



Charter School Application

For Experienced Operators

Spring 2016

East Chicago FOCUS Academy

Submitted by,

East Chicago FOCUS Board of Directors

**CHARTER SCHOOL APPLICATION:
Experienced Operators**

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PROPOSAL OVERVIEW AND ENROLLMENT PROJECTIONS

Please provide information for the applicant group's **designated representative**. This individual will serve as the contact for all communications, interviews, and notices from the ICSB regarding the submitted application.

IMPORTANT NOTE: The full application, including this form, will be posted on the ICSB website. Applicants are advised that local community members, including members of the media, may contact the designated representative for questions about the proposed school(s).

GEO Foundation

Legal name of group applying for charter(s):

Names, roles and current employment for all persons on applicant team, including each Board member

- ECFA Founding Board Members**
 Alyce Butler, Retired Northern IN Public Service Co
 Katrina N. Hudson, Regional Coordinator of ASAP
 Arlene Colvin, Attorney, Mayor of Gary Chief of Staff
 Nadine McDowell, teacher, attorney and retired Bank One Director
 Keisha L. White, IVY Tech Associate Vice-Chancellor Student Affairs
 Lisa Edwards, IVY Tech, Grant Project Specialist
 Joseph Joniec, IVY Tech Business Department Chair
- GEO Team**
 Kevin Teasley, Founder President
 Dana Teasley, CFO and Legal Counsel
 Joan Lange, Director of School Development
- GMC Staff Replication Support**
 Joe Arredondo, Principal, Gary Middle College
 Frank Dranchak, Lead Math Teacher
 Nora Glenn, Lead ELA Teacher
 Terrance McCollough, Dean/Social Services
 Amanda Hensley, Guidance Counselor

Designated applicant representative: Alyce Butler

Address: 520 Washington
Gary, IN 46402

Office and cell phone numbers: Office: 219-888-7120 Cell: 219-938-6830:

Email address: alycejbutler@yahoo.com

Provide the requested information for each school included in this proposal.

Proposed School Name	Opening Year	School Model (e.g., college prep, dropout recovery)	Geographic Community *	School District(s) in Proposed Location	Grade Levels at Full Enrollment
East Chicago FOCUS Academy	2017-18	Alternative HS Diploma & College/Career Focus	East Chicago, IN	City Schools of East Chicago	9-12

Proposed Grade Levels and Student Enrollment

Provide the following information for each charter school included in this proposal. Specify the planned year of opening for each, the grade levels served, and both the planned and maximum number of enrolled students by grade level for each year. (You may duplicate the table as needed.)

Proposed School Name:	[Insert name here]	
Academic Year	Grade Levels	Student Enrollment (Planned/Maximum)
Year 1	9-12	200
Year 2	9-12	200
Year 3	9-12	200
Year 4	9-12	200
Year 5	9-12	200
At Capacity	9-12	200

Do any of the proposed schools expect to contract or partner with an Education Service Provider (ESP) or other organization for school management/operation?* Yes No

If yes, identify the ESP or other partner organization: GEO Foundation (non-profit)

Will an application for the same charter school(s) be submitted to another authorizer in the near future?

Yes No

If yes, identify the authorizer(s): NA

Planned submission date(s):

Please list the number of previous submissions (including withdrawn submissions) for request to authorize this(ese) charter school(s) over the past five years, as required under IC § 20-24-3-4. Include the following information:

NA

Authorizer(s):

Submission date

PROPOSAL NARRATIVE

EXECUTIVE SUMMARY

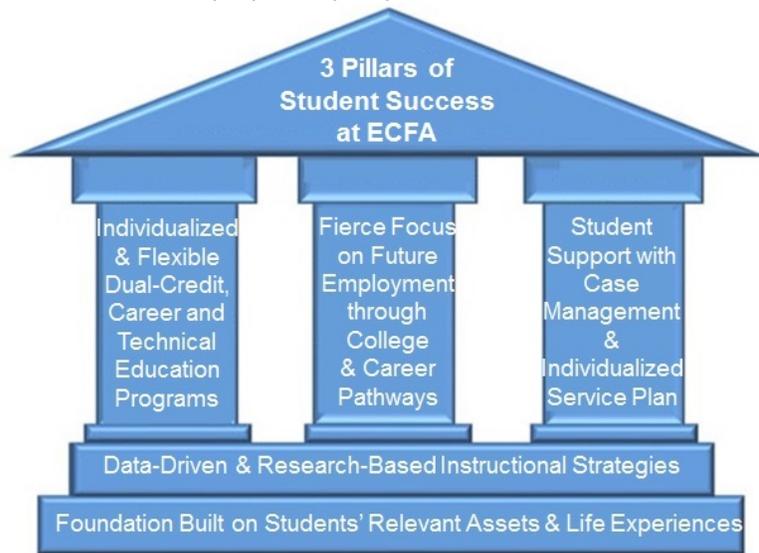
Mission

East Chicago FOCUS Academy targets previously underserved student populations through a rigorous and individualized, dual-credit curriculum designed to provide students of all ages the opportunity and support systems to earn a high school diploma and begin postsecondary education or career-certification programs specific to the needs of the local labor market. By providing *flexible options to communities with underserved students* (FOCUS), ECFA is equipped, through a network of community partnerships, to make college and career certification an expectation of every graduate and demand students go beyond earning a high school diploma – setting them on a career pathway to a high-paying job in a longitudinal effort to reduce poverty and improve the quality of life in the community of East Chicago, IN.

Vision

East Chicago FOCUS Academy regards the previous life and work experience of students as valued assets which serve as the foundation for differentiated instruction and future college and career opportunities. The faculty of ECFA utilizes data-driven and research-based instructional strategies to build connections between existing student knowledge and CORE 40 standards through real-world, technical skills related knowledge directly applicable to their lives and future employment prospects.

This serves as the groundwork for the *3 Pillars of Student Success at East Chicago FOCUS Academy* (depicted in the diagram to the right) – individualized and flexible dual-credit, career and technical education programs; fierce focus on future employment through college and career pathways; and student support with case management and individualized service plans – all in an effort to reach those on the margins of society, reestablish trust in public institutions, and reintegrate them into the local economy.



Educational Need

In a study conducted by Johns Hopkins University researchers for The Associated Press, East Chicago Central High School was found to be *dropout factory*, meaning over a three-year period, the senior class consisted of 60 percent or fewer of the students who entered as freshmen – one of only ten high schools in Indiana to receive this distinction (Zuckerbrod, 2007). More recently, in a document released from the City of East Chicago Department of Redevelopment concerning the impediments to fair housing choice, the department’s findings include “Impediment 9: There is a need to improve the economic stability of families and reduce the number of families living in poverty” (East Chicago Department of Redevelopment, p. 93). To address this impediment, the department established several goals which include improving “...the local high school educational program to insure that more persons will meet the state educational

requirements for graduation” (East Chicago Department of Redevelopment, p. 93). The implications for the community of East Chicago are dire, as high school dropouts earn \$9, 200 less on average per year, accumulating to \$375,000 less than high school and approximately \$1 million less than college graduates over the course of their lifetimes (Burrus & Roberts, p. 1). In a community that, according to the US Census Bureau, has 35.5 percent of persons in poverty with a per capita annual income of \$13, 868 (US Department of Commerce, 2014), the need for East Chicago FOCUS Academy is clearly dire. A new approach to learning, consisting of an individualized college/career pathway of the students’ own choosing, can offer the downtrodden and discouraged dropout an opportunity to experience success for personal and economic reward. Traditional school models and instructional approaches have already failed these students, therefore ECFA will serve the community by providing alternative and flexible educational options for earning a college degree or technical certification designed to link high school completion and viable, realistic career options for the citizens of East Chicago in order to reduce poverty and improve the quality of life.

Target Population

East Chicago FOCUS Academy offers flexible academic options in a structured learning environment to students ranging from ages 16 through mature adults for whom the traditional educational system has failed to provide them avenues for success, often due to life circumstances and various non-academic challenges beyond their control. These students are the sons and daughters of a community that has been underserved for decades, resulting in, according to the latest US Census Bureau data, only 70 percent of adults of ages 25 and older having earned a high school diploma or higher compared to 87.6 percent statewide, and only 7.5 percent have earned a bachelor’s degree or higher compared to 23.6 percent statewide. ECFA firmly believes it is this *education deficit* that has perpetuated poverty across generations of families in East Chicago, underscored by the current 87 percent rate (as reported on the DOE website) of poverty (15.2 percent statewide) fueled by yearly income per capita at \$13,868 (\$24,953 statewide) and median household value of only \$83,000 (\$122,700 statewide) (US Department of Commerce, 2014). A core component of the mission of ECFA is the recognition that these individuals have a right, regardless of age or life circumstance, to educational opportunities to earn a college degree or career certification for quality, higher-paying jobs that can have life-altering effects for the families in East Chicago represented in the Census Bureau data. The school system that directly serves the target population of ECFA has not shown improvement over the past five years. The School City of East Chicago has received three Fs and two Ds in the past five years. The reason this application has been submitted.

Additionally, through research conducted with community members of East Chicago, and in addition to interviews with local students, parents, school officials, and concerned citizenry from community centers, businesses, and public agencies, the concerns about the lack of opportunities for a quality education for at-risk youth and disenfranchised adults is palpable. The need for flexible options for high school completion as a direct pathway to completion of a college degree or career certification program cannot be overstated. Lack of educational opportunities is a barrier to social mobility that is a reality for far too many people of all ages within the East Chicago community, as many capable students have no choice but to dropout in response to school districts that are incapable of providing adequate support and flexible academic programs to meet their diverse needs and life circumstances. After initially dropping out of school, reintegration into post-secondary college or career certification programs become far less likely without a CORE 40 diploma. These young adults able to persist, struggling to pursue higher education while meeting real-life demands, are often overwhelmed by the lack of flexibility and support that can be immensely discouraging. Yet, most of these young people and adults are fully aware of the potential power of education to significantly change their lives – they simply lack trust in public institutions and the human capital to demand educational opportunities from their political leaders. In a globally competitive

economy, a high school diploma is the minimum requirement needed for most jobs paying above minimum wage, so without the opportunities provided by East Chicago FOCUS Academy, future economic prospects for these underserved families of the community as a whole are bleak. ECFA is designed to provide urgently needed alternative education options and supportive resources for students faced with dropping out (or aging out) of traditional high schools to transform previously disenfranchised individuals trapped on the margins of society to tax-paying, civically-engaged leaders of the community of East Chicago, IN.

The enrollment of students is projected in **Figure II-1**.

Year	Grade Levels	Total Enrollment
2017-18	9-12	200
2018-19	9-12	200
2019-20	9-12	200
2020-21	9-12	200
2021-22	9-12	200

Figure II-1. The table above displays the projected enrollment beginning in the 2017-2018 (Year 1). Ongoing recruitment of students is vital since ECFA serves students with various degrees of CORE 40 completion and is an accelerated program. In Year 5 will serve 200 students.

Community Engagement

Collaborative partnerships with like-minded and complementary organizations will enable the East Chicago FOCUS Academy to expand opportunities and make use of community resources while limiting expenses. ECFA has already established relationships several community organizations in East Chicago’s including:

Community in Schools of Lake County – East Chicago positions a dedicated staff member – a school-based coordinator – inside partner schools like ECFA. The coordinator works with the staff of ECFA to identify students at risk of not graduating; assesses school and student needs; and establishes relationships with local businesses, social service agencies, health care providers, and parent and volunteer organizations to harness needed resources.

East Chicago/North Lake County Chamber of Commerce has been instrumental in establishing need and securing support for ECFA. Members of the chamber of commerce have both pledged to serve in the ECFA entrepreneurship/mentor program and to hire students applying for jobs and internships in the local businesses represented by the chamber.

East Chicago Katherine House: Boys and Girls Club has assisted with distribution of interest surveys and encouraging students and parents without high school diplomas to attend East Chicago FOCUS academy. The club will also develop and implement a program for ECFA that will assist students in making knowledgeable career choices and enhancing study skills.

Foundations of East Chicago is a non-for-profit organization that distributes funds from 1 percent of the revenue from the Ameristar Casino used specifically to benefit the residents of East Chicago, IN. Foundations of East Chicago partners with ECFA and the GEO Foundation to identify students that meet the criterion for college scholarships, helping students to ease the financial burden of post-secondary education/career certification programs based on need, work ethic, and residency requirements.

IVY Tech Community College – East Chicago Campus serves as the institutional partner for dual-credit courses ECFA students attend while simultaneously earning a CORE 40 diploma. All ECFA students take the Accuplacer™ placement assessment to determine the appropriate level course with which to enroll and meet with IVY Tech advisors to register for classes and develop individual plans of success. ECFA staff

works closely with representatives of IVY Tech to ensure students continue to receive adequate support services on IVY Tech's campus.

The Salvation Army – East Chicago Corps Community Center provides financial assistance to families that are struggling financially – geared toward distributing funds for families for rent and utilities. This organization maintains a community garden that supplies the feeding program that provides nutritious meals to families of students in need, as well as an after school program that will help identify students at risk of dropping out of school, referring them to East Chicago FOCUS Academy.

Urban League of Northwest Indiana has helped distribute interest surveys and continues to encourage adults without high school diplomas desiring higher-paying jobs and social mobility to attend. The Urban League will partner with East Chicago FOCUS Academy fund jobs and internships for students. Additionally, Urban League members volunteer to be guest speakers as participate in the ECFA's entrepreneurship/mentor program which pairs students interested in becoming entrepreneurs with local business owners for job-shadowing experiences vital to the college and career readiness facet of the curriculum.

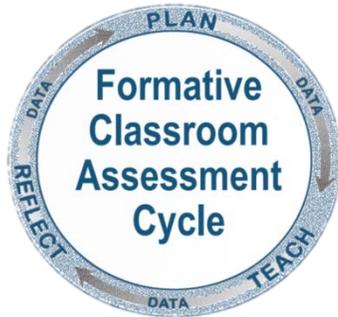
It is the intention of East Chicago FOCUS Academy to maintain these partnerships while continuously reaching out to other organizations in the community to establish working relationships that support students' success and future college and employment aspirations.

Education Plan-School Design

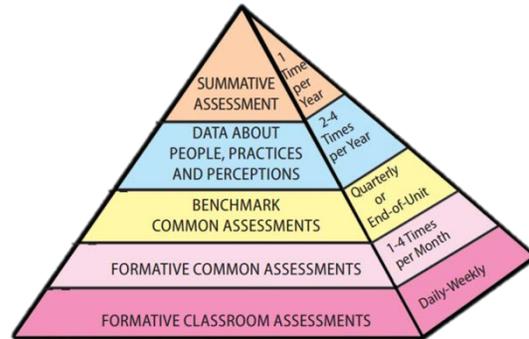
Each incoming student completes an intake assessment to determine current reading and math proficiency levels, which decide their academic placement based on remediation need. The ECFA staff utilizes a data-driven decision model to inform subsequent instructional strategies, utilizing collaboration and the formative classroom assessment cycle depicted below on the left. The ECMC leadership team will employ all forms included in the data pyramid (depicted below on the right) at the specified frequencies so that all school policies, procedures, and ongoing change initiatives are informed by objective data germane to the needs of the specific student population and designed to significantly improve student learning outcomes. Classroom instruction is centered on a blended learning model, which incorporates direct instruction, online supplements/virtual learning activities, and project-based learning focused on real-world applications of learning outcomes in relation to future employment opportunities. Instructional strategies are designed with a critical and culturally-relevant pedagogy intended to equip students with the human capital and agency necessary to improve their socio-economic status and climb the ladder of social mobility through civic engagement in the struggle for social justice.

As a FOCUS Academy high school, ECFA supports the mission and philosophy of the Middle College National Consortium (MCNC) educational framework which seeks to provide college access to under-performing students of all ages. From the onset, student literacy will be given the highest priority and all students will quickly work through academic gaps and/or skill deficits. School-wide oral and written communication rubrics will be developed in order to implement a sustained writing and communication program across the curriculum. These rubrics will be aligned to college level requirements. Scaffolding will be utilized with the expectation that students will learn beyond low level cognitive processes to complete learning tasks that demand analysis, synthesis, and the generation of new ideas. To ensure all students are learning and achieving academic success at high levels, ECFA's staff functions as a professional learning community with structured collaboration time to share research-based best practices and instructional strategies among staff, as well as on-going professional development, to continually build the collective capacity of the faculty to significantly improve student learning outcomes of all students. The ECFA faculty builds on the existing capacity of students and post-secondary college or certification program interests to derive an Individualized Service Plan (ISP) to monitor progress of CORE 40 requirements, ECA testing/remediation, and ensure a fierce focus on future economic opportunities for students. Every

student at ECFA will either enroll in dual-credit courses (through IVY Tech Community College) or a technical trade program prior to graduation to ensure reintegration into the local labor market in an effort to break cycles of intergenerational poverty that have long plagued the community of East Chicago, IN.



Love (2013).



Love (2013).

Network Governance and Leadership

The founding board members are a diverse group of professionals skilled in various business disciplines. This highly skilled and diverse group of professionals, including a former business owner, an education reform advocate, and a college administrator, in collaboration with the GEO staff, are devoted to establishing a charter school that succeeds in preparing children to reach their fullest potential. All board members share a belief that every child can learn and deserves a high quality education. The school will work with GEO to assist with the development and oversight of the school.

The governance structure of the school will be composed of a board of directors and other standing committees that will have set duties and responsibilities as outlined in the by-laws. The standing committees will consist of, but not be limited to, an executive committee, a finance committee, a nomination committee, and a development committee. Other responsibilities of the board of directors will be, but not limited to, final approval of the budget, the development of school policy, and dismissals and election of the board officers.

SECTION I: EVIDENCE OF CAPACITY

The Founding Group/Board brings a collective ability, determined focus, and high energy to the task of creating an excellent school and as a group possesses the skills to support and sustain a high quality school for the future. This group has collective and shared experience in starting 501 (C) (3) organizations, administering funds, and managing organizations, including schools. With the collaborative network of community leaders and advisors, and support and working partnerships with multiple local nonprofits such as the East Chicago Chamber of Commerce, Jobs for America’s Grads, Purdue 4H, 100 Black men, the Urban League of Northwest Indiana, Methodist Hospitals, Ivy Tech Community College, East Chicago Common Counsel, Lake County Minority Health Coalition, Drexel Foundation of Educational Excellence, Thea Bowman Leadership Academy, College Summit, Teach for America, the Boys and Girls Club, the Salvation Army and the NAACP, the board and network group are prepared for the task of starting and maintaining the East Chicago FOCUS Academy with high expectations, fiscal responsibility, and a solid commitment to the success of student success.

The Founding Board: see page 12 for more detail

Alyce Butler, retired, Board Chair 21st Century Charter and Gary Middle College
 Arlene Colvin, attorney

Nadine McDowell, retired attorney and teacher
Katrina Hudson, Regional Coordinator Associate Accelerated Program (ASAP)
Keisha L. White, IVY Tech Associate Vice-Chancellor Student Affairs
Lisa, Edwards, IVY Tech Grant Project Specialist
Joseph Joniec, IVY Tech Business Department Chair

Founding Organizing Group: Will work on the start-up of ECFA providing support and serve as mentors to the new staff.

Kevin Teasley, President and Founder of the GEO Foundation
Dana Teasley, GEO CFO and Legal Counsel
Joan Lange, GEO Director of School Development

Gary Middle College Staff below will serve as support:

Joseph Arredondo, Principal of Gary Middle College
Frank Dranchak, Lead Math Teacher at Gary Middle College
Amanda Hensley, Guidance Counselor at Gary Middle College
Nora Glenn, Lead ELA Teacher at Gary Middle College
Terrance McCollough, Dean and Social Services Director at Gary Middle College

Founding Board and GEO Organizing Team Resumes: Attachment 1

The GEO Organizer group will oversee all external activities pertinent to the school. For example they will oversee the following items:

- Negotiate and handle long-term service contracts
- Oversee facilities agreements and long term capital projects
- Resource development such as grant applications and fundraising
- Appoint members to the school board, assuring diversity and community representation
- Maintain fiduciary oversight through fiscal accountability and controls
- Assure compliance with all state/local/federal agencies as well as with ICSB.

GEO's legal counsel is:

Paul Jones, Attorney
Ice Miller, LLP
One America Square, Suite 3100
Indianapolis, IN 46282-0200
Phone: (317) 236-5959

School Leader and Leadership Team

Responsibilities and qualifications of school principal: The GEO Foundation will hire ECFA's principal as well as the fulltime and employees that work in the areas of academics and business to begin to set in place the start-up procedures. GEO will collaborate with the founding board and seek approval throughout the entire start-up. GEO will continue the support after the school level leadership team has been hired.

School Leader's job description: Attachment 2

Responsibilities and qualifications of the leadership team: The school will implement a leadership team that will consist of the principal and two lead teachers. This team will be responsible for creating a comprehensive school environment that structures and revitalizes the teaching profession by providing teachers with powerful opportunities for career advancement, ongoing professional development, and a fair evaluation system. The leadership team will strive for continuous improvement in the areas of student achievement and professional development.

Job descriptions of Leadership Team: Attachment 3

Governance

Legal Status and Governing Documents: Attachment 4

A copy of the Articles of Incorporation of the Organizer

A copy of the Bylaws of the Organizer

A Verification the Organizer has obtained or has formally applied for not-for-profit status – 501(c)(3)

Statement of Assurances: Attachment 5

Charter School Board Member Information: Attachment 6

Governance Structure and Composition

Governing Board

The school will have an independent governing board of a minimum of 5 and maximum of 9 members. The roles and responsibilities of the board will include the general oversight of the fiscal management, basic education and policy development of the school. The board will be responsible for the sound fiscal management of the non-profit which includes approval of the yearly budget, monthly review of the applications of that budget, and the selection of an approved auditor who will complete a yearly audit as prescribed by Indiana Stature. The chair of the Development Committee will inform the board of all fundraising activities. All fundraising activities must be endorsed by a majority vote of the board prior to the beginning of any such activity.

The day-to-day implementation of this plan is the responsibility of the school principal. The board will be responsible for the evaluation of the principal.

Pre-Existing Nonprofit Organization

The school will hold its own 501(c)(3) and is the nonprofit organization governing the school. All decisions made regarding the school will be made by the Board of Directors.

Founding ECFA Board Members:

This Founding Group and Governing Board body has no other purpose but to develop a high quality charter school aimed at addressing the needs of a unique segment of the student population. The founding board members have been involved in the development and will continue that involvement as the governing board. This Board understands the importance of the academic, financial and compliance results of a charter school. Their resumes will give proof of their many talents and commitment to the school. Founding Board and GEO Team Members resumes: **Refer to Attachment 1**

The Founding Governing Board is separate from the EMO. The governing board will oversee the EMO and approve all policy. The EMO will report directly to the governing body and manage back office and general administrative functions of the school. The principal will report to the EMO and manage all “inside the walls” administrative functions of the school, to include hiring of all staff.

Arlene Colvin, Gary, IN

Arlene Colvin is a local attorney who has served through four administrations as the Chief of Staff for the Mayor of Gary. Prior to that position, she served in various legal positions for the City of Gary, including, Chief Operating Officer; Physical and Economic Development Director; City Planner; and City Attorney. She has served on the Little Calumet River Basin Development Commission, a state board charged with

assisting in the construction of a flood control project and is a member of the Board of Trustees of the Gary Economic Development Corporation which makes loans and provides technical assistance to local small businesses.

Alyce J. Butler, Gary, IN

Alyce Butler retired in 2005 after 27 years of service in the Northern Indiana Public Service Company and has since stayed very active serving the greater Gary area in multiple community roles. She is a member of the Work One board of directors, a board member of Gary's Crisis Center, Inc., and organization serving at risk teens. In addition she continues to serve the Boys and Girls club and is a past advisory board member to the Knight foundation. A graduate of Texas Southern University, her career specialized in marketing, customer service, public affairs, and community relations.

Nadine McDowell, Gary, IN

Nadine McClendon is a former teacher and attorney and retired from Bank One as the Director of Community Relations. She now focuses her time on educational issues, and serves on the Boards of Ivy Tech Community College and Work One. She is also now the President of HMANIO, The Horace Mann Ambridge Improvement Organization – a community development corporation whose main focus is to improve the development of housing in the Horace Mann area of Gary. HMANIO coordinates various new construction, rental and lease to own housing programs.

Katrina N. Hudson, Portage, IN

Katrina Hudson presently serves as the Regional Coordinator of the Associate Accelerated Program at Ivy Tech Community College. She advises students who are part of the ASAP program. Her understanding of the dual credit and Ivy Tech model and work with adult students has proven to be very valuable.

Lisa Edwards, Gary, IN

Lisa Edwards brings a wealth of talent to the board. At Ivy Tech's NW Grant Project Specialist, she is responsible for identifying and recruiting eligible students for the college preparatory activities.

Keisha White, Merrillville, IN

Keisha White serves as Associate Vice Chancellor of Student Affairs at Ivy Tech NW. Her experience includes student financial aid, student recruitment, accreditation and student advisory.

Joseph Joniec, Crown Point, IN

Joseph Joniec serves as IVY Tech's Business Department Chair. His experience with adult learners is a talent that will serve well. Mr. Joniec has been a community volunteer in many capacities.

By utilizing board members as links to the educational, non-profit, and business community, East Chicago FOCUS Academy will continue to maintain a list of potential board members and recruit them accordingly. ECFA will bring together a broad representation of the community it serves as well as a group that represents a wide-ranging base of expertise and community affiliations. ECFA continually seeks board members that bring to the table expertise and/or experience in educational policy and management, financial and legal matters, resource development and community relations.

The East Chicago FOCUS Academy's governing board will do everything in its power to ensure local and community participation in the governance of the school. Strong communications with parents/guardians (family members), local partners, the business community and political leaders will be necessary to keep these constituents informed about the school itself, while listening to ideas, suggestions and feedback they have regarding its success and improvement. ECFA achieves this through:

Parental/Family Involvement – By nature of the student population ECFA serves, the staff recognizes that, by targeting students who have dropped out of school and are returning for degree completion, engaging parents and families may be difficult. However, ECFA is committed to community outreach and public relation campaigns to reach and recruit members of the community who most need the services provided. All stakeholders are invited to attend all academic planning and assessment conferences, open forums, board meetings and will be regularly welcomed to visit and be a part of the school.

Community Involvement – As stated above, the board will be comprised of local community members from various constituencies throughout the community, including parents.

Corporate/Foundation Relations – All attempts will be made to forge relationships with local corporations and foundations that are willing to partner with the school – especially as it pertains to relationships with other community or nonprofit entities that have similar or synergistic missions.

Open School Board Meetings – Meetings of charter school Boards of Directors (and any committees of the Board), are subject to the requirements of the Indiana Open Door Law governing public meetings (IC § 5-14-1.5), including timely public notice of upcoming meetings.

Various communication venues – school newsletters, emails, and websites will be employed to both receive feedback and communications from constituents and community members while also keeping

Governing Entity's Responsibilities

The roles and responsibilities of board members include:

1. Ensure the philosophy and mission of the school are followed in compliance with Indiana law
2. Ensure that student performance is monitored and the school is meeting Adequate Yearly Progress
3. Ensure operational efficiency by approving and monitoring annual budgets and plans
4. Support school management, parents, teachers, and students
5. Ensure legal and ethical integrity to maintain accountability
6. Establish policies which help the school achieve its mission and educational program

Procedures

The founding Governing Board has met times two times since January of 2016. The Board will hold a monthly meeting on the second Thursday of the month. The Board plans to continue meeting on a monthly basis moving forward with a focus on authorization activities, start-up activities, and community outreach. The Board meetings will be posted 48 hours in advance and are open to the public per Indiana's Public Access Laws as described within IC 5-14.

The Executive Committee will be composed of seated board members who are elected officers of the Board (president, vice president, secretary, and treasurer). The role of this committee will be to execute the duties of the board as directed by the board. These duties may include, but are not limited to, hearing appeals, reviewing potential conflicts of interest, seeking business partnerships, etc.

The Finance Committee will consist of the Board Treasurer and the executive director and any other persons as appointed by the board chair. The main duty of this committee will be to establish the school budget and oversee the implementation of that budget. This committee or its designee will report directly to the Board at each meeting of the Board.

The Nomination Committee will be made up of seated board members and members appointed by the board chair. The main function of this committee will be to evaluate the representative needs of the board and supply a slate of candidates to fill any vacated seats that are Board appointed. The committee will prepare a slate of candidates for the annual board meeting.

The Development Committee will be responsible for any major fundraising activities of the school. The school will have at least one major fundraiser during each school year. The Board Treasurer will be a member of this committee but will not be required to chair this committee. The principal will act in an advisory capacity as a voting member of all standing committees.

Once approved, the school fully intends on complying with Indiana's Public Access Laws and other laws required by the State of Indiana. The Board of Directors will meet in a location that is accessible by the community surrounding the proposed school location and will provide online access for the viewing and participation in all board meetings of any individual wishing to attend the meeting but unable to attend in person. The agenda and minutes of every board meeting will be published on the school's website under the governing board section. All school policies approved by the Board of Directors will be available for viewing on the school's website.

Ethics and Conflicts of Interest

The governing board is guided by principles that create a strong academic and fiscally responsible culture. These core beliefs are designed to guide the board of directors in the decisions made to ensure high academic standards and to create a financially sustainable cost effective school while providing effective oversight.

1. The board will strive to make decisions that produce a culture of responsible citizens who are prepared and informed to continue to college or a career.
2. The board will maintain policies and practices that identify and properly compensate the many professionals who are developing students holistically.
3. The board will maintain a financial plan that recognizes the need to deliver quality graduates at the best possible value to the taxpayer.
4. The board is committed to transparency and will allow all stakeholders to participate and review procedures, policies, and actions discussed and adopted by the board.

All actions taken by the governing board will adhere to the principles and core beliefs above. When contemplating entering into a transaction or arrangement, the Board of Directors will consult the Conflict of Interest policy to determine if any conflict exists. In the event a conflict does exist, the transaction or arrangement will be voided. Any motion to approve transactions, policies, etc., will be discussed in the frame of the adopted code of ethics to determine if the final decision is good practice and ensures high academic standards, champion free-market principles, create a financially sustainable school, and provide effective oversight.

The Board's Code of Ethics and Conflict of Interest Policy: Attachment 7

Advisory Bodies

The school will have six standing committees. These advisory bodies will report to the Board of Directors at monthly meetings. The committees include:

The Executive Committee will be composed of seated board members who are elected officers of the Board (president, vice president, secretary, and treasurer). The role of this committee will be to execute

the duties of the board as directed by the board. These duties may include, but are not limited to, hearing appeals, reviewing potential conflicts of interest, seeking business partnerships, etc.

The Finance Committee will consist of the Board Treasurer, the GEO representative, and the principal and any other persons as appointed by the board chair. The main duty of this committee will be to establish the school budget and oversee the implementation of that budget. The GEO representative or its designee will report directly to the Board at each meeting of the Board.

The Nomination Committee will be made up of seated board members and members appointed by the board chair. The main function of this committee will be to evaluate the representative needs of the board and supply a slate of candidates to fill any vacated seats that are Board appointed. The committee will prepare a slate of candidates for the annual board meeting.

The Development Committee will be responsible for any major fundraising activities of the school. The school will have at least one major fundraiser during each school year. The Board Treasurer will be a member of this committee but will not be required to chair this committee. The principal will act in an advisory capacity as a voting member of all standing committees.

The Academic Committee will be responsible for ensuring the school maintains high academic standards and that students are reaching academic goals. The committee will comprise of the Principle, Lead teachers and a GEO representative.

The Operations Committee will be responsible for the daily operations of the school and ensure that the building is being properly maintained. The committee will comprise of the Principal, the GEO representative, and the Business Operations Director.

Grievance Process

East Chicago FOCUS Academy believes each student is an exceptional individual with unique personal, social, and educational needs. As a result, every academic and disciplinary situation is has extenuating circumstances in which both sides should be heard. Consequences for misbehavior and poor academic performance provide the best learning value when matched to the individual student's specific situation. The odds of students learning from their mistakes increase dramatically when they see a reasonable connection between their behavior and resulting consequences. The staff dedicates itself to following a set of core beliefs that provide a framework for dealing with academics and student discipline. Just as academic programs are individualized, no two students or any discipline issues are the same, so the staff uses situational circumstances to inform discipline policy decisions.

Since these core beliefs provide the guiding tenets for professional decisions, the ECFA staff encourages parents and community members to bring concerns and questions to the administration team in the event that staff operates in ways that appear to be inconsistent with these core beliefs. If a student and/or parents still have unresolved issues or feel that they are being treated unfairly, ECFA staff will ensure all due process procedures are followed to the letter of the law. (A due process hearing does not need to be formal in nature. It is simply a time for concerned individuals to meet and share information related to the situation in question. In the event that this discussion provides additional information that sheds different light on the situation, or shows the consequences to be unfair, the consequences may be changed or eliminated to better fit the unique situation). If an informal due process hearing does not alleviate the situation, parents or students will be encouraged to complete a due process form made available to anyone upon request. The due process request form will be forwarded to the Board of Directors, which will in turn place the request on the agenda for the next scheduled board meeting. The Board of Directors will review the request, hear from the individuals of all parties involved, and make a final decision on how the situation will be handled.

School Management:**a. A brief overview of GEO's founding year;**

The Greater Education Opportunities Foundation (GEO), a non-profit 501(c) 3, is a philanthropic, research, and educational institution. GEO was founded under the leadership of President Kevin Teasley in June 1998. GEO has extended tens of thousands of grants to GEO schools in its grant making efforts in order to provide support in the areas of student/staff resources and materials, facilities, and professional development.

The GEO Foundation, as featured in Forbes Magazine, has been making access to quality schools a reality for children since 1998. GEO incubates quality charter schools and then supports their growth. GEO-sponsored public charter schools are designed to achieve high academic growth featuring a unique and seamless Pre K-14 model.

GEO Academies provide longer school days and a longer school year to ensure student success. GEO Academies have partnered with Teach For America, New Teacher Project, and College Summit. GEO students graduate from high school with an average of 20 plus college credits and earn thousands in academic scholarships with a pathway to college.

GEO Academies' K-8 academic model utilizes the Core Knowledge Curriculum and blended learning that includes Compass Learning/Odyssey. The high school and middle college model is to prepare students for college or career readiness. Assessments are formative and summative to ensure that every student is achieving maximum growth and proficiency. Daily classroom checking for understanding and ongoing monitoring of student mastery using a data –driven decision making process drives excellence in teaching and learning. Recognizing that an effective teacher is the most important school-based factor impacting student achievement, teachers are trained in TAP, the System for Teacher and Student Advancement through the National Institute for Excellence in Teaching. Teachers also receive professional development in *Teach Like a Champion* in order to provide ongoing professional development designed to promote continuous improvement.

The GEO foundation believes all children should have access to a quality education that includes college. GEO works collaboratively with parents to ensure all students have systems of support to complete post-secondary degree or certification programs. Through aggressive community outreach and the introduction of flexible options that empower families, GEO strives to make educational choice a reality for all families in the community of East Chicago.

b. A summary explanation of how and why GEO was selected;

Because of the success that the founding board has had with GEO the Board of East Chicago Focus Academy has entered into an agreement with the Greater Educational Opportunities Foundation located at 1630 N. Meridian Street Suite 350, Indianapolis, IN. The GEO Foundation is a not-for-profit educational management organization. Kevin Teasley, President and Founder, will be the EMO primary contact.

The school will have ownership and use of all related curriculum and instructional materials for the grades offered (9-12). The GEO Foundation will be responsible for selection and supervision of the school principal. The school principal will have responsibility for selection of all other employees and staff at the school.

The GEO Foundation currently operates four successful charter schools. They include the 21st Century Charter School and Gary Middle College (GMC) at Gary, a Ball State University authorized schools, Pikes Peak Prep in Colorado Springs, CO, and GEO Prep Academy of Baton Rouge, in Baton Rouge, LA. These schools have all been recognized for their outstanding performance and parent satisfaction. GEO managed schools have been in operation for as many as ten (10) years and are very competitive with their counterparts. All GEO schools operate with a structural framework that demands high student achievement, character development, parental involvement and a positive learning environment. Technology is replete in all aspects of the school environment and the daily curriculum and instructional activities. East Chicago Middle College, GEO will maintain the same curriculum and instructional program as used at GMC coupled with a strong character education endeavor.

The ECFA Board will hold the charter and thus have all fiduciary responsibility for the school. ECFA through its EMO, GEO Foundation will have control of all associated assets. Assets will be procured by GEO Foundation with the boards' approval of expenditures at monthly board meetings.

The school's principal will be selected by the GEO Foundation with approval of the board. The principal in turn will be responsible for hiring and supervising all school employees.

The GEO Foundation has a comprehensive understanding of the education and funding laws of Indiana. GEO Foundation has operated outstanding charter schools for over ten (10) years in the State of Indiana. There are no financial penalties within the East Chicago Middle College/GEO Foundation contract.

In the event the services of the GEO Foundation are terminated, the East Chicago Focus Academy Board of Directors will identify, select and enter into agreement with a new EMO. In the interim, East Chicago Focus Academy staff and board will manage the operations of the school.

School Management Contract: Attachment 8

Network Vision, Growth Plan and Capacity

The school will work with the GEO Foundation to assist with the development and operational management of the school. The Greater Education Opportunities Foundation (GEO), a non-profit 501(c) 3, is a philanthropic, research, and educational institution. GEO was founded under the leadership of President Kevin Teasley in June 1998. GEO has extended support to GEO schools in its grant making efforts in order to provide support in the areas of student/staff resources and materials, facilities, and professional development and is dedicated to the mission of student achievement, academic excellence, measurable results, and bringing school choice to more students and their families. There are currently three GEO schools in three states serving more than 1,500 students. GEO believes that the success of each student takes the active participation, communication, and commitment of the teacher, student, and parent working in collaboration. By fostering this partnership between all the stakeholders a strong culture of expectation, achievement, and results will be built.

Network Vision, Growth Plan & Capacity

5-year business plan addressing the plan for network expansion in Indiana and other states:

Attachment 9

Organizational Charts: Attachment 10

- a. Network as a whole, aligned with 5-year business plan
- b. School-level organizational chart for School in Year 1 and one at full capacity.

The network and school –level organizational charter should clearly delineate the roles and responsibilities of the governing board, staff and GEO. Based on the GMC model and since ECFA will open at capacity the organization charts are projected to remain constant albeit any minor changes.

Network Management

Function	Network/ Management Organization Decision-Making	School Decision-Making
Performance Goals	GEO President and CFO	Principal and all staff approved by Board
Curriculum	GEO Academic Team and President	Principal and Lead teachers
Professional Development	President of GEO along with Director of School Development, Director of Educational Technology	Principal and Leadership Team
Data Management and Interim Student Assessments	Director of Educational Technology	Principal all staff
Grade Level Promotion Criteria	President of GEO, GEO Legal Counsel	Principal parents/students
Culture	President of GEO	Principal all staff
Budgeting, Finance, and Accounting	GEO CFO and Finance Dept.	Office Manager and Principal

Function	Network/ Management Organization Decision-Making	School Decision-Making
School Staff Recruitment and Hiring	GEO Director of HR, GEO Director of School Development, GEO Director of Marketing	Principal and Leadership team approved by Board
HR Services (payroll, benefits, etc.)	GEO Director of HR and GEO CFO and Finance Dept.	Office Manager approved by Board
Development	GEO President and Founder GEO Director of School Development	Principal Board of Directors
Community Relations	GEO President, GEO Director of Marketing	Principal, Board of Directors, Staff
Information Technology	GEO Director of Technology and Educational Technology	Principals, Lead Teachers, IT specialist
Facilities Management	GEO President and GEO Director of Facilities	Office Manager Principal Maintenance
Vendor Management / Procurement	GEO CFO and Finance Dept.	Principal and Office Manager approved by Board
Other operational functions, if any	TBD by GEO President and CFO	TBD Board and Principal

SECTION II: SCHOOL DESIGN

Education Plan

ECFA Education Plan

Traditional school models and instructional approaches have already failed to meet the unique educational needs of this student population, so the East Chicago FOCUS academy takes a markedly different approach utilizing multiple pathways to obtain realistic and achievable educational and economic goals through flexible, individualized, and interactive approaches to teaching and learning. This framework for the ECFA model is represented by of the *3 Pillars of Student Success at East Chicago FOCUS Academy* – individualized and flexible dual-credit, career and technical education programs; fierce focus on future employment through college and career pathways; and student support with case management and individualized service plans (depicted in the diagram found in the executive summary of this application). Each pillar is equally vital to the realization of the mission of ECFA and works in concert to serve as the foundation for student success by the various tenets of each detailed in the diagram below.

East Chicago FOCUS Academy

Individualized and Flexible Dual-Credit, Career & Technical Education Programs

- ◆ Students must earn a *minimum* of 3 credit hours or career or technical certification in addition to the CORE 40 diploma requirements to graduate from ECFA
- ◆ Twelve-hour school days offer morning, afternoon, & evening cohorts to meet the needs of working teens & adults
- ◆ Classes with licensed teachers & instructional assistants providing rigorous academic support/remediation
- ◆ Open & welcoming year-round enrollment
- ◆ Credits earned for validated work experience relevant to career pathway
- ◆ Accelerated programs allowing students to work at their own pace
- ◆ Adult ESL program that integrates language and vocational skills

Fierce Focus on Future Employment through College and Career Readiness

- ◆ Opportunity to earn an associate's degree absolutely free of charge
- ◆ Dual-credit classes and career and technical certification programs through partnerships with the IVY Tech community college system & local industries
- ◆ Extensive preparation for SAT, ACT, Accuplacer & ASVAB testing programs
- ◆ Continuous broad support for students in college throughout completion of programs
- ◆ Graduation portfolio requires resume & college entrance essay or application specific to student career pathway
- ◆ Employability skills including mock interviews integrated into the curriculum
- ◆ Local internships and service learning projects

Student Support with Case Management and Individualized Service Plans

- ◆ Proactively address previous educational barriers through the development and maintenance of SMART goals documented in each student's ISP
- ◆ Social services available to connect students with governmental and community agencies to provide supportive financial, housing, and healthcare resources
- ◆ Extra-curricular activities that promote leadership and civic engagement
 - ◆ SAAB – Student African American Brotherhood
 - ◆ SAAS – Student African American Sisterhood
 - ◆ Latino Student Union
- ◆ Transportation assistance including bus passes and a shuttle to local IVY Tech campus dual-credit sites
- ◆ Childcare services, free-reduced lunch programs, & access to school nurse

- ◆ ECFA faculty utilizes data-driven decision making to inform individualized instruction tailored to specific needs of students with wide-ranging skill sets and abilities
- ◆ ECFA staff functions as a professional learning community with structured collaborative teams designed to build the collective capacity to continually improve learning outcomes
- ◆ ECFA leadership team designs systems of recognition and positive reinforcement to reward students for accomplishing ISP goals integral to a positive school climate.

