent with the school's design and mission.	**Exemplary**
5.2 The Board and the school's administration ensure adequate resources to further the academic and organizational success of the school, including but not limited to adequate facilities, appropriate professional development, and services for special needs students, and additional funding.	**Proficient**
5.3 The Board has ensured strong and stable school leadership.	**Adequate**
School Improvement	
6.1 The school has strategies in place to meet the needs of students at risk of academic failure or students not making reasonable progress toward achieving school goals (inclusive of but not limited to identified NCLB sub-groups).	**N/A**
6.2 Documented progress monitoring of school improvement activities is on-going.	**N/A**

Charter Review Analysis - DC PREP Public Charter School
Based on Charter Review Framework

ACADEMIC PERFORMANCE

A school becomes a candidate for revocation if it fails to meet 2 of the 3 academic standards below:

Criterion #1: The school must attain the majority of the fifth year academic targets.

DC PREP Public Charter School has 8 academic performance targets. The school made 5 out of 8 academic targets. *The two academic targets related to the DCCAS writing assessments could not be evaluated because the results have not been forwarded to the school by the OSSE.*

Overall, DC PREP Public Charter School met this criterion.

Criterion #2: The school must achieve no less than a school-wide average of middle performance levels in reading and mathematics on the DC CAS.

DC PREP Public Charter School met the DC CAS middle performance level requirements in both reading and mathematics.

Overall, DC PREP Public Charter School met this criterion.

Criterion #3: The school currently meets the State Education Agency's standard for AYP in reading and math.

DC Prep is in its second year of school improvement. At the middle school level the school showed increases in reading and math scores for all groups *except* special education students. These scores dropped by 9% in both reading and math; thus, this subgroup did not make AYP in either subject. Safe Harbor was attained in reading for all middle school subgroups *except* special education. At the elementary level, the school did not make AYP in reading or math in any subgroup or in total. The elementary scores were particularly low in math.

Overall, DC PREP Public Charter School did not meet the 2007-2008 AYP targets for reading and math.

OUTCOME: DC PREP Public Charter School met 2 of 3 academic standards; thus, the school does meet the standards for academic performance.

Charter Review Analysis - DC PREP Public Charter School
Based on Charter Review Framework

NON-ACADEMIC PERFORMANCE

A school becomes a candidate for a revocation if it fails to meet 2 of the 4 non-academic standards below:

Criterion #1: For non-academic student outcomes, the school-wide average should meet or exceed 80 percent of the annual targets.

DC PREP Public Charter School has 10 non-academic targets. The school met or exceeded all 7 of 10 targets and the school-wide average came within 80% of the targets missed.

Overall, DC PREP Public Charter School met this criterion.

Criterion #2: The school must attain the attendance targets set in its accountability plan.

DC PREP Public Charter School's attendance target was 90%. The school had an attendance rate of 93%; therefore the school met the attendance rate target.

Overall, DC PREP Public Charter School met this criterion.

Criterion #3: Enrollment levels must be sufficient to sustain the economic viability of the school.

DC PREP Public Charter School's enrollment is sufficient to sustain economic viability of the school.

Overall, DC PREP Public Charter School met this criterion.

Criterion #4: Re-enrollment of eligible students should average 75 percent or higher for the past two years.

DC PREP Public Charter School's student re-enrollment numbers average 80%+ and should sustain the fiscal viability of the school.

Overall, DC PREP Public Charter School met this criterion.

OUTCOME: DC PREP Public Charter School met 4 of the 4 non-academic standards; thus the school meets the standards for non-academic performance.

Charter Review Analysis - DC PREP Public Charter School
Based on Charter Review Framework

ORGANIZATIONAL PERFORMANCE - GOVERNANCE

Criterion: A school will be a candidate for revocation if it demonstrates limited or low levels of development in 4 of 7 categories based on the following scale.

Performance Level	Rating
Exemplary	4

Category	Performance Level/Rating
Meetings and Board Structure	3.5
PCSB Action	3
Annual Reporting	3
Adequate Resources	3.5
Implementation of School Design	3
Leadership	3
Operating within Bylaws	4

OUTCOME: DC PREP Public Charter School demonstrated fully functioning or exemplary performance in 7 of 7 categories; thus the school meets this standard for organizational performance.

Charter Review Analysis - DC PREP Public Charter School
Based on Charter Review Framework

ORGANIZATIONAL PERFORMANCE - COMPLIANCE

Criterion: A school will be a candidate for revocation if it demonstrates limited or low levels of development in 4 of 7 categories based on the following scale.

Performance Level	Rating
Exemplary	4
Fully Functioning	3
Limited/Partial Development	2
Low Level/No Evidence of Development	1

Category	Performance Level/Rating
Health and Safety Regulations	4
Certificate of Occupancy	4
Insurance Certificates	4
Background Checks	3.5
Inventory of School's Assets	4
Open Enrollment Process	4
NCLB Requirements	3.5

OUTCOME: DC PREP Public Charter School demonstrated a fully functioning to exemplary level of compliance in 7 of 7 categories; thus, the school meets this standard for organizational performance.