Instructional Approach

Although there are flexible scheduling cohort options for students, the learning environment is quite structured with high expectations for both student and teacher rigor in their respective roles in a positive learning community. As an adult learning program, all students enter East Chicago FOCUS Academy with a various skill sets and academic histories, so the faculty of relies heavily on a data-driven culture that informs every aspect of teaching and learning throughout the school. Because ECFA is its own entity and has no tributary schools, every student is enrolled either as a transfer student from another district or some that have never attended high school previously so TABE data in addition to READ 180® Lexile scores are vital to the enrollment/orientation process. Teachers collaboratively analyze the results of this intake assessment data to prescribe an individualized academic pathway that accounts for remediation, special needs (IEP accommodations), credit deficits, as well as a college/career pathway specific to the interests described in student interviews and documented in each Individual Service Plan.

The classrooms at ECFA are fully integrated with technology that supports the blended learning flex model of instruction in which a portion of the students' credit recovery work is completed with an online software program. Course content is strictly aligned to state standards of approved CORE 40 required credits, however the faculty approaches instruction through the lens of real-world applicability of knowledge directly correlated to career-related skill sets, college entrance/placement exams, and technical certifications tests that require higher levels of thinking. Moreover, the vision of ECFA developing into an integral part of the community of East Chicago is achieved through civic engagement and a politically active student body fostered by a critical pedagogy aimed at equipping students with the human capital necessary to gain the personal agency to bring to fruition significant changes to their life circumstances and future economic prospects.

College and Career Readiness

ECFA employs a *fierce focus on future employment* organizational strategy in which every conversation, interaction, reward/recognition initiative, guest speaker convocations, and extra-curricular activities are all informed by the future employment aspirations of individual students. Even lesson plans are delivered through the lens of preparing students for college and acquiring the necessary employment acquisition and retention skills. The completion of a college degree or career certification program is an expectation of every student demonstrated clearly upon enrollment in addition to a *minimum* requirement of 3 credit hours of completion or career certification program for graduation from ECFA. However, the staff is fully aware how foreboding that might seem to a prospective student who might seem overwhelmed at the idea that college or career certification is mandatory. Therefore, ECFA has developed systems of support including extensive oversight and academic *follow-along* as students' progress through their college or certification programs as well as continually providing transportation assistance, childcare, and other wraparound services. The vision set forth by ECFA demands the entire staff encompass a *see it through to the end* paradigm by which the efforts to educate and support student success go well beyond high school completion, extending to life-long relationships that foster increasingly deeper ties to the families in the community of East Chicago.

East Chicago FOCUS Academy enjoys an extensive relationship with IVY Tech Community College campuses throughout the Northwest Indiana region, enabling a wide variety of degree and career certification opportunities to meet the various needs and interests of a diverse student population. Although most dual-credit classes are conducted on IVY Tech campuses, ECFA also offers select dual-credit courses at its own campus through a professor-on-loan program designed to ease the transition to post-secondary programs and prepare students for rigorous collegiate-level environments. However, these course

offerings do not include remedial courses (zero-level) that have been proven grossly ineffective. According to research, “Almost four in ten remedial students in community colleges never complete their remedial courses” (Hamilton & Torraco, p. 240), so ECFA is committed to intensely preparing and providing systems of support for students *prior* to enrollment in post-secondary degree or certification programs. The effort of ECFA to reestablish trust in public institutions to bring about full participation in the economy would be terribly undermined if students were set up for failure by entering post-secondary programs prematurely. Education is a timely process dependent upon each individual’s progress and the ECFA faculty is fully committed to creating opportunities for success for students at every achievement level. The accumulation of these *wins*, both academic and personal, is the driving force for that motivates and inspires both students and teachers alike to bring to fruition the mission of East Chicago FOCUS Academy.

Student Support with Case Management and Individualized Service Plans

Integral to the mission of East Chicago FOCUS Academy is a proactive approach to address past educational obstacles and present realistic solutions to the social, economic, and psychological barriers students may continue to face as they progress through completion of their college/career pathway. The ECFA faculty has established a systemic support model through the Individualized Service Plan (ISP) that serves as a living document, continually revisited and updated in six-week intervals during advisory periods with assigned staff mentors. The ISP serves as the medium through which constant a fierce focus on future employment is achieved as it requires the establishment, measurement, and assessment of SMART goals relevant to completion of their academic, employment, and personal growth.

Data-driven Instructional Strategies

Built into the blended learning flex-model is a technology component that equips teachers with immediate formative assessment data they can utilize in real-time to make strategic instructional decisions within the extended block class period, setting the foundation for a data-driven culture that permeates all stakeholder relationships throughout East Chicago FOCUS Academy. Integral to the year-round enrollment process is TABE assessment data that provides educators, who are challenged by a consistent flow of new students, a data-window into each student’s current ability levels and skill sets that informs their placement on the academic continuum of remediation (reference to the learning continuum used for subsequent NWEA assessments throughout the year) for mathematics and language arts. From this data, educators place newly enrolled students on a learning path that includes specific learning tasks in the online program that correlate to the respective remedial levels of individuals’ student-learning needs. The calibration of the proper academic path is paramount to retention of students through completion of the program. ECFA faculty takes great precaution in assigning academic paths that are appropriate to each student’s needs to prevent overwhelming those who struggle and under challenging those with more advanced skill sets. Early academic successes are vital to maintaining the morale and motivation of adult students who may have decades-long education gaps. Moreover, this process of carefully choosing appropriate academic pathways is vital to the commitment of ECFA to differentiated instruction and the ability of students to work at their own pace and complete high school at an accelerated rate. Teachers have the ability to constantly adjust the level and rigor of content to not just remediate students for basic skills, but to challenge all students to learn critical and higher-order thinking skills that will later serve as foundational to the completion of a degree or career certification program necessary for graduation from ECFA.

Daily classroom instruction is informed by a collaborative effort between a licensed teacher and instructional coach to implement with fidelity the *Formative Classroom Assessment Cycle*, by which constant analysis and reflection of student learning objectives inform the pace, direction, and nature of tasks designed to achieve those objectives. The modified extended-block class schedule allows each team

of educators to identify students struggling with particular learning tasks and utilize multiple forms of data from direct classroom instruction, online credit recovery, as well as project-based learning to inform subsequent strategies and possible adjustments to academic pathways. Although this daily cycle allows students to focus on understanding specific learning outcomes, ECFA faculty uses the formative classroom assessment cycle in concert with common assessments to compare individual student growth with classroom and national norms. Moreover, common benchmark assignments are issued quarterly to measure student progress of learning outcomes related to the required end-of-course assessments of the CORE 40 diploma. Additionally, ECA and NWEA assessments are given in the fall, winter, and spring to compare students to national norms and use MAP data and the Learning Continuum to inform and individualize remedial instruction and measure each student's relative growth. ECFA firmly holds that relative growth is vital to the continued success and retention of underserved students and adult learners, and NWEA MAP assessment data is the primary medium through which ECFA measures and monitors individual student growth. The faculty strives for fidelity to the time frames established in the data pyramid to provide an accurate and all-encompassing, objective view of the school and its progress towards the realization of the mission of ECFA.

The faculty of East Chicago FOCUS Academy has a collaborative teaching philosophy centered on critical pedagogy; the struggle for social justice; and direct, real-world application of learning outcomes related to future employment prospects. ECFA is dedicated to an engaging curriculum that representative of students' lives and their struggles to survive in poverty. Here the goal is to bridge gaps between content and connections to students' lives and applications to future employment prospects identified by the ISP. Moreover, by designing lesson plans through the lens of critical pedagogy and social justice, ECFA challenges students to examine various power structures in society that have determined their current educational and economic reality in an attempt to equip them with the human capital and personal agency to climb the ladders of social mobility. Active civic engagement, service learning projects, community outreach, and servant leadership principles are core components of the curriculum vital to the mission of ECFA to reach those on the margins of society, reestablish trust in public institutions, and reintegrate them into the local economy.

Research-based Paradigm of Instructional Strategies and Best Practices

Traditional school models and instructional approaches have already failed students who have dropped out in some fashion at some point in their educational history. If insanity is doing the same thing over and over again while expecting different results, surely the nature, structure, and purpose of adult education programs must be suited to fit the unique population they aim to serve to be effective. Dropout recovery is loosely defined as alternative education programs that serve students of all ages without high school diplomas or GEDs to teach them employability skills geared towards specific economic sectors and labor market needs of each community. These programs are *schools of choice* that increase ownership and responsibility for students' own personal educational outcomes, because they choose college or career paths individually tailored to their own future economic aspirations. Successful dropout recovery programs utilize multiple pathways to obtain realistic and achievable educational and economic goals through, as Bloom (2010) describes, "...flexible, individualized, and interactive approaches to learning" (as cited in Lembeck & Peterson, p. 2) that might include small learning communities, flexible scheduling, portfolio projects, and self-paced learning (Lembeck & Peterson, 2012).

Three essential components to successful dropout recovery programs: meaningful curricula directly relevant and applicable to realistic future employment prospects, open and welcoming enrollment processes with year-round flexible scheduling, and supportive and engaging culture that encourages independence and motivation. Martin and Halperin (2006) contend that an effective educator in this

environment best serves students by adapting to a “...role of leader and coach, and be part of a caring and supportive staff who have committed themselves to the success of their students” (as cited in Lembeck & Peterson, p. 3). Teachers dedicated to differentiated instruction need to apply the same principles to adult learners eager to gain the basic skills and cultural capital to land and maintain long-term employment. Similarly, administrative policies need to explicitly support dropout recovery programs with adequate funding through collaborative public and private outreach and job-placement initiatives. More specifically, “...policies relating to attendance, grades, and exit exams may be adjusted to decrease the likelihood that students will drop out of school” (Lembeck & Peterson, p. 10). Policies should address the direst needs of the constituents the school serves, and impoverished communities desperately need social programs that provide equal access and equity of opportunity for the disenfranchised, uneducated parents of young children into civically engaged tax-payers yielding economic revitalization.

Ongoing Professional Development

Continual staff development is a high priority at ECFA and an integral part of the PLC process. In order to focus on the development of a strong learning environment with a well trained staff, teaching staff at ECFA will be trained to plan instruction using the models of Differentiated Instruction and Understanding by Design (UbD). When combined, these models foster an ideal educational setting for all students because the focus is on learning and the learner. Carol Ann Tomlinson and Jay McTighe describe seven axioms of utilizing these models to deepen the application of research-based best practices in education:

1. The primary goal of quality curriculum design is to develop and deepen student understanding.
2. Evidence of student understanding is revealed when students apply (transfer) knowledge in authentic contexts.
3. Effective curriculum development following the principles of backward design helps avoid the twin problems of textbook coverage and activity-oriented teaching in which no clear priorities and purposes are apparent.
4. Regular reviews of curriculum and assessment designs, based on design standards, provide quality control and inform needed adjustments. Regular reviews of “results” (i.e., student achievement) should be followed by needed adjustments to curriculum and instruction.
5. Teachers provide opportunities for students to explore, interpret, apply, shift perspectives, empathize, and self-assess. These six facets provide conceptual lenses through which student understanding is assessed.
6. Teachers, students and districts benefit by “working smarter” and using technology and other vehicles to collaboratively design, share, and critique units of study.
7. UbD is a way of thinking, not a program. Educators adapt its tools and materials with the goal of promoting better student understanding.

ECFA recognizes that staff must regularly participate in discussion of curriculum, instruction, and student achievement with stakeholders at various levels. Therefore, the majority of training and professional development instructional staff will receive will be in professional learning communities that meet on a regular basis to discuss the larger issues above.

In addition to the use of Differentiated Instruction and Understanding by Design, staff training will also exist in traditional professional development workshops throughout the year to address current needs that arise. Feedback will also be gathered from regular surveys of staff, students, and parents in order to

provide necessary training such as helping students overcome negative behaviors, reaching out to the community for support and strategies to increase student achievement.

Structured Cohorts with ISP Tracking

Students at ECFA will not be grouped in the traditional freshmen, sophomore, junior or senior classes (although they are for state reporting purposes), because generally these labels refer to the number of years a student has been in high school, regardless of whether or not that student is on track to graduate with his or her peers. Because ECFA will attract students who do not fit the typical profiles of these labels, the staff will instead categorize students in terms of defined benchmarks of success, academic and career pathways identified on the students' ISP. By eliminating traditional labels, ECFA hopes to instill a new way of thinking about pathways to graduation without typical time barriers and semester schedules that will empower students to take ownership of their educational outcome and monitor their progress toward completion of ISP SMART goals with assigned mentor teachers. For the purposes of assigning appropriate academic and remedial pathways, students are typically sorted by levels according to the degree of progress toward program completion. The level distinctions used for academic and remedial pathways are as follows:

Level One Students

May have no high school credits or need significant remediation in reading, math and writing to address clear achievement gaps.

Level Two Students

Minimum 11 high school credits and has

- Passed English 09 or equivalent
- Passed Algebra 1 or equivalent
- Passed Algebra 1 ECA
- Minimum 1 Core 40 math credits
- Minimum 1 Core 40 science credits
- Minimum 1 Core 40 social studies credits

Level Three Students – must meet Level Two requirements, plus:

- Minimum 21 high school credits
- Passed English 10 or equivalent
- Passed English 10 ECA
- Minimum 3 CORE 40 math credits
- Minimum 3 CORE 40 science credits
- Minimum 3 CORE 40 social studies credits

Level Four Students – must meet Level Three requirements, plus:

- Minimum 31 high school credits
- Completion of IVYT 070 or equivalent
- Passed English 11 or equivalent
- Minimum 4 CORE 40 math credits
- Minimum 4 CORE 40 science credits
- Minimum 4 CORE 40 social studies credits

FOCUS Status – may accompany any level

- Tested in to 100 level college courses

The progression of students through levels of distinction is monitored by the ISP – a living, breathing document that provides the medium through which ECFA maintains its *fierce focus on future employment*. The East Chicago FOCUS Academy Individualized Service Plan template is included in the following three page document.



Individual Service Plan

Student Name: _____ **School Year:** _____

Address: _____

Home phone: _____ Cell: _____ Work phone: _____

Parent/Guardian(s): _____

Address (if different from student): _____

Home phone: _____ Cell: _____ Work phone: _____

Birth date: _____ Age: _____

Grade level (circle): 9 10 11 12

The student meets the following criteria for placement:

- _____ Student intends to withdraw or has withdrawn before graduation.
- _____ Student has failed to comply academically AND would benefit from instruction offered in a manner different from the traditional school.
- _____ Student is a parent or expectant parent AND is unable to regularly attend the traditional school.
- _____ Student is employed and the employment is necessary for support of the student's family and it interferes with a part of the instructional day.
- _____ Student is a disruptive student with a documented history of frequent disruptions despite repeated attempts in the traditional school to modify behavior with a progressive disciplinary program.

Additional barriers to education for the student (Check all that apply.):

- _____ Offender/Juvenile Justice/Probation
- _____ Homeless or Run Away
- _____ Poor school attendance
- _____ Mental/Emotional health
- _____ Physical health
- _____ Substance Abuse
- _____ Family/Personal Relationships

Does student have an IEP or 504 Plan?

If so, has a case conference been held?

Date of last attendance at sending school:

Number of credits:

ECA Only Student Schedule (teacher will establish schedule based on remediation need): _____

Attach current transcript and list courses and credits needed for HS graduation.

GPA:

Passed ISTEP + or GQE:	Math	yes/no	Score_____
	English/LA	yes/no	Score_____

Other assessment information (NWEA, Behavioral Assessment, Learning Style, etc.):

Career Interest/Exploration:

Post-Secondary Plans:

Life goal/career objective:

Sending school comments (strategies implemented and/or student strengths/challenges/interests):

Additional information important to student success at GMC (strategies implemented and/or student strengths/challenges/interests):



Individual Service Plan Goal Worksheet

Identify as many academic, behavioral, or self-managed goals as needed. Only 1-3 goals to address pivotal issues are recommended. Under services, identify the strategies, approaches, courses, skills, accommodations, etc. that the program will use to help the student meet the goal(s). Finally, identify how to measure progress toward the goal(s). Complete each step in the template below.

Expectations <ul style="list-style-type: none"> ➤ Complete 3 credit course at IVY Tech Community College ➤ Complete Career and Technical Education Certification Program 	The student will enroll the ... Fall / Spring / Summer Session of _____ In _____
Issues, Concerns & Needs (Describes the current situation. Be as specific as possible.) <ul style="list-style-type: none"> ➤ Baseline for measuring progress ➤ Comprehensively identifying obstacles to meeting expectations ➤ Past issues/concerns/needs preventing student success 	Initial Lexile Score _____ Initial Quantile Score _____
SMART Goals <ul style="list-style-type: none"> ➤ SPECIFIC ➤ MEASUREABLE ➤ ACHIEVABLE ➤ REALISTIC ➤ TIME-BOUND <p>Goal Suggestions: Attendance / Discipline / ECA Preparation / Credit Completion / College and/or Job Application / Resume Completion / Social Skill Development / SAT or AccuPlacer Testing</p>	The student will...
Services <ul style="list-style-type: none"> ➤ Defined as anything that the school does for the student ➤ Can include instructional services, counseling, behavioral supports, and the provision of computer software... ➤ Customizable with consideration of the needs and goals of the student 	The teacher/staff/program will...
Progress Monitoring The teacher/staff/program will monitor progress of SMART goals every 6 weeks and record documentation in student academic file.	
Program Effectiveness <ul style="list-style-type: none"> ➤ Measured in terms of students meeting one or more expectation of the program ➤ Gary Middle College targets previously underserved student populations through a rigorous and individualized, dual-credit curriculum designed to provide students of all ages the opportunity and support systems to earn a high school diploma and begin postsecondary education or career-certification programs specific to the needs of the local labor market. 	Do the goal(s) listed above contribute to achieving the program mission identified in GMC's charter? <p style="text-align: center;">Yes No</p> <p>Comments: _____ _____ _____ _____</p>

Student Signature _____ **Date** _____
Designated School Official Signature _____ **Date** _____

Plans for Ensuring the School is Staffed with Highly Effective Teachers

The school will seek out highly qualified staff in all content areas. East Chicago FOCUS Academy will partner with TFA and attend job fairs at universities in order to recruit the best new graduates. To balance the staff ECFA will seek out highly effective and qualified experienced teachers by advertising and marketing to attract the best candidates. Salary and benefit plans will be competitive.

Ongoing professional development for the staff will be conducted both by in-house personnel as well as contracted professionals. The topics of professional development sessions will be determined by the data-driven analysis of data specific to the student population of East Chicago, with collaborative efforts between ECFA administration team and GEO. When commonalities between schools arise, ECFA will partner with other GEO Academies to provide collaborative ongoing professional development at a much lower cost to the network. ECFA regards ongoing professional development as instrumental in building the collective capacity of the faculty to best serve students.

To ensure a smooth start to the first year of operation the school will provide professional development for the staff specifically for TABE assessments, READ 180® program, NWEA MAP-assessments, and Compass Learning Odyssey so these tools are at the disposal of staff to utilize in making data-driven instructional strategy decisions. Professional trainers will provide onsite professional development in all content areas to ensure that is staff adequately prepared to support subgroup populations, such as ESL and SPED students. GEO will also provide training for additional technology to support the Blended Learning Flex Model utilized in every classroom at ECFA. Every year, new teachers will be required to be trained in these curricula areas and a refresher course will be required for all returning faculty. These yearly trainings will be done in-house with the staff using trained staff members and the GEO staff.

ECFA staff will include the following:

Teachers	Number	Grades
Licensed English/LA	4	(9-12)
Licensed Math	4	(9-12)
Licensed Science	4	(9-12)
Licensed History/Government/Economics	4	(9-12)
Special Education	2	(9-12)
IT Specialist	1	(9-12)
Music/Art/PE	Online	(9-12)

Pupil Performance Standards Exit Standards: Attachment 12

The school will strive to hold students to the highest performance standards consistent with Indiana’s Common Core standards. As a result, East Chicago FOCUS Academy has adopted rigorous but attainable exit and promotion standards that measure student growth and proficiency.

ECFA will require students to earn a minimum of CORE 40 high school credits (as listed on the DOE High school graduation form) AND all students are expected to complete a **minimum** of 3 college credits or completion of a career and technical certification program – state-approved Industry Certifications Approved by State CTE Advisory Committee, March 4, 2015 (Included in attachment 12).

School Culture – Professional Learning Communities

Creating value for diversity of opinions begins with the inception of the collaborative process. The foundations of a professional learning community must be built painstakingly solid, specifically the

established group norms for team meetings, interactions amongst members, and conflicts between individuals. Every stakeholder must be involved and have input into the discussion of how members of the team should function to best achieve stated goals and desired results. Group behavioral norms are modeled by leadership and consistently reinforced for the duration of collaborative process. Team members self-police by immediately identifying infractions and working together to derive solutions aimed at improving student learning. The leadership periodically and systemically recognizes individual teacher accomplishments pertaining to the school mission. However, valuing other's opinions involves more than a pat-on-the-back. Effective team members put themselves into the speaker's proverbial shoes and attempts to view the discussion from his or her perspective. Building a connection by personally relating to the struggles or frustrations of colleagues demonstrates earnest care and genuine interest in the success of all parties involved. Meetings and professional development initiatives are held in every corner of the school building. By meeting in other teacher's classroom, the staff generates both interest and ownership of what students are learning in every square inch of the campus. The team is both physically present and intellectually supportive to all staff members, building a collective responsibility for everything that happens everywhere at any time.

A Vision for Cultural Proficiency at ECFA

The following are proactive systems of creating cultural proficiency at East Chicago FOCUS Academy:

- 1) ECFA Curriculum team collaborates to produce parental involvement programs targeted at those with guardians and those whom are parents themselves to develop systems of support outside the reach of the school. Familial and peer relationships foster a teamwork paradigm for student support as a stakeholder partnership with ECFA staff.
- 2) ECFA Curriculum team incorporates targeted professionalism/interpersonal communication skills into the blended learning flex-model cooperative learning activities throughout the duration of the program as a cognitive behavioral therapy support.
- 3) ECFA Curriculum works with community partnerships to develop service learning projects for the elective course entitled *Adult Roles and Responsibilities* to teach students about civic engagement and volunteerism.
- 4) ECFA Leadership team will coordinate with SAAB and LSO sponsors to integrate brotherhood principals within the systems of the school, particularly the reward/recognition positive reinforcement policy, by planning school-wide community-building events strategically throughout the academic year.
- 5) ECFA weekly staff meetings incorporate reflective exercises examining personal biases of staff members as it pertains to the student population, the city of East Chicago, and a more general examination of the intersectionality of race, class, gender, and sexual orientation .
- 6) ECFA Curriculum team continues to adjust targeted professionalism behavior efforts each quarter for the duration of the school year and a culture audit determines the significance of the impact of school cultural initiatives.
- 7) ECFA Leadership team coordinates parent involvement program across the network to include elementary, high school, and adult education parents to form a cohesive parent-outreach network-wide program.
- 8) ECFA staff continue reflective exercises throughout the duration of the school year in a conscious effort to change the paradigm of staff meetings from "... interpretation of the behavior and motivation of others ...to an introspective look at [an individual's] own behavior, values, and motives" (Lindsey, Roberts, and Campbell Jones, p. 96) to be assessed in the end-of-the-year audit.

- 9) ECFA will, within two school years of its inception, institutionalize cultural knowledge into all systems provoking network-wide changes to policies, procedures, and practices (Lindsey, Roberts, and Campbell Jones, 2013).

A Typical Day in the Life of a Student

Students at East Chicago FOCUS Academy are assigned to one of three cohort options (morning, afternoon, and evening) that offer flexibility within a structured learning environment. When students arrive at ECFA, their day begins with a fifteen minute advisory period where they can have given free/reduced breakfast and lunch service as well as access to individual remediation, appointments with guidance counselor, meetings with the school social worker, or participate in weekly advisory/school culture initiative activities. Additionally, every student is welcome to attend the *College and Career Readiness Hour* every morning before each school day that allows students to search for jobs, complete applications and resumes, and conduct mock interviews in preparation for employment.

Each cohort operates on a modified block schedule that allows the ECFA faculty flexibility in grouping students and ample time for remediation at the students' own pace. During this 3-hour period, the typical student will be assigned to classes specific to their ISP and CORE 40 completion progress, as well as any IEP specifications. Every class at ECFA utilizes the blended learning flex-model, in which direct instruction works in concert with online supplements and cooperative learning activities to teach learning objectives consistent with research-based instructional strategies and best practices. Depending upon the nature of learning activities, within one cohort period a student may be asked to take a written exam, present a speech, design a creative project, write a poem, or artistically express themselves in ways that foster professionalism and employability skills.

Students are assigned a *minimum* required, three-hour cohort class period, which they must attend daily. ECFA encourages students to stay as long as possible to complete their credit recovery work, prepare for upcoming exams, apply to colleges or job opportunities, or take advantage of any other service ECFA provides. In short, students are welcome at East Chicago FOCUS Academy day or night at any time during the 13 hours of operation in solidarity with the fierce focus on future employment and the urgency to change their lives.

Typical Day in the Life of a Teacher

The beginning advisory periods allow teachers to not only take attendance, but to plan cooperative learning groups accordingly based on students in class that day and their respective needs. Because lesson plans are designed with the blended learning flex-model, pre-determined activities are adjustable to different remedial needs. Total direct instruction to each sub-group is approximately 20 to 30 minutes targeted specifically to those particular students' academic pathways. Each teacher then collaborates with instructional assistants to facilitate the project-based learning component or each class as well as individual remediation and tutoring. These two professionals work to build a structured yet engaging environment in the effort to create lifelong learners. Adult learners specifically are more self-governed and must have ownership in their educational decisions, and everyday teachers work toward a more perfect learning community.

Supplemental Programing

East Chicago FOCUS Academy offers summer school sessions, in addition to the 190 days of operation under this charter, in order to accommodate diverse student scheduling needs. The school will offer a stipend to current teachers to provide six weeks of targeted instruction based on each student's individual remediation needs. Students will be closely grouped according to need to ensure that targeted

intervention resources are managed efficiently. Summer school will operate for 30 additional days with modified cohort meeting times to accommodate ongoing professional development workshops throughout summer. These summer sessions will be funded through the general fund, solicited financial donations, and fundraising initiatives. GEO also intends to seek grant opportunities that may be applicable to the overarching mission of ECFA set forth in the Executive Summary of this document.

ECFA will offer tutoring as well as ESL enrichment programs as determined by students and teachers needs and interests.

In order to address student mental, emotional, and social development and health, the school enlists the service of a school counselor either on a contract basis or employment. The school counselor assists students in developing self-concept and self-esteem necessary to gain the skills to become successful in school and work. The school counselor will form targeted groups based on the unique needs of students and work with them on a weekly basis.

Special Populations and At-Risk Students

The ECFA Board and GEO will ensure compliance with federal and state statutes and implementation of processes and procedures as set forth in federal and state regulations and rules as listed below.

- A. Individuals with Disabilities Education Improvement Act of 2004 (IDEA), the following sections of Chapter 7 of the Indiana Administrative Code:

- Rule 33 – General Provisions
- Rule 35 – Program Planning and Evaluation
- Rule 36 – General Administration of Programs
- Rule 37 – Procedural Safeguards
- Rule 38 – Confidentiality of Information
- Rule 39 – Educational Surrogate Parents
- Rule 40 – Identification and Evaluation
- Rule 41 – Eligibility Criteria
- Rule 42 – Determination of Special Education Services
- Rule 43 – Related Services; Transitions; Transfer of Rights
- Rule 44 – Discipline Procedures
- Rule 45 – Complaints, Mediation, and Due Process Procedures
- Rule 46 – Child Count and Data Collection
- Rule 47 – State Funding of Excess Costs

- B. Americans with Disabilities Act of 1990 (ADA)
- C. Section 504 of the Rehabilitation Act of 1973

The East Chicago Focus Academy is committed to meeting the needs of all students *including* those with special needs required by federal, state and local laws and the state’s charter statute.

The administrative and instructional staff will meet and consult with the school special education teacher(s) regarding the specific mandates of the Individuals with Disabilities Education Act (IDEA) and the Individuals with Disabilities Education Improvement Act of 2004. The administrative staff at the school will be responsible for making sure that all staff understand and are involved in the implementation of IDEA and the Improvement Act of 2004 along with any subsequent mandates.

The vice president and general counsel of GEO Foundation works with the school principal to monitor compliance and the use of ISTART7, which provides staff the opportunity to connect IEPs to curriculum, instruction and assessment. The principal will coordinate with special education staff to ensure that appropriate conferences, move-in, annual and triennial are convened and that compliance with regard to necessary documents and services is both provided and monitored. The school will solicit contracted services (i.e. speech, evaluation, etc.) as needed by the school population. The vice president (general counsel) will act as the checks and balances step for all aspects of compliance and services. Because of the specific and individualized nature of academic planning for special needs students, the development of each student's Individualized Education Plan under Indiana Article 7 will naturally coincide with the development of the student's ISP.

It is well-understood that many students who consider leaving school in their high school years do so after many years of frustration arising from a continual failure to achieve their academic goals. It is possible – indeed, probable – that many of these “failing” students are actually suffering from an undiagnosed learning disability, or other untreated or underserved learning or emotional disorder. It is a priority of ECFA to reach out to these students and provide appropriate identification, evaluation, and academic support to these students so that they may have the opportunity to finally join their peers on the track to academic success.

ECFA will provide many benefits to students with special needs and various learning styles, as well as those who have been unable to excel in traditional school settings. These benefits include:

- A small school setting as part of an adult environment
- Flexibility for students with daily demands
- Personalized instruction and counseling
- Interaction with college students who serve as positive role models, including those with special needs
- An opportunity to earn a high school diploma while earning an associate degree by the time they finish high school

Most charter schools serve a special needs population that is approximately 10-12% of the total population. Given the school's priority of serving unidentified students as well (“Child Find” on a high school level), it is probable that this percentage will be higher, perhaps 15-17%. To serve these students, the school will hire a dedicated special education teacher who is fully licensed in the appropriate disability categories and supplement these services with help from various community agencies such as Capital City Mental Health Services.

The special education teacher will be responsible for the identification and service of all special needs students in the school. To do so, the teacher will follow all of the laws and regulations as set forth in Indiana Administrative Code, Article 7, and Federal laws Individuals with Disabilities Education ACT (IDEA), Part 504 of the Rehabilitation Act of 1973, Americans with Disabilities Act of 1990 (ADA) and other applicable regulations.

Primary funding for special needs services will come from the state and all applicable financial and reporting Department of Education guidelines will be closely followed to ensure appropriate and accurate funding in a timely manner. Federal funds under IDEA, Part B, will be used primarily for the delivery of related services, with remaining funds available to support the program as necessary.

The founding board is well aware that pursuant to federal and state laws that the school is responsible for meeting the needs of all students enrolled at the school, including those identified with special needs. While ECFA works hard to address the needs of all students within the regular classroom, the staff recognizes that adult students need to work at their own pace with varying levels of support as needed.

The board is aware of the accountability measures of the exceptional education students and has made it a priority as board members at ECFA to accommodate all students that qualify for services. They intend to implement those best practices in the new school. Every classroom has a fulltime trained assistant to help assist children that need extra help. ECFA will hire a full time Special Education specialist to ensure the students are served according to their IEP's and monitored by the teacher of record. In addition, the board approved a high ability specialist to serve the students that need a higher level of mastery to meet their academic needs. The use of technology in the school will also provide a venue to support low and high performing students. Ongoing assessments in the classroom as well as the NWEA data will drive instruction.

ECFA's instructional assistants are specifically responsible for providing extra literacy support to exceptional learners through small group instruction.

For students with disabilities, the school will provide state and federally mandated services as follows:

For students with disabilities who are enrolled in the school an Individual Education Plan (**IEP**) meeting will be convened in order to review and develop appropriate goals and objectives within the first 10 calendar days of attendance. This will apply to students who have already been found eligible for Exceptional Child Services.

(a) The school will comply with all federal laws regarding Exceptional Child Services. Students with disabilities will have an IEP developed by the service providers and will include the parent or guardian of the student. At age 16 students will be required to attend their IEP meeting in order to address post-secondary goals and transition planning. The school will develop and implement IEPs as needed or required for exceptional students and will use the State of Indiana Special Education administrative process and forms to comply with the requirements of procedural due process for students with disabilities.

(b) The goal of the Exceptional Child Education program will be to assist students in meeting their educational goals and objectives as described in their IEPs. This is done with the support of full-time, certified Special Education teachers. The Collaborative Model will be the primary form of direct services provided to students. This model will be used to ensure that each student with disabilities will have the maximum benefit of grade-level academic instruction in the least restrictive environment. The Resource Model will be used as needed.

(c) An IEP will be developed and implemented for every student identified and placed as a student with a disability covered by the Individuals with Disabilities Education Act (**IDEA**). Students' needs will be addressed individually and in accordance with their IEP.

(d) All student records may be requested under the same procedures as the Family Educational Rights and Privacy Act for all students.

(e) The school will comply with all federal special education laws and regulations, including section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, and the Individuals with Disabilities Education Act.

(f) Students experiencing difficulty in the classroom will be supported through the interventions determined by a Response to Instruction (**RtI**). Students will be identified and evaluated in accordance with state and federal regulations. The RtI process will identify whether the concern about the student is academic, behavioral, communicative, or a combination in nature. Interventions will be established and agreed upon by the team composed of the student's parents and teachers. The interventions will be in

place for a minimum of 12 weeks and then evaluated by the RtI team. If the strategies prove to be successful the plan will be continued. If not, adjustments will be made to implement a different set of interventions. If these interventions are unsuccessful and the student is still unable to show progress, individualized interventions will be designed and delivered with increased intensity.

The school will provide research based instructional strategies, and develop and coordinate collaborative family support services for English as a Second Language (ESL) student. ESL students will receive the same academic content as those students who are non-ESL students. If the student population dictates the need for ESL services ECFA will hire an ESL teacher. This teacher will provide the appropriate support for students with limited English proficiency and will oversee the initial screenings, parent meetings, instructional strategies and progress monitoring.

Upon entry into the school all students will be given a Home Language Survey to determine if a language other than English is their native language, home language or primary language. All students whose native, home, or primary language is a language other than English will be assessed for English language proficiency using the state adopted English proficiency measure. If the student scores below proficiency, they will be eligible for language assistance services. The school will serve ESL students through the push-in model. This model is very appropriate for use where there are a small number of ESL students anticipated. Group size is determined by the needs of students. Instruction for ESL will focus on learning English through vocabulary, listening, speaking and moving into reading and writing across content areas. Although all instruction will be delivered in English, the level of instruction will be modified, if necessary, for the ESL student.

The ESL teacher will serve the students for the required segments per day and assist the classroom teacher in modifying instruction to ensure progress is being made in all content areas:

With this model, ESL students will achieve proficiency in the English language as quickly as possible and there will be no exclusion from curricular or extracurricular activities based on an inability to speak and understand the language of instruction. The school will comply with all applicable laws regarding the education of ESL students.

A timeline will be put in place to accommodate the ESL students in a timely manner. All information and scores will be presented to the parents in the student's native language to the greatest extent possible. The general timeline is as follows:

- Home Language Survey: Date of registration or within first 30 days of school
- Classification of ESL Levels: Twenty days after registration or return of survey
- Student Placement in ESL: One month after student enters the school
- Parent/Guardian Notification: Upon date of classification
- Teacher Certification/Personnel: Establish schedule upon opening of school
- Update ESL Plan: One month after student enters school
- Check Cumulative Folder: Upon receipt
- Post Program Review: One month after student enters the school
- Reclassification or Exiting of ESL Students: Students may exit the program after successfully passing the ACCESS test
- Home-School Communication: Ongoing through the year

During the first three years of operation, members of the faculty will be asked to obtain ESL certification.

This will ensure that multiple classroom teachers are equipped to provide appropriate instruction to students with limited English proficiency. All teachers will receive training to develop teaching strategies to better serve this population.

The school will comply with all regulatory special education requirements of IDEA, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act. The school will ensure that notification of eligibility for and the opportunity to acquire Supplemental Education Services is offered to eligible students at least twice a year. The school will provide or contract for remedial educational services for eligible students.

Upon initial entrance to the school and in the fall of each subsequent year, each student will be assessed in both reading and math to obtain baseline data. The NWEA MAP test will be administered. This data will provide the information needed for designing individualized academic pathways for every student. These plans will become the basis for monitoring individual student achievement. Educational strengths and needs of students will be diagnosed through ongoing progress monitoring. As a result, student grouping can change as needed based on the fluidity of the RtI process. As students grow and master skills, the academic pathways are modified to reflect increasing levels of challenge or emphasize areas of weakness that require intensive focus. These plans provide the vehicle by which the leadership, teachers, parents, and the students consistently document and reflect on learning successes or on-going needs. In addition to designing flexible groups, results will be used to determine revisions needed in curriculum, to assess effectiveness of instruction, and to assess the degree of transfer of skills/knowledge. Teachers will receive professional development in interpreting and using student assessment data to plan instruction. There will be regular team meetings to discuss data and to make needed revisions in curriculum and methods of instruction. State assessments will be administered each semester as student complete tested-courses such as Algebra I and English 10.

Examples include:

- Before and after school tutorial
- Small group instruction
- Individual Interventions
- Enrichment /Remediation Block

Student needs will be supported through the interventions determined by a Response to Intervention (RTI). Students will be identified and evaluated in accordance with state and federal regulations. The RtI process will identify whether the concern about the student is academic and/or behavioral in nature. Interventions will be established by the team and agreed upon by parents and teachers. The interventions will be in place for a minimum of twelve weeks then evaluated by the RtI team. If the strategies prove to be successful, the plan will be continued. If not, adjustments will be made to implement a different set of interventions. At the point of not being able to show improvement through the interventions, the staffing team will refer the student to a school psychologist for a psychological evaluation to determine whether the student's needs warrant an IEP and special education or related services. Other areas will also be assessed such as speech and language. The RtI committee, principal, and the student's parents will review results and agree upon a plan.

The school is committed to meeting the needs of all learners, including those with limited English proficiency or who speak a language other than English at home. The Home Language Survey, completed as part of the ECFA enrollment packet, will assist in the enrollment process to identify students who may require language support. Still, as with every other student, the faculty intends to support students with limited English proficiency through the RtI system. ECFA will place students who require additional assistance in Tier II or, in time, Tier III, based on the assessment data; then, during bi-monthly meetings,

the RtI Team will meet to identify methods of interventions, goals and the means to assess students' progress. The RtI Team also takes responsibility for informing parents of their child's initial place in the RtI system and, subsequently, the progress they make each quarter.

Best practices in serving students with limited English proficiency require that teachers employ a variety of intentional, language-based strategies towards building students capacity with English, while simultaneously building their mastery of explicit content, as described in the Indiana Common Core State Standards. Yet, based on the needs of students, ECFA also intends to set aside ample time to provide teachers with the necessary training and support in implementing teaching strategies to best serve students with limited English proficiency.

In order to meet both the administrative and service needs associated with special education, the school intends to hire a fully staffed special education team to meet those needs. The school will also make sure that the faculty is effectively trained and knowledgeable both about the students with an Individual Education Program (IEP) and the requirements outlined in the IEP that they must meet. Under the oversight of the school's Special Education Director, the faculty will work with each student's family to update the IEP as needed. The student, the SPED Teacher (or Intervention Specialist), his/her classroom teacher, parent (if student requests), and an administrator (usually the Special Ed. Director) will be expected to attend all case conferences. The Special Ed. Director for the network will form a team that will follow checklists of specifications of (special education laws) IAC 511, Article 7, and Federal Law IDEA, ADA 1990 and Part 504 of the Rehabilitation Act of 1973, to ensure ECFA is in full compliance with each one.

In keeping with core principles and East Chicago FOCUS Academy's commitment to students and families, the staff also ensures that students or parents, if appropriate, on IEP's as well as those receiving intervention will be fully included in all appropriate school activities and functions. Consistent with special education law, every student that enrolls with an IEP from a previous school will have a move-in conference within 10 days involving parents in the conference to ensure that their child receives appropriate support to meet their needs. In addition, ECFA staff will conduct a case review with parents at least once yearly to update the student's progress and goals. Finally, students/parents will be encouraged to request a meeting with teachers any time during the year to discuss any concerns they may have.

East Chicago FOCUS Academy intends to contract outside agencies to ensure students have all appropriate services if onsite staff are not able to accommodate the needs. Staff will contract with an appropriate specialist to provide speech/language and occupational/physical therapy to students who require this assistance. Consistent with current practice, a licensed OT, PT, and Speech/Language Pathologist will travel to the ECFA campus to provide direct services to those students who need this support, as described in their IEP.

Students who are intellectually gifted will receive small group instruction by the instructional assistant or master teacher with appropriately challenging material. Gifted students will be placed on an accelerated academic path to keep them engaged and growing academically. Online instruction, inquiry projects, etc. will be utilized to meet the needs of gifted students. The school will monitor the progress of gifted students during weekly RTI meetings and data analysis days throughout the school year.

The school will comply with all applicable state and federal statutes and regulations related to providing services to students with disabilities. ECFA will employ a Special Education Director, who will assume responsibility for state and reporting requirements at both schools. ECFA will also enlist the assistance of GEO's staff attorney specializing in special education law. GEO's special education advisor will review special education files annually with the school's Director of Special Education. GEO's staff attorney will also advise the staff in the legal principles of special education (least restrictive environment etc.), as well

as the specific steps teachers must take to ensure that they provide appropriate modifications and accommodations to students with special learning needs

Student Recruitment and Enrollment

East Chicago FOCUS Academy plans to market its *flexible options for communities with underserved students* to all municipalities in the area. ECFA has determined the specific enrollment capacity after completing market research in the community, as well as past experiences at Gary Middle College, that have shown smaller learning environments and structured cohort assignments for personalized learning experiences are the most effective approach to recruiting and retaining high school dropouts. To develop a recruitment strategy to reach the targeted student population, ECFA has established a three phase recruitment and marketing plan.

ECFA have already begun phase one – the founding board/team met with leaders from the community to share the mission of the school, establish initial community partnerships, and gain information, insight, and histories of the communities it aims to serve. Essential stakeholders during this stage are leaders of neighborhood associations, local church pastors, mayor’s office, and the directors of local community centers. GEO’s marketing director is charged with leading marketing initiatives in all schools throughout the network.

The second phase of development consists of direct communication with the targeted school population. This communication will occur through several mediums including but not limited to newspaper advertisements, public service radio and television, the construction and launch of a web site, advertisement and convening of informative open-house meetings, door-to-door canvassing, etc. ECFA has developed brochures with an overview of the school’s flexible academic programs, which will be distributed at meetings and posted in common locations where people will have an opportunity to become aware of the school. This phase will take place within the targeted neighborhoods and areas, and will be executed by the principal in collaboration with community partners established through phase one.

In the third phase of recruiting and marketing, East Chicago FOCUS Academy convene meetings in public forums to inform the public of enrollment processes and provide detailed information concerning course offerings, expanded graduation requirements (at least 3 college credits or career and technical certification program), ECFA’s mission, potential dual-credit campus locations, and provide answers to any questions that may be offered. Critical information concerning the functionality of the program within the student handbook will be articulated during this mobilizing stage. The enrollment process for the initial year is included within this phase, and ECFA will continue its recruitment and retention efforts until full enrollment is achieved.

It can be assumed that these phases of the recruitment and marketing strategy will overlap at times. As community partnerships grow and word spreads, ECFA intends to nurture these relationships in a continual effort to provide more opportunities for student success.

East Chicago FOCUS Academy understands the challenges of maintaining strong communications with lower-income families and language-minority students, thus, the marketing team will translate recruitment materials into all prominent languages in the communities ECFA serves. ECFA aims to continually build and foster relationships with religious and civic leaders throughout the region to gather insights to the best way to reach out to a diverse cross section of families. **School Enrollment Policy: Attachment 14**

Student Discipline

The school expects that all students will exhibit good behavior and show evidence of academic achievement. A core belief is that if students feel supported, respected, and are engaged in meaningful instruction that there will be few to zero discipline issues that arise. Academic pathways offer content-based high school curriculum along with meaningful instruction and blended learning that will provide the structure for academic success. The NWEA (MAP) assessment given three times a year will provide the data that will drive instruction along with Compass Learning/Odyssey that offers the blended learning component along with *Read 180*® that makes up the model. The staff firmly believes that students will be engaged and orderly if what is being delivered is meaningful and if they know the teachers cares about them. The mentor coaches will support the teachers to ensure that they have the right tools to be successful. Student work will be graded on a matrix and grades will be earned not given. There will be criteria in place that indicates mastery so students are achieving and learning. The founding board/team is very aware of how important it is to have “the right people on the bus and in the right seat”. The “journey” will be designed so every student moves forward academically and socially in order to become productive citizens.

The mission of and vision for East Chicago FOCUS Academy will be the cornerstone of how staff interacts with all stakeholders in the East Chicago community. ECFA believes that each student is a unique individual with unique personal, social, and educational needs. As a result, every disciplinary situation is unique in nature. Consequences for misbehavior provide the best learning value when matched to the unique student and the unique situation. The odds for student learning from their mistakes increase dramatically when they see a reasonable connection between their behavior and the resulting consequences. The school staff will dedicate itself to following a set of core beliefs that provide a guide for dealing with student discipline. These core beliefs guide attempts to individualize disciplinary procedures and to help students see reasonable connections between their behavior and the resulting consequences.

Since these core beliefs provide the guiding light for professional decisions, the staff encourages parents to bring concerns and questions directly to school leadership in the event that staff operates in ways that appear to be inconsistent with these core beliefs listed below:

1. Every attempt will be made to maintain the dignity and self-respect of both the student and the teacher.
2. Students will be guided and expected to solve their problems, or the ones they create, without creating problems for anyone else.
3. Students will be given opportunities to make decisions and live with the consequences, be they good or bad.
4. Misbehavior will be handled with natural or logical consequences instead of punishment, whenever possible.
5. Misbehavior will be viewed as an opportunity for individual problem solving and preparation for the real world as opposed to a personal attack on school or staff.
6. Students are encouraged to request a “due process hearing” whenever the consequences appear to be unfair.
7. School problems will be handled by school personnel. Criminal activity will be referred to the proper authorities.

School Discipline Policy: Attachment 15

Parents and Community

In an effort to address the demands of parents as well as the general need for quality schools, the founding board/team began exploring locations for a second school last year. Over the past six months, ECFA has reviewed maps of district, charter, and private schools across the area. Staff has talked with local leaders, and reviewed school achievement data in an effort to identify areas in which there may not yet be a sufficient supply of high quality schooling. Based on this analysis, ECFA has identified the proposed location in East Chicago as a critical area that would be served well by the model.

Gary Middle College is the only nearby alternative school that offers the opportunity for students to graduate with a high school diploma and college credits. Replicating this successful model will provide a needed option to adult learners in communities across Indiana.

The table below names nearby high schools and high school graduation rates for 4 years. Even though the graduation rates has improved there are still too many dropouts that are slipping through the cracks that deserve a chance to graduate and become career ready. The focus of ECFA is to recruit those who have dropped out of school and set in place a plan to graduate.

School	2013	2012	2011	2010
East Chicago Central	82.1 %	79.3%	67%	52%
Gary-Lew Wallace	54.9%	54.8%	60.4%	75.5%
Gary- West Side	69%	65.7%	69.4%	73.4%
Gary-Wirt/Emerson	95.2%	88.6%	94.1%	90.8%
Thea Bowman	95.6%	88.4%	86.4%	84.9%
Gary Lighthouse	87.3%	***	***	***
21 st Century Gary	100%	95.2%	100%	76.5%

Along the way, ECFA has met with local civic, religious and community leaders to gather input. The staff has gathered letters of support from organizations with constituents across the city as well as those specific to the targeted neighborhoods. ECFA has also reached out to students/parents, seeking input as to importance of a school like ECFA. The staff is eager to adapt the program to meet specific needs of community members in East Chicago. ECFA brings a defined education model, a track record of success and a group of committed leaders ready to put in the work to make change; yet, the staff also understands the importance of building strong ties in the community and adapting the program to local needs, without compromising ECFA’s commitment to ensuring every child has access to a great school.

Several months have been spent ensuring community support by meeting with students/parents, residents, and attending local meetings. Many of the potential students/parents ECFA surveyed would like to have a middle college option. Residents have stated they are, “Glad to see someone’s doing something in the community,” and middle college “Would be a beautiful thing.” Residents have stated they would like a place for high school dropouts to earn their diploma. The school plans on offering additional services

to the community once the school is operational by partnering with community organizations that will provide workshops, community events, and technology outreach.

According to the National Assessment of Education Progress (NAEP), less than half of fourth graders are proficient in math; almost two thirds of eighth graders are not yet proficient readers and writers. Clearly, too few of schools are keeping up with the education required for a high-skilled, technology-based global economy.

Proficiency levels among today’s students are worse among Black and Latino students - the majority population in most urban communities. Gary, IN has had its struggles but Gary Middle College and 21st Century Charter School has made a huge difference in the community. The founding board wants to do the same in the new school in East Chicago.

Clearly, there are cities that are suffering through an alarming gap between the education required in a 21st century economy and that which ECFA is able to provide for families. The fact that this gap is widest among low-income families only heightens the seriousness of this issue. It presents significant challenges not only for the economic health of the community, but also the staff’s commitment to principles of freedom, equality and opportunity on which democracy depends.

The school would like to serve students in this community in order to help address the city’s fundamental demands for high quality schools and college or career ready graduates. ECFA intends to do so by providing the students with a rigorous, college preparatory education. While every student, regardless of income, race, or zip code needs a great education; the staff is most interested in serving students and families with limited access to high quality, rigorous schools. Unfortunately, these students and families are more likely to live in some of the more impoverished areas. It is these families and the communities in which they reside that have suffered the most from the insufficient supply of quality schools. ECFA aims to address just that.

Evidence of Community Support: Attachment 16.

Performance Management

In addition to ICSB’s Accountability System, the school will have the following goals:

Below are the overall academic and non-academic goals the school will accomplish during its initial five (5) years of operation. Include measurable goals that are unique to the mission of the school. Describe the corrective actions the school will take when not meeting one or more of its goals in any year.

The students along with the teachers’ guidance will set **SMART GOALS**; **S** Specific, **M** Measurable, **A** Attainable, **R** Realistic, **I** Timely, which are specific and challenging in order to lead to better performance

Academic Goals

NWEA Goals – the East Chicago Focus Academy will attain a minimum of 50% of the students reaching their target growth.

ECA’s (Core 40 end-of-course-assessments) – Goal for the percentage of students passing ECA’s at the completion of associated Core 40 courses: English 10 - 70%, Algebra 1 – 70%.

GQE – Percent of graduating class who have are projected to meet their graduation requirement:

- Class of 2017 – 70%
- Class of 2018 – 70%
- Class of 2019 – 70%
- Class of 2020 – 70%

In measurable terms, these goals can be evidenced by the following:

- 60% of incoming 9th grade students will re-enroll and complete their high school graduation requirements.
- 65% of incoming 10th grade students will re-enroll and complete their high school graduation requirements
- 25% of qualified students who enter at grade 11 will graduate with a minimum of 24 college credits earned.
- 70% of students entering ECFA on year or more below grade level, will achieve grade level or above within two years.
- 70% of students enrolled at the end of each year will have successfully completed their Individual Learning Plans (ISPs) at each grade level.
- Each year, the percentage of students passing college courses with a C or higher will increase until 70% is reached.
- The percentage of juniors entering the post-secondary pipeline will increase each year, until 70% or better is reached.
- Students will obtain a 70% or higher on the Algebra I and English 10 end-of-year assessments (ECA's) and all future ECA's as required by the Department of Education (DOE).

Corrective Actions for Academic Goals:

For those students who do not meet expected levels of performance, ECFA will implement numerous remediation strategies including:

- *Corrective Reading Comprehension* is designed for students who read without understanding
- *Drill and Practice* are repetitive activities used as reinforcement tools to help students master materials at their own pace.
- Flexibility grouping and small group instruction with learning guides (teaching assistants)
- After school programs focused on one-one-one tutoring
- Peer tutoring (training provided)
- Saturday school tutoring

Non-Academic Goals include:

- 90% daily attendance rate
- 70% year-to-year retention rate
- All students will have access to ongoing support from an academic coach and mentor counselor. This support will lead to 100% of students reporting a significant relationship with one or more adults who support their school success – on mid and end-of-year surveys.
- Teacher retention (teachers will show a positive response on the customer satisfaction survey)
- Student/teacher ratio (within contract by 2 students: teacher).

Corrective Action for non-academic

East Chicago FOCUS Academy is confident of the year-to-year retention and attendance rate based on the staff's ability to increase student performance. Students want to be involved in a high performing school that raises performance levels and ensures success. The only reason for leaving would be a move out of the area.

It is important that GEO and ECFA administration, students, and teachers work together as a team to achieve the level of performance that each student is capable of attaining. These relationships are built on respect for each group, working together to reach the common goal of raising student performance.

East Chicago FOCUS Academy will have a school improvement plan that is the blueprint for the implementation of the goals of the school. Should the school not meet its goals; the plan will be revised using the following data/processes:

- Analysis of student data – A comprehensive analysis will be done of student data for development of instruction throughout the school year to identify gaps in curriculum, instruction, and/or interventions.
- Professional development analysis – A comprehensive analysis of all professional development activities will be conducted to assess alignment with curriculum and instructional strategies and needs.
- Performance analysis – A review of teacher/instructional staff evaluations will be conducted to assess any needs for staffing changes and professional development opportunities.
- Student/Parent and community input analysis – A summary of all sources of data will be prepared.

The school's improvement plan will be reviewed and revised using the collected data. Short and long term monitoring points will be established for the upcoming school year in light of how well the staff is meeting SMART goals.

The school will administer (including NWEA, and Core 40 End-of-Course Assessments) and the general schedule of administration. Included below are the levels of performance expected on each assessment the school will utilize each year as well as the amount of measurable growth students will attain each year on each assessment for the first five (5) years of operation. Teachers will utilize ongoing assessment data will be used to inform instruction.

Assessments will be ongoing and will include both traditional exams and summative performance/production assessments (guided by rubrics) that will be included in student course portfolios to demonstrate high level mastery of content and skills. Teachers will develop interim assessments for high school course work guided by the standards and analysis of learning needs. Students will understand academic and performance standards and have exemplars that will allow them to self-assess their mastery of important skills and content. As a component of addressing Indiana's speaking and listening standards, students will lead portfolio reviews before a committee (to include peers, and school leaders/teachers) at the end of each semester. Presentation and questions will be based on an accountability rubric and students will be required to demonstrate academic proficiency.

Three times a year (September, January, and May), all students will take the NWEA MAP exam, which is a standards-aligned, computerized, adaptive test that measures student instructional level and growth over time. MAP reports are accessible for teacher use the day after they are taken. This assessment is critically

important to educational planning and day-to-day individual instructional planning, because it provides important information, including further identification of student strengths and challenges, learned skills and concepts. NWEA MAP will provide ECFA a secondary diagnostic tool, but it is also designed to measure academic growth over time. This tool will help academic coaches make valid, data-driven decisions regarding ISPs and aid in further evaluation of overall curriculum offerings and planning. Indicators of individual student growth are essential in determining school effectiveness. Ultimately, results of this and other value-added indicators must be isolated and compiled to determine the most effective means of maximizing student potential. ECFA will achieve a minimum of 50% of students reaching their target growth after the first year of operation. Thereafter, there will be 3% to 5% growth each year of students reaching the targets.

As part of Indiana’s school accountability system under Public Law 221, Core 40 End-of-Course Assessments (ECAs) are designed to ensure the quality, consistency, and rigor of Core 40 courses. Staff will administer ECAs in Algebra I and English 10. ECFA also will consider participating in the voluntary pilot test administration in Algebra II, Biology I and U.S. History. Furthermore, staff will interact with the Center for Innovation in Assessment about using Core-40 diagnostic assessments in addition to the end-of-course assessments.

Additional assessments, not required by the State of Indiana may be used. EDFA has indicated rationales for assessments selected and how it will contribute to the educational process, as well as the dates for administering the exams.

Assessment	Date Administered
• Compass for College	August
• ACT	Various dates
• SAT	Various dates
• Student Interest Surveys	Upon Enrollment

New enrollees will take the Compass assessment which is a computer-adaptive assessment program that will quickly evaluate incoming students' skill levels in reading, writing and mathematics. There is an ESL version of this test for students who need it. This exam will help determine student readiness and placement in appropriate courses and provide information on the support and resources that they will need to achieve academic success. Compass provides immediate results, which will enable quick decision making with scores that indicate areas of strength and weakness.

ACT/SAT – Students will have opportunities for additional tutoring and tests that are required to enter institutions of higher education, beyond Ivy Tech. These scores are important determinants of college readiness and most colleges and universities use the results as part of their admission decisions. In addition, the College Board provides yearly SAT data on trends and changes in scores that GMC will use to better understand students' participation and performance.

Student Interest Surveys – to obtain the personal, career, motivational and learning style information about students. Staff will administer during the enrollment process the “Project-Based Learning Style Inventory,” “Career Clickers Expanded,” and the “TCIDS Interest Survey.”

All assessments will be monitored as soon as the results are received by the EMO, Principal, teachers and all other instructional staff. Staff uses all assessments to differentiate instruction within the classroom to make certain that students receive instruction designed to meet their individual needs and insure that progress will occur. Students with disabilities are included in this process and only differ in that their progress is relative to their Individual Education Plan.

Students will take the NWEA test three times a year. NWEA tests will be used to set student performance goals, assess learning gaps and develop instruction accordingly. Students with disabilities will be assessed in accordance with the Individual Education Plan.

The ECAs (end-of-course-assessments) will be reviewed and each teacher will set an individual percentage goal for improvement. Overall this will be an improvement of 2% - 5% each year.

For those students who do not meet expected levels of performance, ECFA will implement numerous remediation strategies including:

- Corrective Reading comprehension is designed for students who read without understanding
- Drill & Practice are repetitive activities used as reinforcement tools to help students master materials at their own pace.
- Flexibility grouping and small group instruction with learning guides
- After school programs focused on one-on-one tutoring
- Peer tutoring (training provided)
- Saturday school tutoring

To ensure the school will meet the requirements of the federal Every Student Succeeds Act (ESSA) East Chicago FOCUS Academy will utilize ongoing assessment of student skills and concepts proficiency; concentrated analyses of student assessment data and classroom performance; and ongoing teacher professional development. Information from assessments and student class work and homework will identify specific areas of strength and areas of needed improvement within each Indiana learning standard. Teachers and other instructional staff will be equipped with the necessary materials and professional development to ensure all students are appropriately challenged and receive instruction tailored to their needs. Students will also be engaged in setting their performance goals, tracking their progress, and understanding their role as part of the overall success of the school. Additionally, parents/guardians/mentors will be encouraged when at all possible to be active participants in the student's education to enhance the student's learning at home and sustain student proficiency in subject areas over time.

If the school does not meet the ESSA's requirement in any given year, a school improvement committee will be assembled by the board to include internal and external agents that will review all school qualitative and quantitative data and suggest a plan of action.

The committee will evaluate quantitative and qualitative data and research successful school models including:

- Use of data to support decision making throughout the year
- Daily schedules
- Student use of time
- Homework support
- Student/Family Communications
- State standards identification, pacing, and instruction
- Spiraling of instruction and methodology

- Student recruitment strategies
- Staff recruitment strategies

School specific data used to understand areas of strength and weakness include:

- Attendance data
- NWEA and other assessment data
- Homework completion data
- Trend data of transience
- Student/parent surveys
- Staff Surveys
- Daily Student Schedules

The Deign Model (UbD) will put in place the structure for continuous improvement. Staff will also use ongoing school-wide assessments throughout the school year to ensure teachers are addressing all students' learning needs within the first four weeks of school. The Northwest Evaluation Assessment (NWEA) and the Tests of Adult Basic Education (TABE) will serve as baseline measures of student growth. Staff will then use data from these assessments to place students in their appropriate academic pathways concerning Odyssey, Read 180, and instructional grouping based on strengths and skill deficits.

While ECFA realizes the importance of school-wide assessment tools, staff also recognizes the importance of classroom work in the areas of performance and participation. Teachers will develop the four week assessments administered throughout the year. Teachers will collect classroom samples of student work and meet with the student to review progress. This will enable the student/parents and teachers to examine improvement as well as his/her areas of weakness in each academic area. It will be important to empower teachers to help develop the assessments that will be used to accomplish this goal.

In summary, the school team will use assessment data to monitor the students' learning and track their progress towards graduation goals. If, based on data, staff determines that a student is significantly below level or not progressing as quickly or steadily as expected, they will convene a conference with the leadership team and initiate the Rtl process (as previously explained in detail) through which student progress will be closely monitored and supported. Achievement data will be available for all stakeholders and will be posted on the school's website.

East Chicago FOCUS Academy will utilize Power School for compiling student data, such as formative, summative, and informal classroom assessments. PowerSchool also collects and compiles attendance, behavioral, and personal data, such as contact information and health/medical needs, on each individual student. Internally developed tools and spreadsheets will be used school-wide to track standardized data and measure growth on NWEA, and standards-based assessments. Staff will also use Individualized Service Plans (ISPs) in order to track students' year-to-year progress. These plans will be compiled at the end of each academic year for each student. Academic and social-emotional information will be reported in these plans.

Power School will be the primary tool for compiling and maintaining and submitting data and reports requested by the State of Indiana. This data may include ADM, school lunch data, enrollment, textbook reimbursement, etc. The school will promptly adhere to deadlines for data report submission from the authorizer and the Indiana Department of Education.

For operational management of the school, the principal, with assistance from GEO, will assume responsibilities for these functions. This person will be responsible for gathering and compiling the data and submitting it to the authorizer.

GEO employs a data analyst that will train the staff in the interpretation of all data collected from assessments throughout the school year. The Lead/Master and mentor coach/teachers will make data reports par to team meetings in order for ongoing analysis to occur.

If the school falls short of the student academic achievement expectations and goals established by ICSB and the Indiana Department of Education, the principal will convene a school improvement committee composed of administrators, teachers, parents, and board members to develop a plan of action to place the school on for improvement.

ECFA will also participate in ASSIST through the State Department of Education, which follows the AdvancED protocol of continuous improvement. The GEO Foundation and qualifying GEO Academies are also seeking accreditation through AdvancED.

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SECTION III: IMPLEMENTATION PLAN

Note:

As used in this RFP, the term “**organization**” applies to any applicant or partnership among groups applying to replicate a school model in Indiana. Thus, it may include an existing school proposing to replicate; an existing school network or CMO applying directly for a charter; an education service provider (ESP) that proposes to contract with a governing board; or other entities and arrangements. *In the case of an applicant proposing to contract with a service provider to operate one school only, applicants should provide requested information for the ESP only.*

HUMAN CAPITAL

Network-Staffing (Also Noted in Budget)

Complete the following table indicating your projected staffing needs for the entire network over the next five years. Include full-time staff and contract support that serves the network 50% or more. Please adjust school types and staff functions and titles as needed to reflect your network’s organizational plans.

NOTE: If the requested information is already included in the business plan (Attachment 9 of the proposal), you do not need to complete this table.

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of elementary schools	3	3	3	3	3
Number of middle schools	2	3	3	3	3
Number of high schools (includes Alternative High Schools)	3	4	4	4	4
Total schools	8	9	9	9	9
Student enrollment	1500	1700	1700	1700	1700
Management Organization Positions					
President/Founder	1	1	1	1	1
CFO/Legal Counsel	1	1	1	1	1
Schools Academic Team	2	2	2	2	2
Schools Technology Team	2	2	2	2	2
Business/ Financial Team	6	6	6	6	6
Marketing Communications	1.5	1.5	1.5	1.5	1.5
Human Resources	2	2	2	2	2
Total back-office FTEs	15.5	15.5	15.5	15.5	15.5
Elementary and Middle School Staff					

	Year 1	Year 2	Year 3	Year 4	Year 5
Principals *K-12 Principals are counted in the elementary section*	3	3	3	3	3
Assistant Principals	1	1	1	1	1
Add'l School Leadership Position 1 Master Teachers	2	2	2	2	2
Add'l School Leadership Position 2 Mentor Teachers*Mentors are Classroom Teachers*	0	0	0	0	0
Add'l School Leadership Position School Culture and Student Achievement Specialist	0	0	0	0	0
Classroom Teachers (Core Subjects)	37	37	37	37	37
Classroom Teachers (Specials)	10	10	10	10	10
Student Support Position 1 [Nurse]	3	3	3	3	3
Student Support Position 2 [School Psychologist]	1	1	1	1	1
Specialized School Staff 1 [SPED Teachers]	11	11	11	11	11
Specialized School Staff 2 [Guidance Counselor]	2	2	2	2	2
Teacher Aides and Assistants	20	20	20	20	20
School Operations Support Staff	11	11	11	11	11
Total FTEs at elementary schools	101	101	101	101	101

High School Staff

Principals *K-12 Principals are counted in the elementary section*	1	2	2	2	2
Assistant Principals	1	2	2	2	2
Deans	2	3	3	3	3
Add'l School Leadership Position 1 [Master Teacher]	2	2	2	2	2
Add'l School Leadership Position 2 [Mentor]*Mentors are also Classroom Teachers*	0	0	0	0	0
Add'l School Leadership Position 3 [specify]	0	0	0	0	0
Classroom Teachers (Core Subjects)	20	25	25	25	25
Classroom Teachers (Specials)*Share between each k-12 school*	0	0	0	0	0
Student Support Position 1 [e.g., Social Worker]	0	0	0	0	0
Student Support Position 2 [specify]	0	0	0	0	0

	Year 1	Year 2	Year 3	Year 4	Year 5
Specialized School Staff 1 [SPED Teacher]	5	6	6	6	6
Specialized School Staff 2 [Guidance Counselor]	3	4	4	4	4
Teacher Aides and Assistants	15	18	18	18	18
School Operations Support Staff	13	15	15	15	15
Total FTEs at high schools	62	77	77	77	77
Total Network FTEs	163	178	178	178	178

School Staffing Structure

Network-wide Staffing:

Note: Even though the school will be part of a network of schools the staffing needs are identified and fulfilled by the school in collaboration with GEO. GEO provides all of the marketing and required background checks and certification checks on all candidates. Each school runs and manages its own budget in collaboration with GEO. The school's' budget will reflect the projected cost of staffing and benefits.

School Leadership & Staff Hiring, Management and Evaluation

The teaching staff includes classroom, music, art, physical education, special education teachers, and Ivy Tech staff. Teachers will be responsible for implementing the curriculum, coordinating with other content area teachers, maintaining current achievement level information, working closely with all students with special attention given to lower and higher achievers, keeping accurate and concise records, establishing personal classroom procedures, and maintaining positive relationships with students/parents. Teachers will also be encouraged to assist with extra-curricular programs on a rotating basis and be available for student/parental inquiries at all times. The school will meet all legal requirements regarding certified staff and will make every effort to employ faculty that represent the neighborhood and the diversity of the school population by maintaining partnerships with such organizations as Teach For America, The New Teacher, and other leadership programs. ECFA will use its connections TFA and GEO to recruit teachers from outside the Indiana region as well. The school will encourage the excitement and energy of young educators, but values the experience and expertise of veteran teachers. ECFA plans to recruit, hire, and retain the best teachers to serve the children of East Chicago, IN.

In order to encourage and reward excellent teachers, a comprehensive tiered salary system will be utilized to rate effectiveness to determine pay based on performance. ECFA staff will be eligible to participate in the salary system described below. Schools in the GEO network have utilized this plan for several years and it has been successful. Various aspects of teacher and school performance should be considered in determining the effectiveness of a teacher. A structure for allowing teachers to "climb the ladder" in education should also be considered for those aspiring to reach more students as an effective lead teacher. This

following draft of a comprehensive salary and responsibility structure is an attempt to achieve this.

Within this system there are multiple career paths. Multiple career paths will allow teachers to pursue a variety of positions throughout their careers. As teachers move up the ranks, their qualifications, roles and responsibilities increase, and so does their compensation. These roles are clearly defined and involve a considerable difference in salary.

The first and most basic level is that of a career teacher. The career teacher is typically someone who is new to education and has not developed the expertise necessary to be a master teacher. Career teachers may not yield the expertise necessary to obtain maximum student growth and achievement. Within the career teacher path there are eight tiers, each with a level of salary based on performance. Career teachers will receive consistent coaching and professional development in order to gain these skills. Career teachers are responsible for one classroom and will work in cooperation with mentor and master teachers through the use of virtual learning.

The second level of teacher is that of a mentor teacher. The mentor teacher is an effective classroom teacher who delivers consistent positive student achievement results. Much like the career teacher, the mentor teacher role contains eight tiers of salary based on performance. The mentor teacher will take on responsibilities other than just classroom duties. Mentor teachers will provide coaching to career teachers that will enable career teachers to become more effective. Mentor teachers are also part of the teacher evaluation process and will evaluate each teacher one time per school year. Mentor teachers are also responsible for one classroom and will work in cooperation with the career teacher and master teacher through the use of virtual learning.

The third level of teacher is that of a master teacher. The master teacher is the most effective classroom teacher and produces very high student achievement results. The master teacher's salary is also based on eight tiers of performance. The master teacher is not limited to a single classroom but is utilized throughout the entire school to reach every student to provide that excellent delivery of the most effective instructional practices. This can be done either virtually, through co-teaching, providing demonstration lessons for career and mentor teachers to observe, or with small groups of students to target a specific skill that needs remediation or enrichment. The master teacher is also part of the teacher evaluation process and will evaluate each teacher one time per school year. Master teachers will also assist all teachers in the effective implementation of Core Knowledge, provide weekly professional development for all teachers, and provide coaching and feedback to all teachers regarding their performance in the classroom.

To calculate the tier of every teacher certain components are necessary to include in that will give an accurate rating for effectiveness. Each teacher will also be evaluated four times per year, twice by the administrator, once by the master teacher, and once by a mentor teacher. Evaluations by administrators are weighted more heavily than master and mentor evaluations when determining the final evaluative score for each teacher. Teachers will be evaluated in the areas of designing and planning instruction, delivery of instruction, the learning environment, professional responsibilities, Core Knowledge implementation, and school culture. These measures will give a comprehensive picture of the effectiveness of a teacher. Each category will also be weighted according to the importance to student

achievement and the pay awarded is on a sliding scale according to each individual teacher’s final evaluative scores. Bonuses will also be awarded to teachers using a combination of school growth and their individual classroom’s growth based on NWEA results.

In the event that a teacher or school leader is not performing to standard, he/she will be placed on an improvement plan that outlines the specific timeline necessary to make improvement if employment is to continue.

The pay structure will begin with a base pay of \$40,000 for a career teacher, \$45,000 for a mentor teacher, and \$50,000-\$60,000 for a master teacher. Each teacher will also be eligible for an additional \$2,500 - \$6,000 in bonus pay depending on student growth measured by NWEA. Performance in five areas will be used to determine the allotment each teacher will receive in salary. Once each teacher is evaluated four (4) times throughout the school year, a table will be used to calculate the salary for each teacher. Benefits for teachers will include 403b participation, health insurance, dental insurance, vision insurance, and life insurance. The school will adhere to all applicable laws and requirements regarding employee benefits according to the State of Indiana.

Once each teacher is evaluated four (4) times throughout the school year, the following table will be used to calculate the salary for each teacher.

Career Teacher

Performance Area	Weighted Percentage	Payout Amount
Teacher Observations/Evaluations	75%	Please see the tiered salary table for salary information.
Curriculum Implementation	15%	
School Culture	10%	
Individual Student Growth (NWEA)	75%	\$1,875
Overall School Growth (NWEA)	25%	\$625

Mentor Coach Teacher

Performance Area	Weighted Percentage	Payout Amount
Teacher Observations/Evaluations	50%	Please see the tiered salary table for salary information.
Curriculum Implementation	10%	
School Culture	10%	
Individual Student Growth (NWEA)	60%	\$1,500
Overall School Growth (NWEA)	40%	\$1,000

Lead/Master Teacher

Performance Area	Weighted Percentage	Payout Amount
Teacher Observations/Evaluations	60%	Please see the

Curriculum Implementation	30%	tiered salary table for salary information.
School Culture	10%	
Overall School Growth (NWEA)	100%	\$1,500

Principal

Performance Area	Weighted Percentage	Payout Amount
Base Salary	N/A	Please see projected budget
Curriculum Implementation	1 Rubric Point	\$750
School Culture	1 Rubric Point	\$750
Overall School Growth (NWEA)	100%	\$1,500

Instructional Support

Performance Area	Weighted Percentage	Payout Amount
Teacher Observations/Evaluations	100%	Please see the tiered salary table for salary information.
Curriculum Implementation	1 Rubric Point	\$200
School Culture	1 Rubric Point	\$200
Overall School Growth (NWEA)	100%	\$625

Part of the success of this approach depends on the development and retention of excellent teachers. To help with this, ongoing applied professional growth is an integral part of the plan to sustain high teacher quality and student growth and achievement. This will be achieved by utilizing master and mentor teachers to provide weekly professional development in areas of scoring rubrics and effective instructional strategies. Master teachers will develop and deliver a weekly plan for professional growth with the assistance of the administration and mentor teachers. The master teacher will schedule a follow-up time with each teacher to provide feedback and additional coaching to build highly competent teachers across the school on a weekly basis. This allows teachers to apply their new learning and evaluate the effectiveness of their practices.

This plan that focuses on building quality teachers from within the school and rewarding those teachers for their effectiveness will develop a strong culture of instructionally focused accountability. Students will benefit from receiving instruction from a high quality master teacher on a daily basis. This will also incentivize career and mentor teachers to develop their skills and reach the status of master teacher.

Professional Development

Quality teacher development is the key to attracting and retaining talented individuals and the lever to raising student achievement levels. In order to offer the children in the community/ neighborhoods, as well as surrounding areas, an opportunity to become successful in the future ECFA must provide them with excellent educators. ECFA knows that teacher actions result in student actions, and it is the objective to ensure teachers make the best informed decisions in their classroom. Therefore, ECFA prioritizes on-going, varied opportunities for teachers to improve their instruction through specific strategies to include: (a) classroom observations and debriefs between colleagues and from the instructional leadership team, (b) professional development days, (c) curriculum development and review, (d) unit review and analysis, (e) professional learning communities, (f) video lessons, (g) leadership opportunities within the school for teachers, (h) outside classroom and school visits, (i) professional development sessions led by instructional leadership team members, lead teachers, or consultants, and (j) individual check-ins.

Fifteen full professional development days are scheduled throughout the annual calendar; ten of these professional development days occur prior to the first day of school to ensure a strong start. Teachers will utilize 40 minutes of collaborative planning time during their prep periods on Thursdays. Staff meetings will be held every Tuesday from 7:30am to 8:00am. This time will be devoted to problem-solve and action plan around ways to enhance instruction.

The Instructional Leadership Team will meet weekly to address the overall effectiveness of the professional development plan based on surveys completed by the school staff members.

Start-Up Plan: Attachment 17

Insurance Coverage: Attachment 18

Transportation

It will be the student/ parent's responsibility to provide transportation.

Safety and Security

The school places its highest emphasis on student safety and security. ECFA will employ security cameras throughout the school building along with restricted access doors. All staff will be trained in the various warning signals and procedures put forth in the Emergency Plan. All visitors must sign in at the main office and wear an identification badge prior to admission to the general school building.

Technology Specifications and Requirements

The school intends to utilize a rotational model of blended learning. In order for staff to successfully implement the program, several technological components are required. The school will be equipped with desktop computers for each computer lab, wireless internet access throughout the entire school, interactive projectors in each classroom, and computers for teachers and administration to use. ECFA will also require high speed internet connection, adaptive learning software for reading and math, Microsoft Office for student, teacher, and administrative use, Dyknow computer monitoring software for student computers, and a web based student information portal. ECFA will utilize a cloud based system to back up all important data. All equipment will be barcoded and inventoried.

Servers will be password protected and have various user level permissions. A full-time IT person will be employed to maintain the technology in the school and provide support for teachers and staff. GEO also has an IT specialist that provides onsite assistance and training.

Facility Plan

The founding board will work with GEO to locate an appropriate facility. The school is unique in its space requirements since it will operate in three shifts.

Based on enrollment projections and space needs, the ECFA staff is looking for approximately 5000 square feet of space, which can serve a maximum of 200 students. The projected size will provide adequate space for the 9-12 high school program. The school will require office space for administration, classroom space, and bathrooms. The blueprint of Gary Middle College is included to provide an idea of what ECFA's space will look like.

GEO has extensive experience in working within zoning laws in locating and identifying appropriate facilities for school use.

The Organizing Team has inquired into two possible facilities in East Chicago, IN. One is a well maintained 2-story brick building in downtown East Chicago of approximately 8000 total space. Presently there are two tenants on the first floor. The available second floor consists of 4,600 available SF with:

- Spacious waiting area and a reception area
- Filing system
- 18 private rooms
- 6 consulting rooms with sink and beds
- 1 lounge
- 3 interior washrooms and 1 public washroom
- 1 medical lab space.

The second option is a building owned by IVY Tech. And more information will be known later.

Budget & Finance

The school will contract with the GEO Foundation to provide the financial services piece, which is part of the management fee. The program includes all forms, accounts, contracts, and funds required by the unified accounting system for schools. Audits will be conducted every year using an independent accounting firm to conduct an external audit. A purchase order system will be established to maintain a strict accountability fiscal plan. A detailed list of expenditures will be kept in a purchase order log. Duplicate copies will be made for business manager and principal.

The principal and business manager will be responsible for the daily fiscal management of the school. No purchase orders or checks may be issued for items not in the monthly budget without permission from the board. Purchase orders will be kept for expenditures outside of payroll. Each month, the principal in collaboration with GEO, will give a report of the current budget and financial status to the board. The school's management agreement with GEO ensures that all state laws and procedures will be followed and the school remains in good financial standing. All accounts in the budget will be listed and identified for instant review purposes. A monthly accountant review will be of the accounts and reported to the board.

All financial records and expenditures are public record and will be developed and available according to state law.

The school intends to create a fundraising plan to be executed through the efforts of a Development Committee. The parent organization will also become involved as they organize. In addition, the board will create a plan of seeking donations and private grants. The principal, with assistance from the school's grant committee, will apply for start-up grants and any additional grants that fit ECFA's model. The principal will be responsible for applying for additional grant opportunities that might help realize the mission of East Chicago FOCUS Academy.

Budget and Staffing Workbook: Attachment 19

Budget and Finance

The Board of Directors for the East Chicago FOCUS Academy at all times retains all responsibility and authority over all fiscal matters for the school. However, they are supported in this endeavor by the experienced management team at the GEO Foundation, who works with the School Leader to develop an academically and fiscally-sound budget that is brought to the Board for review and approval.

As per the school's By-laws, the Board appoints a school treasurer who is responsible for overseeing the school's financial matters and reporting back to the board on a monthly basis. The school treasurer is part of GEO Foundation's management team, is an MBA and an attorney, with over a decade of experience in overseeing school budget and financial issues. She is supported by a licensed CPA who personally oversees the preparation of the school's financial statements. These functions are not outsourced.

All purchasing, payroll, and human resource functions are executed by a staff that has been together for nearly a decade. This highly experienced team has established a system of financial controls that have been approved by both independent auditors and the Indiana State Board of Accounts:

- an online purchase order system that requires the approval of the school treasurer before purchases are made to ensure compliance with budget, avoidance of theft
- an online vendor payment and invoicing system that ensures proper tracking of receipts and packing slips that prevents duplicate billings, false ordering, and theft
- approved accounting software to meet both Generally Accepted Accounting Principles (GAAP) and State Board of Accounts (Form 9) requirements
- separation of cash management, deposits, approvals and transaction recording functions to eliminate possibilities of embezzlement, theft, malfeasance, or transaction altering
- establishment of travel, credit card, conflict of interest, whistleblower, document retention policies
- reconciliation of bank accounts, review of all transactions, on a monthly basis
- Creation and review of all financial statements – balance sheet, income statement, cash forecasts – on a monthly basis

All financial statements are presented to the board on a monthly basis at public board meetings, and if there are concerns, the issues are brought to the financial committee more often if needed.

Budget Narrative: Attachment 20

SECTION IV: INNOVATION

With this innovative model in place at GMC the East Chicago FOCUS Academy Board thought it was important to respond to this section. The Board is proposing to replicate the successful Gary Middle College (GMC) in Gary, IN because there is a waiting list at GMC and the need has clearly been established in East Chicago for a recovery high school. A main goal of ECFA is to put in place a model of continuous improvement; what more can be done to improve graduation rates and to continue on a pathway to college or career readiness. The proposed model for the school is fundamentally different from typical school models. ECFA will utilize a very competitive and rigorous teacher compensation plan based on performance, a rotational model of blended learning, and incorporate civics education into the general curriculum. The innovative school design will allow staff to provide students with an education they can find nowhere else in the area. Students will become educated citizens who are honorable, responsible, and college or career readiness bound.

Blended learning is a fairly new endeavor in education. Even though many schools tout a blended learning model not very many actually invest in the training and resources that are necessary for its success. Blended learning has the potential for dramatically altering how teaching and learning has traditionally been approached in the United States. The blended learning environment allows for seamless targeted intervention and flexible groupings, as well as real collaboration among students. Blended learning will also fundamentally transform education by replacing expensive, complicated, and inaccessible products or services with much less expensive, simpler and more convenient alternatives. Several blended learning pilots have documented cost savings in personnel, facility, and textbook costs, with equal or improved academic results.

The use of NWEA (MAP) and Odyssey will provide the data that will drive instruction and provide ongoing student performance tracking.

Implementing a strong civics education program imbedded in the school culture, Students will become engaged and informed in the legislative process by attending town hall meetings, giving speeches to the general student population through classroom assignments. By allowing students to participate in a government system modeled after the Republic of the United States, they will build an understanding of what being a good citizen entails and be able to effectively participate in the process in the future. This will help sustain the ideals the United States was founded upon and pass freedom on from generation to generation.

Since ECFA innovations are integrated and embedded throughout the school day, the high standards students are held to on a daily basis will allow staff to achieve the high accountability standards the ICSB holds of all of its schools. Students will not only be academically prepared by completing a quality high school and college course work model, they will also be informed citizens who are prepared to enter into society.

SECTION V: PORTFOLIO & PERFORMANCE RECORD

Summary of Every School in the Organization's Portfolio: Attachment 21

Last Three Years of Financial Audits for 21Century Charter School: Attachment 22

To include: (a) the last three years of audited financial statements for the school; and (b) the most recent internal financial statements including balance sheets and income statements(at least through the end of June 2015) for the organization and any related business entities. Be sure that the school level, GEO level, and overall operations are distinctly represented.

GEO Related Business Entities: Attachment 23

To include: (a) the last three years of audited financial statements and management letters; and (b) the most recent internal financial statements including balance sheets and income statements(at least through the end of June 2015) Be sure that the school level, GEO level, and overall operations are distinctly represented.

List any contracts with charter schools that have been terminated by either the organization or the school, including the reason(s) for such termination and whether the termination was for "material breach".

List any and all charter revocations, non-renewals, shortened or conditional renewals, or withdrawals/non-openings of schools operated by GEO and explain. **NA**

Explain any performance deficiencies or compliance violations that have led to formal authorizer intervention with any school operated by the organization in the last three years, and how such deficiencies or violations were resolved.

Current or Past Litigation: Attachment 24

PDF File of Application: Attachment 25

ATTACHMENT 1

Founding Group Resumes

BIOGRAPHICAL INFORMATION

Board Member

ARLENE D. COLVIN

NAME: Arlene D. Colvin

EMPLOYMENT:
Current Position: Chief of Staff
City of Gary, IN

Past Positions: Chief Operating Officer; Physical and Economic
Development Director; City Planner; City Attorney;
Private Law Practitioner; Arbitrator

EDUCATION: Bachelor of Arts, Grinnell College, Grinnell, Iowa –
1976: double major: political science and
anthropology

Doctor of Jurisprudence, Indiana University,
Bloomington, Indiana – 1979

LICENSES: Licensed to practice law in the State of Indiana for
the Northern and Southern Districts – 1979

BOARD MEMBERSHIPS: Indiana Equity Fund, Little Calumet River Basin
Development Commission, City of Gary
Redevelopment Authority, Gary Building
Corporation, 21st Century Charter School Board of
Directors, City of Gary Economic Development
Corporation Board of Trustees.

Board Member

Alyce Butler

8411 Hickory Avenue
Gary, Indiana 46403
(219) 938 6830

Retired with 27 years of service for Northern Indian Public Service Company,2005.

Experience:

- Marketing Consumer Service & Public Affairs & Community Relations, Director
- Taught High School Sophomores and Juniors two nights a week in an after school business class

Affiliations and Community Involvement:

- Board Member 21st Century Charter School, Gary, IN
- Gary Rotary, Immediate Past District Governor
- The Lake County Advisory Board for The Salvation Army
- NAACP, Executive Board
- Workone Board of Directors
- Christ Baptist Academy Advisory Board
 - Christmas in April Steering Committee.