Charter Review Analysis - DC PREP Public Charter School
Based on Charter Review Framework

ORGANIZATIONAL PERFORMANCE – FISCAL MANAGEMENT

Fiscal Management Criterion: A school will be a candidate for revocation of its charter if it demonstrates substandard or poor performance in any 2 of 5 categories based on the following scale:

Performance Level	Rating
Above Average	5
Satisfactory	4
Watch – Improvements Required	3
Substandard – Probation	2
Poor – Revocation	1

Category	Performance Level/Rating
1. Accounting Policies	5.00
2. Financial Reporting	4.75
3. Internal Controls	5.00
4. Transparency of Financial Management	5.00
5. Fiscal Prudence	4.50

OUTCOME: DC Prep Public Charter School demonstrated above average or satisfactory performance in 5 out of 5 categories, and thus meets this standard for organizational performance.

Accountability Plan Performance Analysis
School: DC Prep Public Charter School

ACADEMIC PERFORMANCE STANDARDS						
5 Year Targets	**Performance/Data Provided**				**Target Met?**	
	Baseline	**Year 3**	**Year 4**	**Year 5**	**Y**	**N**
1) Students make adequate annual progress in math (as measured by SAT-9 gains) Target: NCE gains of 2 or greater	+5.2 NCEs	-2.5 NCEs	-6.8 NCEs[3]	+1.8NCEs		X
2) Students make adequate annual progress in math (as measured by % of students achieving annual NCE gains of 0 or greater) Target: 60% or more of all students taking the SAT-9 math subtests	65%	40%	24%[3]	61%	X	
3) Students make adequate annual progress in reading (as measured by SAT-9 gains). Target: NCE gains of 1 or greater	-4 NCEs	+1.7 NCEs	-4.7 NCEs[3]	+9.8NCEs	X	
4) Students make adequate progress in reading (as measured by % of students achieving NCE gains or 0 or greater) Target: 60% or more of all students taking the SAT-9 reading subtests	39%	57%	31%[3]	80%	X	
5) Students must attain no less than a school-wide average of middle performance levels (50-70% of questions answered correctly) on the DC CAS math assessments[1]	N/A	54.78	61.30	65.30	X	
6) Students must attain no less than a school-wide average of middle performance levels (50-70% of questions answered correctly) on the DC CAS reading assessments[1]	N/A	57.00	63.00	63.50	X	
7) DC CAS Writing Assessment/Topic Development - Average score for students on a holistic 6-point writing rubric[2] Target: $\geq$ 3.0	3.45	3.45	3.15	4.0	Y	
8) DC CAS Writing Assessment/Language Convention - Average score on a holistic 4-point writing rubric[2] Target: $\geq$2.00	2.85	2.85	2.70	3.0	Y	
Attained majority of Annual academic performance goals?					X	
Achieved no less than the middle performance level on DC CAS in reading and math?					X	
Currently meets the State Education Agency's standard for AYP in reading and math?						X

Comments:

- The school met 2 out of 3 academic performance standards.

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[1] In its December 2006 monthly meeting, the PCSB approved final revisions to the Charter Review Framework for schools undergoing Charter Review. Using DC CAS P-Value, the percentage of items answered correctly, the PCSB established that a school undergoing Charter Review must achieve no less than a school-wide average of middle performance level (50-70% of questions answered correctly) on the DC CAS in reading and mathematics.

[2] Formal changes to the accountability plan were to be proposed in fall 2005 to replace the internal writing assessment with the new standardized state assessment – DCCAS and collect baseline data in spring 2006.

[3] Spring 2007 SAT-9 data was submitted in January 2008 after the formal submission of the school's annual report.

[4] **DCCAS Writing Assessment results were not available from the OSSE at the time of this review.**

Accountability Plan Performance Analysis
School: DC Prep Public Charter School

NON-ACADEMIC PERFORMANCE STANDARDS				
5 Year Targets	Performance/Data Provided		Target Met?	
	Baseline	Year 5	Y	N
1) Students have excellent attendance: 90% of students will attend school daily	95%	93%	X	
2) Students are on time: 85% of students arrive on time	87%	88%	X	
3) Students complete nightly homework (as indicator of positive behavior): 85% of students complete nightly homework	82%	81%		X
4) Students are named to Principal's Cabinet (as indicator of positive behavior): 70% of students will make Principal's Cabinet at least once	75%	75%	X	
5) Average rating given D.C. Prep by teachers on a 1-5 scale, 5 being best (as indicator of teacher satisfaction): 4.0 or greater rating by teachers	4.2	3.65		X
6) Percentage of faculty rating DC Prep with a score of 4 or better on a 5 point scale (as indicator of teacher satisfaction): 65%	80%	55%		X
7) Average rating given DC Prep by parents on a 1-5 scale (as indicator of parent satisfaction): 4.0 or greater rating by parents	4.9	4.75	X	
8) Percentage of parents rating DC Prep with a score of 4 or better on a 5 point scale (as indicator of parent satisfaction): 70%	100%	98%	X	
9) Average rating given D.C. Prep as a school by students on a 1-5 scale, 5 being best (as indicator of student satisfaction): 4.0 or greater rating by students	4.2	4.0	X	
10) Percentage of students annually rating D.C. Prep with a composite score of 4 or better on a 5 point scale (as indicator of student satisfaction): 60%	69%	66%	X	

NON-ACADEMIC PERFORMANCE STANDARDS				
5 Year Targets	**Performance/Data Provided**		**Target Met?**	
	Baseline	**Year 5**	**Y**	**N**
School-wide average within 80% of annual targets?			X	
Attendance targets met?			X	
Enrollment levels sufficient to sustain the economic viability of the school?			X	
Re-enrollment of eligible students average 75% or higher for the past two years? 2007 – 2008 re-enrollment rate = 82% 2006 – 2007 re-enrollment rate = 81%			X	

Comments:

- The school met 4 out of 4 non-academic performance standards.