KATRINA N. HUDSON Board Member

6815 Lighthouse Dr. Apt. 202, Portage, IN 46368

kjackson241@ivytech.edu (317) 679-0616

EDUCATION

Illinois State University;

Normal, IL

College Student Personnel Administration, Master of Science Degree

Graduation: May 2013

Indiana State University; Terre Haute, IN

Communication Major, Marketing Minor, Bachelor of Science Degree

Graduation: May 2011

HIGHER EDUCATION WORK EXPERIENCE

ASAP (Associate Accelerated Program), Ivy Tech Community College-Northwest, Gary, IN

Regional Coordinator of ASAP

December 2014-

Current • Serve as an academic advisor for all students who are a part of the ASAP Program

- Recruit senior students throughout the Northwest, IN region based on GPA, attendance, and career interest
- Develop educational and career based workshops for ASAP students
- Coordinate and lead recruitment committee for interviewing all potential students
- Establish a cohort of students to be selected for the ASAP Program
- Advise, counsel and mentor students to help with retention efforts, transferring needs, and college transition
- Assist students with FAFSA and college applications
- Oversee a 60,000 budget for student scholarships, workshops, college visits and special events
- Closely monitor student success, participation, and development while they are in the program
- Network and maintain working relationships with local colleges, high school counselors, churches, and educational programs, community organizations and churches
- Assist students with transferring to the 4-year institution of their choice

Educational Talent Search (TRIO), Ivy Tech Community College-Northwest, Gary, IN

Grant/Project Specialist

September 2013-December

2014

- Advise over 300 high school students in various educational areas; such as, course work, college admission requirements, program requirements, Core 40 Diploma options, and financial aid/scholarship information
- Assist students with applying for colleges and FAFSA applications
- Counsel and provide advice to students regarding course selection and scheduling to ensure that program requirements, academic goals and objectives are achieved
- Develop and implement SAT and ACT preparation workshops for program participants
- Establish and maintain effective working relationships with targeted high schools, churches, and community organizations within the neighboring areas of Northwest Indiana
- Coordinate numerous four-year college and university tours that are in-state and out-of-state
- Collectively plan, organize, and budget cultural activities, events, college tours, and educational workshops
- Determine applicant eligibility for program based on grade level, income, and first generation status
- Maintain student academic files, monitor student participation and achievements and provide assessments
- Provide on-site academic counseling for students at their designated high school
- Collect data and research necessary for grant writing and preparation
- Recruit students through classroom presentations, attending school orientation, and community events

University College, Illinois State University, Normal, IL

TRIO Support Services and University College Graduate Assistant
2013

July 2012-May

- Academically advised a caseload of 15 students from diverse populations in the areas of academics, class scheduling, and curricular development Katrina N. Hudson 2
- Facilitated and coordinated programs and services, including orientations and educational workshops for 60 TRIO students and 30 Succeed in Spring students (at risk freshmen)
- Provided intrusive weekly academic coaching for 5 identified at-risk students participating in the Success 101 program or on academic probation
- Coordinated and facilitated professional staff retreats for the retention unit of University College
- Benchmarked, modified, and implemented academic programs affiliated with overall student retention, first generation, low income, and minority students
- Assessed the Succeed in Spring program through survey analysis and program participation reporting
- Presented Project Success seminars for students on academic probation
- Prepared student academic curriculum files for director

Julia N. Visor Center, Illinois State University, Normal, IL

Louis Stokes Alliance for Minority Participation (LS-AMP) Graduate Assistant
May 2012

August 2011-

- Mentored and assisted 30 students with academic success goals, time management and career planning in order to increase retention rates
- Provided academic coaching and success plans for 11 first year students, including 4 with probationary status
- Co-led recruiting and hiring process for the Success 101 Peer Instructor positions
- Developed and organized educational workshops, STEM related programs, leadership opportunities and conference travel for 60 LS-AMP students to increase retention rates
- Reviewed and processed all intake forms for new and existing members
- Adapted and facilitated bi-weekly "Community of Scholars" meetings for 60 LS-AMP students
- Oversight of \$3,000.00 program budget • Led spring research and benchmarking projects in order to gain retention ideas

HIGHER EDUCATION PRACTICUM EXPERIENCE

Dean of Students Office, Illinois State University, Normal, IL

Student and Community Outreach Practicum Student

August 2012-December

- 2012
- Created specific programming initiatives and marketing strategies for diverse student populations
 - Presented several "off-campus 101" sessions to over 100 sophomore students
 - Organized and conducted community and family oriented programs for non-traditional students
 - Assessed and evaluated major programs for potential off-campus students and non-traditional students
 - Assisted in organizing, marketing, and facilitating late night programming for 500-1000 students living on and off campus
 - Aided numerous students with lease reviews and off campus living information
 - Developed databases for off-campus living, mock leases, and worksheets for transfer and sophomore students Office of Student Involvement, Indiana University Purdue University Indianapolis, Indianapolis, IN Student Activities Practicum Student May 2012-July 2012
 - Created, developed, and organized 4 summer programs for 200 students living on campus and enrolled in summer courses
 - Performed an assessment analysis on the Catalysis Leadership Program, inclusive of an executive summary and learning outcomes

- Developed an orientation program for 10 professional staff members of the Office of Student Involvement
- Evaluated the Advancing Women Mentoring Program, a new initiative, and created programming ideas for future events, created a goals sheet with an accompanying plan of executives

**Board
Member**

**Nadine McDowell
Gary, IN**

Experience:

- Former teacher
- Attorney
- Bank One Vice-President

Community Involvement:

- Board Member Ivy Tech Community College
- Board Member Work One.

**Board
Member**

KEISHA L. WHITE
9087 Cleveland Court #201
Merrillville, IN 46410
219.308-4738
kwhite112.kw@gmail.com

OBJECTIVE:

Utilize my leadership, communication and management skills to serve as the Dean of Freshman Experience.

EDUCATION:

Indiana University Northwest- 8.90-8.94
B.A. - Organizational Communications
National Louis University- 9.99-6.01
Masters of Adult Education

PROFESSIONAL EXPERIENCE:

8/2006 – present – **Ivy Tech Community College- Northwest / East Chicago, Indiana**
Associate Vice Chancellor of Student Affairs

- Supervise Financial Aid, Admissions, Advising, Career Services staff
- Supervise a team of support staff
- Develop and implement recruitment plan for registration
- Serve as the PDSO for international students at the campus.
- Work on the state wide accreditation team for Diversity Affairs
- Assist in developing partnerships with Mittal Steel, Amoco and Nipsco
- Serve as an adjunct faculty member in the school of Liberal Arts

10/2000- 8/2006- **Ivy Tech Community College – Northwest / East Chicago, Indiana**
Associate Director of Admissions

- Recruit, interview and advise students
- Monitor the enrollment target during registration
- Assist with managing the office of Student Affairs
- Work with faculty and staff to retain students
- Work with the marketing department to develop recruitment tools
- Provide presentations to area high schools and local agencies
- Work with high schools to arrange tech prep agreements
- Attend college fairs and high schools to promote Ivy Tech Community College
- Assist disabled and international students

1/99-10/2000- **Calumet College of St. Joseph, Whiting, Indiana**
Admissions Counselor

- Recruit, interview and advised new students
- Evaluated transfer credits
- Worked with transfer applicants
- Assisted potential students with the financial aid process
- Created and implemented marketing strategies
- Worked with staff and faculty to retain students

- Provided presentations to high schools, and local agencies
- Worked with the admissions team to develop articulation agreement

Board Member

Lisa D. Edwards

2773 W. 19th Avenue, Gary, IN 46404

Cell: (219) 512-4735

lisadedwards@comcast.net

OBJECTIVE

Seeking to secure a position where my leadership, community service, and critical thinking skills can be used to help support the mission and vision of an educational institution to help EVERY student reach their educational and career goals.

PROFESSIONAL EXPERIENCE

Grant Project Specialist

April 2013-

Ivy Tech Community College-Northwest- TRIO Educational Talent Search

- Identifies and recruits eligible students for college preparatory activities
- Coordinates and monitors after-school tutoring component
- Provides academic counseling to individual participants
- Plans and schedules college tours, cultural enrichment activities, and academic support workshops
- Assists participants and parents with college admission and financial aid information
- Coordinates ISTEP/ECA preparatory workshops
- Works closely with school counselors and principals to promote Talent Search program
- Maintains a positive working relationship with the College faculty and staff
- Assists the Director with project outcome assessments and Annual Performance Reports

Regional Manager of Tutoring Services

October 2011- April 2013

Ivy Tech Community College-Northwest

- Evaluates student requests for tutoring services and ensures appropriate services are made available
- Formed and initiated the department's first Supplemental Instructional program
- Created Saturday group sessions to target our highest failed courses
- Created and conducted the Got Solutions! Workshops for Time Management, Personal Finance, Note-Taking and Study Skills, Test Taking skills, and Test Anxiety
- Responsible for reporting on student success and retention to identify trends and growths

Instructional Support Teacher

April 2011-June 2011

East Chicago Lighthouse Academies

- Provided instructional support for all levels of instruction for grades K-9th
- Monitored student success after tutoring sessions
- Acted as an academic resource to assist failing students in meeting graduation requirements
- Communicated and enforced ECLCS's high expectations for behavior and academic performance

Administrative Manager

October 2010- April 2011

Lighthouse Academies, Midwest Region

- Managed student academic progress every quarter
- Assisted guidance counselor in the development of Individual Academic Plans for students

- Conducted student File Reviews
- Assisted the Regional Director/Superintendent, as needed
- Established a positive and supportive working collaboration with LIA staff and parents

Director of Field Operations *September 2008- December 2010*

Ahead of the Class Tutoring Services, Gary, IN

- Oversaw the entire administration of the Supplemental Educational Services program for grades K-12
- Prepared and updated annual State applications for Illinois, Indiana, and Ohio
- Selected, hired, and trained all support staff including Field Managers and Tutors
- Supervised teams from Indiana, Illinois, and Ohio that included 30+ employees
- Company representative at provider fairs, Board meetings, roundtables, etc.
- Conducted on-site monitoring visits to ensure adherence to program policies and procedures

Field Manager/Math Tutor *August 2007-September 2008*

Ahead of the Class Tutoring Services, Gary, IN

- Responsible for program promotion to eligible families for enrollment
- Prepared students for state standardized tests, college preparatory, and placement exams
- Managed students' academic progress for state reporting
- Assisted in creating a 100% increase in revenue by building partnerships with local community organizations, churches, and local housing authorities to provide tutoring
- Managed and supervised company inventory and asset management program

Director of Property Management *May 2006-May 2007*

Gary Housing Authority, Gary, IN

- Responsible for the planning, coordinating, and management of the low rent housing program
- Prepared and conducted management training programs
- Oversaw reviews and audits conducted by HUD and other monitoring agencies
- Represented the Authority in meetings with federal, state, and local officials, consultants, residents, and the general public as necessary

Program Manager, Housing Choice Voucher Program *September 2004- May 2006*

Gary Housing Authority, Gary, IN

- Managed and monitored funding and allocation of a \$12 million program
- Corresponded and partnered with current and prospective landlords, realtors, HUD officials, clients, and other outside entities
- Generated additional revenue of over \$250K in nine months by implementing an income tracking system for clients
- Decreased funding allocation by 10% by lowering payment standards and implementing a rent reasonableness study on every unit

EDUCATION/CERTIFICATION/EXTRA CURRICULAR ACTIVITIES

Indiana State University (2014-)	Ph.D. in Education Administration- Higher Education Leadership
Indiana University	Master of Science in Public Affairs/Public Management Bachelor of Science in Public Affairs/Management
Community Involvement	S.O.L.I.D Life Youth Program- Gary, IN Urban Reach Foundation Board Member

Board Member

Joseph W. Joniec

1639 Evergreen Ave - Crown Point, IN 46307

Home: (219) 661-2984

Office: (219) 392-3600, x3225

jjoniec@sbcglobal.net

jjoniec@ivytech.edu

EDUCATION

PHD Program, Educational Leadership, Liberty University, ABD, October, 2009

Masters of Business Administration, Liberty University, December 2006

Masters of Education, Loyola University of Chicago, 1999, Curriculum & Instruction

Associates of Biblical Studies, Moody Bible Institute, 1995, Christian Education

Bachelor of Arts, Loyola University of Chicago, 1970, Political Science

PROFESSIONAL EXPERIENCE

Ivy Tech Community College – East Chicago, IN. 2000 – Present

Associate Professor and Chair School of Business

Teaching Responsibilities: Teaching the full array of the Accounting program courses, Business Administration courses.

Vincennes University – Gary, IN. 2001 – 2003

Adjunct Faculty

Teaching Responsibilities: Microeconomics, Macroeconomics, Philosophy, and Philosophy of Religion.

Ivy Tech State College – East Chicago, IN. 1995 – 1999

Adjunct Faculty

Teaching Responsibilities: Financial Accounting, Income Tax, Payroll Accounting, Introduction to Business, and Business Law courses.

Armstrong's Jewelers Inc. – Munster, IN. 1980 – 1999

Vice-President and Chief Financial Officer

Functional Responsibilities: Manage corporate accounting and credit department staffs for a regional retail chain in Illinois and Indiana with direct oversight of all accounting, payroll, banking, and human resource activities. Acquired lines of credit, initiated effective collection processes and policies, and established periodic compliance audits and reviews of store operations. Developed store and home office security procedures and security training for staff. Created the human resources manual, organized and conducted operations training programs and seminars.

Washington Mutual Inc. – Homewood, IL. 1971 – 1980

Branch Manager and Lending Officer

Functional Responsibilities: Supervise and direct lending operations for a consumer lending institution.

EDUCATIONAL POSITIONS / COMMITTEES / ACTIVITIES

Ivy Tech Community College Dept. Chair, Business Administration, 2009-2016

Ivy Tech Community College Dean School of Business, 2008 - 2009

Ivy Tech Community College Regional Program Chair, Accounting, 2008-2009

Ivy Tech Community College Regional Chair School of Business, 2007-2008

Ivy Tech Community College Regional Program Chair, Accounting, 2006-2008

Ivy Tech Community College Regional Academic Council, 2007-2008

Ivy Tech Community College Statewide Program Chair Committee Member, 2004-2015

Ivy Tech Community College Faculty Loading Committee Chair, 2005-2010

Ivy Tech Community College Student Government Advisor, 2001-2010

Ivy Tech Community College Phi Theta Kappa, Advisor, 2004-2016

Ivy Tech Community College Kappa Beta Delta, Advisor, 2003 – 2016

Ivy Tech Community College Curriculum Advisory Committee Member, 2003-2015

Ivy Tech Community College Regional Dean Search Committee Member, 2006

Ivy Tech Community College Graduation Committee Member, 2005-2008

Ivy Tech Community College ACBSP State-wide Accreditation Committee 2006-2010

COMMUNITY AND SERVICE ACTIVITIES

Voluntary Income Tax Assistance Program Director – 2003-2016

Salvation Army Advisory Committee Member & Chair – 2012-2016

Every Child Ministries, Board Member and Treasurer – 2002-2016

Junior Achievement Presenter – 2003 – 2008

RECOGNITIONS AND MEMBERSHIPS

Master Teacher – Ivy Tech State College Academy of Instructional Excellence, 2005

Recipient – Ivy Tech State College, East Chicago Campus Teacher Award, 2004

Association for Supervision and Curriculum Development, member since 2002

American Educational Research Association, member since 2002

Phi Delta Kappa International, member since 2002

Association of College Business Schools and Programs 2002

Kappa Beta Delta Business Honor Society, member since 2002

SEMINARS AND LECTURES

“Leadership for the 21st Century,” LEAD Conference: Ivy Tech Community College, March, 2008.

“Conflict Management: A Survivor’s Guide,” LEAD Conference: Valparaiso University, Valparaiso, IN. March, 2007.

“Handling the Debt Squeeze,” Ivy Tech Community College Student Government Association, East Chicago, IN. November 2005.

“Unraveling the Mystery of the Tax Code: Help for the Regular Guy and Gal,” De La Garza Campus, East Chicago, IN. January 2004.

“Understanding the Adult Learner,” Liberty University, Lynchburg, VA. July 2004.

Organizing Member

Kevin Teasley President/Founder GEO Foundation

Kevin Teasley is the founder and president of the Indianapolis-based GEO Foundation. A veteran of school choice political campaigns, Teasley has served as public relations manager for the Washington, D.C.-based Heritage Foundation, vice president of the Los Angeles-based Reason Foundation, and vice president of the Los Angeles-based Center for the Study of Popular Culture. He led the 1992 “school voucher” campaign in California and is the founder of American Education Reform Foundation, today known as the National Alliance for School Choice. Teasley founded the GEO Foundation in 1998 to support grassroots efforts in support of school choice across the country. While GEO Foundation does not take credit for Indiana’s charter law passing in 2001, the Foundation’s efforts in support of vouchers served as an impetus for change in Indiana education law. When Indiana approved charter law in 2001, GEO Foundation’s board of directors agreed to launch one of the state’s first charter schools. In 2005, the foundation was invited to start three more charter schools including schools in Gary, Indiana and Colorado Springs, Colorado. Today, the foundation supports four charter schools serving nearly 1500 students. Teasley received his bachelor degree from Indiana University in 1985 in journalism and political science.

Organizing Member

**Dana Johnson Teasley
Vice-President, CFO, General Counsel GEO Foundation**

Dana Johnson Teasley has served for over 10 years as Vice President, Chief Financial Officer and General Counsel of GEO Foundation. She oversees all of the business, legal, and operational aspects of the GEO Foundation and the GEO Academies. Dana holds a Liberal Arts degree in Communication, a Master's Degree in Business Administration, and a law degree, all from Indiana University. Prior to joining the GEO Foundation, Dana spent several years in public and media relations and business management. She finally gave in to her passion to return to law school, and upon graduation, opened her own law firm specializing in serving special needs students and their families. She joined GEO in 2004, drawn by GEO's mission of empowering students in high-risk areas by providing them with a high-quality education and path to college.

While in law school, Dana earned honors as Moot Court Champion, a member of the Order of the Barristers, a member of Law Review, and earned Pro Bono service awards. She is licensed to practice in the State of Indiana, and in the Northern and Southern Indiana Federal District Courts, and still serves special needs students and their families on a *pro bono* basis. Dana currently serves on the Special Olympics Indiana Board of Directors. She has also served 6 years as an elected member of her hometown school board and has been president of the board of trustees for her local library.

Joan Lange
6104 Yeats Manor Drive
Tampa, FL 33616
239-405-2638
Joan.Lange@ourgeo.org

Professional Experience

2015-Present: GEO Foundation Director of School Development

Responsibilities include:

- Working with school leadership in providing professional development to staff
- Providing staff professional development in the area of curriculum
- Mentoring school leadership
- Assisting in hiring of staff
- Assist in the accreditation process for GEO and Geo Schools
- Assisting in writing charter school applications

2005- 2014: Challenge Foundation National Schools Director and Director of School Leadership

Responsibilities included:

- Developed and managed Challenge Foundation Fellows Program
- Identified and hired Fellows for 1-3 year training program
- Assisted in writing and developing CFA Charter Applications
- Presented Applications to Authorizers
- Assisted in development of long range plan for opening CFAs
- Assisted in developing and recommending a budget to new CFAs
- Assisted in building governing boards for potential CFAs
- Interviewed and made recommendations for potential CFA Staff
- Developed relationships with charter school authorizers
- Attended pertinent educational and philanthropic conferences
- Presented RFPs and Supplemental Grants requests to Trustees for approval
- Assisted in planning the Network Yearly Conference

1997-2005: Program Director, Challenge Foundation

Responsibilities included:

- Conducted site visits to potential RFP candidates, reviewed grant applications and made recommendations to Trustees
- Managed multi-million dollar grant portfolio
- Conducted at least yearly site visits to new and existing portfolio schools
- Tracked progress and effectiveness of grants
- Researched and presented findings of education reform projects

Professional Activities/Organizations

2002-Present	Member Leadership Florida (Class XXI)
2003-2007	Leadership Florida Member Services Committee
2003	Expert Board: State of Georgia revision of state standards
2004	Advisor: Moore Co. Public Schools First In America, NC
2003-2006	Bonita Springs Speakers Assembly Member
1995-2006	World Affairs Council of Collier County Member
1998	National Charter School Conference Panelist (CK)
1999-Present	Philanthropy Roundtable: Member
1999	Presenter Midwest Regional CK Conference St. Paul, MN

1991-1999	National Consultant for the Core Knowledge Foundation
1992-1997	Presenter Core Knowledge National Conferences
1994-1995	Edited curriculum documents for schools in Maryland in conjunction with Core Knowledge Foundation

Awards and Honors

1997	Rotary Outstanding Teacher Award Three Oaks Middle
1999-1997	Golden Apple Award Nominee, Lee County, FL
1993-95	Awarded Lee County Public Schools Foundation Grants
1990	Teacher of the Year Ocoee Elementary-Orange County
1986-1987	Lindbergh Leader, Lindbergh School District, St. Louis

Education

Master of Arts in Education Southeast Missouri State University
 Bachelor of Science in Education Southeast Missouri State University

Professional Involvement and Leadership Responsibilities

2013-present	Founding Board member: Libertas School of Memphis, Memphis, TN
2012-Present	Founding Board member: Ridgeline Academy, Phoenix, AZ
2013-2015	Founding Board member: Excelsior, Durham NC, Shining Rock, Waynesville, NC, and Ethos, Phoenix, AZ
2012-2014	Founding Board Member Western Tech CFA Phoenix AZ
2012-2014	Founding Board Member Hirsch Academy CFA Phoenix, AZ
2012-2014	Founding Board Member Aristotle Preparatory School CFA, NC
2012-2013	Founding Member Cornerstone Academy CFA, NC
2010-2013	Board Member Brevard Academy CFA, NC
2010-2012	Board Member New Dimensions CFA, NC
2004-2010	Founding Board Member Challenge Foundation Academy, IN
2006-2011	Founding Board Member Pioneer Preparatory CFA, AZ
2006-2012	Board Member Thomas Jefferson Classical Academy, NC
2009-2010	Board Member Piedmont-CFA, NC
2009-2012	Founding Board Member Lake Lure Classical Academy-CFA, NC

Community Involvement

2002-Present	Community HOA Representative Mt. Air Country Club
2002	Leadership Florida Class XXI
2006-Present	WUSF Public Radio Supporter and Contributor
2015-Present	Partner in Social Venture Partners Tampa Bay Region
2012-Present	Community Foundation Tampa Bay Member

Joseph Arredondo

Organizing Member

Objective: To acquire a challenging position with an organization utilizing my experience, education and knowledge

Experience:

Gary Middle College, Principal

July 2015-

Present

- Provide leadership for non-traditional high school in Gary, IN. Design and implement curriculum plan and policies for student growth and academic success.
- Administer Early College policy to promote college and career readiness

Ivy Tech Community College, Director of K-12 Initiatives 2010-2015

- Provided leadership for enrollment activities and advising services for high school Double –Up/Early College, Fast-Track, and high school based dual credit students
- Implemented college policy and procedures related to secondary programs, including adherence to NACEP requirements
- Communicated regularly with high school administrators and counselors

Sportscaster, Lakeshore PTV, Channel 56- Merrillville, IN

1990-

Present

Sports anchor for local PBS station and CO host and produce local TV sports programs

- Received Indiana Basketball Coaches Association Media Award, 2013
- Received Indiana High School Athletic Association Media Award, 1998
- Received Indiana Broadcasting Stations (IPBS) Production Award, 1993
- Received Indiana Football Coaches Association Media Award , 1992

Ivy Tech Community College

Assistant Director of K-12 Initiatives-East Chicago, IN

2008-2010

- Proposed new and maintained dual credit and related early college agreements
- Assisted in relations between the College and area high schools for dual credit programing
- Interpreted and planned procedures and regulations in both directions

Associate Director of Admissions-Valparaiso, IN

1995-2008

- Responsible for on and off campus recruitment activities
- Provided academic career counseling for all students

- Coordinated and presented information sessions to groups
- Hosted campus visits and open houses with prospective students and families
- Assisted with the development of marketing brochures
- Restructured Valparaiso's campus's general education schedule
- Enrollment increased from 900 to 3,500 at two campuses
- Named to Statewide Admissions Leadership Committee in 2006

Worker's Compensation Board of Indiana, Gary, IN 1994-1995
Ombudsman

- Responsibilities included investigating complaints and resolving disputes with informal proceedings
- Administered the independent Medical Exam process and monitored the compliance
- Communicated the Worker's Compensation law to the public

Education

Pursued Post-Baccalaureate Degree in Accounting 1996-1997
 Master of Public Administration: Management of Public Affairs 1991
 Bachelor of Arts: Telecommunication and Political Science 1987

Frank Dranchak

EDUCATION

Indiana Wesleyan University Enrolled
Masters of Education – Administration

Indiana University Northwest 2011
Urban Teacher Education Program

CERTIFICATION

Professional Educator’s License Current
State of Indiana #10096630
Mathematics Grades 5-12

Praxis II – Mathematics Top 15%
ETS Recognition of Excellence

Certified Professional Rescuer Current
American Red Cross

CORE COMPETENCIES

- ◆ Implement data-driven instructional strategies and research-based best practices collaboratively among faculty in a professional learning **community**
- ◆ Facilitate school climate change initiatives by involving all relevant stakeholders in a collaborative process to create an inviting, engaging, and a more conducive learning environment
- ◆ Exude servant leadership principles from a foundation of accountability, responsibility, and authority
- ◆ Strategic professional development to build the collective capacity of entire faculty to significantly improve student learning outcomes
- ◆ *Teach Like a Champion* workshops in behavior and culture, engaging academics, and rigorous literacy instruction in common core era

2818 Irving Street
Portage IN 46368
219-246-3815

OBJECTIVE

A passionate and dedicated educator, I aspire for a leadership or administration position where my pedagogical knowledge, expertise of data-driven instruction, and experience facilitating a professional learning community to collaborate on research-based best practices will be utilized to improve student learning outcomes.

EXPERIENCE

Gary Middle College, Gary IN 2012 - Present
Curriculum Director and Secondary Mathematics Teacher

- ◆ Collaborate to align curriculum maps with respective state standards
- ◆ Utilize online instructional supplements to support the blended learning model
- ◆ Incorporate manipulatives and project-based learning to differentiate instruction to improve student learning outcomes

West Side Academy, Gary IN 2010 – 2012
Secondary Mathematics Teacher

- ◆ Developed a variety of instructional strategies appropriate to the intellectual and instructional level of pupils from varied socio-economic and cultural backgrounds with a range of mental and emotional maturity.

- ◆ Maintained an asset-based approach in working with students and established an advocacy relationship with students for academic success and future endeavors

Gavit MS/HS, Hammond IN 2008 – 2010
Secondary Mathematics Teacher

Michigan City HS, Mich. City IN 2007 – 2008
Secondary Mathematics Teacher

fdranchak@gmail.com

Organizing Member

Nora Glenn
8237 Oak Avenue, Gary, IN 46403
219.938.8533, 219.771.5630
noraglenn@threedognet.com

Education

- Valparaiso University, B.A.
- Indiana University Northwest, 40 graduate credits
- Purdue University Calumet, NWIWP

License

- Active Indiana License No: 1405742, English 7-12 MAJOR; Psychology 7-12 MINOR

Experience

- Kankakee Valley High School, Wheatfield, IN English teacher 1979-1984
- WAKE-AM, WZVN-FM, Northwest IN radio account executive 1984-1986
- Ruby Chevrolet and Volkswagen, Chicago, IL marketing director 1986-89
- D'arcy, Massius, Benton and Bowles, Chicago, IL media buyer 1989-1994
- Valparaiso Adult Learning Center, ESL teacher, 2001-2006
- Chesterton Adult Learning Center, center director, 2003
- Portage High School, high school alternative teacher, 2003-2007
- West Side High School, Gary, IN, English 10 teacher, 2007-2009
- Banneker Middle School, Gary, IN, English 8 teacher, 2009-2011
- West Side High School, Gary, IN, English 11-12, AP teacher, 2012
- Gary Middle College, Gary, IN, English 9-12 teacher, 2013-present

Personal

Since the birth of our daughter in 1994, I have become very active in my community, the Miller area of Gary, IN. I have always been on the executive board of the Marquette Park Playground Committee, Inc., a volunteer group of residents who built and maintain the park playground. I also email community information to NWIN residents and media on a regular basis.

Organizing member

TERRENCE R. MCCOLLOUGH

310 Tyron Street Michigan City, IN H: 219.879.6126 C: 219.873.6756

Executive Summary

Social Services professional and active listener dedicated to working with students in a manner that will help to improve their quality of life. To enhance the growth of each individual by introducing my professional coaching skills, through interventions and practicing directly with issues of those who may have been perceived as an injustice to society.

Core Qualification

- Staff development
- Strategic planner
- Leadership experience in a urban setting
- Experience with blended learning model
- Comfortable with diverse populations
- Exceptional relationship building skills
- Excellent writing and critical thinking skills
- Able to manage student crises

Professional Experience

**Dean/Social Service Director
Gary Middle College**

**04/2012 to Present
Gary, IN**

- Direct all academic duties with Principal in assessment of students, college mentoring and educational goals.
- Encourage students to translate their academic interests into the real world by taking positive actions.
- Communicate effectively with students from diverse backgrounds.
- Consulting with principal while providing firm but fair disciplinary consequences to students setting clear limitations.
- Monitor attendance of students failing to report to school regularly.
- Prepare monthly reports tallying numbers of discipline violations, suspensions, and attendance changes.
- Manage enrollment process of new students and retention of students.

**Home Based Caseworker
04/2012**

09/2010 to

Family Focus, Inc.

Michigan City, IN

- Intensive case management service and problem solving abilities used to provide solutions for severely dysfunctional families.
- Support given to parents and other family members who found the roles of parenting and homemaking to be a challenge.
- Utilize time management and goal oriented counseling for those who struggle from physical, sexual, emotional abuse and abandonment.

**Case Manager
09/2010**

11/2008 to

**Madison Center
City, IN**

Michigan

- Completed intake assessments screening for new clients and monthly statistics for state agencies.
- Supervised a staff of 45 and manage a case load of 30 clients.
- Interviewed and assessed new client files each week.
- Maintained thorough case history records and wrote accurate and detailed reports.

**IMPACT Case Manager
KV Works**

**11/2005 to 11/200
Valparaiso, IN**

- Managed each case with career planning, counseling and workshop services.

- Implementing quality management skills while collaborating with clients in becoming self-sufficient.
- Communicated in details with state agency programs (TANF, Employment and Training) on behalf of clients.

Correction Counselor
10/2005

07/2001 to

Marion County Community Correction

Indianapolis, IN

- Assessed 50 inmates and their caseloads.
- Maintained records and logs of inmates counseled, materials and appointment setting.
- Wrote daily reports that included recommendations for further treatment strategies and diagnostic efforts.
- Chaired Disciplinary Hearing Board.
- Evaluated daily life skills and group sessions (stress & anger management).

Education

Indiana State University, Terre Haute, IN Sociology Bachelor of Science Degree, 1994

Amanda Hensley
135 Illinois ST Dyer, IN 46311
(708) 439-5390
anperniciaro@gmail.com

Organizing Member

Education

School Guidance and Counseling, MA

Lewis University, Romeoville, Illinois

December, 2010 –August 2013

Family and Consumer Sciences, BA

(Concentration: Family Services)

*Eastern Illinois University, Charleston, Illinois
2010*

August, 2006 - May

Work Experience

Gary Middle College, Gary, IN

July, 2014-

Present

School Counselor (Professional Educator's License)

- Assess student needs to develop and implement individual student plans according to student's personal, vocational and education goals and objectives
- Evaluate the educational needs of students and place them in the appropriate classes to complete their Core 40 diploma.
- Test coordinator for ECA, ISTEP+, NWEA, ACT and SAT
- Work in collaboration with teachers on student issues and academic success
- Maintain student records and grades in PowerSchool

East Chicago City School District, East Chicago, IN

February,

2013 – June, 2014

Program Coordinator

- Supervised and coordinated grant program services between the school and local agencies
- Monitored grant budget per grant guidelines
- Hired individuals to work within the grant; guest speakers, parent liaison and grant writer.
- Set up student data base spreadsheets to document student status: attendance, completion, withdrawal from program
- Designed a pre/post student feedback survey of program(s) noted within the grant
- Provided individual and group counseling for drug and gang prevention/intervention

North Star Services, LLC, Dyer, IN

August, 2011- June, 2014

Home-based Therapist/Caseworker

- Provided individual and family therapy, treatment plans and bio-psychosocial assessments for clients
- Arranged for treatment services according to individual needs or court orders
- Assisted clients in finding employment, housing and community resources
- Assisted in the orientation of family visitations and home-based services
- Assisted clients to better understand their role as a parent, focusing on developing skills to nurture and guide their children
- Attended court hearings and reported about status and progress of the client's case

South Suburban College, South Holland, IL

August, 2013-

December, 2014

Academic Advisor

- Served the academic, vocational and personal needs of undergraduate college students
- Administered and interpreted career assessments (Myers-Briggs Type Indicator and Strong

- Interest Inventory) to students, both individually and in a classroom setting
- Instructed students in study skills and effective tools for college success in the course, Overview for College Success
 - Experience with computer software; Datatel Colleague, Microsoft, Image Now

Attachment 2

1. School Principal Job Description

The school principal is instrumental in the school's success, providing instructional, operational, and administrative leadership necessary to ensure success. The principal wears many hats but is focused primarily on recruiting and supporting staff, academic success of students and supporting families.

The principal works with GEO, the ECMC Board of Directors, and the school leadership team in driving the school's vision and impacting student learning.

The principal implements, organizes, and administers the school's design with support and guidance provided by the non-profit management company. The school's principal will be held accountable for the continuous improvement of the school and its staff and for increased student achievement.

The principal is responsible for planning improvements that directly address the school's *Critical Points of Accountability*:

- ✓ student performance, including standardized test performance and college credits earned
- ✓ school design / instructional process
- ✓ customer satisfaction
- ✓ graduation rates
- ✓ enrollment and retention goals

Achieving outcomes in these five areas of accountability requires strong leadership. School leadership is clustered in terms of three distinct roles:

- ✓ instructional leader,
- ✓ site-based manager, and
- ✓ builder of school culture.

Accordingly, the performance standards for the principal, represented in this job description, are listed in three categories below:

The principal as instructional leader will:

- ✓ guide the school's vision for learning;
- ✓ set standards for student achievement;
- ✓ provide leadership, direction, and support to the implementation of the school's instructional and program plans;
- ✓ provide instructional leadership in advancing proven teaching and learning practices;
- ✓ provide leadership in the formulation and annual adjustment of the school's instructional and program plans;
- ✓ observe—and ensure that teachers observe—instruction regularly;
- ✓ monitor—and ensure that teachers monitor—student growth and achievement;
- ✓ support the development of a network of student support systems;
- ✓ supervise and evaluate staff to ensure quality instruction and student achievement;
- ✓ support and monitor the professional development plans of lead teachers, mentors/coaches, and curriculum coordinators to continuously improve instruction;
- ✓ ensure that continuous improvement is guided by student academic standards; school performance standards; and concrete data from school, state, and local assessments; and
- ✓ ensure that continuous improvement processes address the achievement of all students.

The principal as site-based manager will:

- ✓ work with the GEO Foundation CFO in developing and managing the school budget;
- ✓ work with GEO in supervising all operations involving the management of the school, including school funds, payroll, purchases, inventories, and office operations;

- ✓ maintain complete and accurate records of the entire school program;
- ✓ manage student recruitment and enrollment process;
- ✓ with assistance from GEO recruit, select, and hire school staff, including teachers and school-based support staff;
- ✓ continually monitor progress on all measures of school and staff performance;
- ✓ work with lead teachers and professional development specialists to address team needs;
- ✓ ensure a safe and orderly environment;
- ✓ ensure compliance with federal, state, and local regulations and policies (unless otherwise waived);
- ✓ establish and maintain close working relationship with GEO and the school's Board/trustees; and
- ✓ work with GEO to complete and present the annual school's progress report to stakeholders – staff, students, families, board and community.

The principal as builder of school culture will:

- ✓ communicate the vision that supports the school's goals and articulate the school's values and model those values;
- ✓ develop a plan for achieving the school's vision; achieve a common understanding with the school community;
- ✓ seek feedback on the progress of the school;
- ✓ serve as a spokesperson for the school in the community and elsewhere;
- ✓ create an effective team of people jointly responsible for the attainment of school goals and committed to achieving excellence;
- ✓ engage parents and community in planning and implementing programs, including community use of the school site;
- ✓ manage and facilitate group planning and problem-solving sessions;
- ✓ build on the strengths of staff; recognize improvement;
- ✓ support and monitor the development of all staff and implementation of program improvements; and
- ✓ provide leadership to the Board and the school leadership team.

Requirements

- ✓ advanced degree
- ✓ five (5) years of appropriate teaching and/or administrative experience
- ✓ certified (or eligible for certification) as a school principal

Attachment 3

Lead Teacher Job Description

The lead teacher will work with the school principal in taking initial responsibility for the organizational management of a teaching team. Lead teachers will play a significant supporting role in the professional development of their teammates. In addition, they will take responsibility for directing the development of new curriculum, in conjunction with curriculum coordinators and in alignment with the school's education model and facilitating communication between students/parents and other team members.

As a member of a teaching team, the lead teacher will be responsible for communicating knowledge to students in an interesting, stimulating, and effective manner. He or she will use a variety of instructional methodologies and curriculum resources to present material to students. The lead teacher will work as a team member, sharing common planning, professional development, curriculum design, and teaching responsibilities. Lead teachers will administer different forms of student assessments, communicate with parents and other team members about student progress, and plan for further instruction. They will work to integrate technology into their teaching and professional activities.

Lead teachers, through their extended experiences and education, have a 'tool box' that provides evidence of successful teaching techniques and classroom management skills (e.g., effective instructional strategies, articulate communication of information, positive interactions with students, and overall organization of learning environment), as evidenced through classroom observations and interaction with staff. He / she possesses leadership ability, creative and innovative instructional strategies and lesson design, is able to lead professional development with staff, and provides scaffolding resources in developing students as independent learners.

The lead teacher will:

- ✓ meet school's education model performance standards for lead teacher;
- ✓ implement school and GEO policies and procedures;
- ✓ manage the team teaching team with guidance from principal and GEO;
- ✓ develop team strategies for building a learning environment consistent with school's standards and guidelines;
- ✓ model implementation of curriculum for the team;
- ✓ ensure the implementation of school performance standards for team;
- ✓ facilitate the team's annual assessment of the school's design, including plans for continued improvement;
- ✓ establish a culture of professionalism among team members;
- ✓ observe instruction and facilitate opportunities for team members to observe each other;
- ✓ lead, coordinate, and support the implementation of peer coaching;
- ✓ lead and support the development of professional growth plans and a team professional development plan;
- ✓ monitor academic progress of all students;
- ✓ ensure ongoing communication with students/parents, staff, and community;
- ✓ integrate technology into the instructional program and be proficient in its use;
- ✓ serve on more than one building-level committee, having a leadership role in at least one committee;
- ✓ serve on the School Leadership Team;
- ✓ supervise and mentor resident teachers;
- ✓ collaborate and assist the team mentoring program; act as a resource to mentors;
- ✓ serve as a professional-development resource for team members;
- ✓ coach team members as needed;
- ✓ demonstrate effective instructional and classroom management techniques; and
- ✓ assist principal in the performance assessment process.

Requirements:

- ✓ Appropriate bachelor level degree, preferably in a subject area (i.e., mathematics, chemistry, literature, history, etc.)
- ✓ master's degree (or, within 5 years)
- ✓ appropriate teacher certification
- ✓ evidence of educational experiences after college desirable (fellowships, summer study, or graduate course work to pursue greater depth in a subject area, specific instructional methodology, curriculum development, special education, technology, etc.)
- ✓ 3–5 years of successful teaching experience with performance ratings that indicate a high level of proficiency
- ✓ positive references from all places of prior employment
- ✓ willingness to specialize in a subject area

Since the school staff is small due to the uniqueness of students all content area teachers will be included in the leadership team.