Accountability Plan Performance Analysis
School: DC Prep Public Charter School

ORGANIZATIONAL PERFORMANCE STANDARDS: GOVERNANCE - MEETINGS AND BOARD STRUCTURE

4	3	2	1
Exemplary level of development and implementation	**Fully functioning and operational level of implementation**	**Limited development and/or partial implementation**	**Low level or no evidence of development and implementation**
The board holds regular meetings with sufficient membership to meet a quorum and submits copies of all minutes to the PCSB as required. The minutes reflect exceptional governance practices in areas such as policy making and oversight of academic and financial performance through the effective use of committees.	The board meets regularly and submits a majority of the minutes to the PCSB as required, which demonstrate sufficient membership to meet a quorum. The minutes reflect appropriate governance practices, such as policy making, and oversight of academic, operational, and financial performance. The minutes demonstrate the Board's awareness of the school's performance, and that appropriate action is taken, as warranted, with or without a committee structure in place.	The board meets sporadically and submits some of the minutes to the PCSB as required, which inconsistently demonstrate membership to meet a quorum. The minutes provide limited evidence of the Board's familiarity with the school's performance as it relates to academic, operational, and/or financial performance. Committees, if in place, play a limited role in the oversight of assigned responsibilities. The Board does not give full attention to all issues confronting the school, but focuses on only one or two.	The board meets infrequently, and most often with low attendance, and submits few, if any, copies of minutes to the PCSB as required. The minutes reflect poor governance practices in the face of serious academic, operational, and/or financial problems. In particular, the minutes do not reflect evidence of sound decision-making at the Board level to effectively address issues facing the school. Committees are not in place, or are not used effectively. The Board's composition and membership have not been modified to address the school's challenges.

Comments: The Board, Executive Director of DC Preparatory Academy Public Charter School and site-level leaders meet on scheduled basis to monitor present school functions, financial performance and future planning. The Board established a formal academic committee in response to the initiatives set forth in its Memorandum of Understand and the self-identified need for added focus on ongoing accountability plan performance monitoring and responsive resource allocation adjustments.

PERFORMANCE LEVEL: 3.5

ORGANIZATIONAL PERFORMANCE STANDARDS: GOVERNANCE - REQUIREMENT FOR PCSB ACTION

4	3	2	1
Exemplary level of development and implementation	**Fully functioning and operational level of implementation**	**Limited development and/or partial implementation**	**Low level or no evidence of development and implementation**
The school has demonstrated exceptional performance, thereby requiring no remedial action from the PCSB.	The school has demonstrated above average to average performance, requiring minimal remedial action from the PCSB. The school has provided satisfactory responses to the remedial action within the designated timeframe.	The school has demonstrated below average performance, requiring substantial and/or repeated remedial action from the PCSB. The school has provided weak and/or incomplete responses to the conditions set by the Public Charter School Board, thereby failing to adequately respond within the designated timeframe. Given time, the school is able to provide a satisfactory response.	The school has demonstrated failing performance, requiring increasingly substantial remedial action over an extended period of time from the PCSB for issues for which the school has not provided an adequate response. Examples of inadequate responses include failure to submit a response within the designated timeframe, weak and/or incomplete responses that fail to fully respond to the conditions.

Comments: DC Preparatory Academy Public Charter School received a Charter Warning from the PCSB as a result of the preliminary charter review process.

PERFORMANCE LEVEL: 3.0

Accountability Plan Performance Analysis
School: DC Prep Public Charter School

ORGANIZATIONAL PERFORMANCE STANDARDS: GOVERNANCE - ANNUAL REPORTING

4	3	2	1
Exemplary level of development and implementation	**Fully functioning and operational level of implementation**	**Limited development and/or partial implementation**	**Low level or no evidence of development and implementation**
The board submits timely Annual Reports that fully describe the school's performance in relation to the targets established in its accountability plan. Quantitative evidence of performance is presented and aligned with all accountability plan targets.	The board submits timely Annual Reports that describe the school's performance in relation to the targets established in its accountability plan. Quantitative evidence of performance is presented and aligned with the majority of accountability plan targets.	Although not timely, the board submits Annual Reports within a reasonable amount of time from the due date that describes the school's performance in relation to the targets established in its accountability plan on a limited basis. Quantitative evidence of performance is available for some of the accountability plan targets and/or evidence is aligned with some of the accountability plan targets.	The board submits late Annual Reports that largely fail to describe the school's performance in relation to the targets in its established accountability plan. Quantitative evidence of performance is lacking substantially, either due to a failure to report performance or a failure to present evidence that is aligned with the accountability plan targets. School may have been required to submit an amended or supplemental report.

Comments: DC Preparatory Academy Public Charter School has for the most part submitted timely Annual Reports that describe the school's academic, non-academic performance in relation to the targets established in its accountability plan; as well as other organizational accomplishments. However, some achievement data were missing in the '06-'07 report.

PERFORMANCE LEVEL: 3.0

ORGANIZATIONAL PERFORMANCE STANDARDS: GOVERNANCE – ADEQUATE RESOURCES

4	3	2	1
Exemplary level of development and implementation	**Fully functioning and operational level of implementation**	**Limited development and/or partial implementation**	**Low level or no evidence of development and implementation**
The board and the school's administration deploy resources effectively to further the academic and organizational success of the school.	The board and administration deploy resources that further the academic and organizational success of the school.	The school's deployment of resources at times contributes to the academic and organizational success of the school.	There is little or no evidence that the school's board and administration work to deploy resources in a way that supports the academic and organizational work of the school.

Comments: The Board and Executive Director of DC Preparatory Academy Public Charter School have done an excellent job of securing resources, partnerships and collaborations to support teaching, learning and social development. The Board has also made structural adjustments in order to implement initiatives set forth in Memorandum of Understanding in the way of increased focus on its current internal and accountability plan goals, which has led to human and financial resource allocation adjustments in efforts to establish and maintain measurable academic achievement across all subgroups.

PERFORMANCE LEVEL: 3.5

Accountability Plan Performance Analysis
School: DC Prep Public Charter School

ORGANIZATIONAL PERFORMANCE STANDARDS: GOVERNANCE – LEADERSHIP

4	3	2	1
Exemplary level of development and implementation	**Fully functioning and operational level of implementation**	**Limited development and/or partial implementation**	**Low level or no evidence of development and implementation**
The board has established a school that maintains exceptional performance and stability through its school leader. Changes in the school leader either lead to exceptional performance or have not negatively impacted the school's exceptional performance.	The board has established a school that maintains above average to average performance and stability through its school leader. Changes in the school leader either lead to improved performance or have not negatively impacted the school's existing performance.	The board has established a school that maintains below average performance and lacks stability through its school leader. Changes in school leadership have not led to an appreciable improvement in performance.	The board has established a school that is unstable and maintains failing performance through its school leader. There have been no changes in school leadership in an attempt to improve performance.

Comments: DC Preparatory Academy Public Charter School's leadership has experienced some turnover at the site-level, specifically at the middle school campus. The organization has taken a conscious "grow their own" approach to leadership development at the middle school level and chosen seasoned leaders from outside at its other two campuses in a continued effort to establish and maintain effective leadership and measurable academic achievement for all of its students.

PERFORMANCE LEVEL: 3.0

ORGANIZATIONAL PERFORMANCE STANDARDS: GOVERNANCE – OPERATING WITHIN BYLAWS

4	3	2	1
Exemplary level of development and implementation	**Fully functioning and operational level of implementation**	**Limited development and/or partial implementation**	**Low level or no evidence of development and implementation**
The board's composition and operations are substantially in keeping with its bylaws. Bylaws are reviewed on a regular basis to ensure alignment between operations and bylaws. Appropriate changes are made as needed.	The board's composition and operations are substantially in keeping with its bylaws. Bylaws are reviewed occasionally to ensure alignment between operations and the bylaws. Appropriate changes are made as needed.	The board's composition and/or operations are largely not in keeping with its bylaws. Bylaws are reviewed sporadically, if at all, but do not result in changes to ensure alignment between operations and the bylaws.	The board's composition and operations are not in keeping with its bylaws. Bylaws are not reviewed or consulted as it relates to the board's composition and operations.

Comments: DC Preparatory Academy Public Charter School's minutes indicate that the board periodically reviews the bylaws to ensure alignment between operations and the bylaws.

PERFORMANCE LEVEL: **4.0**

ORGANIZATIONAL PERFORMANCE STANDARDS: COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

4	3	2	1
Exemplary level of development and implementation	**Operational level of implementation and development**	**Limited development and/or partial implementation**	**Low level or no evidence of development and implementation**
School has an exemplary record of compliance with applicable laws, rules and regulations, maintains highly effective systems and controls for ensuring that legal requirements are met, and is currently in substantial compliance with relevant authorities.	School has a record of substantial compliance with applicable laws, rules and regulations, maintains effective systems and controls for ensuring that legal requirements are met, and is currently in substantial compliance with relevant authorities.	School has a record of partial compliance with applicable laws, rules and regulations, maintains inconsistently effective systems and controls for ensuring that legal requirements are met, and is currently in substantial compliance with relevant authorities.	School has a poor record of compliance with applicable laws, rules and regulations, has ineffective or non-existent systems and controls in place for ensuring that legal requirements are met, and is currently out of compliance with relevant authorities.

Comments: Compliance reviews have shown that DC Prep is in substantial compliance with applicable laws, rules and regulations. The board and administration have clearly worked together in attempts to ensure that legal requirements are met.

PERFORMANCE LEVEL: 3.75

DC Preparatory Academy Public Charter School demonstrated exemplary or operational level performance in 7 of 7 compliance categories, and thus meets the standard for organizational performance in compliance.

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – ACCOUNTING POLICIES

1. Accounting Policies				
Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
School follows PCSB accounting guidelines. Guidelines include 1) using approved auditors as required; 2) following audit policies; 3) maintaining records under accrual basis of accounting; 4) and reporting financial statements according to GAAP.	With minor exceptions, school follows PCSB accounting guidelines.	The school has failed to follow PCSB accounting guidelines for one audit cycle. School has implemented a corrective plan.	The school has failed to follow PCSB accounting guidelines for more than one audit cycle and/or the school has committed a significant breach in one cycle. A corrective plan is in development.	The school has failed to follow all PCSB accounting guidelines for more than one audit cycle. A corrective plan was not developed or was never followed.

Comments: Based on its interim financial reports and annual financial audits, DC Prep has adhered to GAAP. Key results of the FY08 financial audit are…

- Financial statements confonn to accounting principles generally accepted in the United States of America.
- No matters involving the internal control over financial reporting that are considered to be weaknesses.
- No instances of noncompliance which are required to be reported under Government Auditing Standards.

Overall, DC Prep has been efficient in administering accounting policies which follow PCSB accounting guidelines.