High School Teachers Job Descriptions (Grades 9 – 12)

High School Mathematics Teacher

High school mathematics teachers demonstrate the qualities expected of all teachers in the areas of curriculum development, instructional practices, formal and informal assessment, classroom management, professional administration, professional relationships, development of student/parent/family involvement, and involvement in the school community. In addition, mathematics teachers should:

Curriculum:

- ✓ demonstrate a strong understanding of the basic content of the mathematics curriculum: algebra and functions; geometry: Euclidian, transformational, and vector; trigonometry and analytic geometry; calculus: differentiation and basic integration; probability and sampling; data analysis and statistics; discrete mathematics
- ✓ exhibit knowledge of the integrated nature of the strands and processes of mathematics
- ✓ demonstrate ability to teach a mathematics class that deals primarily with open-ended questions in which students learn actively through exploration and problem solving
- ✓ plan lessons and units that maintain a balance between depth of study and breadth of coverage, and that maximize use of the spiraling nature of math curriculum

Instruction:

- ✓ exhibit knowledge of school's mathematics standards and demonstrate the ability to use standards to guide instruction
- ✓ plan student units and lessons to achieve specific academic and behavioral learning goals
- ✓ regularly assess and refine instructional goals and presentation, both during and after instruction
- ✓ use a varied instructional repertoire, including direct instruction, cooperative-learning, small- and whole-group discussion, self- and peer instruction, to ensure the most effective learning for students
- ✓ exhibit ability and interest in leading student-directed classes in which students work together, discuss mathematics, share materials, and investigate mathematical concepts
- ✓ exhibit knowledge of current trends, pedagogy, research, and topics of importance in mathematics education by applying it in the classroom and sharing it with teachers on a team-, school-, and system-wide basis
- ✓ demonstrate facility using technological tools, such as computer spreadsheets, graphing calculators, dynamic geometry software, and Web browsers as an integral part of mathematics instruction

- ✓ demonstrate ability to teach students mathematics skills in context through applications
- ✓ integrate school's study skills program into the mathematics curriculum
- ✓ participate in regular, purposeful mathematics pedagogy meetings and in mathematics/or team professional development sessions

Assessment:

- ✓ administer local, state, and school's interim assessments
- ✓ monitor student progress through regular classroom assessment
- ✓ maintain records of student progress from all assessments using Power School

Requirements

- ✓ Appropriate bachelor level degree
- ✓ Indiana certified and licensed in 9-12 mathematics
- ✓ personal initiative and desire for responsibility
- ✓ strong communication skills; ability to work collaboratively with teachers/staff
- ✓ leadership capacity

High School Literature and Language Arts Teacher

High school literature and language arts teachers demonstrate the qualities expected of all teachers in the areas of curriculum development, instructional practices, formal and informal assessment, classroom management, professional administration, professional relationships, development of student/parent/family involvement, and involvement in the school community. Because school's curricula in literature, language arts, and history have content parallels, teachers of all disciplines work together to integrate their subjects where appropriate. In addition, literature and language arts teachers should:

Curriculum:

- ✓ teach students varied strategies for acquiring information by reading, listening, and viewing
- ✓ teach students how to communicate effectively, orally and in writing, for a variety of audiences and purposes
- ✓ demonstrate the value of reflective writing by teaching students a variety of writing processes from prewriting activities through publishing
- ✓ show mastery of the standard conventions of grammar, punctuation, and form
- ✓ use a well-rounded investigation of literature, both historical and contemporary, to explore ideas, people, events, social and political institutions, and the cultural accomplishments of peoples, past and present
- ✓ show a developed but evolving theory of literary merit, communicating those elements of a literary work that reflect the author's craft and the effects of the author's choices on the reader
- ✓ develop students' formal and informal research skills
- ✓ facilitate coordination of school's history and language arts curricula, and those basic values and instructional standards integral to school's success
- ✓ plan lessons and units that show attention to a balance between depth of study and breadth of coverage, with a focus on helping students develop enduring understanding rather than temporary mastery of a broad array of facts

Instruction:

- ✓ plan student units and lessons with specific learning goals in mind

- ✓ regularly assess and refine instructional goals and presentation, both during and after instruction
- ✓ use a varied instructional repertoire, including direct instruction, cooperative-learning, small- and whole-group discussions, self- and peer instruction, to ensure the most effective learning for students
- ✓ design writing instruction and activities to match the unique needs of students, while consistently challenging students to work toward mastering school's language arts standards
- ✓ integrate literature and language arts with instruction in character and ethics, social science, and history
- ✓ provide daily opportunities for students to write, in class or as homework, using journals, partner writing activities, or formal assignments for assessment
- ✓ use prompts and rubrics to present student writing assignments and to assess student writing
- ✓ share and discuss rubrics with student writers to encourage the development of students' peer- and self-assessment skills
- ✓ use technological tools in instruction to help students hone research and communication skills.
- ✓ keep current with trends, pedagogy, and recent publications in literature and language arts education

Assessment:

- ✓ administer local, state, and school's interim assessments
- ✓ monitor student progress through regular classroom assessment
- ✓ maintain records of student progress from all assessments using Power School

Requirements

- ✓ Appropriate bachelor level degree
- ✓ Indiana certified and licensed in 9-12 ELA
- ✓ personal initiative and desire for responsibility
- ✓ strong communication skills; ability to work collaboratively with teachers/staff
- ✓ leadership capacity

High School Science Teacher

High school science teachers demonstrate the qualities expected of all teachers in the areas of curriculum, instruction, assessment, classroom management, professional responsibilities, professional relationships, student/parent/ family involvement, and school community. In addition, science teachers should:

Curriculum:

- ✓ possess a strong understanding of the scientific process, particularly hypothesis formation and testing
- ✓ possess a good understanding of biology, chemistry, physics, and earth and space sciences and how to integrate them
- ✓ demonstrate an interest in and understanding of the science program
- ✓ keep current with issues, events, problems, or topics of importance in science

Instruction:

- ✓ possess a strong background in and have practical experience with cooperative-learning and hands-on classroom investigations
- ✓ employ the 5E's constructivist method (engage, explore, explain, elaborate, evaluate) as the curriculum's pedagogical foundation

- ✓ model science thinking for students, especially the skills of scientific inquiry, curiosity, openness to new ideas and data, and skepticism that characterize science
- ✓ pursue the integration of the mathematics and science curricula on a team-wide and schoolwide basis
- ✓ participate in regular, purposeful science pedagogy meetings
- ✓ use technology effectively, including but not limited to computers, in science instruction
- ✓ understand school's study skills program and teach it as an integral part of the science curriculum
- ✓ participate in schoolwide activities such as a science fair, science museum, nature center, etc.
- ✓ demonstrate integration of writing in the science curriculum
- ✓ help identify and arrange for the use of resources outside the school
- ✓ be cognizant of the ethics of science and address this in instruction
- ✓ support school's standards and objectives through effective instruction

Assessment:

- ✓ administer local, state, and school's interim assessments
- ✓ monitor student progress through regular classroom assessment
- ✓ maintain records of student progress from all assessments using Power School

Requirements

- ✓ Appropriate bachelor level degree
- ✓ Indiana certified and licensed in 9-12 Science
- ✓ personal initiative and desire for responsibility
- ✓ strong communication skills; ability to work collaboratively with teachers/staff
- ✓ leadership capacity

High School History-Social Science Teacher

High school history-social science teachers demonstrate the qualities expected of all teachers in the areas of curriculum development, instructional practices, formal and informal assessment, classroom management, professional administration, professional relationships, development of student/parent/family involvement, and involvement in the school community. The school's history-social science teachers ensure that strands of instruction in history-social science are appropriately integrated. They also promote appropriate integration of the school's literature and language arts curriculum through cooperative planning with other team members. In addition, history teachers should:

Curriculum:

- ✓ teach the basic processes and vocabulary of the four central social science disciplines featured in school's history curriculum: history, geography, civics, and economics
- ✓ teach the basic processes and vocabulary of the four central disciplines featured in school's citizenship curriculum: ethics and moral philosophy, logic and public discourse, America's founding documents and principles, and leadership
- ✓ teach courses in United States and world history, government, economics, plus any locally determined required or elective courses.
- ✓ use a well-rounded investigation of literature and the arts, both historical and contemporary, to explore ideas, people, events, social and political institutions, and the cultural accomplishments of peoples, past and present
- ✓ promote the connection between current events and the historical past and use the study of current events to develop and apply students' critical-reading skills
- ✓ promote serious study of the meaning of citizenship, its underlying values, and the rights and responsibilities of modern-day citizens

- ✓ promote the schoolwide focus on school's core values: wisdom, justice, courage, compassion, hope, respect, responsibility, and integrity
- ✓ support the schoolwide use of the writing process to promote effective student writing; the use of writing rubrics for writing on demand assignments; and a consistent standard for conventions of grammar, punctuation, spelling, and usage
- ✓ teach students research skills, study skills, and cooperative-learning skills
- ✓ recognize that, in presenting course content, the school's focus is on depth of study, not breadth of coverage; on enduring understanding rather than temporary mastery of a broad array of facts

Instruction:

- ✓ design instruction and activities to match the unique needs of students, while consistently challenging them to work toward mastering school's history standards
- ✓ plan units and lessons with specific learning goals in mind
- ✓ regularly assess and refine instructional goals and presentation, before, during, and after instruction
- ✓ use a varied instructional repertoire, including direct instruction, cooperative-learning, small- and whole-group discussions, and self- and peer instruction, to ensure the most effective union between teaching and learning for students
- ✓ coordinate history-social studies, where appropriate, with literature and language arts instruction on a team-, school-, and system-wide basis, as well with other appropriate academic disciplines—the arts, science, etc.
- ✓ use technological tools in instruction to help students hone research and communication skills
- ✓ keep current with trends, pedagogy, and recent publications in history-social studies education

Assessment:

- ✓ administer local, state, and school's interim assessments
- ✓ monitor student progress through regular classroom assessment
- ✓ maintain records of student progress from all assessments using Power School

Requirements

- ✓ Appropriate bachelor level degree
- ✓ Indiana certified and licensed in 9-12 History/Social Science
- ✓ personal initiative and desire for responsibility
- ✓ strong communication skills; ability to work collaboratively with teachers/staff
- ✓ leadership capacity

Office Administration Leadership Team School Office Manager

The School Office Manager (SOM) is a key member of the school's leadership team. He or she is an individual with varied business experience who pays keen attention to detail. The SOM is an exempt employee who oversees, indirectly, the school secretary and nurse.

Financial Responsibilities:

He/she must have comprehensive financial knowledge and skills. Manages banking, petty cash, purchasing, payables, fixed asset, and payroll functions for school site(s). Follows all payable procedures as established by the school's headquarters and GEO finance department. Accountable for gathering, interpreting, and disseminating short-term and long-term budget information to the principal and GEO. Maintains frequent and timely communication with Director and Accountant regarding all aspects of accounts payable and receivable. Must

participate in discussion of management estimates. The SOM will submit regular reports to all accountability agents as required. Ability to write reports (word processing and spreadsheets using Quickbooks and MS Excel) and business correspondence.

Business Administrative Responsibilities

He/she establishes the business operations of the start-up office. This includes procurement, receiving/distribution, and payment procedures, vendor relationships, district/charter relationships, and reporting structures. Acts as liaison between teaching and administrative staff and appropriate human resources and payroll entities. Reports any worker compensation, property, or liability claims to appropriate insuring party. The SOM is responsible for booking travel for teachers. In addition, he or she is responsible for overseeing inventory of all curriculum materials (by classroom) and furniture in conjunction with curriculum coordinators.

Leadership Responsibilities

Meets regularly with site leadership team, teaching, and administrative staff to determine the supplies and services needed in relation to budget and financial capabilities of the school and reports those requests to GEO. Shares leadership skills and knowledge with other BSMs and may participate in national training sessions. Interacts with internal contacts such as school staff and director to develop local policies and procedures, discuss ideas for new programs, and serve as a point of reference on inquires and problems associated with the operations of the school. Interacts with external contacts such as GEO and other outsourced vendors, federal, state, local government and private funding organizations, consultants, and community leaders.

Facilities Responsibilities

Establishes and maintains personnel and/or services for all facility-related matters including maintenance, rubbish collection, security services, fire-alarm maintenance, emergency generator maintenance, elevator maintenance, pest control, and office machine rentals in conjunction with director. Ensures procedures are in place for preventative maintenance program, asbestos management plan, OSHA compliance plan, building evacuation plan, and federally mandated programs. Coordinate communication of policy and procedures of maintenance standards and risk management with director and staff.

Administrative Assistant / School Secretary

The school secretary will play a key support role within the school's operations. He or she will serve as the focal point for communication by mail, telephone and in person. The school secretary will manage the flow of information within the school and will be responsible for maintaining all schools records. To be effective, the school secretary must be organized and efficient, familiar with all necessary office equipment, including computers and computer programs for word processing, databases, and spreadsheets. Equally important is the role of the school secretary as representative of the school's. He or she must be flexible, personable, able to communicate the school's mission and vision, and possessed of the same core values that are part of the school's.

The School Secretary will:

- ✓ act as a school's representative
- ✓ create and maintain a welcoming and efficient front office that emphasizes organization, professionalism, courtesy, flexibility, and teamwork
- ✓ greet and announce all school visitors appropriately
- ✓ use proper telephone etiquette and direct calls appropriately to school staff
- ✓ provide needed assistance and communicate effectively with director and all school staff
- ✓ be attentive, patient and fair with students
- ✓ treat parents as valued and respected customers
- ✓ be knowledgeable about school as well as the school community; be familiar with key school personnel, school board members and/or district personnel
- ✓ maintain all school records, including school schedule, student waitlist, enrollment process, attendance records, and school calendar
- ✓ be responsible for recording, tracking and following up on student tardiness, excused absences and unexcused absences and providing this information to the SSM, as required
- ✓ provide and/or manage standard school operations, including, but not limited to:
- ✓ student entrance/exit procedures
- ✓ safety and emergency procedures/guidelines

- ✓ distribution of student medication, in absence of nurse and understand the local legislation concerning such distribution
- ✓ correspondence and schedule for director
- ✓ business related processes as assigned by director and/or business services manager (purchasing/expenses, invoices, shipping and receiving, etc.)
- ✓ school newsletter
- ✓ coordination of volunteer hours/participation
- ✓ responsibility for all voicemail administration including setting up new mailboxes and changing school voicemail greeting for vacations, snow days, etc.
- ✓ Maintain school directory and updates to phone tree

Requirements

- ✓ high school or equivalency diploma or higher
- ✓ familiarity with office equipment such as computers, typewriters, fax machines, calculators, and photocopiers, as well as word processing and spreadsheet programs
- ✓ at least three years of experience in office management or in a secretarial position

2. Guidance Counselor

The guidance counselor leads a schoolwide approach to identifying, securing and coordinating resources that ensure success for every student. The guidance counselor ensures direct support for students, the inclusion of students/parents through partnership, and the integration of services to students.

Specifically, the Guidance Counselor will:

Attendance

- ✓ work in collaboration with the office staff and teachers to maintain records of attendance trends
- ✓ oversee schoolwide attendance incentive programs
- ✓ work directly with individual teachers, and students/families to ensure attendance of every student
- ✓ apply his or her clinical experience directly to students, provide leadership to the Leadership Team, and guide the development and implementation of initial and ongoing referral, coordination, and follow-up of a variety of services for students needing additional support
- ✓ provide direct services to students and teachers based on the referral process and on guidance counselor's own background and experience
- ✓ maintain student records, such as referral date and documentation of student support services and interventions
- ✓ work in collaboration with the special education teacher and school's colleagues to coordinate support services for students and communication with students/parents regarding needs
- ✓ provide appropriate follow-up to ensure that students' needs are being met and act as a point of contact for outside organizations working with students and their families

Parent and Volunteer Involvement

- ✓ design and oversee opportunities for involving students/parents/guardians, and volunteers in the life of the school; establish a forum for publicizing ways that parents/volunteers can be involved in the school; ensure that all students/parents are informed of relevant issues; evaluate effectiveness of parental involvement and volunteer programs; and strive for continuous improvement of student/parent relations
- ✓ design student/parent involvement programs such as student/parent orientation and training, family fun and parent/student activities to support school goals
- ✓ work collaboratively with teachers to create workshops and activities that support classroom instruction

Community Connections

- ✓ serve as a liaison between the school and local community
- ✓ coordinate and oversee the interactions of community organizations with school's staff, students, and families to ensure that no student falls through the cracks
- ✓ determine the needs and interests of the school's community and present options to the school advisory council that best reflect the desires of the school community
- ✓ develop connections with community businesses and organizations such as the Junior League, neighborhood associations, local universities, the city council, and the community service departments of local law firms, hospitals, chambers of commerce, and corporations
- ✓ form a consortium of service providers to deliver a wide variety of services to the school's community based on determined school and student needs
- ✓ seek opportunities for student service in the community and work closely with the faculty to design and coordinate a schoolwide student service program

Requirements

- ✓ Appropriate bachelor level degree
- ✓ Indiana certified and licensed
- ✓ clinical experience with at-risk students in capacity of social worker, psychologist, counselor, or similar role
- ✓ personal initiative and desire for responsibility
- ✓ strong communication skills; ability to work collaboratively with teachers/staff
- ✓ leadership capacity
- ✓ familiarity with the local community

Highly Desirable

- ✓ Master's degree in clinical or school psychology or school adjustment counseling
- ✓ experience in developing and managing community-based initiatives or school-business partnerships
- ✓ teaching experience

Attachment 4
501(c)(3) Letter Of Determination Application

Transaction Date: 03 Mar 2016

Tracking Number:

1ZAA54920193933601

1 Address Information		
Ship To: Internal Revenue Service Attn: Extracting Stop 312 201 West Rivercenter Blvd COVINGTON KY 410111424	Ship From: GEO Foundation Brenda Turk 1630 N. Meridian St Suite 350 INDIANAPOLIS IN 46202 Telephone:317-536-1027 x4200	Return Address: GEO Foundation Brenda Turk 1630 N. Meridian St Suite 350 INDIANAPOLIS IN 46202 Telephone:317-536-1027 x4200

2 Package Information			
Weight	Dimensions / Packaging	Declared Value	Reference Numbers
1. Letter (Letter billable)	UPS Letter		Reference#1 - DTeasley Reference#2 - East Chicago Focus Academy

3 UPS Shipping Service and Shipping Options	
Service: Delivery Date: Shipping Fees Subtotal: Transportation Fuel Surcharge	UPS Next Day Air 10:30 AM Friday, Mar 4, 2016 22.42 USD 21.77 USD 0.65 USD
Additional Shipping Options	
Quantum View Notify E-mail Notifications: 1 brenda.turk@geofoundation.org: Ship, Exception, Delivery 2 dana.johnson@geofoundation.org: Ship, Exception, Delivery	No Charge

4 Payment Information	
Bill Shipping Charges to:	Shipper's Account AA5492
Charges:	22.42 USD
Daily rates were applied to this shipment	
Total Charged:	22.42 USD

Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code

(00)

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

▶ (Use with the June 2006 revision of the Instructions for Form 1023 and the current Notice 1382)

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
East Chicago Focus Academy, Inc.		GEO Foundation	
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
1630 N. Meridian Street	350	81-1151532	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
Indianapolis, IN 46202		06	
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: 317-213-8634	
a Name: Dana Johnson Teasley		c Fax: (optional)	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9a Organization's website:			
b Organization's email: (optional)			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)		02 / 29 / 2016	
12 Were you formed under the laws of a foreign country? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

ARTICLES OF INCORPORATION
OF
EAST CHICAGO FOCUS ACADEMY, INC.

East Chicago FOCUS Academy, Inc. (the "Corporation") organized pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991, as amended (the "Act"), hereby amends its Articles of Incorporation as follows:

ARTICLE I: Name

The name of the Corporation is East Chicago FOCUS Academy, Inc.

ARTICLE II: Classification of Corporation

The Corporation is a public benefit corporation.

ARTICLE III: Purposes and Powers

Section 3 .1. Purposes. The Corporation is formed to organize and operate a charter school in the state of Indiana in accordance with the provisions of the Indiana Charter Schools Act, Ind. Code 20-5.5, et. seq., as amended. In furtherance of the aforesaid purposes, to transact any and all lawful business for which corporations may be incorporated under the Act, provided such business is not inconsistent with the Corporation being organized and operated exclusively for charitable educational purposes.

Section 3.2. Nonprofit Purposes.

(a) The Corporation is organized and operated exclusively for charitable and educational purposes and its activities shall be conducted in such a manner that no part of its net earnings shall inure to the benefit of any member, director, officer or other private person, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 3 .1.

(b) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

(c) Notwithstanding any other provisions of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on:

(i) By a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws, or

(ii) By a corporation, contributions to which are deductible under Section 170(c)(2), Section 2055(a)(2), or Section 2522(a)(2) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.

Section 3.3. Powers. Subject to any limitation or restriction imposed by the Act, any other law, or any other provisions of these Articles of Incorporation, the Corporation shall have the power:

(a) to do everything necessary, advisable or convenient for the accomplishment of any of the purposes hereinbefore set forth, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation, and to do all of the things incidental thereto or connected therewith which are not forbidden by law.

(b) In any event, the foregoing power or powers shall not be exercised or exercisable in a manner inconsistent with the Corporation's status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws; and

(c) To have, exercise and enjoy in furtherance of the purposes hereinbefore set forth all the general rights, privileges and powers granted to corporations by the Act, as now existing or hereafter amended, and by the common law.

Section 3.4. Limitations on Powers. If the Corporation is or becomes a private foundation (as defined in Section 509(a) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws), the Corporation shall be subject to the following requirements:

(a) The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the taxes on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.

(b) The Corporation shall not engage in any act of self-dealing that would subject any person to the taxes imposed on acts of self-dealing by Section 4941 of the Internal

Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.

(c) The Corporation shall not retain any excess business holdings which would subject it to the taxes on excess business holdings imposed by Section 4943 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.

(d) The Corporation shall not make any investments in such a manner as to subject it to the taxes on investments that jeopardize charitable purposes imposed by Section 4944 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.

(e) The Corporation shall not make any expenditures which would subject it to the taxes on taxable expenditures imposed by Section 4945 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.

ARTICLE IV: Distribution of Assets on Revocation/Dissolution

If the Sponsor revokes the charter before the end of the term for which it is granted, or does not renew the charter, or the charter is otherwise terminated before the end of the terms for which it is granted, the provisions of Indiana Code 20-24-7-9 concerning distribution of local or state funds that remain to be distributed to the charter school shall apply.

In the event of the complete liquidation or dissolution of the Corporation, or the winding up of its affairs, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, distribute all the assets of the Corporation exclusively for the purposes of the Corporation as follows:

First, the remaining assets of the charter school shall be distributed first to satisfy outstanding payroll obligations for employees of the charter school, then to creditors of the charter school, then to any outstanding debt to the common school fund;

Second, all remaining funds received by the Corporation from the Indiana Department of Education ("Department") shall be returned to the Department not more than thirty (30) days after dissolution;

ARTICLE V: Term of Existence

The Corporation shall have perpetual existence.

ARTICLE VI: Registered Office and Registered Agent

Section 6.1 : Registered Office and Registered Agent: The registered office and agent are as follows:

Dana J. Teasley
1630 N Meridian St., Suite 350
Indianapolis, IN 46202

Section 6.2: Principal Office: The post office address of the principal office of the Corporation is as follows:

1630 N Meridian St., Suite 350
Indianapolis, IN 46202

ARTICLE VII: No Members

The Corporation shall have no members.

ARTICLE VIII: Board of Directors

Section 8.1 Number and Term of Office. The number of directors shall be as specified in or fixed in accordance with the Bylaws of the Corporation. The term of office of a director shall be as specified in the Bylaws; provided, however, that the term of an elected director shall not exceed five (5) years. Directors may be elected for successive terms. Terms of office of directors may be staggered as specified in the Bylaws.

Section 8.2: Qualifications. Each director shall have such qualifications as may be specified from time to time in the Bylaws of the Corporation or as required by law.

ARTICLE IX: Name and Address of Incorporator

The name and address of the incorporator of the Corporation are as follows:

Dana Teasley
1630 N Meridian St., Suite 350
Indianapolis, IN 46202

IN WITNESS WHEREOF, the undersigned incorporator executes these Articles of Incorporation and verifies subject to penalties of perjury that the facts contained herein are true.

Dated this _____ Day of _____.

(Written signature)

Dana J. Teasley
(Printed signature)

**BYLAWS
OF
East Chicago FOCUS Academy, INC.**

ARTICLE I: General

Section I: Name

The name of the corporation is the East Chicago FOCUS Academy, Inc. (the "Corporation").

Section 2: Initial Registered Office and Initial Registered Agent

The post office address of the Corporation's initial registered office is 1630 N. Meridian St., Suite 350. The initial registered agent in charge of the initial registered office is Dana J. Teasley.

Section 3: Fiscal Year

The Fiscal Year of the Corporation shall begin on the first day of July, and shall end on the last day of June in the following year.

ARTICLE II: Board of Directors

Section 1: Directors

The affairs of the Corporation shall be managed, controlled, and conducted by, and under the supervision of, the Board of Directors, subject to the provisions of the Articles of Incorporation (the "Articles") and these Bylaws. The Board of Directors shall have no less than five members, and no more than eleven.

Members of the Board of Directors will serve a three-year term. Terms of the founding members may be staggered as deemed necessary. At the first meeting of each fiscal year, the Board of Directors shall elect all officer positions for the year.

Section 2: Quorum and Approval of Actions

A majority of the Directors must be in attendance at the beginning of a meeting to constitute a quorum for the transaction of any business properly to come before the Board of Directors. The approval of a majority of the Directors present at a meeting in which a quorum is present shall be considered the act of the Board of Directors.

Section 3: Regular Meetings

The Board of Directors shall hold a minimum of nine (9) regular meetings, as fixed by these Bylaws or by resolution of the Board of Directors, for the purpose of transaction such business as properly may come before the Board.

Section 4: Compliance with Indiana Open Door Law

Notwithstanding any other provision of these Bylaws, the Corporation shall comply in all respects with the Indiana Open Door Law, (currently codified at IC 5-14-1.5-1), and any corresponding provision of subsequent Indiana law, in connection with all regular or special meetings of the Board.

Section 5: Resignation, Removal, and Vacancies:

Any director may resign at any time by giving written notice of such resignation to the Board of Directors. Such resignation shall take effect at the time specified, or, if no time is specified, at the time of receipt by the Board. The acceptance of a resignation shall not be necessary to make it effective.

A director may be removed for cause by a majority of the directors then in office. Cause shall include, but not be limited to:

(a) Violations of applicable law, including (but not limited to);

1. Violations of Indiana Charter School Law; and

2. Actions that would jeopardize the tax-exempt status of the Corporation or would subject it to intermediate sanctions under the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws (the "Code").

(iii) Breach of Fiduciary Duty, including, but not limited to, a violation of the applicable standard of care under the Articles, these Bylaws, or applicable law.

(iv) Breach of any governing document relating to the Corporation, including, but not limited to, the Articles, these Bylaws, and the Charter Agreement.

(v) Inadequate attendance at meetings of the Board of Directors, as defined as absence from three consecutive meetings, or from at least 25% of such meetings within one calendar year.

Any vacancy on the Board of Directors created by the resignation or removal of a director shall be filled by a majority of the directors then in office.

Section 6: Educational Management Organizations

Should the Board of Directors elect to engage an educational management

corporation ("EMO") to manage the operations of the charter school for which the Corporation is responsible, (the "School"), no member of the Corporation's Board of Directors may have any pecuniary interest in such EMO.

ARTICLE III: Officers

Section 1: In General

The Officers of the Corporation shall consist of a Chair, a Vice-Chair, a Secretary, and a Treasurer. An officer may not simultaneously hold more than one office, with the exception of the Secretary/Treasurer offices. Each officer shall be elected by the Board of Directors and shall serve for one year, or until the officers successor is duly elected.

An officer shall be a member of the Board of Directors. Any officer may be removed by the Board of Directors at any time for cause as that term is defined herein in Article II, Section 9. Any vacancy in any office shall be filled by the Board of Directors, and any person elected to fill such vacancy shall serve until the expiration of the term vacated and until his or her successor is elected.

Section 2: Chair

The Chair shall preside at all meetings of the Board of Directors of the Corporation and shall be responsible for implementing the policies established by the Board of Directors, as well as other duties as prescribed by the Board.

Section 3: Vice Chair

The Vice Chair shall serve in place of the Chair during times in which the Chair is otherwise unavailable.

Section 4: Secretary

The Secretary shall serve as the custodian, or shall delegate such duties as deemed necessary and expedient, of all papers, books, and records of the Corporation, other than books of account and financial records. The Secretary shall prepare, or shall cause to be prepared, and enter in the minute book the minutes of all meetings of the Board. The Secretary shall authenticate records of the Corporation as necessary, and shall perform other duties usual to such position as the Board of Directors or Chair may prescribe.

Section 5: Treasurer

The Treasurer shall prepare and maintain, or shall cause to be prepared and

maintained, correct and complete records of account showing accurately the financial condition of the Corporation. All notes, securities, and other assets coming into the possession of the Corporation shall be received, accounted for, and placed in safekeeping according to proper audit and accounting principles. The Treasurer shall furnish, or shall cause to be furnished, a statement of the financial condition of the Corporation when requested by the Board of Directors or the Chair, and shall perform other duties usual to such position as the Board of Directors or Chair may prescribe.

Section 6: School Treasurer

The Board of Directors shall also elect a School Treasurer who shall manage the day-to-day fiscal affairs of the school and who shall report to the elected Board Treasurer and full Board on a regular basis. The School Treasurer shall have fiscal and signing authority on all school accounts, and shall be authorized to open accounts, prepare and sign checks, enter into contracts, and conduct business on the school's behalf, subject to the Board's oversight. The School Treasurer position shall not be an officer or member of the Board and shall not hold any voting privileges.

ARTICLE IV: Conflicts

Section 1: General Policy

It is the policy of the Corporation and its Board of Directors that the Corporation's directors, officers, and employees carry out their respective duties in a fashion that avoids actual, potential, or perceived conflicts of interest. The Corporation's directors, officers, and employees shall have the continuing, affirmative duty to report any personal ownership, interest, or other relationship that might affect their ability to exercise impartial, ethical, and business-based judgments in fulfilling their responsibilities to the Corporation. This policy shall be further subject to the following principles:

- (a) Directors, officers and employees of the Corporation shall conduct their duties with respect to potential and actual grantees, contractors, suppliers, agencies, and other persons transaction or seeking to transact business with the Corporation in a completely impartial manner, without favor or preference based upon any consideration other than the best interests of the Corporation.
- (b) Directors, officers, and employees of the Corporation shall not seek or accept

for themselves of any of their relatives, including spouses, ancestors, and descendants, from any person or business entity that transacts or seeks to transact business with the Corporation, any gifts, entertainment, or other favors relating to their positions with the Corporation that exceed common courtesies consistent with ethical and accepted business practices.

- (c) If a director, or director's relative, directly or indirectly owns a significant financial interest in, or is employed by, any business entity that transacts or seeks to transact business with the Corporation, the director shall disclose that interest or position and shall refrain from voting on any issue pertaining to the transaction.
- (d) Officers and employees of the Corporation shall not conduct business on behalf of the Corporation with a relative or business entity in which the officer, employee, or his or her relative owns a significant financial interest or by which such officer, employee, or relative is employed, except by where such dealings have been disclosed to, and specifically approved and authorized by, the Board of Directors of the Corporation.
- (e) The Board of Directors may require the Corporation's directors, officers, or employees to complete annually (or as otherwise scheduled by the Board) a disclosure statement regarding any actual or potential conflict of interest described in these Bylaws. The disclosure statement shall be in such form as prescribed by the Board, and may include information regarding a person's participation as a director, trustee, officer, or employee of any other nonprofit organization. The Board shall be responsible for oversight of all disclosures or failures to disclose, and for taking appropriate action in the case of any actual or potential conflict of interest transaction.

Section 2: Effect of Conflict Provisions

The failure of the Corporation, its Board of Directors, or any or all of its directors, officers, or employees to comply with the conflict of interest provisions of these Bylaws shall not invalidate, cancel, void, or make voidable any contract, relationship, action, transaction, debt, commitment, or obligation of the Corporation that is otherwise valid and enforceable under applicable law.

ARTICLE V: Indemnification

Section 1: Indemnification by Corporation

To the extent not inconsistent with applicable law, every person (and the heirs and personal representatives of such person) who is or was a director, officer, employee, or agent of the Corporation shall be indemnified by the Corporation

against all liability and reasonable expense that may be incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding (a) if such person is wholly successful with respect thereto or (b) if not wholly successful, then if such person is determined (as provided in Section 3 of this Article V) to have acted in good faith, in what her or she reasonably believed to be the best interests of the Corporation, and with respect to any criminal action or proceeding, is determined to have had reasonable cause to believe that his or her conduct was lawful. The termination of any claim, action, suit, or proceeding by judgment, settlement, (whether with or without court approval), or conviction, or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that a person did not meet the standards of conduct set forth in this Article V.

Section 2: Definitions

- (a) As used in this Article V, the phrase "claim, action, suit, or proceeding" shall include any threatened, pending, or completed claim; civil, criminal, administrative, or investigative action, suit, or proceeding and all appeals thereof (whether brought by or on behalf of the Corporation, any other corporation, or otherwise), whether formal or informal, in which a person (or his or her heirs or personal representatives) may become involved, as a party or otherwise:
- (i) By reason of his or her being or having been a director, officer, employee, or agent of the Corporation or of any corporation where he or she served as such at the request of the Corporation, or
 - (ii) By reason of his or her acting or having acted in any capacity in a corporation, partnership, joint venture, association, trust, or other organization or entity where he or she served as such at the request of the Corporation, or
 - (iii) By reason of any action taken or not taken by him or her in any such capacity, whether or not her or she continues in such capacity at the time such liability or expense shall have been incurred.
- (b) As used in this Article V, the terms "liability" and "expense" shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by or on behalf of, a person.
- (c) As used in this Article V, the term "wholly successful" shall mean (i) termination of any action, suit, or proceeding against the person in question without any finding of liability or guilt against him or her, (ii) approval by a court, with knowledge of the indemnity provided in

this Article V, of a settlement of any action, suit, or proceeding, or (iii) the expiration of a reasonable period of time after the making of any claim or threat of any action, suit, or proceeding without the institution of the same without any payment or promise made to induce a settlement.

Section 3: Entitlement to Indemnification

Every person claiming indemnification under this Article V (other than one who has been wholly successful with respect to any claim, action, suit, or proceeding) shall be entitled to indemnification if (a) special independent legal counsel, which may be regular counsel of the Corporation or any other disinterested person or persons, in either case selected by the Board of Directors, whether or not a disinterested quorum exists (such counsel or person or persons being hereinafter called the "referee"), shall deliver to the Corporation a written finding that such person has met the standards of conduct set forth in Section I of this Article V and (b) the Board of Directors, appear before the referee and answer questions that the referee deems relevant and shall be giving ample opportunity to present to the referee evidence upon which her or she relies for indemnification. The Corporation shall, at the request of the referee, make available facts, opinions, or other evidence in any way relevant to the referee's findings that are within the possession or control of the Corporation.

Section 4: Relationship to Other Rights

The right of indemnification provided in this Article V shall be in addition to any rights to which any person may otherwise be entitled.

Section 5: Extent of Indemnification

Irrespective of the provisions of this Article V, the Board of Directors may, at any time, and from time to time, approve indemnification of directors, officers, employees, agents, or other persons to the fullest extent permitted by applicable law, or, if not permitted, then to any extent not prohibited by such law, whether on account of past or future transactions.

Section 6: Purchase of Insurance

The Board of Directors is authorized and empowered to purchase insurance covering the Corporation's liabilities and obligations under this Article V and insurance protecting the Corporation's directors, officers, employees, agents or other persons.

ARTICLE VI: Contracts, Checks, Loans, Deposits and Gifts

Section 1: Contracts

The Board of Directors may authorize one or more officers, agents, or employees of the Corporation to enter into any contract or execute any instrument on its behalf. Such authorization may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power to bind the Corporation or to render it liable for any purpose or amount.

Section 2: Checks

All checks, drafts, or other orders for payment of money by the Corporation shall be signed by such person or persons as the Board of Directors may from time to time designate by resolution. Such designation may be general or confined to specific instances.

Section 3: Loans

Unless authorized by the Board of Directors, no loan shall be made by or contracted for on behalf of the Corporation and no evidence of indebtedness shall be issued in its name. Such authorization may be general or confined to specific instances.

Section 4: Deposits

All funds of the Corporation shall be designated to its credit in such bank, banks, or depositories as the Board of Directors may designate. Such designation may be general or

confined to specific instances.

Section 5: Gifts

The Board of Directors may accept on behalf of the Corporation any gift, grant, bequest, devise or other contribution for the purposes of the Corporation on such terms and conditions as the Board of Directors shall determine.

ARTICLE VII: Amendments

These Bylaws may be amended, altered, or repealed by a vote of two-thirds majority of the members of the Board of Directors currently serving in a duly called meeting.

These Bylaws are hereby adopted by proper motion by the Board of Directors at their meeting on _____, 2016.

Attest,

Chair

Secretary

Attachment 5

INDIANA CHARTER SCHOOL BOARD: CHARTER SCHOOL APPLICANT
Statement of Assurances

The charter school agrees to comply with all of the following provisions: *(Read and check)*

- 1. A resolution or motion has been adopted by the charter school applicant's governing body that authorizes the submission of this application, including all understanding and assurances contained herein, directing and authorizing the applicant's designated representative to act in connection with the application and to provide such additional information as required.
- 2. Recipients operate (or will operate if not yet open) a charter school in compliance with all federal and state laws, including Indiana Charter Schools Law as described in all relevant sections of IC § 20-24.
- 3. Recipients will, for the life of the charter, participate in all data reporting and evaluation activities as required by the Indiana Charter School Board (ICSB) and the Indiana Department of Education. See in particular IC § 20-20-8-3 and relevant sections of IC § 20-24.
- 4. Recipients will comply with all relevant federal laws including, but not limited to, the *Age Discrimination in Employment Act* of 1975, Title VI of the *Civil Rights Act* of 1964, Title IX of the *Education Amendments* of 1972, section 504 of the *Rehabilitation Act* of 1973, Part B of the *Individuals with Disabilities Education Act*, and section 427 of the *General Education Provision Act*.
- 5. Recipients will comply with all provisions of the Non regulatory Guidance—Public Charter Schools Program of the U.S. Department of Education, which includes the use of a lottery for enrollment if the charter school is oversubscribed, as well as with applicable Indiana law. See also relevant sections of IC § 20-24.
- 6. Recipients shall ensure that a student's records, and, if applicable, a student's individualized education program as defined at 20 U.S.C. § 1401(14) of the *Individuals with Disabilities Education Act*, will follow the student, in accordance with applicable federal and state law.
- 7. Recipients will comply with all provisions of the *No Child Left Behind Act*, including but not limited to, provisions on school prayer, the *Boy Scouts of America Equal Access Act*, the *Armed Forces Recruiter Access to Students and Student Recruiting Information*, the *Unsafe School Choice Option*, the *Family Educational Rights and Privacy Act (FERPA)* and assessments.
- 8. Recipients will operate with the organizer serving in the capacity of fiscal agent for the charter school and in compliance with generally accepted accounting principles.
- 9. Recipients will at all times maintain all necessary and appropriate insurance coverage.
- 10. Recipients will indemnify and hold harmless the ICSB, the Indiana Department of Education, the State of Indiana, all school corporations providing funds to the charter school (if applicable), and their officers, directors, agents and employees, and any successors and assigns from any and all liability, cause of action, or other injury or damage in any way relating to the charter school or its operation.

11. Recipients understand that the ICSB may revoke the charter if the ICSB deems that the recipient is not fulfilling the academic goals and/or fiscal management responsibilities outlined in the charter.

Signature from Authorized Representative of the Charter School Applicant

I, the undersigned, am an authorized representative of the charter school applicant and do hereby certify that the information submitted in this application is accurate and true to the best of my knowledge and belief. In addition, I do hereby certify to the assurances contained above.

PRINT NAME & TITLE

ALYCE J BUTLER
BOARD CHAIR

DATE

SIGN NAME

Alyce J Butler

3/4/2016

Attachment 6

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:

East Chicago Focus Academy

2. Your full name:

Keisha White

3. Brief educational and employment history. (No narrative response is required if resume is attached.)

Resume is attached.

4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

Currently serve on the TBIA Charter School Board.
Higher Education experience.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?

Yes Don't Know/ Unsure

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.

I/we do not know any such trustees. Yes

2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

I/we do not know any such persons. Yes

3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.
 I / we do not anticipate conducting any such business. Yes

4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.
 Not applicable because the school does not intend to contract with an education service provider or school management organization.
 I / we do not know any such persons. Yes

5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.
 N/A. I / we have no such interest. Yes

6. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.
 N/A. I / we or my family do not anticipate conducting any such business. Yes

7. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.
 Does not apply to me, my spouse or family. Yes

8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. None. Yes

Certification

I, _____, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for _____ Charter School is true and correct in every respect.

 Signature

2/26/16
 Date

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:

East Chicago Focus Academy

2. Your full name: **Joseph W. Joniec**
3. Brief educational and employment history. **(Resume attached.)**
4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.
- **East Chicago Advisory Board Member & Chairman 4 years.**
 - **Every Child Ministries Board Member, Treasurer, & Vice-Chairman 15 years.**
5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?

Yes.

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.
I / we do not know any such trustees.
2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school. I / we do not know any such persons.
I / we do not know any such persons.
3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.
I / we do not anticipate conducting any such business.

4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.
I / we do not know any such persons.

 5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.
I / we do not know have any such interest.

 5. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.
I / we do not anticipate conducting any such business.

 6. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.
Does not apply to me, my spouse or family.

 8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board.
There no ethical or legal conflicts of interests.
-

Certification

I, Joseph Joniec, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for _____ Charter School is true and correct in every respect.

Signature



Date

2/26/16

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:
East Chicago Focus Academy
2. Your full name:
Arlene D. Colvin
3. Brief educational and employment history. (No narrative response is required if resume is attached.)
 Resume is attached.
4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

I have served on local government boards and commissions during the entirety of my work history. Additionally, I have had ongoing experience in the economic development arena of city government in connection with the various positions that I have held.
5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?
 Yes Don't Know/ Unsure

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.
 I / we do not know any such trustees. Yes

Some of the other prospective board members serve on the 21st Century School Board and Gary Middle College School Boards of which I am a member.

2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.
 I / we do not know any such persons. Yes

3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.
 I / we do not anticipate conducting any such business. Yes
4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.
 Not applicable because the school does not intend to contract with an education service provider or school management organization.
 I / we do not know any such persons. Yes

The Educational Management Organization intended to be utilized is the same as utilized by the 21st Century Charter School and the Gary Middle College.

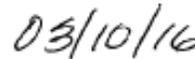
5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.
 N/A. I / we have no such interest. Yes
6. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.
 N/A. I / we or my family do not anticipate conducting any such business. Yes
7. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.
 Does not apply to me, my spouse or family. Yes
8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. None. Yes

Certification

I, Arlene D. Colvin, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for the East Chicago Focus Academy Charter School is true and correct in every respect.



Signature



Date

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve: East Chicago Focus Academy

2. Your full name: Alyce J. Butler

3. Brief educational and employment history. (No narrative response is required if resume is attached.)
Resume is attached.

4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member. A Board Member of 21st century of Gary for 10 plus years, a charter member

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?

Yes Don't Know/ Unsure _____

Disclosures

Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.

I / we do not know any such trustees. X Yes _____

Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

I / we do not know any such persons. X Yes _____

Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.

I / we do not anticipate conducting any such business. X Yes _____

If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship. Not applicable because the school does not intend to contract with an education service provider or school management organization.

I / we do not know any such persons. _____ Yes _____

If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.

N/A _____ I / we have no such interest. X Yes _____

If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

N/A _____ I / we or my family do not anticipate conducting any such business. X Yes _____

Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.

Does not apply to me, my spouse or family X Yes _____

Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board.

None X Yes _____

Certification

I, Alyce J. Butler, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Charter School is true and correct in every respect.

Alyce J. Butler _____ Signature

March 10, 2016 _____ Date

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve: * 21st Century Charter

2. Your full name: Nadine McDowell

3. Brief educational and employment history. (No narrative response is required if resume is attached.)
Resume is attached. BS. MS. SD. - Teacher HS + College Educ Rep.

4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member. I am a licensed teacher. Have served

on many other boards. Have been involved
in many other educational endeavors... Mentor
Teacher, etc. * Charter member

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?

Yes Don't Know/ Unsure _____

Disclosures

Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.

I / we do not know any such trustees. Yes

Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

I / we do not know any such persons. Yes

Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.

I / we do not anticipate conducting any such business. No Yes

If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship. Not applicable because the school does not intend to contract with an education service provider or school management organization.

I / we do not know any such persons. Yes

If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.

N/A I / we have no such interest. Yes

If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

N/A I / we or my family do not anticipate conducting any such business. Yes

Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.

Does not apply to me, my spouse or family Yes

Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board.

None Yes

Certification

I, Nadine McDowell, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Charter School is true and correct in every respect.

Nadine McDowell Signature

March 8, 2016 Date

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school’s fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:
East Chicago FOCUS Academy

2. Your full name: Mrs. Katrina Noelle Hudson

3. Brief educational and employment history. (No narrative response is required if resume is attached.) Resume is attached.



4. Describe any of your previous experiences that are relevant to serving on the charter school’s board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

I have the capability of being an effective board member because I have a passion for helping and serving within my community. I know many individuals from local colleges, churches, and active citizens. I will utilize my knowledge and networks to help this board prosper and achieve all desired goals. I am hardworking and dependable; I will strive to help in any way that I can.