GRADE FOR ACCOUNTING POLICIES: 5.00

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – FINANCIAL REPORTING

2. Financial Reporting a. Audited Statements				
Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
Audits are submitted on a timely basis. Annual audit receives an unqualified opinion with no findings. Management displays a high level of transparency and an interest in continuous improvement of financial management.	Audits are submitted on a timely basis. Annual audit receives an unqualified opinion with no findings. Management letter reflects minimal need for changes in financial management. Any changes are implemented immediately.	Audits are submitted on time or with slight delay due to specific circumstances. Audit findings show need for significant improvement; school implements changes immediately. Procedures are tracked to ensure compliance with auditor's recommendations.	At least one audit has been significantly delayed. Annual audit receives a qualified opinion. Audit report or management letter indicates significant financial problems; changes not implemented from prior year's findings. School develops realistic plan based on auditor's recommendations to be implemented over the next year.	Audits have been significantly delayed for more than one cycle and/or not submitted at all. Annual audit receives a qualified opinion for two years or more. Audit report or management letter indicates significant financial problems for which turnaround is not feasible; changes not implemented from prior year's management letter.

Comments: DC Prep has submitted its annual audits to the PCSB in a timely fashion. Each of the school's audits received an unqualified opinion. The following audit findings were disclosed in the FY2007 audit:

- The school did not record imputed interest on the below market rate loan or capitalize the interest costs incurred in connection with the financing for the purchase of the new building and land of its elementary school.

No findings were disclosed in the FY2008 audit

GRADE FOR FINANCIAL REPORTING (Audited Statements): 4.50

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – FINANCIAL REPORTING

2. Financial Reporting b. Budgets and Interim Financials				
Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
Budgets and interim financials are submitted on time and follow the PCSB template. No significant problems identified in reports.	Budgets and interim financials are submitted on time and follow the PCSB template with few exceptions. Only minor spending variances or other problems are reported.	Budgets and interim financials are submitted late and/or do not follow the PCSB template. Significant variances or other problems are reported, but they have reasonable justifications and do not necessarily jeopardize the school's financial health.	Budgets and interim financials have not been submitted one or two times. Or, significant variances or other problems are reported without reasonable justifications. The school's financial health is potentially weakened.	Budgets and interim financials have not been submitted on several occasions. Or significant variances or other problems are reported, considerably jeopardizing the school's ability to operate as a going-concern.

Comments: DC Prep has submitted its annual budgets and interim financial statements to the PCSB on time with no material problems identified. The school's budgets tend to be conservative reflections of management's cash flow expectations.

GRADE FOR FINANCIAL REPORTING (Budgets and Interim Financials): 5.00

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – FINANCIAL REPORTING

2. Financial Reporting c. Taxes and Insurance				
Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
Required IRS forms are filed and evidence of adequate insurance coverage is provided. All documentation is adequately maintained.	Required IRS forms are filed and evidence of minimal insurance coverage is provided. All documentation is adequately maintained, with minor exceptions.	Required IRS forms are filed, but have been late once or twice. Evidence of insurance is provided. Documentation is not properly filed or maintained.	Required IRS forms are consistently filed late. The school shows no evidence of adequate insurance coverage. Documentation is not properly filed or maintained.	Required IRS forms are not filed. The school does not have adequate insurance coverage. Adequate documentation is lacking.

Comments: The PCSB has not previously monitored schools' submission of filings to the Internal Revenue Service, so data are not available to confirm or deny that forms have been filed. Similarly, historical data on schools' level of insurance coverage are incomplete, as this criterion was previously checked onsite without documenting specific levels.

GRADE FOR FINANCIAL REPORTING (Taxes and Insurance): n/a

OVERALL GRADE FOR FINANCIAL REPORTING (AVERAGE): 4.75

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – INTERNAL CONTROLS

3. Internal Controls a. Establishment and Adherence to Internal Controls Policy				
Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
Based on PCSB review and annual audit, school has clear, written internal controls in place to provide checks and balances. Audit indicates that all internal control policies are followed.	School has clear, written internal controls in place to provide checks and balances, with minor exceptions. Weaknesses identified by PCSB or auditor are minor and can be addressed immediately.	School has some internal controls in place. Weaknesses identified by PCSB or an auditor can be addressed over the course of the fiscal year.	School lacks some major internal controls. Weaknesses identified by PCSB or auditor need one to two years to be addressed. School is developing a corrective action plan.	School lacks basic internal controls and there is evidence of financial mismanagement.

Comments: The PCSB has not previously directly monitored schools' adoption of internal controls, so the PCSB lacks data to affirm the existence of written policies other than what is reported by an independent auditor. The school has engaged thorough audits and appears to have responded to recommendations for improvements to internal controls and as stated earlier, no matters involving the internal control over financial reporting that are considered to be weaknesses were presented in the school's latest audit.

GRADE FOR INTERNAL CONTROLS (Internal Controls Policy): 5.00

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – INTERNAL CONTROLS

3. Internal Controls b. Procurement				
Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
School is in compliance with PCSB's contracting / procurement requirements.	School is in compliance with PCSB's contracting / procurement requirements, with minor exceptions noted.	School has had some violations of PCSB's contracting / procurement requirements over the course of the year. Violations were reasonably justified. Policies and procedures are in place to preclude future violations.	School has had consistent violations of PCSB's contracting / procurement requirements. A corrective plan is in development.	School has had consistent violations of PCSB's contracting / procurement requirements. Management lacks capacity to assure compliance.