5. Do you understand the obligations of a charter school’s Board of Directors to comply with Indiana’s Public Access laws, including the Open Door Law for Board meetings?

Yes Don't Know/ Unsure

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.

I / we do not know any such trustees. Yes

Lisa Edwards, the other prospective board member, and I are coworkers at Ivy Tech Community College.

2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

I / we do not know any such persons. Yes

3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.

we do not anticipate conducting any such business. Yes

4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.

Not applicable because the school does not intend to contract with an education service provider or school management organization.

we do not know any such persons. Yes

5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.

N/A. we have no such interest. Yes

6. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

N/A. we or my family do not anticipate conducting any such business. Yes

7. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.

Does not apply to me, my spouse or family. Yes

8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board.
None. Yes

Certification

I, Katrina N. Hudson, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for _____ Charter School is true and correct in every respect.

Katrina N. Hudson
Signature

2/16/2016

CHARTER SCHOOL BOARD MEMBER INFORMATION

(To be completed individually by each proposed board member for the charter holder)

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

Background

1. Name of charter school on whose Board of Directors you intend to serve:
East Chicago Focus Academy (ECFA)
2. Your full name:
Lisa D. Edwards
3. Brief educational and employment history. (No narrative response is required if resume is attached.)
 Resume is attached.
4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

While I have limited experience actually serving on other boards, my previous positions included working closely with local school and housing authority Board members. As a mentor and community activist, I have attended and spoken at countless school board meetings and I am familiar with the processes and procedures. As the former Program Director of a supplemental education service provider, I oversaw the start-up and continuation of a multi-state approved program.
5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?
 Yes Don't Know/ Unsure

Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.
 I / we do not know any such trustees. Yes
Katrina Hudson- co-worker
2. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.
 I / we do not know any such persons. Yes

3. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.
 I / we do not anticipate conducting any such business. Yes

4. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.
 Not applicable because the school does not intend to contract with an education service provider or school management organization.
 I / we do not know any such persons. Yes

5. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.
 N/A. I / we have no such interest. Yes

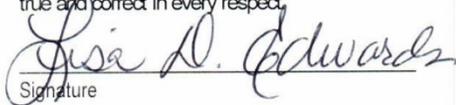
6. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.
 N/A. I / we or my family do not anticipate conducting any such business. Yes

7. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.
 Does not apply to me, my spouse or family. Yes The mentoring program I volunteer with, Urban Reach, has a partnership with 21st Century Charter School.

8. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board. None. Yes

Certification

I, Lisa Edwards, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for East Chicago Focus Academy (ECFA) Charter School is true and correct in every respect.


 Signature

2/25/16
 Date

Attachment 7

East Chicago FOCUS Academy Board of Directors 2017-18 Commitment Letter

Overview

As trustees of public funds, the Board of Directors is responsible for ensuring East Chicago FOCUS Academy long-term financial stability and integrity of the school. The Board sets the strategic plan and ensures that the school fulfills its mission. Directors recognize that in order to fulfill these obligations, they pledge to personally contribute needed resources and talents to maintain the school's success.

Responsibilities

- Ensure that the charter, once awarded, is fulfilled.
- Support the school's mission and vision.
- Abide by and uphold all governing documents (federal and state laws/regulations, charter, articles of incorporation, by-laws, school policies etc.).
- Read and understand the financial statements and otherwise assist the Board in fulfilling its fiduciary responsibility.
- Read and fully understand all prospective resolutions in order to make an informed vote.
- Attend board meetings and actively participate in decision-making.
- Share expertise with the board and staff.
- Be an advocate for the school; promote it in ways appropriate to your profession and contacts.
- Make a personal contribution appropriate to your circumstances.
- Obtain various means of support for the organization's fundraisers, or otherwise assist in providing resources to further the school's mission.
- Fulfill all fiduciary duties.
- Participate in short and long-range strategic planning activities.
- Ensure the school meets all legal and corporate requirements.
- Serve on or lead at least one committee or task force each year.
- Work to develop new leadership and recommend potential board members to the nominating committee.
- Avoid any conflict of interest or even the appearance of conflict of interest.
- Participate in school-wide events.

Failure to fulfill responsibilities listed above will result in removal from the Board following notice at the next regularly scheduled meeting and a vote of the remaining members at next regularly scheduled meeting following notice.

Desired Skills and Experience

Sincere love of students and commitment to quality of education; mission and goals of the school; Working knowledge of bylaws and policies; Ability to handle school business with tact, professionalism, enthusiasm, and commitment. Ability to communicate effectively; Ability to take responsibility and follow through on assignments and responsibilities; Ability to work well with people individually and in a group; Specific skills or experience: _____

Term of Service

Members of the Board of Directors are elected for 3-year terms.

Members may be re-elected according to the Bylaws.

Time Commitment

Members of the Board should attend each board meeting, serve or assist on committees and be available to members, other leaders and staff, estimated to require approximately 5-10 hours per month. Board members should attend at least **75%** of scheduled meetings in one calendar year of the Board of Directors (except for emergencies beyond the control of the Director). Failure to fulfill these time commitments may constitute removal from the Board of Directors, which will be formally acknowledged in the next regularly scheduled Board meeting.

Financial Commitment

Each board member is expected to fully support fundraising initiatives to meet the Board's responsibility to adequately fund the school to meet its mission.

Benefits of Leadership Service

Leadership is viewed as an opportunity to make a difference in the lives of children and in education in the community; opportunity to identify needs, support and achieve school goals; gain or enhance experience in building and working with teams; increase, promote and develop leadership in others; and help to shape the school's direction and future.

Full Disclosure of Actual or Potential Conflicts of Interest:

In keeping with the school's Conflict of Interest Policy, below is full disclosure of any and all business and personal relationships which may reasonably be considered an actual or potential conflict of interest, I understand and agree that following this disclosure, if other currently unknown or unconsidered relationships of a business or personal nature pose an actual or potential conflict, it is my responsibility and legal obligation as a director of a non-profit corporation to provide full disclosure and recuse myself from any discussion or decisions that are related.

Business Relationships	Personal Relationships

Personal Commitment

I (*print name*) _____ am willing to make every effort to fulfill East Chicago FOCUS Academy's Board of Directors responsibilities as outlined above. I further agree that if, at any time, I am unable to fulfill the commitments of a member of the Board of Directors and I will give appropriate notice of resignation to the Chairperson of the Board.

Signature

Date

Please list your top 3 committees of interest in order with 1 being your first choice:

- 1. _____
- 2. _____
- 3. _____

Conflict of Interest Statement

The undersigned person acknowledges receipt of a copy of the Charter School Policy

Concerning Conflict of Interest dated ___/___/__. By my signature affixed below I acknowledge my agreement with the spirit and intent of this board policy and I agree to report to the Chairman of the Board of Directors any possible conflicts (other than those stated below) that may develop before completion of the next annual statement.

_____ I am not aware of any conflict of interest.

_____ I have a conflict of interest in the following area(s):

Signed _____

Print Name _____

Date _____

Attachment 8

Brief Overview of Founding Year

The Greater Education Opportunities Foundation (GEO), a non-profit 501(c) 3, is a philanthropic, research, and educational institution. GEO was founded under the leadership of President Kevin Teasley in June 1998. GEO has extended tens of thousands of grants to GEO schools in its grant making efforts in order to provide support in the areas of student/staff resources and materials, facilities, and professional development.

The GEO Foundation, as featured in Forbes Magazine, has been making access to quality schools a reality for children since 1998. GEO incubates quality charter schools and then supports their growth. GEO-sponsored public charter schools are designed to achieve high academic growth featuring a unique and seamless Pre K-14 model.

GEO Academies provide longer school days and a longer school year to ensure student success. GEO Academies have partnered with Teach For America, New Teacher Project, and College Summit. GEO students graduate from high school with an average of 20 plus college credits and earn thousands in academic scholarships with a pathway to college.

GEO Academies' K-8 academic model utilizes the Core Knowledge Curriculum and blended learning that includes Compass Learning/Odyssey. The high school and middle college model is to prepare students for college or career readiness. Assessments are formative and summative to ensure that every student is achieving maximum growth and proficiency. Daily classroom checking for understanding and ongoing monitoring of student mastery using a data –driven decision making process drives excellence in teaching and learning. Recognizing that an effective teacher is the most important school-based factor impacting student achievement, teachers are trained in TAP, the System for Teacher and Student Advancement through the National Institute for Excellence in Teaching. Teachers also receive professional development in *Teach Like a Champion* in order to provide ongoing professional development designed to promote continuous improvement.

Why GEO was Chosen

The GEO foundation believes all children should have access to a quality education that includes college. GEO works collaboratively with parents to ensure all students have systems of support to complete post-secondary degree or certification programs. Through aggressive community outreach and the introduction of flexible options that empower families, GEO strives to make educational choice a reality for all families in the community of East Chicago.

Because of the success that the founding board has had with GEO the Board of East Chicago Focus Academy has entered into an agreement with the Greater Educational Opportunities Foundation located at 1630 N. Meridian Street Suite 350, Indianapolis, IN. The GEO Foundation is a not-for-profit educational management organization. Kevin Teasley, President and Founder, will be the EMO primary contact.

The school will have ownership and use of all related curriculum and instructional materials for the grades offered (9-12). The GEO Foundation will be responsible for selection and supervision of the school principal. The school principal will have responsibility for selection of all other employees and staff at the school.

The GEO Foundation currently operates four successful charter schools. They include the 21st Century Charter School and Gary Middle College (GMC) at Gary, a Ball State University authorized schools, Pikes Peak Prep in Colorado Springs, CO, and GEO Prep Academy of Baton Rouge, in Baton Rouge, LA. These schools have all been recognized for their outstanding performance and parent satisfaction. GEO managed schools have been in operation for as many as ten (10) years and are very competitive with their counterparts. All GEO schools operate with a structural framework that demands high student achievement, character development, parental involvement and a positive learning environment. Technology is replete in all aspects of the school environment and the daily curriculum and instructional activities. East Chicago Middle College, GEO

will maintain the same curriculum and instructional program as used at GMC coupled with a strong character education endeavor.

The ECFA Board will hold the charter and thus have all fiduciary responsibility for the school. ECFA through its EMO, GEO Foundation will have control of all associated assets. Assets will be procured by GEO Foundation with the boards' approval of expenditures at monthly board meetings.

The school's principal will be selected by the GEO Foundation with approval of the board. The principal in turn will be responsible for hiring and supervising all school employees.

The GEO Foundation has a comprehensive understanding of the education and funding laws of Indiana. GEO Foundation has operated outstanding charter schools for over ten (10) years in the State of Indiana.

There are no financial penalties within the East Chicago Middle College/GEO Foundation contract.

In the event the services of the GEO Foundation are terminated, the East Chicago Focus Academy Board of Directors will identify, select and enter into agreement with a new EMO. In the interim, East Chicago Focus Academy staff and board will manage the operations of the school.

AGREEMENT FOR SERVICES

DRAFT

DATE: JULY 1, 2017

PARTIES:

SERVICE PROVIDER: Greater Educational Opportunities Foundation, Inc.
1630 N Meridian Street, Suite 350
Indianapolis, IN 46202

CHARTER SCHOOL: East Chicago FOCUS Academy

East Chicago, IN

RECITALS:

- A. East Chicago FOCUS Academy (“School”) is a Non-Profit, 501 (c)(3) entity, operating as a public charter school in East Chicago, Indiana. On _____, the School received a charter from the Indiana State Charter Board to operate a Charter School in East Chicago, Indiana, commencing on July 1, 2017, and renewable on July 1, 2023.
- B. Service Provider, Greater Education Opportunities Foundation (“Service Provider”), has successfully served as an Educational Management Organization for Charter Schools in Indiana and other states since 2002.
- C. School and Service Provider shall operate the charter school pursuant to the provisions of the Charter Agreement, in accordance with its exempt status under Code Section 501(a) and 501 (c) (3), and all relevant federal, state, and local laws, statutes, and regulations, including, but not limited to, any applicable provisions prohibiting or restricting private benefit or private inurement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements and covenants contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

A. ENGAGEMENT

- 1. Prior Approval of School Authorizer. Both Service Provider and the School acknowledge and agree that this Agreement is subject to the participation of the School Authorizer, and will thereafter be governed by and subject to the terms and conditions of the Charter Agreement, which is incorporated by reference herein as Exhibit A.

2. Engagement. Subject to the terms and conditions set forth in this Agreement, the School hereby engages Service Provider for the purpose of providing management, operational and administrative services necessary for the operation of the School, as more particularly described in ____ of this Agreement (collectively, the "Services"), and grants to Service Provider the right, power and authority to carry out the Services. Service Provider hereby accepts such engagement, and agrees to provide the Services, subject to the terms and conditions set forth in this Agreement.
3. Limitations.
 - a. No provision of this Agreement shall interfere with the School's ability to perform its obligations under the Charter Agreement. The School shall at all times remain legally responsible to the Authorizer for the operations and management of the School and for ensuring that the terms and conditions of the Charter Agreement are satisfied.
 - b. At no time shall any employee or board member of the Service Provider hold a position on the Board of Directors for the School.
 - c. The Board of Directors of the School shall remain at all times fully legally responsible for the financial, operational, and academic functions and policies (including, but not limited to budget, curriculum, student conduct, school calendars, and dispute resolution procedures) of the school, including supervision of the Service Provider under this Agreement, and no provision of this Agreement shall be construed to transfer that responsibility to the Service Provider or other party.
 - d. Service Provider shall at all times be held accountable by the School for the terms set forth in the Charter Agreement and for the Performance Criteria outlined in the Accountability Plan.

B. SERVICES

Service Provider shall be responsible for all management, operational and administrative services necessary for the operation of the School, including, but not limited to, the following:

1. Human Resources:
 - a. All staff at the School shall be employees of the School, not the Service Provider. However, Service Provider shall be responsible for selecting, hiring, developing, disciplining, and terminating if necessary, the School Leader (or, Principal), and the Principal will report to the Service Provider, under the employment of the School. The School Leader will be responsible for hiring all School staff in cooperation with Service Provider, and following all employment practices as developed by Service Provider.

- b. Service Provider shall be responsible for all employment-related duties regarding payroll, taxes, withholding, reporting, benefits, staffing schedules, wage structures, and personnel policies, evaluation of staff against performance objectives and other human resource issues as applicable for all employees involved in performance of service.
2. Curriculum. Service Provider shall assist the Principal in implementing the curriculum as approved in the Charter.
3. Enrollment. Service Provider shall assist the Principal in implementing the Enrollment plan as approved in the Charter.
4. Student Management and Accountability. Service Provider will support an accountability and student data software system that will enable the School and Service Provider to gather data and provide accountability reports required by the Charter Agreement, the Indiana Department of Education, and other stakeholders, and provide other reports reasonably requested by the School.
5. Food Service. Service Provider shall negotiate agreements with independent food service providers and shall be responsible for monitoring the quality control of its selected food service program.
6. Food Accounting System. Service Provider shall either manage or subcontract for a computerized food accounting and billing system and manage the School's participation in the National School Lunch program in accordance with the terms of the program, and record-keeping and reporting requirements of the National School Lunch Act, as amended from time to time.
7. School Accounting System. Service Provider shall utilize an accounting system that shall conform with the requirements of the Indiana Unified Accounting Code, as overseen by the Indiana State Board of Accounts, and all financial reporting requests of the Authorizer.
8. Transportation. Service Provider shall develop, implement, and maintain a School transportation plan as provided for in the Charter Agreement.
9. Budget. Subject to the approval of the School, Service Provider shall develop and maintain an annual budget for the operation of the School. The Budget may be amended from time to time as deemed necessary by Service Provider and the School. The School may rely on Service Provider for financial information, however the School shall remain at all times responsible for budget approval and all fiscal matters.

10. School Treasurer - Service Provider shall provide, subject to School approval, a Treasurer for the School finances, to operate in accordance with all Indiana State Board of Accounts, Indiana Department of Education, and other federal, state, and local regulations. The Treasurer shall not be an officer of the school, and shall not be a voting member of the Board.

11. Accounting and Payment Services; Handling of Funds. School shall not enter into contracts with outside vendors (other than Service Provider) for services without Service Provider approval. In return, Service Provider agrees to provide or to cause to be provided, the accounting and payment services for the School, as follows:

- a. Establish and maintain the charts of account, including all journals and ledgers, check register and payroll records, as required in the Charter Agreement and as prescribed by the State Board of Education and State Board of Accounts.
- b. Prepare monthly bank reconciliations for the School's accounts.
- c. Prepare and deliver to the School quarterly financial statements, at a minimum, and such further interim reports as the parties may mutually determine to be necessary.
- d. School shall be the recipient of all public funds that are disbursed to fund the operations of the School and all other funds to which the School is entitled.
- e. Service Provider shall open and maintain bank accounts and/or other depository accounts in the name of the School as authorized by the School from time to time. Service Provider shall maintain the School's funds in separate accounts from Service Provider's funds and shall not commingle such funds. Any funds deemed necessary to transfer between accounts shall be clearly accounted for with supporting documentation.
- f. Service Provider shall comply with all terms and conditions established by any funding source, including, but not limited to, federal and state grant reporting on behalf of School.

12. Exclusions:

Services specifically excluded under this agreement, but may be negotiated between the parties for a separate fee and included in the annual budget include:

- a. Technology
- b. Legal Services

c. Marketing

C. FEES

The Management Fee due to the Service Provider shall be calculated as a flat fee on an annual basis, approved by the School's Board of Directors, and incorporated in the School's budget prior to the beginning of each school year. The fee shall be no less than \$250,000 per year, but shall be set at no higher than 10% of state and local revenues.

Fees shall be clearly and fairly negotiated between the parties prior to each school year and shall not be based on enrollment or as a percentage of revenues, bonuses, incentives, or operating surplus.

D. RELATIONSHIP OF THE PARTIES

1. Service Provider as Independent Contractor. Service Provider shall perform the Services as an independent contractor, and shall perform the Services using commercially reasonable efforts
2. Non-Assumption of Liabilities. Service Provider shall not, by entering into and performing under this Agreement, become liable for any of the existing or future obligations, liabilities or debts of the School that have not been approved by Service Provider.
3. Ownership of Assets Purchased for Use at the School. Excluding proprietary assets of Service Provider, all assets purchased for the School with School funds shall remain the property of the School.
4. Division of Responsibilities. The School shall at all times remain responsible for all meeting all responsibilities of the Charter Contract with the Authorizer, including specifically, but not limited to, fiscal, legal, and policy responsibilities. The School shall further be responsible for holding the Service Provider accountable for meeting all responsibilities as outlined in this Service Agreement, however, by doing so, this does not relieve the School of its legal responsibilities under the Charter Contract.
5. Indemnification.

The School agrees to indemnify the Service Provider against any claims by third parties arising from the conduct of the School.

Notwithstanding any other provision of this Article, there shall be no indemnification with respect to matters as to which indemnification would result in inurement of net earnings of the School or Service Provider "to the benefit of any private shareholder or individual," or an "excess benefit transaction" within the meaning of Code Sections 501(c)(3) or 4958, or similar provisions of any subsequent Federal tax laws.

6. Criminal Background Checks. All Service Provider employees and School staff, and/or contractors of Service Provider or School, who have direct, ongoing contact with children at the School within the scope of their employment or performance of services, shall be subject to criminal background check requirements.
7. Public Funds. The School shall be the recipient of all public funds that are disbursed to fund the operations of the School and all other funds to which the School or the School is entitled.

E. TERM AND TERMINATION

Term. This Agreement shall have an initial term that commences on the day of signing, as indicated above, and shall be in effect for - and not to exceed - the length of the charter, inclusive of renewals, unless properly terminated under the terms below:

1. Termination. The parties hereby agree that this Agreement may be terminated only under the following conditions:
 - a. If this Agreement or its implementation would jeopardize the nonprofit or tax-exempt status of the School or Service Provider, would create adverse tax consequences for the School or Service Provider, or would cause the School or the Service Provider to be in violation of applicable law; or
 - b. Upon the revocation of the Charter Agreement or the Charter Agreement's expiration without renewal; or
 - c. The School may terminate this Agreement prior to the end of the terms specified above in the event that Service Provider shall fail to remedy a material breach to the School's reasonable satisfaction within 45 days after written notice from the School. Material breach includes, but is not limited to, receipt by the School of unsatisfactory reports regarding significant and ongoing failures of Service Provider in educational performance which it is directly responsible for and are not adequately corrected or explained, or failure to meet the performance criteria outlined in the Accountability Plan.

- d. Service Provider may terminate this Agreement if, in its own judgment, the relationship between the parties has become detrimental to one or both;
- e. Such termination must be provided in writing 120 days in advance.
- f. In the event the term of this Agreement expires or is terminated by either party, Service Provider shall be entitled to that portion of the Fees earned, as of the date of such expiration, termination or resignation and not yet paid.

F. MISCELLANEOUS PROVISIONS

1. Compliance with Laws. Service Provider shall comply with all applicable law and all applicable terms and conditions of the Charter Agreement.
2. Modification. This Agreement may be amended only by mutual written agreement of the parties hereto and may not be modified in any other manner.
3. Assignment. This Agreement and/or any rights or obligations hereunder shall be binding on the parties hereto and their respective successors and permitted assigns. This Agreement shall not be assigned by any party without the prior written consent of the other party. The School recognizes that Service Provider may assign various rights and delegate various duties within this Agreement to an affiliated third party for the benefit of the School, provided that the School consents to such assignment and/or delegation, and such assignment and/or delegation does not create a right of termination for either party under _____ of this Agreement. Any delegation of such rights and duties shall be agreed to in writing by both parties, and must be attached to this document as an addendum to be fully incorporated therein.
4. Notice. All notices, requests, demands, and communications under this Agreement shall be in writing to both of the other parties. Delivery of such writings shall be considered effective upon receipt. Only personal service with a signed confirmation or service by certified mail to the addresses on this Agreement will be considered effective. Service by facsimile will NOT be considered effective.
5. Severability; Change of Law. Any item or provision found to be in violation of the law shall be severed from this Agreement and shall be deemed to be null and void and shall not affect the validity of any other term or provision of this Agreement, to the extent that the remainder of the Agreement may be construed to give effect to the intention of the parties and the purpose of the Agreement, and to that end, the provisions hereof are declared severable. In the event of the enactment of a statute, or adoption of a rule, regulation or position by a governmental body or court of competent jurisdiction which would invalidate or have an adverse effect upon the

whole of this Agreement or the ability of one or more persons now engaged in the business or ownership of the School to remain so engaged, the parties agree to attempt to modify the Agreement to allow the intent of the parties to continue.

6. Waiver. No consent or waiver, express or implied, by either party to any breach or default by the other party in the performance of the obligations created hereunder shall be deemed or construed to be a consent or waiver to any other breach or default in the performance of the other obligations of such other party. Failure on the part of either party to declare the other party in default, irrespective of how long such failure continues, shall not constitute consent or waiver of the rights of such party.
7. Governing Law. This Agreement shall be subject to and governed by the laws of the State of Indiana.
8. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the specific subject matter set forth herein, and all other agreements and understandings related thereto, whether written or oral, are hereby superseded.
9. Attorneys' Fees. In the event of an action or proceeding by any party to enforce the terms and conditions of this Agreement or seeking damages for the breach of this Agreement, each party agrees that the prevailing party shall be paid, in addition to any damages caused by a breach of the Agreement, all costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred by the prevailing party, in connection with any action or proceeding.
10. Addenda. Addenda to this agreement may be executed at any time provided such addendums are in writing and signed both parties. Where the terms of the addendum can be construed to contradict this original Agreement, the document shall be construed to give effect to the terms of the addendum. Such addenda shall not affect the remaining terms of this original Agreement, and upon proper execution, shall be considered part of the original Agreement as one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives on the day and year first above set forth.

"SERVICE PROVIDER"

Greater Educational Opportunities Foundation, Inc.

By: _____

Printed: _____

Title: _____

"SCHOOL"

By: _____

Printed: _____

Title: _____

Reviewed by Legal Counsel on behalf of School

Name, Attorney #

Attachment 9

GEO's Five Business Plan Summary

1. GEO Foundation's next five years will focus on improving quality and outcomes at each of GEO's existing schools, and opening a total of three new schools—one in Indiana that replicates the Gary Middle College and two that grow on the foundation of the existing K-5 GEO Prep Academy in Baton Rouge to include a middle and high school. GEO currently does not have any other expansion plans. GEO wants to focus on quality, not quantity.

Provide a High Quality Education:

GEO Foundation has learned over the years the importance of structure and follow-through with professional development and support. GEO has adopted the National Institute for Excellence in Teaching's TAP system and are committed to annual support of this program as it provides a great structure for staff evaluations and observations, career paths, merit pay and data driven instruction. GEO is also committed to Core Knowledge and Engage New York/Eureka Math as both have specific pathways for learning and support systems in place. Staff is also committed to "early college" pathways for high school students and young adults to earn college credits and experience while attending high schools. Each of these components is structured and yet allow for appropriate autonomy in the schools to meet the specific needs of current students. Each of these components is also supported by national support organizations and provides a network of talent and support.

Grow Number of Schools and Enrollment:

The GEO Foundation currently manages and supports four charter schools serving a total of 1500 students in three state and three cities. GEO schools will grow enrollment by 1,200 students in the next five years. The organization has two schools in Gary, Indiana (21st Century Charter School and Gary Middle College), Pikes Peak Prep in Colorado Springs, CO, and GEO Prep Academy of Greater Baton Rouge, Louisiana. GEO will focus attention in these three geographic areas.

In addition to adding East Chicago FOCUS Academy to serve 200 students, GEO's business plan calls for adding a middle and high school in Baton Rouge (already approved by the Louisiana State Board of within the next five years. GEO Prep Academy is currently a K-3 and will grow to serve 300 students in grades K-5 in the next two years. GEO will open the GEO Prep Middle School for grades 6-8 and the GEO Prep High School following that. When the Baton Rouge schools are at capacity, they will serve 800 students combined.

21st Century Charter School at Gary currently serves 750 students and will grow in the next two years to serve 950 students in grades K-12. Pikes Peak Prep currently serves 350 students and will grow to serve 500 students in the next two years in grades K-12. Gary Middle College currently serves and alternative population of 200 students and will remain that size as being small is part of the plan to be able to offer an intimate, student-centered academic opportunity.

Drive Down Costs of GEO Network Back Office Support:

Currently, GEO's back office support is costing about \$733 per student across the network. GEO plans to drive this cost down to \$440 per student by increasing enrollment by a total of 1,200 students over the next five years. GEO made an intentional investment in high quality staff in the GEO back office including an MBA/Lawyer with a specialty in special ed law, an experienced CPA to oversee the accounting staff, a 25-year experienced technology director, and other key academic support and compliance staff to improve quality of the schools. Keeping these staff members is key to sustained growth and quality control

Refinance or Transfer Ownership of Facilities:

GEO currently owns both the Colorado Springs building and the Baton Rouge building. GEO is currently in discussions with banks and bonding institutions to refinance the buildings to lower the costs of the buildings for each school and/or work with the schools to have them take ownership. GEO has already accomplished this goal with the 21st Century Charter School at Gary—they own both of their buildings.

1. GEO Foundation has served and supported charter schools since 2002. We've learned a great deal over these past 14 years. Having started one of the first charter schools in Indiana and then having been invited and enticed to start new schools in other cities and states, we've learned that slow and steady growth is more prudent than fast and explosive growth. After having one of the best charters in the first three years of Indiana's charter movement, GEO were asked to start three new schools in three different cities with three different authorizers and two different states. Instead of slowing down and actually saying "no thanks", GEO pushed forward thinking determined to make a difference. While GEO did open new schools, built new buildings and enrolled students, the organization considered this a big failure in its history. GEO has learned that it needs to have strong structures in place, not just rely on hiring "good people," but requiring "good people" to follow structures—TAP, Core Knowledge, Engage New York/Eureka Math, Early College and Teach Like a Champion strategies. GEO has learned it is best to slow down and actually take the time to find the right people, not just settle for those who apply and open a school because that is true to the mission. Additionally, GEO has learned a great deal about the importance of recruiting effective school board members. School governance is utmost important in the oversight and understanding of the continuous improvement model that GEO employs.

The success of these lessons was on full display in Baton Rouge in the past two years. Instead of opening in 2014, the original opening date, it opened in 2015. GEO waited until it could find the right board members, the right leader, and the right location. Because of that, GEO has had an extremely successful opening of GEO Prep Academy of Greater Baton Rouge in 2015. GEO has the right board, chaired by the previous chair of the state board of education, the right school leader (a 25-year veteran and experienced TAP leader), and great staff that is fully trained in the structures and systems and committed to proper implementation. The evidence of this success is not only in the fact that GEO Prep has lost only one teacher in the first year, but the student retention has been terrific, too. GEO Prep lost only one student and gained seven new students.

In addition, GEO now conducts two parent surveys and two staff surveys at each school each year to judge quality of service, school culture and staff satisfaction. Both of these surveys show huge support by staff and parents for GEO Prep. GEO surveys all schools now and each school reveals great growth in parent and staff satisfaction. Of course, academic success is paramount to any school and according to NWEA test results for GEO Prep from Fall to Winter, each grade is outperforming national counterparts in each subject. GEO Prep is closing the achievement gap.

GEO plans to put these lessons into practice at East Chicago FOCUS Academy.

The East Chicago FOCUS Academy will also take full advantage of being within a few miles of Gary Middle College and experienced staff. In fact, current staff is steady and strong with most having been with the school for 3 years now—the school is completing its 4th year. One of the current staff members is the proposed new leader of ECFA. ECFA will be within a stone's throw of not only GMC but also 21st Century Charter School. Many of the current GMC board members will serve on the board for ECFA. This will provide continuity between the schools and a full understanding of what GEO has experienced in opening GMC and what it might expect at ECFA.

ECFA is planned to open in 2017. This demonstrates GEO's patience in opening schools and continues the pattern of slow and steady growth. Gary Middle College opened in 2012. GEO Prep opened in 2015. ECFA will open in 2017 and take full advantage of all the lessons we've learned by operating GMC. GEO knows the size of the staff, staff's responsibilities, the size of facility needed, the operational requirements, the professional development the staff needs, and how to recruit students. GEO also knows how to budget appropriately.

2. GEO Foundation already has the staff in place to support the growth and opening of ECFA and it has the financial backing to make it a reality. GEO Foundation has the financial reserves, if necessary, to support professional development efforts, purchases, and more for the school to open on time. GEO's seasoned staff knows Indiana laws and regulations, financial reporting requirements, technology needs, human resources requirements, etc. The average GEO employee has been with GEO for more than 7 years. GEO's CFO is an attorney and MBA and has been with GEO for more than 10 years. The Director of Finance is a CPA and has worked with GEO for more than 5 years. The HR director has been with GEO for 16 years. Other support staff have been with the organization for 5-7 years, as well. GEO just hired a new technology director (stole him from Lilly) who worked with Lilly for 25 years. The academic team is led by Joan Lange, formerly with Challenge Foundation and the nation's first Core Knowledge teacher, and LeaAnn Koekenberg formerly with St. Richard's Academy. Overall, the existing staff has been in place through starting and operating several schools in multiple states.

The evidence of GEO's strong team is demonstrated in clean State Board of Accounts audits (included in the attachments) in each state, the lack of lawsuits against us, steady staff, balanced budgets, and strong academic results. GEO also has a strong bank account.

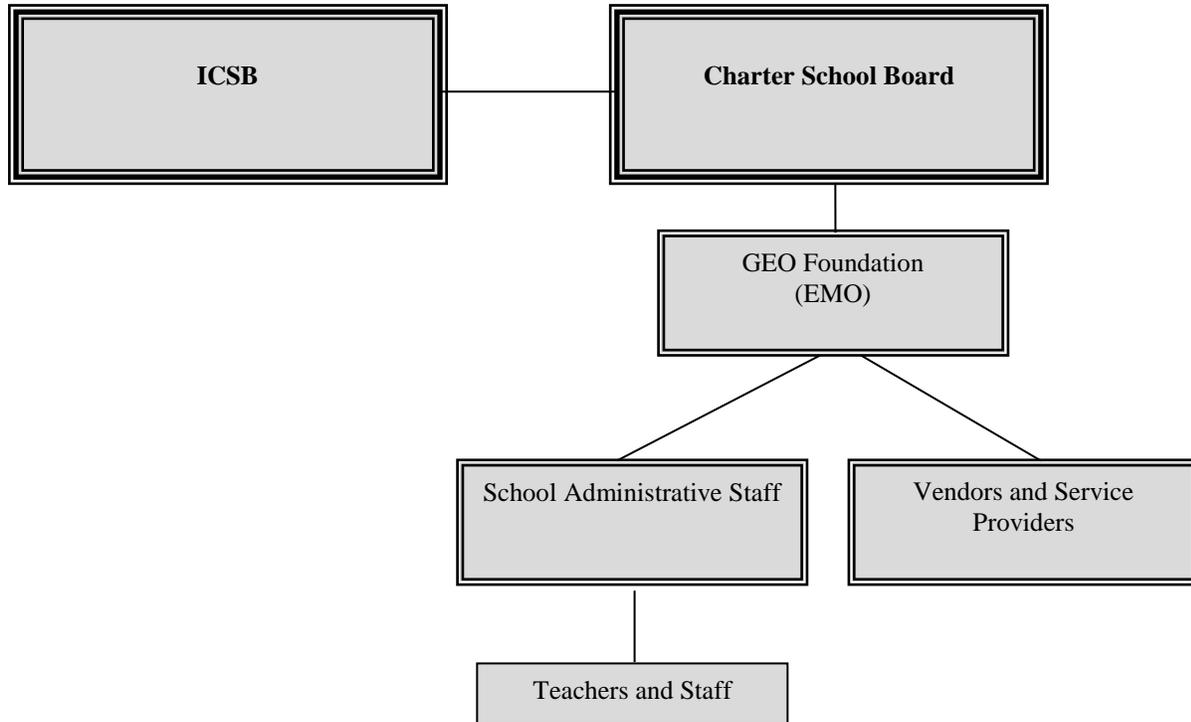
As explained above, GEO was asked to replicate schools in 2005 and instead of slowing down and doing one at a time, it did all three at the same time. I'm honest about this experience and believe it was a real mistake. GEO did not have systems and structures in place. Now it does. GEO did not open a new school between 2005 and 2012. GEO took five years to learn from past mistakes and to put in place best practices, systems and structures. GEO now know how to monitor implementation, track success/weaknesses, and to survey all stakeholders—parents, students, staff and board members. And now, even though the organization does have strong structures in place, GEO still only opens one school at a time, several years apart, to give each school full attention and best chance at success.

The success of GEO's replication/improvement efforts are evident in renewals received for 21st Century Charter School in Gary and Pikes Peak Prep, as well as an approved charter for Gary Middle College and GEO Prep in Baton Rouge.

3. The greatest anticipated risk for opening any new school is moving too fast, hiring the wrong people and then having to deal with the resulting challenges of poor staff. GEO will not open ECFA if it cannot find the right leader (which it has already), cannot find the right location (which it has already), and cannot find students. As stated before, ECFA will benefit from the existing GMC board, existing staff, and experience with opening GMC. The board already has broad community support and knowledge. Nonetheless, GEO will not hesitate to delay the opening if all the pieces do not fall into place as planned. It is better to open a well-defined and structured school than to open the doors to a school in name only.

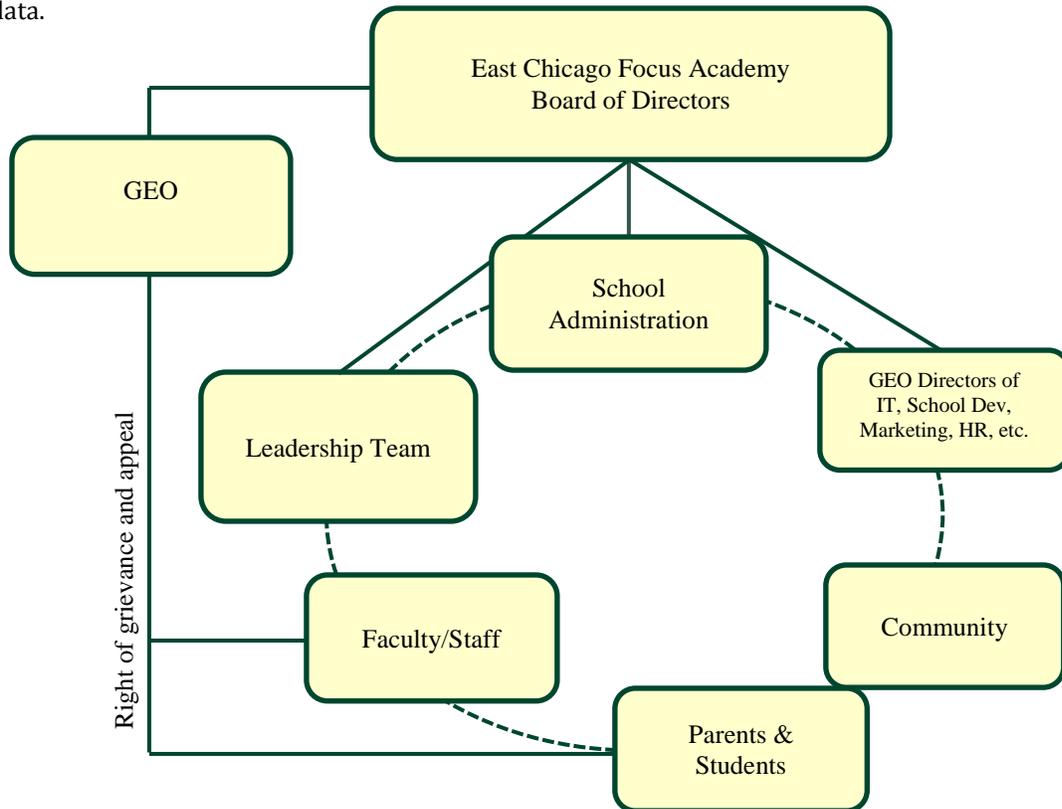
Attachment 10
School Organizational Chart Years 1-5

Authorizer and School Board Organization Chart

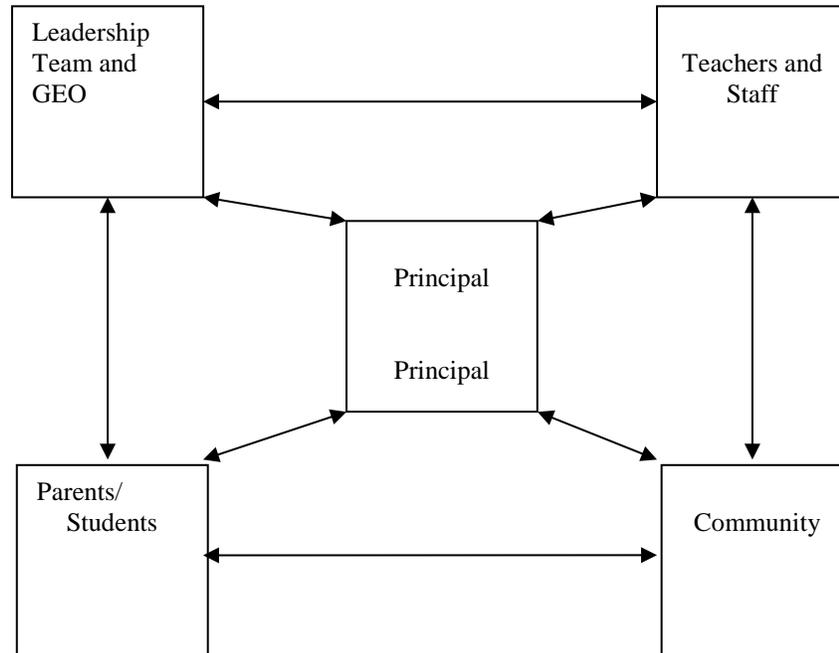


School Governance & Operational Organization Chart

The Board of Directors is the governing body of the school, supporting its mission. The School Administration is responsible for the day-to-day leadership and management of the school with assistance from GEO, communicating the mission and vision of the school to the stakeholders, and making monthly reports and suggestions to the Board. There is a collaborative relationship among the stakeholders, school administration, and GEO staff. The School Leadership Team consists of the School Principal, Lead Teachers and GEO representatives. Its purpose is to examine the school's current state and climate, reach consensus on priorities for action, and identify implementation goals and strategies. The School Leadership Team advises the Board on student achievement based on data.



School Academic Organizational Chart



The school principal and leadership team meet weekly to review student data. The teachers meet weekly with the lead teachers to measure student progress to ensure continuous student growth and improvement.

Attachment 11

Core Curriculum Scope and Sequence

Mathematics

Algebra 1

Course Overview: *Algebra I formalizes and extends the mathematics students learned in the middle grades. Five critical areas comprise Algebra I: Relations and Functions; Linear Equations and Inequalities; Quadratic and Nonlinear Equations; Systems of Equations and Inequalities; and Polynomial Expressions. The critical areas deepen and extend understanding of linear and exponential relationships by contrasting them with each other and by applying linear models to data that exhibit a linear trend, and students engage in methods for analyzing, solving, and using quadratic functions. The Mathematical Practice Standards apply throughout each course and, together with the content standards, prescribe that students experience mathematics as a coherent, useful, and logical subject that makes use of their ability to make sense of problem situations.*

CORE 40 Credits: Algebra I (2 credits)

Scope and Sequence: Real numbers, Introduction to Algebra, Writing and Solving Equations, Proportional Reasoning, Writing/Solving Inequalities, Graphs and Functions, Graphing Equations, Solving Systems of Equations/Inequalities, Exponents and Polynomials, Factoring Polynomials, Quadratic Equations/Functions, Exponential Equation/Function, Radical Expressions/Equations, and Rational Expressions/Equations.

Algebra 1 Lab

Course Overview: *This course provides students with additional time to build the foundations necessary for high school math courses, while concurrently having access to rigorous grade-level appropriate courses. The five critical areas of Algebra I Lab align with the critical areas of Algebra I: Relationships between Quantities and Reasoning with Equations; Linear and Exponential Relationships; Descriptive Statistics; Expressions and Equations; and Quadratic Functions and Modeling.*

CORE 40 Credits: Elective (2 Credits)

Scope and Sequence: Remediation

Geometry

Course Overview: *Geometry formalizes and extends students' geometric experiences from the middle grades. Students explore more complex geometric situations and deepen their explanations of geometric relationships, moving towards formal mathematical arguments. Six critical areas comprise the Geometry course: Congruency and Similarity; Measurement; Analytic Geometry; Circles; and Polyhedra. Close attention should be paid to the introductory content for the Geometry conceptual category found in the high school INCC. The Mathematical Practice Standards apply throughout each course and, together with the content standards, prescribe that students experience mathematics as a coherent, useful, and logical subject that makes use of their ability to make sense of problem situations.*

CORE 40 Credits: Geometry (2 credits)

Scope and Sequence: Introduction to Geometry, Reasoning and Proofs, Lines and Angles, Triangles 1, Triangles 2, Polygons, Area of Polygons and Circles, Circles, Transformations, Surface Area and Volume, and Special Geometric Relations

Algebra II

Course Overview: *Algebra II builds on work with linear, quadratic, and exponential functions and allows for students to extend their repertoire of functions to include polynomial, rational, and radical functions. Students work closely with the expressions that define the functions, and continue to expand and hone their abilities to model situations and to solve equations, including solving quadratic equations over the set of complex numbers and solving exponential equations using the properties of logarithms. The Mathematical Practice Standards apply throughout each course and, together with the content standards, prescribe that students experience mathematics as a coherent, useful, and logical subject that makes use of their ability to make sense of problem situations.*

CORE 40 Credits: Algebra II (2 credits)

Scope and Sequence: Functions I, Linear Functions, Functions II, Quadratic Functions, Polynomial Functions, Rational Functions, Radical Functions, Exponential and Logarithmic Functions, Probability and Statistics, Systems of Equations and Inequalities, Matrices, Conic Sections, and Sequences and Series.

English/Language Arts

English 9

Course Overview: *English 9, an integrated English course based on Indiana's Academic Standards for English/Language Arts in Grade 9, is a study of language, literature, composition, and oral communication with a focus on exploring a wide---variety of genres and their elements. Students use literary interpretation, analysis, comparisons, and evaluation to read and respond to representative works of historical or cultural significance appropriate for Grade 9 in classic and contemporary literature balanced with nonfiction. Students write short stories, responses to literature, expository and argumentative/persuasive compositions, research reports, business letters and technical documents. Students deliver grade---appropriate oral presentations and access, analyze, and evaluate online information.*

CORE 40 Credits: English 9 (2 credits)

Scope and Sequence: Plot and Setting, Character, Theme and Conflict, Narrator and Voice, Novel: *Old Man and the Sea*, Poetry, Nonfiction, Epic/Legend/Myth, Drama, Research, Novel: *Farewell to Manzanar*

English 10

Course Overview: *English 10, an integrated English course based on Indiana's Academic Standards for English/Language Arts in Grade 10, is a study of language, literature, composition, and oral communication with a focus on exploring universal themes across a wide variety of genres. Students use literary interpretation, analysis, comparisons, and evaluation to read and respond to representative works of historical or cultural significance appropriate for Grade 10 in classic and contemporary literature balanced with nonfiction. Students write short stories, responses to literature, expository and argumentative/persuasive compositions, research reports, business letters, and technical documents. Students deliver grade---appropriate oral presentations and access, analyze, and evaluate online information.*

CORE 40 Credits: English 10 (2 credits)

Scope and Sequence: Plot and Setting, Character, Theme and Conflict, Narrator and Voice, Novel: *Of Mice and Men*, Poetry, Nonfiction, Epic/Legend/Myth, Drama, Research, Novel: *House on Mango Street*

English 11

Course Overview: *English 11, an integrated English course based on the Indiana's Academic Standards for English/Language Arts in Grade 11, is a study of language, literature, composition, and oral communication with a focus on exploring characterization across universal themes in a wide variety of genres. Students use literary interpretation, analysis, comparisons, and evaluation to read and respond to representative works of historical or cultural significance appropriate for Grade 11 in classic and contemporary literature balanced with nonfiction. Students write narratives, responses to literature, academic essays (e.g. analytical, persuasive, expository, summary), reflective, compositions,*

historical investigation reports, resumes, and technical documents incorporating visual information in the form of pictures, graphs, and tables. Students write and deliver grade---appropriate multimedia presentations and access, analyze, and evaluate online information.

CORE 40 Credits: English 11 (2 credits)

Scope and Sequence: New World: 1400-1800, America's Voice: 1800–1865, Realism/Frontier: 1865-1915, Depression/Reform: 1915-1935, Modern Age: 1935-1960, Experience/Conflict: 1960-1975, Contemporary America: 1975-Now, Novel Study, Research

English 12

Course Overview: *English 12, an integrated English course based on Indiana's Academic Standards for English Language Arts for Grade 12 and the Common Core State Standards for English Language Arts, is a study of language, literature, composition, and oral communication focusing on an exploration of point of view or perspective across a wide variety of genres. Students use literary interpretation, analysis, comparisons, and evaluation to read and respond to representative works of historical or cultural significance for Grade 12 in classic and contemporary literature balanced with nonfiction. Students write narratives, responses to literature, academic essays (i.e. analytical, persuasive, expository, summary), reflective compositions, historical investigation reports, resumes and technical documents incorporating visual information in the form of pictures, graphs, and tables. Students write and deliver grade-appropriate multimedia presentations and access, analyze, and evaluate online information.*

CORE 40 Credits: English 12 (2 credits)

Scope and Sequence: Anglo-Saxon: 449-1066, Medieval: 1066-1485, English Renaissance: 1485-1625, Seventeenth Century: 1625-1660, Restoration/Enlightenment, Romantic: 1798-1832, Victorian England: 1833-1901, Modern: 1901-1950, Contemporary 1951- Present and Novel Study

Language Arts Lab

Course Overview: *Language Arts Lab is a supplemental course that provides students with individualized or small group instruction designed to support success in completing course work aligned with the Indiana Academic Standards for English Language/Arts focusing on the writing standards. All students should be concurrently enrolled in an English course in which class work will address all of the Indiana Academic Standards.*

CORE 40 Credits: Elective (1-8 credits)

Scope and Sequence: Remediation

Social Studies

United States History

Course Overview: *United States History is a two---semester course that builds upon concepts developed in previous studies of U.S. History and emphasizes national development from the late nineteenth century into the twenty---first century. After reviewing fundamental themes in the early development of the nation, students are expected to identify and review significant events, persons, and movements in the early development of the nation. The course then gives major emphasis to the interaction of key events, people, and political, economic, social, and cultural influences in national developments from the late nineteenth century through the present as they relate to life in Indiana and the United States. Students are expected to trace and analyze chronological periods and examine the significant themes and concepts in U.S. History. Students develop historical thinking and research skills and use primary and secondary sources to explore topical issues and to understand the cause for changes in the nation over time.*

CORE 40 Credits: US History (2 credits)

Scope and Sequence: The New World, Exploration and Colonization, English North American to 1770, Independence and Republic, Confederation and Constitution, American Life 1815-1860, and Expansion and Manifest Destiny.

World History and Civilization

Course Overview: *World History and Civilization emphasizes events and developments in the past that greatly affected large numbers of people across broad areas and that significantly influenced peoples and places in subsequent eras. Key events related to people and places as well as transcultural interaction and exchanges are examined in this course. Students are expected to compare and contrast events and developments involving diverse peoples and civilizations in different regions of the world. They will examine examples of continuity and change, universality and particularity, and unity and diversity among various peoples and cultures from the past to the present. Students are also expected to practice and process skills of historical thinking and research and apply content knowledge to the practice of thinking and inquiry skills and processes. There will be continuous and pervasive interactions of processes and content, skills and substance, in the teaching and learning of history.*

CORE 40 Credits: World History (2 credits)

Scope and Sequence: What is World History, Beginnings to 500 C.E., 500-1450, 1450-1750, 1750-1914, and 1914-Present

Economics

Course Overview: *Economics examines the allocation of resources and their uses for satisfying human needs and wants. The course analyzes economic reasoning and behaviors of consumers, producers, savers, investors, workers, voters, institutions, governments, and societies in making decisions. Students will explain that because resources are limited, people must make choices and understand the role that supply, demand, prices, and profits play in a market economy. Key elements of the course the study of scarcity and economic reasoning, supply and demand, market structures, the role of government, national economic performance, the role of financial institutions, economic stabilization, and trade.*

CORE 40 Credits: Economics (1 credit)

Scope and Sequence: Fundamental Economics, Macroeconomics, Microeconomics, and International Economics

World Geography

Course Overview: *World Geography allows students to study the interaction of humans and their environments in a world setting. Students study global patterns of physical and cultural characteristics, including the Earth/sun relationship, atmospheric and oceanic circulation, landforms, climate, vegetation, population, economic and political structures, culture, cultural diffusion, and international and interregional connections. Using maps, geographic representations and technology such as geographic information systems (GIS) students will examine spatial relationships, the interaction of physical and cultural characteristics of designated places, areas, or regions. Students are expected to apply knowledge of geographic concepts and uses of geography to inquiry, research, and use participatory processes. Guiding course content are the themes of location, characteristic of place, human/environmental interaction, movement between places, and regions. Emphasized are elements of the National Geography Standards: The World in Spatial Terms, Places and Regions, Physical Systems, Human Systems and Environment and Society.*

Core 40 Credits: Elective (1 credit)

Scope and Sequence: Introduction to Geography, Physical Geography, Human Geography, Regions: North America, Regions: Middle and South America, Regions: Europe, Regions: SW Asia and N Africa, Regions: Saharan and S Africa, Regions: East and SE Asia, Regions: South Asia, Regions: S Pacific, Australia

Sciences

Biology I

Course Overview: *Biology I is a course based on the following core topics: cellular chemistry, structure and reproduction; matter cycles and energy transfer; interdependence of organisms; molecular basis of heredity; genetics and evolution. Instruction should focus on developing student understanding that scientific knowledge is gained from observation of natural phenomena and experimentation by designing and conducting investigations guided by theory and by evaluating and communicating the results of those investigations according to accepted procedures.*

CORE 40 Credits: Biology (2 credits)

Scope and Sequence: Introduction to Biology, Understanding Living Things, Understanding Cells, Understanding Genetics, Understanding Evolution, The Interdependence of Life, Ecosystems and Human Impact, Understanding Prokaryotes, Understanding Protists, Understanding Fungi, Understanding Plants, Understanding Animals, The Human Body, and Understanding Viruses

Chemistry

Course Overview: *Chemistry I is a course based on the following core topics: properties and states of matter; atomic structure; bonding; chemical reactions; solution chemistry; behavior of gases, and organic chemistry. Students enrolled in Chemistry I compare, contrast, and synthesize useful models of the structure and properties of matter and the mechanisms of its interactions. Instruction should focus on developing student understanding that scientific knowledge is gained from observation of natural phenomena and experimentation by designing and conducting investigations guided by theory and by evaluating and communicating the results of those investigations according to accepted procedures. Recommended Grade Level: 10-12*

Core 40 Credits: Chemistry (2 credits)

Scope and Sequence: Science is a Process, Organizing Matter: Patterns, Language of Chemistry, Phases of Matter, Solutions and Their Behavior, Chemical Reactions, Organic Chemistry, and Nuclear Chemistry

Earth and Space Science

Course Overview: *Chemistry I is a course based on the following core topics: properties and states of matter; atomic structure; bonding; chemical reactions; solution chemistry; behavior of gases, and organic chemistry. Students enrolled in Chemistry I compare, contrast, and synthesize useful models of the structure and properties of matter and the mechanisms of its interactions. Instruction should focus on developing student understanding that scientific knowledge is gained from observation of natural phenomena and experimentation by designing and conducting investigations guided by theory and by evaluating and communicating the results of those investigations according to accepted procedures. Recommended Grade Level: 10-12*

Core 40 Credits: Earth and Space Science (2 credits)

Scope and Sequence: Intro to Earth/Space Science, Models of the Earth, Plate Tectonics, Earth's Structure and Energy, Earth's Composition, Erosion and Deposition, Earth's History, Earth's Atmosphere, Weather and Climate, Fresh Water, Oceans, Glaciers, Historical Astronomy, Earth's Solar System, Stars, Galaxies, Cosmology, and Space Exploration

Health and Wellness Education

Course Overview: *Health & Wellness, a course based on Indiana's Academic Standards for Health & Wellness, provides the basis to help students adopt and maintain healthy behaviors. Health education should contribute directly to a student's ability to successfully practice behaviors that protect and promote health and avoid or reduce health risks. Through a variety of instructional strategies, students practice the development of functional health information High School Approved Course Titles & Descriptions Indiana Department of Education 113 2015-2106 School Year July 15, 2015 Edition (essential concepts); determine personal values that support health behaviors; develop group norms that value a healthy lifestyle; develop the essential skills necessary to adopt, practice, and maintain health-enhancing behaviors. This course includes the application of priority areas in a planned, sequential, comprehensive health education curriculum. Priority areas include: promoting personal health and wellness, physical activity, healthy eating, promoting safety and preventing unintentional injury and violence, promoting mental and emotional health, a tobacco-free lifestyle and an alcohol- and other drug-free lifestyle and promoting human development and family health. This course provides students with the knowledge and skills of health and wellness core concepts, analyzing influences, accessing information, interpersonal communication, decision-making and goal-setting skills, health-enhancing behaviors, and health and wellness advocacy skills.*

Core 40 Credits: Health and Wellness (1 credit)

Scope and Sequence: What Is Health? Emotional Health; Physical Health; Drugs, Alcohol and Tobacco: Disease and Other Injuries; and Building Families

ELECTIVES

Personal Financial Responsibility

Course Overview: *Personal Financial Responsibility addresses the identification and management of personal financial resources to meet the financial needs and wants of individuals and families, considering a broad range of economic, social, cultural, technological, environmental, and maintenance factors. This course helps students build skills in financial responsibility and decision making; analyze personal standards, needs, wants, and goals; identify sources of income, saving and investing; understand banking, budgeting, record-keeping and managing risk, insurance and credit card debt. A project based approach and applications through authentic settings such as work based observations and service learning experiences are appropriate. Direct, concrete applications of mathematics proficiencies in projects are encouraged.*

Core 40 Credits: Elective (1 credit)

Scope and Sequence: Personal Finance, Responsible Renting or Home Ownership, Investing Your Money, Saving Money and Planning for Retirement, Avoiding Bankruptcy, Banking Service, Balancing Service, Types of Loans and Low Risk Borrowers, Insurance: Why You Need It, and Career and Financial Planning

Art History

Course Overview: *Art History is a course based on the Indiana Academic Standards for Visual Art. Students taking Art History engage in sequential learning experiences that encompass art history, art criticism, aesthetics, and production. Students study works of art and artifacts from world cultures, engage in historically relevant studio activities; utilize research skills to discover social, political, economic, technological, environmental, and historical trends and connections; analyze, interpret, theorize, and make informed judgments about artwork and the nature of art; relate art to other disciplines and discover opportunities for integration; and incorporate literacy and presentational skills. Students utilize the resources of art museums, galleries, and studios, and identify art-related careers.*

Core 40 Credits: Direct Elective (1 credit)

Scope and Sequence: Middle Ages Early Europe, Early Medieval Arts and Romanesque Art, Art in the 12th, 13th and 14th Centuries, Art History Renaissance Period, 15th Century Art in Europe, 16th Century Art in Italy-The Artists, High Renaissance and Baroque, 16th Century Art in Italy - The Movement, Baroque Art, 18th and 19th Century Art in

Europe and the Americas 18th Century, 19th Century, Modern Art In Europe 1900-1945, Modern Art in the Americans 1900-1945, The Scene Since 1945,

Introduction to Two-Dimensional Art

Course Overview: *Introduction to Two-Dimensional Art is a course based on the Indiana Academic Standards for Visual Art. Students taking this course engage in sequential learning experiences that encompass art history, art criticism, aesthetics, production, and integrated studies and lead to the creation of portfolio quality works. Students explore historical and the outcomes, and revise their work; relate art to other disciplines and discover opportunities for integration; and incorporate literacy and presentational skills. They identify ways to utilize and support art museums, galleries, studios, and community resources.*

Core 40 Credits: Direct elective (1 credit)

Scope and Sequence: Art History - Middle Ages Early Europe, Early Medieval Art and Romanesque Art, Art in the 12th, 13th and 14th Centuries, Art History Renaissance Period, 15th Century Art in Europe, 16th Century Art in Italy – The Artists, Art History High Renaissance and Baroque, 16th Century Art in Italy – The Movement, 16th Century Art in Northern Europe and the Iberian Peninsula, Baroque Art, Art History – World Art After 1200, Art of Asia, Art of Africa, the Americas, and the Pacific Cultures, Art History – 18th and 19th Century Art in Europe and the Americas, 18th Century, 19th Century, Art History – Modern Art, Modern Art in Europe 1900-1945, Modern Art in the Americas 1900-1945, and The Scene Since 1945

Sociology

Course Overview: *Sociology allows students to study human social behavior from a group perspective. The sociological perspective is a method of studying recurring patterns in people's attitudes and actions and how these patterns vary across time, cultures, and in social settings and groups. Students describe the development of sociology as a social science and identify methods of research. Through research methods such as scientific inquiry students examine society, group behavior, and social structures. The influence of culture on group behavior is addressed through institutions such as the family, religion, education, economics, community organizations, government, and political and social groups. The impact of social groups and institutions on group and individual behavior and the changing nature of society will be examined. Influences on group behavior and social problems are included in the course. Students also analyze the role of individuals in the community and social problems in today's world.*

Core 40 Credits: Elective (1 credit)

Scope and Sequence: The Sociological Point of View, Cultural Diversity, Social Structure, and Deviance and Social Control

Adult Roles and Responsibilities

Course Overview: *Adult Roles and Responsibilities is recommended for all students as life foundations and academic enrichment, and as a career sequence course for students with interest in family and community services, personal and family finance, and similar areas. This course builds knowledge, skills, attitudes, and behaviors that students will need as they complete high school and prepare to take the next steps toward adulthood in today's society. The course includes the study of interpersonal standards, lifespan roles and responsibilities, individual and family resource management, and financial responsibility and resources. A project-based approach that utilizes higher order thinking, communication, leadership, management processes, and fundamentals to college and career success is recommended in order to integrate these topics into the study of adult roles and responsibilities. Direct, concrete mathematics and language arts proficiencies will be applied. Service learning and other authentic applications are strongly recommended. This course provides the foundation for continuing and postsecondary education in all career areas related to individual and family life.*

Core 40 Credits: Direct Elective (1 credit)

Scope and Sequence: Taking Control of My Academic Success, Your Online Learning Experience, Taking High Quality Notes, Memorization Techniques, Five Steps to Test Preparation, Test Taking Strategies, The Benefits of Visual Aids, Using References, Quality Final Products, and Reading Techniques.

Digital Citizenship

Course Overview: *Digital Citizenship prepares students to use computer technology in an effective and appropriate manner. Students develop knowledge of word processing, spreadsheets, presentation and communications software. Students establish what it means to be a good digital citizen and how to use technology appropriately.*

Core 40 Credits: Direct Elective (1 credit)

Scope and Sequence: Business and Personal Communication, Start a Document, Format Content, Use Word Tools, Manage Lengthy Documents, Columns, Tables, and Charts, Collaborate with Others, Excel 2007: Business and Personal Finance, Create Data and Content, Format Data and Content, Analyze Data, Manage Workbooks, PowerPoint 2007: The Power of Presentations, Power Point Basics, Create Content and Collaborate, Format Content, Manage Presentations, Outlook 2007: Email and Electronic Communications, Using Outlook for Email, Using Calendar for Scheduling, and Managing Contacts

Physical Education

Course Overview: *Physical Education I focuses on instructional strategies through a planned, sequential, and comprehensive physical education curriculum which provide students with opportunities to actively participate in at least four of the following: team sports; dual sport activities; individual physical activities; outdoor pursuits; self-defense and martial arts; aquatics; gymnastics; and dance, all which are within the framework of lifetime physical 134 Indiana Department of Education 2014-2015 High School State Approved Course Titles & Descriptions December 2013 Edition activities and fitness.*

Core 40 Credits: Physical Education (2 credits)

Scope and Sequence: Beginning Fitness, Introduction to Fitness, Safety, Fitness Fundamentals, Biomechanical Principles, Health-related Fitness, Cardiorespiratory Fitness, and Muscular Fitness, Health-related Fitness, Flexibility, Nutrition, Body Composition, Skills for Lifelong Fitness, Introduction to Sports, Skills for Success in Athletics, Stress Management, Designing a Personal Fitness Plan, Consuming Wisely, and Lifetime Fitness

Spanish I

Course Overview: *Spanish I, a course based on Indiana's Academic Standards for World Languages, introduces students to effective strategies for beginning Spanish language learning, and to various aspects of Spanish culture. This course encourages interpersonal communication through speaking and writing, providing opportunities to make and respond to basic requests and questions, understand and use appropriate greetings and forms of address, participate in brief guide conversations on familiar topics, and write short passages with guidance. This course also emphasizes the development of reading and listening comprehension skills, such as reading isolated words and phrases in a situational context and comprehending brief written or oral directions. Additionally, students will examine the practices, products and perspectives of Spanish-speaking culture; recognize basic routine practices of the target culture; and recognize and use situation-appropriate non-verbal communication. This course further emphasizes making connections across content areas and the application of understanding Spanish language and culture outside of the classroom.*

Core 40 Credits: Direct Elective (2 credits)

Scope and Sequence: An Introduction, Vocabulary, My Friends and I, Vocabulary, Grammar and Conversation, Cultural Lectures, Classes and Companions, Vocabulary, Grammar and Conversation, Cultural Lectures, Shopping for School Supplies, Vocabulary, Grammar and Conversation, Cultural Lectures

Preparing for College and Careers

Course Overview: *addresses the knowledge, skills, and behaviors all students need to be prepared for success in college, career, and life. The focus of the course is the impact of today's choices on tomorrow's possibilities. Topics to be addressed include twenty-first century life and career skills; higher order thinking, communication, leadership, and management processes; exploration of personal aptitudes, interests, values, and goals; examining multiple life roles and responsibilities as Individuals and family members; planning and building employability skills; transferring school skills to life and work; and managing personal resources. This course includes reviewing the 16 national career clusters and Indiana's College and Career Pathways, in-depth investigation of one or more pathways, reviewing graduation plans, developing career plans, and developing personal and career portfolios. A project based approach, including computer and technology applications, cooperative ventures between school and community, simulations, and real life experiences, is recommended.*

Core 40 Credits: Direct Elective (1 course)

Scope and Sequence: Exploring Careers, Investigating Career Opportunities, Entering the Workforce, The Job Search Process, Writing a Professional Resume, Developing Interview Skills, Succeeding in the Workplace, Starting a New Job, Working with Others, Developing Professional Skills, Improving Your Professional Skills, Technology and Time Management

Career Information and Exploration

Course Overview: *Provides students with opportunities to learn about themselves and about various traditional and nontraditional occupations and careers. Students also gain an awareness of the type of occupational preparation or training needed for various occupations and careers. Students develop skills in: (1) employability, (2) understanding the economic process, and (3) career decision making and planning. Opportunities are provided for students to observe and participate in various job situations through field trips, internships, mock interviews, and guest speakers. Resume development experience and career-related testing are also provided to students.*

Core 40 Credits: Elective (2 credits)

Scope and Sequence: Career Clusters, Education and Training Careers, Career Research and Planning, Business Management and Administration Careers, Career Research and Planning

Level One Students

May have no high school credits or need remediation help in reading, math and writing.

Level Two Students

Minimum 11 high school credits

Pass English 09 or equivalent

- Pass Algebra 1 or equivalent
- Pass Algebra 1 ECA
- Minimum 1 Core 40 math credits
- Minimum 1 Core 40 science credits
- Minimum 1 Core 40 social studies credits

Level Three Students – must meet Level Two requirements, plus:

- Minimum 21 high school credits
- Pass English 10 or equivalent

- Pass English 10 ECA
- Minimum 3 CORE 40 math credits
- Minimum 3 CORE 40 science credits
- Minimum 3 CORE 40 social studies credits

Level Four Students – must meet Level Three requirements, plus:

- Minimum 31 high school credits
- Completion of IVYT 070 or equivalent
- Pass English 11 or equivalent
- Minimum 4 CORE 40 math credits
- Minimum 4 CORE 40 science credits
- Minimum 4 CORE 40 social studies credits

Gold Status – may accompany any level

- Test in to 100 level college courses

Sample Curriculum Map ELA	
Unit: Identity Length: 6 Weeks	
“What we must decide is perhaps how we are valuable, rather than how valuable we are” -F. Scott Fitzgerald	
Standards	-9.2.1 -9.3.2 -9.3.5 -9.3.8 -9.4.3 -9.4.11 -9.5.1 -9.5.7 -9.6.1 -9.6.4 -9.7.1 -9.2.4 -9.3.3 -9.3.6 -9.3.9 -9.4.5 -9.4.12 -9.5.5 -9.5.8 -9.6.2 -9.2.3 -9.3.4 -9.3.7 -9.4.10 -9.5.6 -9.6.3
Skills: ELA	<ul style="list-style-type: none"> • Parts of Speech • Adjectives 1,2 • Adverbs • Dr. Jekyll and Mr. Hyde • Prepositions, Conjunctions, and Interjections • Masque of the Red Death • Parts of Speech Review 1-3
Literature & Reading Topics	<ul style="list-style-type: none"> <u>Novels</u> <ul style="list-style-type: none"> • Dr. Jekyll and Mr. Hyde • Jacob I have Loved • Staying Fat for Sarah Byrnes • Monster • The Contender • Speak <u>Short Stories</u> <ul style="list-style-type: none"> • Stargirl • Masque of the Red Death <u>Poetry</u> <ul style="list-style-type: none"> • Edgar Allen Poe • Song of Myself – Walt Whitman
Writing & Grammar Topics	<ul style="list-style-type: none"> • Parts of Speech • Writing Process • 6+1 Writing Traits - Voice • Daily Oral language • A+ Writing Curriculum <i>Writers Inc</i>
Projects & Field Experience	<ul style="list-style-type: none"> • Parts of Speech Project • Vocabulary Lessons 5-10, Analogies 3-5, Context 3-5 • Poetry – “I am Poem” & “Bio Poem” • Career Development Resume, Applications, Letters • Autobiography (Narrative) • <u>Update Portfolio</u>

Sample Student Profile

John Smith is a 17 year-old student who plans to enroll at GPA for the 2017-2018 school year with the following assets:

- 15 Core 40 credits including English 9, Algebra I, Biology and World History
- Successful completion of the Algebra I ECA

He has taken several additional courses, which he has failed due mostly to attendance because he started working on construction jobs during the day in fall and spring of his sophomore year. After the development of his ILP, it is determined that he is a Level 2 student and his anticipated graduation date is December 2013.

A sample schedule for John's five semesters at GPA might look something like this:

	Credit Recovery	Day Courses	Evening Courses	College Courses	Saturdays
Fall 2017	<ul style="list-style-type: none"> •Geometry – Odyssey • English—Odyssey •US History-Odyssey • Read 180 	<ul style="list-style-type: none"> • Earth Science • Speech •American Literature • Advisory 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> •English 10 ECA Tutoring
Spring 2018	<ul style="list-style-type: none"> •Geometry – Odyssey •US History-Odyssey • Read 180 	<ul style="list-style-type: none"> • Earth Science • American Literature • Advisory 	<ul style="list-style-type: none"> • PE at GPA 	<ul style="list-style-type: none"> • IVY TECH 070 	<ul style="list-style-type: none"> •English 10 ECA Tutoring
Fall 2018	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • ICP • Advisory 	<ul style="list-style-type: none"> •Government at GPA 	<ul style="list-style-type: none"> • ENGL 111 • MATH 111 	<ul style="list-style-type: none"> • None
Spring 2019	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • ICP • Advisory 	<ul style="list-style-type: none"> •Economics at IVY TECH 	<ul style="list-style-type: none"> • MATH 121 • ENGL 210 •Degree courses 	<ul style="list-style-type: none"> • None
Fall 2019	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Advisory 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> •Degree Courses 	<ul style="list-style-type: none"> • None

Attachment 12

Exit Standards for High School

The school will be a public charter school so there will be no academic **entrance** requirements other than a student has dropped out of high school.

The school will only require that appropriate documentation be received prior to the beginning of the school year. Students transferring to the school after 9th grade will be placed in the appropriate classes following an examination of the student’s transcript to ensure that all of graduation requirements will be able to be met.

In high school, students must successfully complete four years of English, four years of history/social sciences, four years of math, and four years of science in addition to two years of Latin, one year of art or music, one course in logic and four electives in their STEM field of choice, and the successful completion of a senior internship.

Below are the Indiana Required courses for completion of and Indiana General High School Diploma.

Indiana General High School Diploma	
The completion of Core 40 is an Indiana graduation requirement. Indiana’s Core 40 curriculum provides the academic foundation all students need to succeed in college and the workforce.	
To graduate with less than Core 40, the following formal opt-out process must be completed:	
<ul style="list-style-type: none"> ▪ The student, the student’s parent/guardian, and the student’s counselor (or another staff member who assists students in course selection) must meet to discuss the student’s progress. ▪ The student’s Graduation Plan (including four year course plan) is reviewed. ▪ The student’s parent/guardian determines whether the student will achieve greater educational benefits by completing the general curriculum or the Core 40 curriculum. ▪ If the decision is made to opt-out of Core 40, the student is required to complete the course and credit requirements for a general diploma and the career/academic sequence the student will pursue is determined. 	
Course and Credit Requirements (Class of 2016 & Beyond)	
English/Language Arts	8 credits
	Credits must include literature, composition and speech
Mathematics	4 credits
	2 credits: Algebra I or Integrated Mathematics I 2 credits: Any math course <i>General diploma students are required to earn 2 credits in a Math or a Quantitative Reasoning (QR) course during their junior or senior year. QR courses do not count as math credits.</i>
Science	4 credits
	2 credits: Biology I 2 credits: Any science course <i>At least one credit must be from a Physical Science or Earth and Space Science course</i>
Social Studies	4 credits
	2 credits: U.S. History 1 credit: U.S. Government 1 credit: Any social studies course
Physical Education	2 credits
Health and Wellness	1 credit
College and Career Pathway	6 credits

Courses Selecting electives in a deliberate manner to take full advantage of college and career exploration and preparation opportunities	
Flex Credit	5 credits Flex Credits must come from one of the following: <ul style="list-style-type: none"> • Additional elective courses in a College and Career Pathway • Courses involving workplace learning such as Cooperative Education or Internship courses • High school/college dual credit courses • Additional courses in Language Arts, Social Studies, Mathematics, Science, World Languages or Fine Arts
Electives	6 credits Specifies the minimum number of electives required by the state. High school schedules provide time for many more elective credits during the high school years.
40 Total Credits Required Schools may have additional local graduation requirements that apply to all students	

State Approved Industry Certifications

Approved by State CTE Advisory Committee, March 4, 2015



Indiana Department of Education

Glenda Ritz, NBCT
Indiana Superintendent of Public Instruction

Approved for THD, A-F, and Technical Skills Attainment (2S1)	Relevant Pathways	*State pays for assessment fees
A+ Certification		
ACE (Associate Certified Electronics) Technician	Electronics Pathway	
Adobe Certified Associate or Expert		
Aircraft Operator-Private Pilots/Maintenance License FAA Certification	Aviation Pathways	
APCO (Association of Public-Safety Communications Officials)	Criminal Justice Pathways	
ASE (Automotive Service Excellence) Certifications	Automotive, Diesel, and Collision Repair Pathways	
ASE (Automotive Service Excellence) Student Certifications (formerly	Automotive, Diesel, and Collision Repair Pathways	X
AutoCAD Certified Associate, Professional, and User		
Autodesk Inventor		
AWS (American Welding Society) certifications	Welding	
AWS (American Welding Society) SENSE Level 1 certification	Welding	X
Certified Internet Web Professional (CIW)	IT Pathways	
Certified Novell Administrator	IT Pathways	
Certified Nursing Assistant (C.N.A.)	Nursing Pathway	
Certified Solidworks Associate (CSWA)		
Certified Veterinary Assistant (TVMA)	Health Care Specialties: Veterinary Pathway	
Child Development Associate (CDA)	Early Childhood Education Pathway	
Cisco Certified Network Associate (CCNA)	IT Pathways	
Culinary Arts Certification (Pre-PAC)	Culinary Arts Pathway	X
Early Childhood Education Certification (Pre-PAC)	Early Childhood Education Pathway	X
Education Fundamentals Certification (Pre-PAC)	Education Careers Pathway	X
Emergency Medical Technician (EMT)	EMT/Paramedic Pathway	X
Emergency Telecommunicator Certification (NAED)	Criminal Justice Pathways	
ESPA (Electronic Systems Professional Alliance) EST Certification	Electronics Pathway	
ETA (Electronics Technicians Association) SET-Student Electronics	Electronics Pathway	X
Family and Community Services Certification (Pre-PAC)	Human & Social Services Pathway	X
Fashion, Textiles and Apparel Certification (Pre-PAC)	Fashion, Textiles & Design Pathway	X
Firefighter I Certification	Fire & Rescue Pathway	X

State Approved Industry Certifications

Approved by State CTE Advisory Committee, March 4, 2015

Approved for THD, A-F, and Technical Skills Attainment (2S1)	Relevant Pathways	*State pays for assessment fees
Firefighter II Certification	Fire & Rescue Pathway	X
Food Science Fundamentals Certification (Pre-PAC)	Food Science Pathway (Advanced Life Science Foods)	X
Home Builders Institute (HBI) Carpentry Basic	Construction Trades Pathway	X
Home Builders Institute (HBI) HVAC Basic Principles	Construction Trades: HVAC Pathway	X
Home Builders Institute (HBI) Wiring Basic	Construction Trades: Electrical Pathway	X
HVAC Excellence Certification	Construction Trades: HVAC Pathway	X
Indiana Nursery and Landscape Association Passport to Industry Certified	Landscape Management Pathway	
Indiana State Board of Cosmetology Certifications	Cosmetology Pathway	
Interior Design Fundamentals (Pre-PAC)	Housing and Interior Design Careers	X
Lodging Management Program Certificate of Achievement	Hospitality Management Pathway	
Microsoft Office Specialist Expert and Master Certifications	IT Pathways	
Microsoft Office Specialist MTA Bundle (at least 4 of the 7 certificates)	IT Pathways	
Microsoft Technology Associate (MTA)	IT Pathways	
MSSC (Manufacturing Skills Standards Certifications)	Advanced Manufacturing Pathway	X
National Consortium for Health Science Education (NCHSE) Foundations	Health Science Pathways	X
National Healthcareers Association Certified Patient Care Tech (CPCT)	Health Science Pathways	
National Healthcareers Association Clinical Medical Assisting Certification	Health Science Pathways	
National Healthcareers Association Pharmacy Tech Certification (ExCPT)	Health Science Pathways	
National Healthcareers Association Phlebotomy Technician	Health Science Pathways	
NCCER Certifications	Construction Trades Pathways	
Network Plus Certification	IT Pathways	
NIMS (National Institute for Metalworking Skills) certifications	Machine Technology Pathway	
NIMS (National Institute for Metalworking Skills) Level I online theory exam	Machine Technology Pathway	X
Pharmacy Technician Certification	Health Care Specialities: Pharmacy Pathway	
PLTW End of Course Assessment Bundle (at least 3 course ECAs)	Engineering, Biotechnology and Biomedical Pathways	
PrintED Certification		
ProStart National Certificate of Achievement	Culinary Arts Pathway	X
Quickbooks Certification		
Server+ (server plus) Certification	IT Pathways	
Society of Broadcast Engineers Certification	Radio TV Pathway	

*With limited funds available for the state to support the cost of assessments that lead to industry certifications, schools or students are responsible for assessment fees not noted above. Per federal regulations for use of Perkins funds, the state does not cover any separate or additional student fees associated with obtaining certifications. Contact DOE Office of Career and Technical Education at tlovelad@doe.in.gov with any questions.

Attachment 13 East Chicago FOCUS Academy Academic Calendar 2017-2018

AUGUST							-	FEBRUARY							-
S	M	T	W	T	F	S	1st Day Class	S	M	T	W	T	F	S	Presidents Day
		1	2	3	4	5		4	5	6	7	8	9	10	
6	7	8	9	10	11	12		11	12	13	14	15	16	17	
13	14	15	16	17	18	19		18	19	20	21	22	23	24	
20	21	22	23	24	25	26		25	26	27	28				
27	28	29	30	31											
SEPTEMBER							-	MARCH							-
S	M	T	W	T	F	S	Labor Day	S	M	T	W	T	F	S	End of Quarter Spring Break
					1	2		4	5	6	7	8	9	10	
3	4	5	6	7	8	9		11	12	13	14	15	16	17	
10	11	12	13	14	15	16		18	19	20	21	22	23	24	
17	18	19	20	21	22	23		25	26	27	28	29	30	31	
24	25	26	27	28	29	30									
OCTOBER							-	APRIL							-
S	M	T	W	T	F	S	End of Quarter	S	M	T	W	T	F	S	20
1	2	3	4	5	6	7		1	2	3	4	5	6	7	
8	9	10	11	12	13	14		8	9	10	11	12	13	14	
15	16	17	18	19	20	21		15	16	17	18	19	20	21	
22	23	24	25	26	27	28		22	23	24	25	26	27	28	
29	30	31						29	30						
NOVEMBER							-	MAY							-
S	M	T	W	T	F	S	Holiday Break Classes Resume	S	M	T	W	T	F	S	Memorial Day
			1	2	3	4		6	7	8	9	10	11	12	
5	6	7	8	9	10	11		13	14	15	16	17	18	19	
12	13	14	15	16	17	18		20	21	22	23	24	25	26	
19	20	21	22	23	24	25		27	28	29	30	31			
26	27	28	29	30											
DECEMBER							-	JUNE							-
S	M	T	W	T	F	S	End of Quarter	S	M	T	W	T	F	S	Last Day
					1	2		3	4	5	6	7	8	9	
3	4	5	6	7	8	9		10	11	12	13	14	15	16	
10	11	12	13	14	15	16		17	18	19	20	21	22	23	
17	18	19	20	21	22	23		24	25	26	27	28	29	30	
24	25	26	27	28	29	30									
31															
JANUARY							-	JULY							-
S	M	T	W	T	F	S	Winter Break Resume MLK Jr. Day	S	M	T	W	T	F	S	4
	1	2	3	4	5	6		1	2	3	4	5	6	7	
7	8	9	10	11	12	13		8	9	10	11	12	13	14	
14	15	16	17	18	19	20		15	16	17	18	19	20	21	
21	22	23	24	25	26	27		22	23	24	25	26	27	28	
28	29	30	31					29	30	31					

	Total Student Days: 190	The school calendar may be adjusted for snow day or other school closures.
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ECFA Daily Schedule

7:00 – 8:00	College and Career Readiness Hour
8:00 – 8:15	Advisory Period / Breakfast Served
8:15 – 11:15	Morning Cohort
11:00 – 11:15	Sack Lunch Distribution
11:15 – 11:45	Staff Interdisciplinary Collaboration / Planning
11:45 – 12:00	Sack Lunch Distribution
12:00 – 3:00	Afternoon Cohort
3:00 – 4:00	PLC Collaboration Period
4:00 – 8:00	Evening Cohort

Attachment 14

East Chicago FOCUS Academy Enrollment Process 2017-2018 School Year

To Apply: East Chicago FOCUS Academy is non-selective and open to all applicants that qualify for entrance into an alternative high school. When there are more applicants to the school than available spots, the ECFA is required to conduct a lottery or random selection of students to be awarded seats in the school. ECFA strongly encourages families/applicants to apply during open enrollment period in order to have the best chance of being awarded a seat in the school. Open enrollment begins at 7:30 a.m. on January 6, 2017 and ends on February 21, 2017 @ 4:30 p.m. When open enrollment ends, applications are counted. Again, if there are fewer applications than openings, all applications will be accepted. If there are more applications than openings, a lottery will be held.

Lottery: The lottery is a random selection to determine who will be accepted and who will be placed on a waiting list. It will be held at 6:00 p.m. on March 5, 2017 in the 21st Century High School Board conference room. During the lottery, names will be randomly generated from the computer system. Parents/students will be notified by mail of the lottery results during the week of March 10, 2017. Applications received after open enrollment are accepted on a first-come, first-serve basis for any remaining openings or put on a waiting list.

If you are on the Waiting List: You will be notified of acceptance by mail or phone if an opening becomes available. Please make sure you notify East Chicago FOCUS Academy immediately if your contact information changes after you have turned in your application or if you wish to be removed from the wait list.

To Enroll: If you have a spot in ECFA for the '17-'18 school year, you must attend a New Family/Student Orientation. Orientation information will be sent out with your letter of acceptance. Parents/students must submit to the school all of the following items by the date specified in the letter: Official Release of Records Form, Admissions Form, original Birth Certificate, and the most recent Immunization Records. If these are not received by that date, you may be removed from the school's accepted list.

IMPORTANT NOTES:

- You must be in attendance on the first day of school.
- Please notify the office if you do not intend to attend East Chicago FOCUS Academy.
- It is your responsibility to notify the school of address and/or phone number changes. If we are unable to reach you because of wrong address or phone – your name will be removed from the list.
- Each application is valid for one school year only. Students enrolled do not need to apply for future years.
- The wait list will expire September 12, 2017. Students on the wait list must reapply after September 12, 2017 if they wish to enroll.

East Chicago FOCUS Academy is a public charter school and admits students of any gender, race, color, religion, disability, national and ethnic origin to all the rights privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of gender, race, color, religion, disability, national, and ethnic origin in administration of its educational policies, admissions policies, athletic, and other school-administered programs.

Enrollment Procedure and Packet

Students that qualify for enrollment, in accordance to the process previously described, will have an enrollment packet complete by him/herself, a parent or guardian. The forms will include the following:

- Enrollment Form
- Copies or originals provide by the him/herself parent/guardian:
 - Immunization Records
 - Social Security Card (optional)
 - Birth Certificate
 - Proof of Residency
 - Unofficial Transcripts (if applicable)

- Withdrawal Slip (from previous school)
- Attendance History (from previous school)
- Discipline Records (from previous school)
- Copy of Custody Paper (if applicable)
- Copy of Current IEP (if applicable) and Academic Records (or a request for records will sent to previous school)
- Forms completed by the student/parent/guardian:
 - Indiana Residency Documentation Form
 - Home Language Survey (PHLOTE)
 - McKinney-Vento Homeless Assistance Act 42USC11431, for homeless students, as well as the Individuals with Disabilities Education Act and 511 IAC 7-43-1(u), if applicable
 - Consent for Medical/Dental Emergency Treatment and Medical Information Form
 - Internet Use Policy
 - Consent for Off Campus Activity
 - Physical Activity Consent Form
 - Request for Release of Student Records
 - Records Request for Special Services Form
 - Media Release Form
 - School Rules and Procedures
 - Expected Behaviors
 - Student Compact and Parent/School Compact
 - Customer Satisfaction Questionnaire

The completed enrollment packet must be received within ten business days of the lottery. If it is not received the student's spot is automatically withdrawn and the next student on the waiting list will be invited to enroll.

Applications for Re-Enrollment

If a student withdraws before the last day of the previous school year he/she is required to re-apply in accordance to the procedures for new students previously described. If a student is expelled for behavioral reasons he/she must apply as a new student the following year.