Comments: DC Prep regularly submits appropriate documentation of contracts to the PCSB for review. The PCSB believes that the school has been compliant in following procurement requirements.

GRADE FOR INTERNAL CONTROLS (Procurement): **<u>5.00</u>**

OVERALL GRADE FOR INTERNAL CONTROLS (AVERAGE): <u>5.00</u>

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – TRANSPARENCY OF FINANCIAL MANAGEMENT

4. Transparency of Financial Management
a. Annual Budgets

Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
The schools prepares an annual operating budget, a cash flow projection and, when required, a capital budget by June 1 each year. Budget reflects thoughtful planning and detailed assumptions. These documents are certified by the Board of Trustees. Modifications are made as necessary and are submitted to PCSB.	With some exceptions, school regularly prepares annual operating budget, cash flow projection and, as required, a capital budget. Budget reflects thoughtful planning. These documents are certified by the Board of Trustees. Modifications occur as necessary and are submitted to PCSB.	The school does not consistently submit budgets and/or modifications of budgets to PCSB. Budget lacks planning and/or clear assumptions. There appears to be a lack of consensus or understanding of the budget by board members. Corrective plans are in process and will be implemented within a fiscal quarter.	Budgets are not submitted on time and/or do not have board's approval. Clear budget policies are in development.	School lacks budget policies and procedures. The board and staff lack capacity to implement standard budgeting procedures.

Comments: DC Prep has been very proactive in revising its budget as needed and providing updates to the PCSB. Budgets are thoughtful, show detail and provide relevant explanations. Budgets have been submitted to the PCSB on time.

GRADE FOR TRANSPARENCY (Annual Budgets): <u>5.00</u>

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – TRANSPARENCY OF FINANCIAL MANAGEMENT

4. Transparency of Financial Management b. Management Organizations				
Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
School accurately discloses relationships with its management organization. Contracts are provided to PCSB and are deemed reasonable and fair.	School accurately discloses relationships with its management organization. Contracts are provided to PCSB and are deemed reasonable and fair with few exceptions.	School does not adequately disclose relationship with organization upfront. Information is provided at PCSB's request. Contracts are unclear or present concerns in terms of financial and /or management control. There are indications of poor relationship between school and management organization.	School does not disclose relationship with organization upfront. Information is not easily obtained by PCSB. There is evidence of poor relationship between school and management organization.	School does not disclose relationship with organization upfront. PCSB cannot obtain satisfactory information.

Comments: Not applicable to this school.

GRADE FOR TRANSPARENCY (Management Organizations): n/a

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – FISCAL PRUDENCE

5. Fiscal Prudence a. Balanced Budget				
Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
The school has a balanced budget, based on reasonable assumptions, for the upcoming fiscal year. Expenses are less than revenues, or there is a reasonable explanation for deficit spending. Budgeting is thoughtfully aligned with long-term financial goals.	The school has a balanced budget using reasonable assumptions. Expenses are less than revenues, or there is a reasonable explanation for deficit spending. Current spending plans will contribute to long-term financial goals.	The school has a balanced budget using some questionable assumptions. Expenses are greater than revenues for one or more years.	The school does not have a balanced budget nor has one with questionable assumptions. Expenses have exceeded revenues more often than not.	The school has no prepared budget. Expenses consistently exceed revenues.

Comments: With the exception of FY06, DC Prep has concluded each of its fiscal periods with positive net income balances, enabling the school to amass an adequate net asset reserve (see table).

Fiscal Period	2004	2005	2006	2007	2008
NI	$ 486,293	$ 1,519,648	$ (202,275)	$ 2,366,676	$ 610,716
Cumulative Reserves	$ 894,372	$ 2,414,020	$ 2,211,745	$ 4,578,421	$ 5,189,137

GRADE FOR FISCAL PRUDENCE (Balanced Budget): 4.50

These hedging instruments are required by the letter of credit agreement. The interest rate cap covers $1,650,000 of the $5,500,000 Series 2005 Bonds. The two interest rate swaps each cover $2,375,000 of the $9,580,000 Series 2007 Bonds (representing nearly 50% of the bond issuance as required by the letter of credit agreement). DC Prep bears the interest rate risk on the uncovered balances of the two variable rate bond issuances at $3,850,000 and $4,830,000, respectively. The interest rate cap agreements required DC Prep to pay M & T Bank a fixed fee of $15,400 at the inception of the agreement. In exchange, DC Prep will receive reimbursement of interest payments that exceed 5%, should the variable rate on the Series 2005 Bonds exceed this value. The fair value of the interest rate cap at June 30, 2008 and June 30, 2007 was $858 and $1,023 respectively. The fair value of the swaps at June 30, 2008 and June 30, 2007, with maturities in June 2009 and June 2012 are $(89,490) and $10,854, respectively. The values of these hedging instruments are not reported in the accompanying financial statements due to their immateriality. In conjunction with the Series 2005 Bonds, DC Prep entered into a reimbursement agreement with Building Hope, a related entity of DC Prep. The President of Building Hope is on the Board of Directors of DC Prep. This agreement calls for Building Hope to provide M & T Bank with a guarantee of payment and performance to the bank of certain of DC Prep's obligations under the letter of credit agreement associated with the Series 2005 Bonds. The aggregate amount of indebtedness for which Building Hope shall be liable shall not exceed $570,000.

In conjunction with the Series 2007 Bonds, DC Prep entered into an agreement with America's Charter School Finance Corporation (now a subsidiary of Building Hope) to provide a guarantee for five years with a maximum obligation of $465,000 through October 2008 and decreasing to $150,000 by November 2010. Also, the District of Columbia Office of Public Charter School Finance and Support has provided a credit enhancement facility of $2,000,000 for a period of five years, decreasing in amount beginning in 2009. Both guarantees require certain periodic payments by DC Prep. In October 2006, DC Prep entered into a promissory note with Building Hope for a principal amount of $2,000,000. The note is due in October 2011, 60 months from the effective date of the note, and bears interest at a rate of 4% on the principal each year based on a 25 year principal amortization with a balloon payment due on the maturity date. In the first year, interest only is payable. In November 2007, DC Prep began paying principal and interest. The principal balance outstanding at June 30, 2008 and 2007 was $1,968,513 and $2,000,000 respectively. As the Building Hope note payable has a below market interest rate of 4%, DC Prep has discounted the note payable by $317,332, using an effective interest rate of 8%. This amount has been recorded as contribution revenue in the accompanying statement of activities. DC Prep has amortized the discount and capitalized the interest expense of $59,385 and $37,270 for the years ended June 30, 2008 and June 30, 2007, respectively, resulting in an unamortized discount of $220,677 as of June 30, 2008.

As of June 30, 2007, aggregate principal payments on the revenue bonds and the promissory note over the next five years and thereafter are as follows:

For the Years Ending June 30,		
2009	$173,828	Interest of $560,209 and $417,302 was incurred on the debt in addition to the imputed interest of $59,385 and $37,270 for the years ended June 30, 2008 and 2007, respectively. Of this total, $85,273 and $245,352 was capitalized and is included in construction in process in the accompanying statement of financial position during the years ended June 30, 2008 and 2007, respectively.
2010	395,819	
2011	412,887	
2012	2,190,980	
2013	395,000	
Thereafter	13,360,000	
Total	16,928,514	
Less: discount for imputed interest	(220,677)	
Total notes payable, net of discount	$16,707,837	

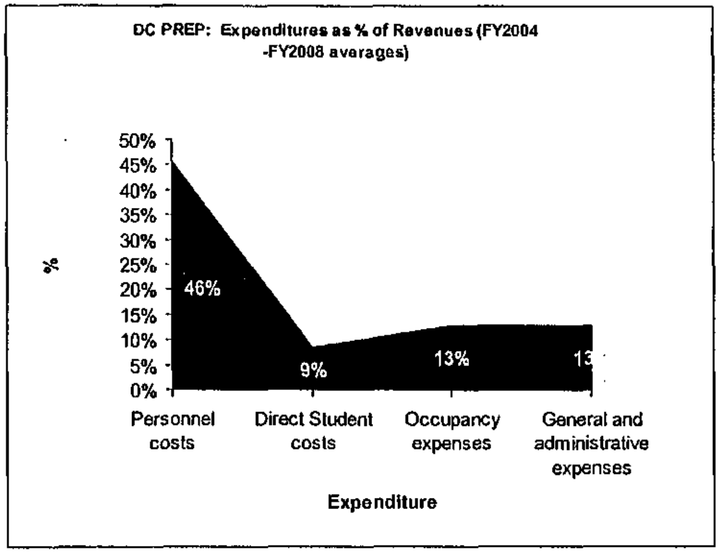
GRADE FOR FISCAL PRUDENCE (Debt Capacity): 4.50

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – FISCAL PRUDENCE

5. Fiscal Prudence c. Appropriate Spending Decisions				
Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
School makes spending decisions appropriate for the management of educational programs. Salaries and occupancy costs, in particular, are in line with industry comparables. Minor variances from industry standards are well explained and justified.	School makes spending decisions appropriate for the management of educational programs. Salaries and occupancy costs are slightly out of line with industry comparables, but with reasonable justifications.	School makes some inappropriate spending decisions, inadvertently. Salaries and occupancy costs are out of line with industry comparables but still have sufficient justifications. A corrective plan is being implemented.	School has a record of inappropriate spending decisions, with some reasonable justification. Salaries and occupancy costs are considerably out of line with industry comparables. A corrective plan is in development.	School has a record of inappropriate spending decisions which adversely impact programming, with no rational justifications. There is evidence of unethical behavior and fiscal mismanagement. Salaries and occupancy costs are egregiously out of line with industry comparables. No corrective plan is feasible.

Comments:

DC Prep makes spending decisions appropriate for the management of educational programs. Salaries and occupancy costs are in line with industry comparables and PCSB financial metrics. As indicated by the chart below, the school's five-year average salary and occupancy expenditures expressed as a percentage of total revenue are 46% and 13% respectively; well below PCSB established thresholds of 50% for salary and 25% for occupancy.



GRADE FOR FISCAL PRUDENCE (Appropriate Spending): 5.00

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – FISCAL PRUDENCE

5. Fiscal Prudence d. Investment Decisions				
Above Average 5	Satisfactory 4	Watch – Improvements Required 3	Substandard – Probation 2	Poor – Revocation 1
According to financial statements, school has significant liquid assets and manages them prudently, prioritizing safety over level of return. Clear written policies with board approval address how assets should be invested.	According to financial statements, school has minimal liquid assets and manages them prudently, prioritizing safety over level of return. Clear written policies with board approval address how assets should be invested.	According to financial statements, school has minimal liquid assets but their management is questionable; investment decisions appear somewhat risky.	According to financial statements, school has minimal to no liquid assets. Any assets invested are in high-risk/questionable areas.	According to financial statements, school has no liquid assets or minimal assets with no track record of investment decisions.

Comments: DC Prep has been able to successfully manage its working capital needs and has been able to generate positive working capital balances at the conclusion of each fiscal period (see table below).

Fiscal Period	2004	2005	2006	2007	2008
Net Working capital	$ -	$ 1,788,846	$ 606,045	$ 4,771,208	$ 2,323,336
Liquidity ratio	N/A	2.54	2.35	3.80	3.74

GRADE FOR FISCAL PRUDENCE (Investment Decisions): 5.00

OVERALL GRADE FOR FISCAL PRUDENCE (AVERAGE): 4.75

Accountability Plan Performance Analysis
School: DC Prep Public Charter School

ORGANIZATIONAL PERFORMANCE STANDARDS: FISCAL MANAGEMENT – FISCAL PRUDENCE (SUPPORTING DOCUMENTATION)

DC PREP: 5-YEAR BALANCE SHEET ANALYSIS	2004	2005	2006	2007	2008
Assets					
Current Assets:					
Cash	$ -	$ 2,769,747	$ 787,347	$ 5,596,171	$ 1,914,280
Other current assets	$ -	$ 180,213	$ 266,702	$ 877,729	$ 1,256,534
Total Current Assets	$ -	$ 2,949,960	$ 1,054,049	$ 6,473,900	$ 3,170,814
Others Assets					
Fixed Assets,net	$ -	$ 5,808,166	$ 6,216,277	$ 14,966,147	$ 17,756,459
Grants and contributions receivable	$ -	$ -	$ -	$ 757,790	$ 1,024,284
Deferred financing costs, net	$ -	$ 317,008	$ 305,638	$ 589,868	$ 551,374
Deposits	$ -	$ -	$ 583,785	$ 141,860	$ 67,693
Total Other Assets	$ -	$ 6,125,174	$ 7,105,700	$ 16,455,665	$ 19,399,810
Total assets	$ -	$ 9,075,134	$ 8,159,749	$ 22,929,565	$ 22,570,624
Liabilities and Net Assets					
Current liabilities					
Accounts payable	$ -	$ 162,614	$ 56,971	$ 148,338	$ 144,884
Accrued payroll and benefits	$ -	$ 126,919	$ 118,629	$ 200,169	$ 313,611
Construction payables	$ -	$ 871,581	$ 120,964	$ 1,158,470	$ 10,000
Other current liabilities	$ -	$ -	$ 151,440	$ 195,715	$ 378,983
Total current liabilities	$ -	$ 1,161,114	$ 448,004	$ 1,702,692	$ 847,478
Long-term liabilties					
Notes payable	$ -	$ 5,500,000	$ 5,500,000	$ 16,648,452	$ 16,534,009
Total liabilities	$ -	$ 6,661,114	$ 5,948,004	$ 18,351,144	$ 17,381,487
Net Assets:					
Net Income	$ 486,293	$ 1,519,648	$ (202,275)	$ 2,366,676	$ 610,716
Beg. Net Assets	$ 408,079	$ 894,372	$ 2,414,020	$ 2,211,745	$ 4,578,421
Total Net Assets (Ending Net Assets)	$ 894,372	$ 2,414,020	$ 2,211,745	$ 4,578,421	$ 5,189,137
Total liabilities and net assets	$ 894,372	$ 9,075,134	$ 8,159,749	$ 22,929,565	$ 22,570,624
Long-term debt/ Total Equity ratio:	-	2.2784	2.4867	3.6363	3.1863
Net-working capital:	$ -	$ 1,788,846	$ 606,045	$ 4,771,208	$ 2,323,336
Liquidity ratio:	#DIV/0!	2.54	2.35	3.80	3.74

DC PREP: 5 YEAR INCOME STATEMENT ANALYSIS	2004	2005	2006	2007	2008
Revenue:					
Support and revenue.					
Revenue.	$ 1,705,136	$ 3,830,036	$ 3,108,460	$ 7,343,054	$ 10,045,796
Total revenue	$ 1,705,136	$ 3,830,036	$ 3,108,460	$ 7,343,054	$ 10,045,796
Expenses:					
Personnel costs	$ 782,417	$ 1,138,009	$ 1,776,515	$ 3,079,683	$ 5,421,364
Direct Student costs	$ 142,377	$ 221,101	$ 407,719	$ 430,252	$ 980,159
Occupancy expenses	$ 167,615	$ 634,899	$ 496,400	$ 702,585	$ 1,234,267
General and administrative expenses	$ 126,434	$ 316,379	$ 630,101	$ 763,858	$ 1,799,290
Total expenses	$ 1,218,843	$ 2,310,388	$ 3,310,735	$ 4,976,378	$ 9,435,080
Net Income	$ 486,293	$ 1,519,648	$ (202,275)	$ 2,366,676	$ 610,716
Beginning Net Assets	$ -	$ 486,293	$ 2,005,941	$ 1,803,666	$ 4,578,421
Total Net Assets (Year End Balance)	$ 486,293	$ 2,005,941	$ 1,803,666	$ 4,170,342	$ 5,189,137
Profit margin	29%	40%	-7%	32%	6%
Personnel costs/Total Revenue	46%	30%	57%	42%	54%
School Program/Total Revenue	8%	6%	13%	6%	10%
Occupancy expenses/Total Revenue	10%	17%	16%	10%	12%
Fees &contract services/Total Revenue	7%	8%	20%	10%	18%