If a student does not withdraw, and is in good standing, he/she is automatically enrolled the following year. The school will provide a process for the parents of these students to communicate with the school their intent to return the following year.

Attachment 15

3. DISCIPLINE POLICY

Discipline is the demonstration of responsible behavior – academically, socially, physically, and ethically. ECFA’s goal is to establish a climate that is safe, secure, and conducive to learning. ECFA believes the establishment of disciplinary parameters at school is central to a strong educational structure, and a safe and secure learning environment. Students are expected to behave in such a manner as to allow the learning process to proceed efficiently and effectively. As such, it is paramount that every student’s behavior shows proper consideration for each student and faculty member at East Chicago FOCUS Academy (ECFA). Behavior that inhibits the learning of others, or negatively affects the safety of any person, will not be tolerated. Such behavior will result in correlative consequences to committed offenses. Potential offenses and corresponding outcomes are outlined in the following section.

Note: Most students will be over 18 and responsible for themselves, in which a parent may or may not be involved.

Discipline Steps and Procedures

VIOLATION	PROCEDURE FOR CORRECTION
Dress Code violation: Not in compliance for school/classes	1) Student is sent to the Dean. 2) Student calls home or goes home to change 3) *Parent must bring appropriate clothing for student in order for student to return to class. *5 Dress Code violations (and each occurrence thereafter) will result in suspension from school. *If parent can't bring clothing, then student remains in ISS with the Academic Coach.
Insubordination/classroom disruption: Failure to follow directives from staff members	1) Assign to ISS. 2) Suspension for 1-3 days. 3) Continued failure to comply- recommend expulsion.
Vandalism: Damage of school property	1) Suspension, possible recommendation for expulsion. 2) Reimbursement or repair of damages.
Technology misuse: Tampering with servers, files, pornography, adult sites	1) Suspension, possible recommendation for expulsion. 2) Reimbursement or repair of damages.
Electronic devices during school hours: (Including, but not limited to: cell phones, mp3 players, game systems, etc.)	1) First offense - the parent must collect from the Principal on behalf of the student. 2) Second offense – the parent must collect from Principal on behalf of the student; one day suspension 3) Third offense the parent must collect from Principal on behalf of the student; two days suspension
Theft of school property Removing school property from a designated location without permission from school personnel	1) Suspension, possible recommendation for expulsion. 2) Reimbursement or return of undamaged Property will be required 3) Police will be contacted

<p>Skippping class: Not in class and accounted for when class time begins</p>	<ol style="list-style-type: none"> 1) First offense - referral to Dean. Parent is called to discuss the matter. Assign to ISS. 2) Second offense - student is to attend mandatory Saturday School. 3) Third offense – suspension from school. 4) Fourth offense – attendance contract, pending possible expulsion.
<p>Obscenity/ profanity: Using language that is offensive and profane in conversation</p>	<ol style="list-style-type: none"> 1) First offense – referral to Dean. Parent is notified. Assign to ISS. 2) Second offense – suspension for 1 day. 3) Third offense – suspension for 3-5 days.
<p>Fighting: Any confrontation in which both parties have contributed in a conflict by words, actions, or deeds</p>	<ol style="list-style-type: none"> 1) First offense – suspension for 1-5 days, possible recommendation for expulsion. 2) Second offense – suspension for 1-10 days, pending expulsion. <p><i>Each incident could result in a possible arrest.</i></p>
<p>Leaving school grounds, without permission</p>	<ol style="list-style-type: none"> 1) First offense – contact is made to parents. Assign to ISS. 2) Second offense – student is to attend mandatory Saturday School. 3) Third offense – suspension for 1-5 days.
<p>Horseplaying: Running, hitting another student, “playing” outside of recess time</p>	<ol style="list-style-type: none"> 1) First offense – referral to Dean. Assign to ISS. 2) Second offense – student is to attend mandatory Saturday School. 3) Third offense – suspension for 3-5 days.
<p><i>SEVERE Violation, not limited to:</i> <i>DISCIPLINARY ACTIONS TO BE FOLLOWED</i></p>	
<p>Use of or threat with a weapon, or any item that can be construed as a weapon: An act or action where the use of a weapon is implied or the verbal threat of the use of a weapon, including but not limited to such on social media</p>	<p>10 day suspension while an investigation is conducted. Suspension/expulsion after the completion of the investigation. Possible arrest.</p>
<p>Using tobacco on school grounds at any time; including school activities/functions</p>	<p>Suspension/expulsion after the completion of the investigation.</p>
<p>Gambling or possessing/using gambling paraphernalia</p>	<p>Suspension/expulsion after the completion of the investigation.</p>
<p>Sexual harassment: Unwelcome sexual advances, requests for sexual favors and/or inappropriate verbal/nonverbal conduct of a sexual nature, including such on social media</p>	<p>Suspension/expulsion after the completion of the investigation.</p>
<p>Bullying: Repeated acts or gestures including verbal, written, or physical acts committed by a student or group of students with the intent to harass, ridicule, humiliate, intimidate, or harm another student, including such on social media</p>	<p>Suspension, expulsion, arrest, and/or prosecution after the completion of the investigation.</p>
<p>Firecrackers and other explosives devices</p>	<p>10 day suspension while an investigation is conducted. Suspension/expulsion after the completion of the investigation. Possible arrest.</p>

Possessing, using or transmitting alcohol, drugs, drug paraphernalia; look-a-like drugs while on school property or attending a school function; Attending a school function while under the influence of a controlled substance, drugs or alcohol	10 day suspension while an investigation is conducted. Suspension/expulsion after the completion of the investigation. Possible arrest.
Bomb Threats	Suspension/expulsion after completion of the investigation. Arrest.
Guns on school property	Expulsion/arrest.

In addition (IC 20-33-8-15), a student may be suspended or expelled in unlawful activity on or off school grounds if:
(1) The unlawful activity may reasonably be considered to be an interference with school purposes or an educational function; or

(2) The student’s removal is necessary to restore order or protect persons on school property; Including unlawful activity during weekends, holidays, other school breaks, and the summer period when a student may not be attending classes or other school functions.

* The Principal and/or Academic Coach reserve the right to adjust the consequences on a case by case basis depending on the severity to which actions were committed.

** If a student has been suspended from school at least ten (10) days, the student and parent will participate in an expulsion meeting and could lead to expulsion through due process.

** Any student suspended from school is not allowed on school property until their suspension period is over. Any violation could lead to arrest for trespassing on school property.

4. DRIVING RULES AND REGULATIONS (HIGH SCHOOL)

Driving and parking at ECFA is a privilege, not a right. All vehicles driven to ECFA by students and parked in the school parking lot must be registered in the main high school office. When driving and parking on ECFA property, students agree to avail access to vehicles upon request of the administration or security. ECFA is not responsible for damage to vehicles or theft of the contents of vehicles.

1. Eligibility – Students classified as seniors will have first priority for available parking permits. Because of the limited parking facilities, parking permits will be issued to seniors on a first-come-first-served basis. Students classified as juniors will be eligible to receive a parking permit strictly on a lottery basis, with first priority given to those wishing to form a carpool.

2. Vehicle Registration – All vehicles that are driven to school by “permitted” students and parked in the school parking lot must be registered in the school office. Parking lot vehicle permits must be purchased at a cost of \$10. Replacement permits may be purchased at a cost of \$5. To obtain a permit for any vehicle, students must present their current student ID, a valid driver’s license, vehicle registration, and proof of insurance. Students must also present a signed Parent Agreement form prior to receiving a permit. Students must park in the area designated by their permits.

Vehicles that are not properly registered or that do not display a current permit are subject to being towed at the owner’s expense.

Consequences for driving without a valid parking permit:

1st offense: Parent notification that the next offense will result in the vehicle being towed at the owner’s expense.

2nd and Subsequent Offenses: The vehicle will be towed at the owner’s expense.

3. Driving/Parking Violations – Students who drive to school are expected to exhibit safe driving habits at all times. Speeding or reckless driving on school property will not be tolerated. All posted signs and traffic patterns must

be obeyed. Students driving inappropriately, recklessly, or unsafely are subject to suspension, and loss of driving privileges. Students are responsible for the contents of their vehicle at all times.

4. Penalties for Driving Violations – Violation of the driving or parking regulations will result in a range of consequences that spans from a student’s loss of driving privileges, to suspension. If a student uses a vehicle when violating a ECFA rule, his/her parking permit will be revoked. (Example: a student is truant and leaves school grounds in their vehicle.)
5. Arrival at School – Students who drive to school are to park in the designated area in the school parking lot, and exit their vehicles immediately upon arrival. All car doors must be locked. Absolutely no cruising or loitering is permitted in the parking lot at any time. No student is permitted in the parking lot at any time during the school day (8:00 AM – 8:00 PM) without permission. Students observed in the school parking lot during school hours without permission may be considered truant.
6. Departure from School – Upon dismissal from school, student drivers are to enter their vehicles and are not permitted to loiter in the parking lot.
7. Accidents – Any student who has been involved in an accident, or has sustained damage to his/her vehicle, must report the incident as soon as possible to ECFA security and/or administration.

Attachment 16

Evidence of Community Engagement

Members of the organizing team have met with several community leaders and school officials of East Chicago, including representatives of IVY Tech Community College at East Chicago, administrators from other schools in the community, as well as members of the Urban League of Northwest Indiana to listen to their concerns for the lack of educational opportunities for adults learners in their community. Because there are currently no programs that offer academic programs for those who have dropped out or aged out of the public school system, members of the organizing team felt that the unique services East Chicago FOCUS Academy will provide members of the community with pathways to college degrees and/or technical and career certification programs.

The culmination of these community outreach efforts resulted in a public forum/outreach meeting held at the IVY Tech Community College Campus at East Chicago on March 11, 2016. This meeting served to both inform the public and galvanize support for the efforts to bring ECFA and its *flexible options for communities with underserved students* to the community. Below is the flyer that was used to advertise the event and spread word throughout the community of the intentions of the organizing group to open ECFA to serve its members.



COMMUNITY SUPPORT MEETING

Pursue Higher Education! Better Employment Opportunities!

Friday, March 11 12:30 p.m.

IVY Tech East Chicago Campus

Earn your high school diploma with college credits on your way to an associate's degree or industry certification—
Absolutely Free!

Take college courses at IVY Tech Community college for FREE while completing your high school education! Earn your Associate's Degree or Trades Certification through our dual enrollment program with Ivy Tech, at **NO COST TO YOU!**





EDUCATION MATTERS

F Flexible
O Options
C for
U Communities
S with
Underserved
Students



www.geofoundation.org

For
Information

IVY Tech Community College East Chicago Campus, March 11, 2016 –



MARCH 11, 2016

ECFA
COMMUNITY SUPPORT MEETING

	LAST NAME	EMAIL ADDRESS	PHONE NUMBER
Please Print			
FIRST NAME			
1 Cindy	Rivera	riverac@ntto.net	219-313-1024
2 Abraham	Mun	abraham_mun@usc.edu	219-629-4681
3 Lisa	Edwards	ledwards64@ivytech.edu	219-512-4735
4 Sierra	Burks	s.burks@cisco.com	(219) 378-9114
5 Lashawn	Jones-Taylor	LSTaylor@catholic-creations.org	219-886-3549 x106
6 Kisha	White	kwhite12@ivytech.edu	919-392-3000 x32
7 Louie	Gonzalez	lgonzalea@ivytech.edu	(919) 392-3600
8 Joel	Arredondo	jarredond@geacademies.org	219-887-7120
9 Andrea	Solis	chaparrab509@gmail.com	(219) 315-7918
10 Frank	Pranchak	fpranchak@gcoacademies.org	(219) 888-7120
11			
12			
13			

Support among community members who attended the meeting was overwhelming. The stakeholders involved mostly represented an agency or institution within the community that directly deals with the target population of East Chicago FOCUS Academy – not only enthusiastically articulating their support but beginning to develop a network of relationships to open doors of opportunities for future students. The predicate for success of ECFA directly depends on establishing and maintaining supportive relationships with community stakeholders for both the purposes of student employment/apprenticeship/internship opportunities as well as wide-ranging sources of referrals vital to maintaining enrollment numbers.

The gracious host of this event, R. Louie Gonzalez, Campus President *Foundations of East Chicago De La Garza Campus*, responded to the presentation of the organizing group by referring to the ECFA proposal as a potential “...answer to our prayers,” specifically referring to the frustration he and others have reengaging students the longer they have been out of school. Others were eager to begin referring their clients to ECFA in its inception year, and the staff encouraged all attendees to refer those able to travel to Gary Middle College in the interim.

One current Gary Middle College student, who is enrolled in dual credit courses at IVY Tech East Chicago, came to the meeting and spoke about her experience at GMC and that she has many friends in East Chicago who have not finished high school, but transportation issues prevent them from traveling to other cities for their education. This testimony further solidified the already galvanized support for East Chicago FOCUS Academy.

Letters of Support



February 5, 2016

Indiana Charter School Board
143 West Market Street, Suite 300
Indianapolis, IN 46204

Dear Members of the Indiana Charter School Board:

On behalf of Hammond Academy of Science and Technology, it is with pleasure that I offer this letter of support to the Founding Members of East Chicago FOCUS Academy (ECFA). The founding group of ECFA and the Founding Board has shared their vision of ECFA and we feel this school will offer this underserved group of students an excellent school choice option to complete high school as well as an opportunity to attend college or enter the work force career ready. The East Chicago community is in grave need of an opportunity to transform the lives of those students who have dropped out of high school or may be at risk of not completing high school in the future. We need ECFA to fill the gap where it's most needed. We urge you to approve this charter application.

We are looking forward to establishing a stronger partnership with ECFA in the future.

Sincerely,

Dr. Sean Egan
School Leader

WWW.HAMMONDACADEMY.ORG

33 Muenich Court
Hammond, Indiana 46320
219/852-0500 Office
219/852-4153 Fax



February 10, 2016

Indiana Charter School Board
143 West Market Street, Suite 300
Indianapolis, IN 46204

Dear Members of the Indiana Charter School Board:

On behalf of Ivy Tech Community College it is with pleasure that I offer this letter of support to the Founding Members of East Chicago FOCUS Academy (ECFA). The founding group of ECFA and the Founding Board has shared their vision of ECFA and we feel this school will offer this underserved group of students an excellent school choice option to complete high school as well as an opportunity to attend college or enter the work force career ready. The East Chicago community is in grave need of an opportunity to transform the lives of those students who have dropped out of high school or may be at risk of not completing high school in the future. We need ECFA to fill the gap where it's most needed. We urge you to approve this charter application.

We are looking forward to establishing a stronger partnership with ECFA in the future.
Sincerely,

Joseph Joniec
Department Chair, School of Business
Ivy Tech Community College
410 East Columbus Drive
East Chicago, IN 46312

February 4, 2016

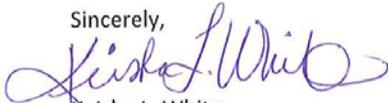
Indiana Charter School Board
143 West Market Street, Suite 300
Indianapolis, IN 46204

Dear Members of the Indiana Charter School Board:

It is with pleasure that I offer this letter of support to the Founding Members of East Chicago Focus Academy (ECFA). The founding group of ECFA and the Founding Board has shared their vision of ECFA and we feel this school will offer this underserved group of students an excellent school choice option to complete high school as well as an opportunity to attend college or enter the work force career ready. The East Chicago community is in grave need of an opportunity to transform the lives of those students who have dropped out of high school or may be at risk of not completing high school in the future. We need ECFA to fill the gap where it's most needed. We urge you to approve this charter application.

We are looking forward to establishing a stronger partnership with ECFA in the future.

Sincerely,



Keisha L. White

March 8, 2016
Indiana Charter School Board
143 West Market Street, Suite 300
Indianapolis, IN 46204

Dear Members of the Indiana Charter School Board:

I'm writing to express my support for the proposed new East Chicago FOCUS Academy. It is my understanding that the school will provide an alternative opportunity for area young adults and others to complete and earn their high school diploma as well as earn college credits toward an Associate Degree and/or a state-approved certification for a successful career. Northwest Indiana has its challenges and education is no exception. The Urban League has supported the development of Gary Middle College, on which ECFA is modeled. GMC has been very successful reengaging youth in high school and getting them prepared for colleges and careers. I believe there is a similar population of need in East Chicago and surrounding neighborhoods.

I know the founders of ECFA and all of the board members are well known in the community and know the community's needs very well. Their desire to serve and support our communities in NW Indiana are second to none. I highly recommend this school's approval and look forward to having the Urban League partner with the school to serve the community's needs.

Sincerely,

Dr. Vanessa Allen

Vanessa Allen, Ed.D.
President & CEO
Urban League of NWI, Inc.
3101 Broadway | Gary, Indiana 46409
OFFICE: 219-887-9621 FAX: 219-884-4519
E-Mail: vallen@ulofnwi.org
Website: www.ulofnwi.org

The Founding Board understands the importance of listening to the needs to the students and parents in the school. They asked for the review the Gary Middle College Parent/Student Survey in order to gauge the satisfaction of the parents and students. The below Gary Middle College Survey is very positive and is evidence that to replicate GMC is important and needed in East Chicago.

Q1 What grade are you/your child(ren) in at Gary Middle College?

Answered: 50 Skipped: 0

	Ninth Grade	Tenth Grade	Eleventh Grade	Twelfth Grade	Total
Child One	6.12% 3	20.41% 10	24.49% 12	48.98% 24	49
Child Two	66.67% 2	0.00% 0	0.00% 0	33.33% 1	3
Child Three	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0
Child Four	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0
Child Five	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0

Q2 How many years have you/your child(ren) attended Gary Middle College?

Answered: 50 Skipped: 0

	Less than one year	One year	Two years	Three years	Four years	Five years	Total
Student One	79.59% 39	12.24% 6	6.12% 3	2.04% 1	0.00% 0	0.00% 0	49
Student Two	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0
Student Three	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0
Student Four	0.00% 0	0.00% 0	0.00% 0	0.00% 0	100.00% 1	0.00% 0	1
Student Five	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0

Q3 What is your relationship to the child/children attending Gary Middle College?

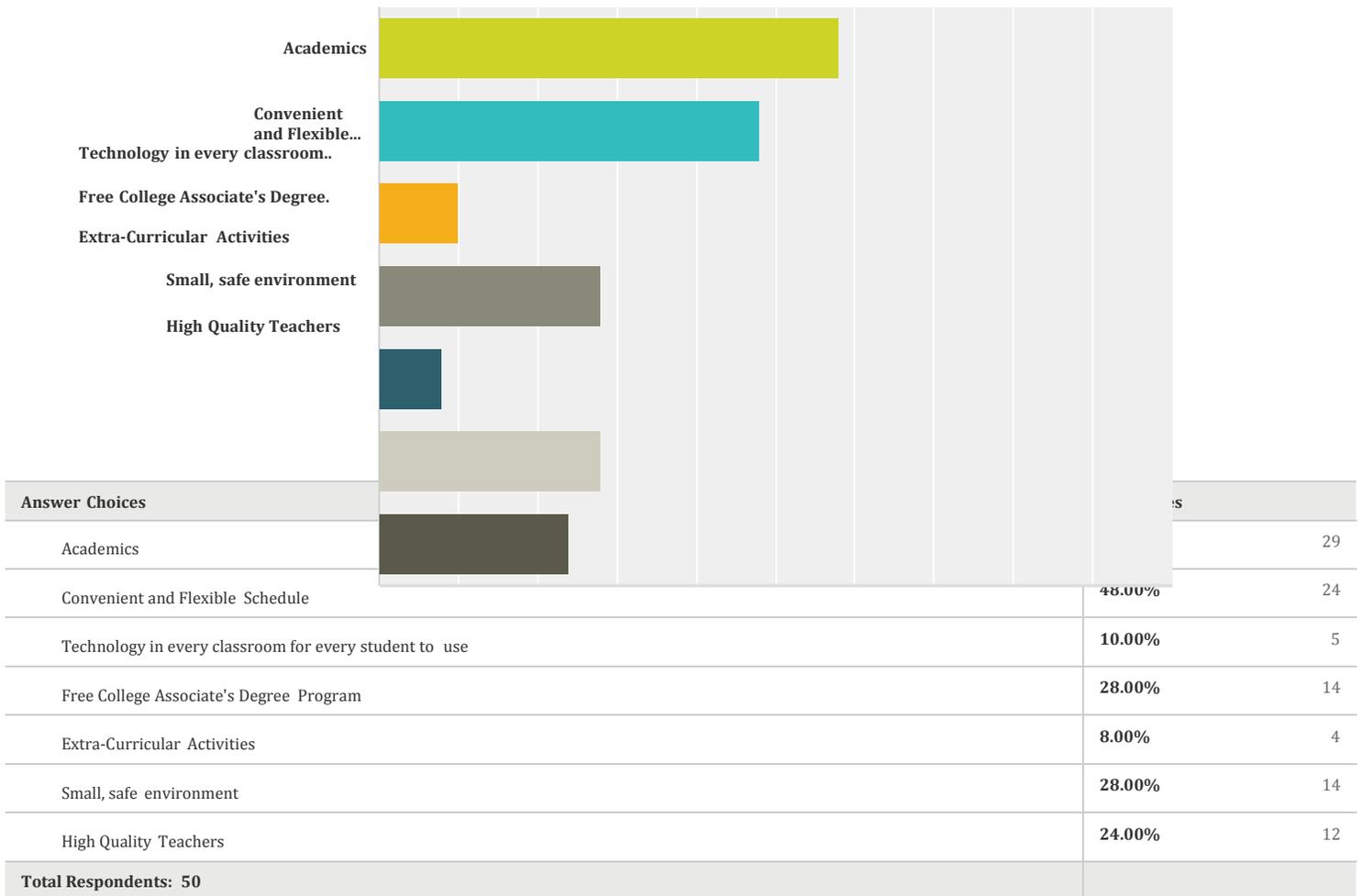
Answered: 50 Skipped: 0

Answer Choices	Responses
Self--Student at GMC	86.00% 43
Mother	6.00% 3
Father	0.00% 0
Guardian	6.00% 3
Other	2.00% 1
Total	50

#	Other	Date
1	Rekenji Williams	2/11/2016 1:29 PM

Q4 What made you or your child decide to attend Gary Middle College?
(check all that apply)

Answered: 50 Skipped: 0

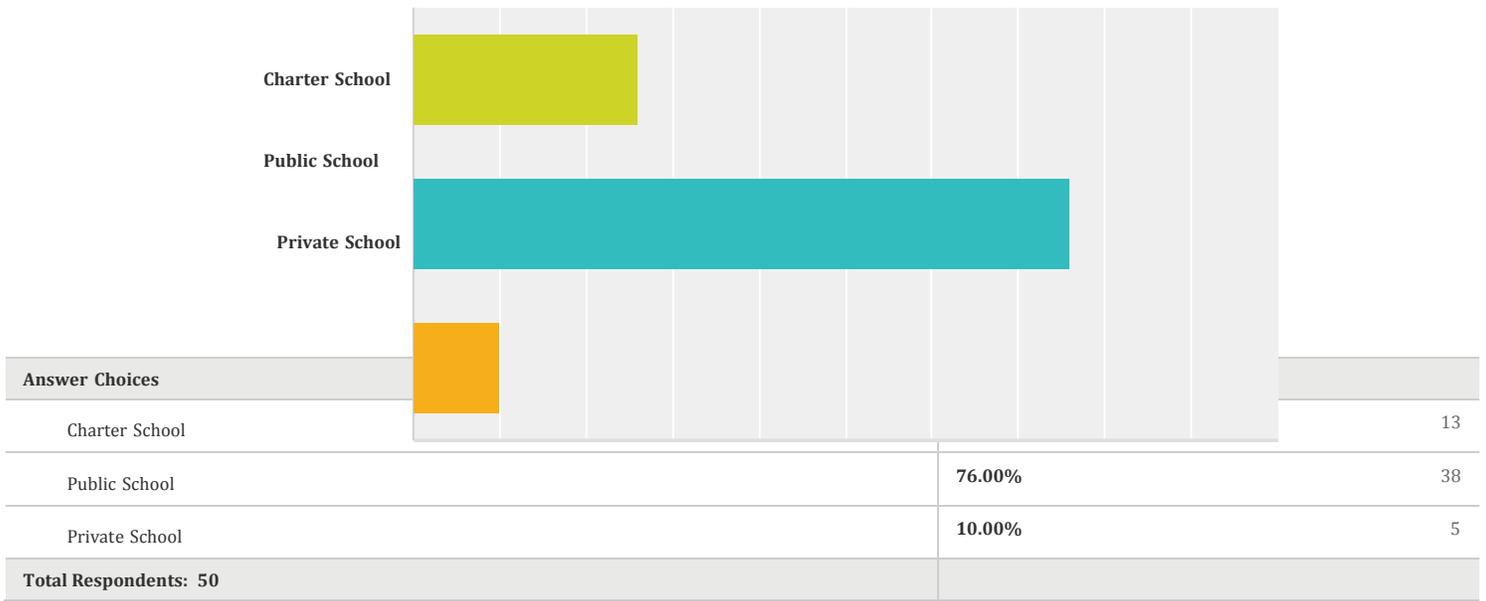


#	If other, please describe below:	Date
---	----------------------------------	------

1	To get an high school diompla	2/11/2016 1:29 PM
2	Just to have a second chance.	2/11/2016 1:12 PM
3	to get my high school	2/11/2016 9:39 AM
4	i am attending gary middle college for my diploma.	2/11/2016 9:34 AM
5	get my diploma	2/11/2016 8:05 AM
6	to obtain a high school diploma so i could obtain a job and also be able to go to college.	2/10/2016 3:14 PM
7	to finish high school	2/9/2016 2:29 PM
8	not allowed at any other school	2/9/2016 2:22 PM

Q5 What other schools were you or your child considering attending, and why? (check all that apply)

Answered: 50 Skipped: 0



#	Feel free to share more about which school and why:	Date
1	Westside leadership academy	2/11/2016 1:29 PM
2	because they were more people in public school.And everyone got along with everyone	2/11/2016 1:29 PM
3	k12 virtual online because it was a change my parent wanted me try	2/11/2016 1:15 PM
4	Home School	2/11/2016 1:11 PM
5	I was home schooled.	2/11/2016 1:11 PM
6	none	2/11/2016 9:34 AM
7	Ivy Tech Community College	2/11/2016 8:05 AM
8	ivy tech community college	2/10/2016 3:14 PM
9	I clicked public because I didn't consider any other school.	2/9/2016 3:31 PM

Q6 I/My child will be attending Gary Middle College next year:

Answered: 50 Skipped: 0

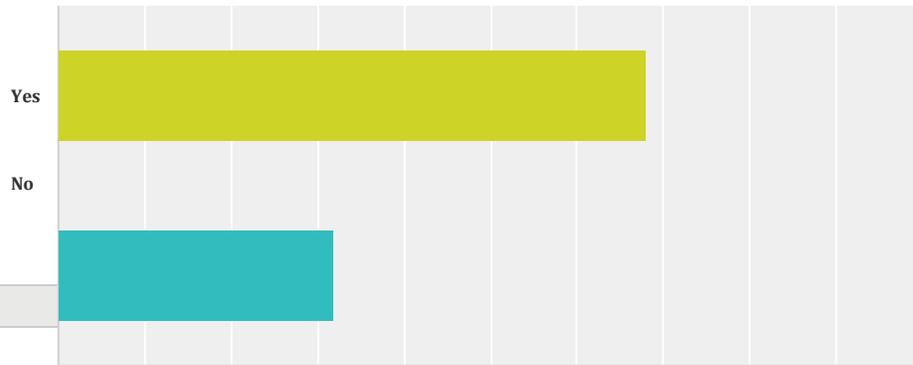
	Highly Agree	Agree	Neutral	Disagree	Highly Disagree	I/My Child will graduate this year	Total	Weighted Average
Likelihood of attending GMC next year	8.00% 4	20.00% 10	14.00% 7	2.00% 1	0.00% 0	56.00% 28	50	0.00

Q7 I would recommend Gary Middle College to other families

Answered: 50 Skipped: 0

	Highly Agree	Agree	Neutral	Disagree	Highly Disagree	Total	Weighted Average
Likelihood to recommend GMC to other families	50.00% 25	46.00% 23	4.00% 2	0.00% 0	0.00% 0	50	0.00

Q8 Do you use the Gary Middle College website to check your/your child's progress?



Answer Choices	Percentage	Count
Yes	32.00%	16
No	32.00%	16
Total		50

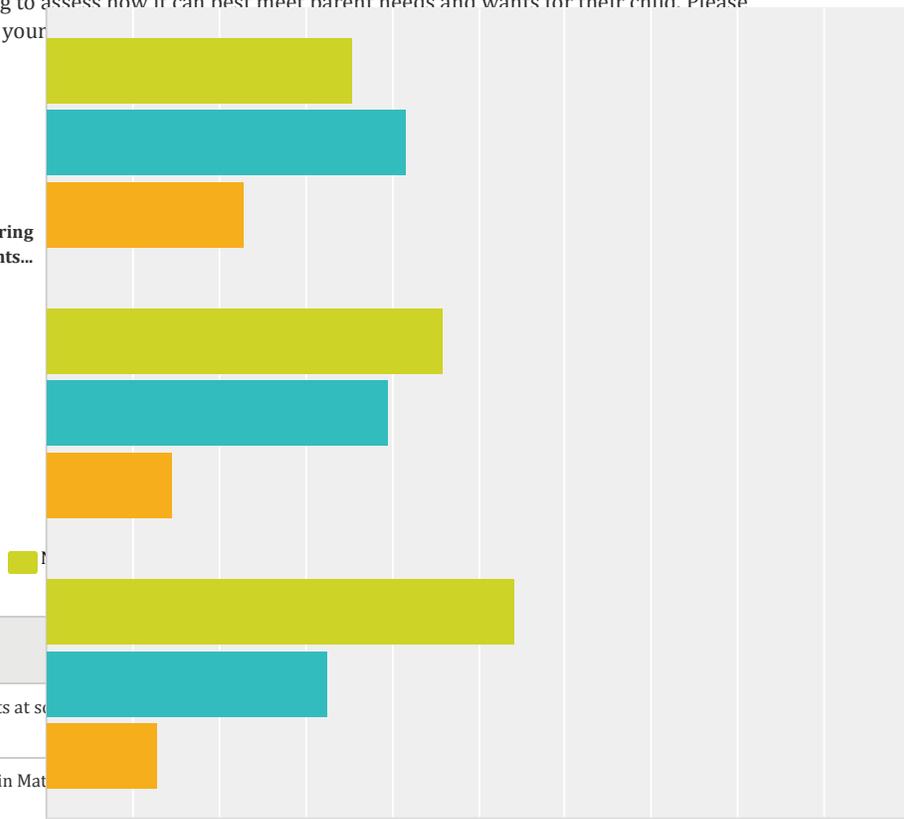
#	Please tell us how we can make the school website more useful for you:	Date
1	It's good the way it is.	2/11/2016 9:26 AM
2	noting	2/11/2016 8:06 AM

Q9 Gary Middle College is trying to assess how it can best meet parent needs and wants for their child. Please indicate your

Private individual...

Group tutoring for students...

supplementary...



	54.35%	32.61%	ery nterested	Total
Private individual tutoring for students at school or students or parents.			22.92%	48
			11	
Group tutoring for students at school in Mathematics parent			14.58%	48
			7	
A supplementary science program, for a small fee paid by student or parent.	54.35%	32.61%	13.04%	46
	25	15	6	

Q10 Do the teaching styles of your
the teachers meet your/your child's learning style?

Answered: 50 Skipped: 0

	Highly Agree	Agree	Neutral	Disagree	Highly Disagree	Total	Weighted Average
Teaching style meets child's learning style?	24.00% 12	62.00% 31	12.00% 6	2.00% 1	0.00% 0	50	0.00

#	Feel free to comment:	Date
1	The teachers are very helpful.	2/11/2016 1:11 PM
2	the class that i am in helps me which is mr.frank class.	2/11/2016 9:39 AM
3	I love the school	2/11/2016 8:09 AM
4	When you need help they get right on it and keep going until you have full understanding on the subject.	2/11/2016 8:08 AM

Q11 Is Gary Middle College preparing you/your child for the
workforce and/or college?

Answered: 50 Skipped: 0

	Highly Agree	Agree	Neutral	Disagree	Highly Disagree	Total	Weighted Average
GMC preparing student for workforce/college?	32.00% 16	50.00% 25	14.00% 7	4.00% 2	0.00% 0	50	0.00

#	Please feel free to comment on your beliefs:	Date
1	I love the class	2/11/2016 8:09 AM

Q12 I feel comfortable coming to the school to talk to teachers and administrators:

Answered: 50 Skipped: 0

	Highly Agree	Agree	Neutral	Disagree	Highly Disagree	Total	Weighted Average
Comfort Level speaking with teachers & admin	32.00% 16	54.00% 27	14.00% 7	0.00% 0	0.00% 0	50	0.00

#	Additional Comments:	Date
1	I love the people in the school	2/11/2016 8:09 AM

Q13 Teachers and administrators treat students fairly.

Answered: 50 Skipped: 0

	Highly Agree	Agree	Neutral	Disagree	Highly Disagree	Total	Weighted Average
Teachers & Admin treat students fairly	36.00% 18	56.00% 28	6.00% 3	0.00% 0	2.00% 1	50	0.00

#	Additional Comments	Date
1	don't really know that for sure.	2/11/2016 9:39 AM
2	I want to better my self	2/11/2016 8:09 AM

Q14 What would you change or improve about Gary Middle College?

Answered: 37 Skipped: 13

#	Responses	Date
1	nothing	2/11/2016 5:33 PM
2	Nothing it's a great school.	2/11/2016 2:56 PM
3	Nothing	2/11/2016 2:16 PM
4	i wouldn't change anything	2/11/2016 1:31 PM
5	nothing	2/11/2016 1:30 PM
6	nothing	2/11/2016 1:30 PM
7	add a sports program.	2/11/2016 1:28 PM
8	Yes, I would improve my grades.	2/11/2016 1:27 PM
9	I feel that the people in the class who linger, play and show no ability to work. Should be taken out the school. It bother the people who are actually here trying to finish school.	2/11/2016 1:17 PM
10	nothing	2/11/2016 1:17 PM
11	tutoring	2/11/2016 1:16 PM
12	Keep doing what you're doing.	2/11/2016 1:14 PM
13	none	2/11/2016 1:13 PM
14	i would just change the lunch lol but other than that its fine.	2/11/2016 1:11 PM
15	everything is fine with me	2/11/2016 1:11 PM
16	a better lunch	2/11/2016 1:10 PM
17	i would change my ways	2/11/2016 9:54 AM
18	a free break every hour	2/11/2016 9:48 AM
19	More one on one learning	2/11/2016 9:45 AM
20	none	2/11/2016 9:40 AM
21	none	2/11/2016 9:39 AM
22	I would change the lunch and classroom space.	2/11/2016 9:35 AM
23	i would change the class rooms	2/11/2016 9:30 AM
24	I think its a good program the way it is	2/11/2016 9:28 AM
25	nothing	2/11/2016 9:26 AM

26	I wouldn't change anything about GMC. GMC gives students the opportunity to achieve higher academics levels once they have completed their high school credit program.	2/11/2016 9:24 AM
27	Nothing , everything is great the way it is.	2/11/2016 9:19 AM
28	noting everything is great the way it is.	2/11/2016 8:09 AM
29	Nothing it sounds crazy but it's perfect. They are convenient and flexible and give great opportunities for each student in order to advance in life.	2/11/2016 8:08 AM
30	Nothing everything is great.	2/11/2016 8:07 AM
31	More help with credits and academics tests	2/10/2016 3:29 PM
32	so that we can have hot meal for lunch	2/10/2016 3:01 PM
33	To be honest really nothing.	2/9/2016 7:32 PM
34	I have not attend Gary Middle College long enough to own such an opinion.	2/9/2016 3:33 PM
35	physical teaching .	2/9/2016 3:32 PM
36	nothing at all	2/9/2016 2:30 PM
37	nothing its perfect	2/9/2016 2:23 PM

Attachment 17

5. Start-Up Plan

Below is a timeline of tasks and responsibilities the ECFA board will undertake to open East Chicago FOCUS Academy. It includes specific tasks associated with a gradual development of a school community, tasks and duties including acquiring a building, hiring staff, training, and ordering resources. This is a working document, and the board expects to revise this timeline multiple times, based on feedback from multiple stakeholders in the school's long-term success.

Month	Task	Responsibility
Ongoing		
January 2016	Develop Community Partnerships	GEO Organizing Team
	Contact Neighborhood Liaison	GEO Organizing Team
	Identify and Contact Potential Board Members	GEO Organizing Team
	Hold Monthly Board Meeting	Board of Directors
	Finalize start up budget	GEO CFO
	Research Targeted Areas and Community	GEO Organizing Team
	Draft Application to the State of Indiana	GEO
	View webinar in regards to charter application	GEO Team
February 2016	Finalize Budget for application	GEO CFO
	Complete Applications to the State Charter	GEO Organizing Team
	Identify Leaders within Target Area to Build Relationships	GEO Team
	Gather Written Community Support Letters	GEO Team
	Check in with ICSB	GEO
	Hold Board of Directors Meeting	Board of Directors
	Finalize Marketing Plan with GEO Marketing	GEO Team
	Submit Application(s) to the State Charter Board	GEO
March 2016	Governance Training for Board	GEO
	Applicant Evaluations	ICSB Staff
	Continue to Develop Relationships with Community Leaders and Neighborhood Liaisons	GEO Team
	Hold Board of Directors Meeting	Board of Directors
	Attend Community Meetings	School Director
	Identify Local Philanthropic Groups	School Director
	Applicant Capacity Interviews April 22-May 6	GEO Organizing Team and ECFA Board of Directors
	Attend Community Meetings	Board Members and GEO Staff
April 2016	Begin Community Outreach and Marketing the School	Board Members and GEO Team
	Public Hearings Begin April 25-May 10	Board and GEO Team
	Applicant Interviews for Indiana State Charter Board	Board of Directors & School Director
	Public Hearings for Indiana State Charter Board	Board of Directors & School Director
	Speak to Local Philanthropic Groups	GEO
	Continue to Solidify and Recruit Community Partnerships	GEO
	Hold Board of Directors Meeting	Board of Directors
	Indiana Charter School Board Meeting	Board of Directors & GEO
May 2016	If approved hire school Principal	GEO Team
	Revise Budget if needed	GEO Team & Board
	Begin Full Marketing Campaign in Collaboration with GEO Marketing	GEO Team and Principal

	Continue Community Outreach	GEO Team & Board
	Hold Local Town Hall Meeting	GEO, Board of Directors/Principal
	Attend Local Community Meetings	GEO/Board
	Continue Building Relationships with Community Leaders and Residents	GEO, Board and Principal
	Complete Job Openings/Descriptions	GEO Team
	Search and Apply for Additional Grants	GEO
	Hold Board of Directors Meeting	Board of Directors
	Speak to Local Philanthropic Groups	GEO/Principal
	Work with GEO Educational Technology to Solidify the Blended Learning Plan	Principal
	Work with GEO Academic Team to Solidify School Curriculum	Principal
June 2016		
	Attend Local Community Meetings	Principal
	Solicit Support from Local Philanthropic Groups	Principal & Board of Directors
	Search and Apply for Additional Grants	Principal/GEO
	Recruit Additional Local Community Members for Potential Board Positions	GEO & Board of Directors
	Hold Board of Directors Meeting	Board of Directors
July – December 2016	Monthly Board of Directors Meeting	Board of Directors
	Hire Office Manager	Principal/GEO
	Attend Local Community Meetings	Principal
	Hold Informational Sessions at Local Venues	Principal/GEO
	Continue Marketing Campaign to Build Awareness	Principal/GEO
	Finalize Application and Enrollment Process	Principal/GEO & Office Manager
	Recruit Additional Local Community Leaders for Board of Directors	Board of Directors and GEO
	Begin Talent Search for Teaching Positions in Collaboration with GEO	Principal and GEO
	Finalize Family and Staff Handbooks	Principal/GEO & Board of Directors
	Search and Apply for Additional Grants	Principal/GEO
	Continue Seeking Out Community Partnerships	Principal
	Begin Building Renovations in Collaboration with GEO on Facility	Board of Directors/GEO
January – August 2017	Begin Enrollment Process on January 6, 2017	Principal & Office Manager/Registrar
	Hold Monthly Board Meetings	Board of Directors
	Search and Apply for Additional Grants	Principal
	Post Open Positions for Hiring in May 2017	Principal and GEO HR
	Conduct Interviews for Open Positions May through August 2017	Principal and GEO
	Purchase Curricular Materials	Principal Business Manager
	Purchase Technology for Blended Learning Plan	Principal
	Hired Staff Receives Professional Development on Curriculum, Compass Learning, and Blended Learning Technology, & school culture beginning in July-August 2017	School Staff
	Attend Local Community Meetings	Principal
	Hold Open House for Prospective Families on January 30, 2017	Principal, Board and GEO
	Continue Renovations in Collaboration with GEO	Principal & Board of Directors
	Solicit Support from Local Philanthropic Groups	Principal & Board of Directors
	Continue Marketing Plan in Collaboration with GEO Marketing	Principal

August 2017	Board of Directors Meeting	Board of Directors
	Complete Renovations	
	Ribbon Cutting Ceremony & Fundraiser	School Staff, Board of Directors, & GEO
	Attend Local Community Meetings	Principal
	Hold Back to School Barbeque for New Students in August 2017	School Staff GEO
	Teacher Professional Development Week: Goals, Mission, Community; Expectations, Culture; Curriculum, Schedule, Duties; School-Wide Procedures; Evaluations, Merit Pay System; Teacher Work Day weeks of July 28 – August 8, 2014	School Staff
	Doors Open for Students on August 14, 2017	School Staff

Attachment 18

East Chicago FOCUS Academy Insurance Proposal



Coverage	AmtrustGroup	Proposal Premium
Package		\$ 2,024

Property

Deductible	\$	1,000
Valuation		Replacement Cost
Coinsurance		n/a

*Blanket Limit for Bldg & BPP

East Chicago FOCUS Academy

BPP	\$	300,000
BI w/ Extra Expense	\$	500,000

Misc. Property Coverage

Equipment Breakdown		Included
Ordinance or Law	\$	300,000
Deductible	\$	1,000
Student Personal Effects	\$	2,500
Fine for False Alarms	\$	5,000
Fire Sprinkler Burglar Alarm Upgrade	\$	25,000
Master Key Replacement	\$	25,000
Fire Dept. Service Charge	\$	50,000
Fine Arts	\$	50,000
Band Uniforms	\$	50,000
Valuable Papers	\$	250,000
Accounts Receivable	\$	250,000
Musical Instruments	\$	50,000

Computer Coverage **Included in Prop**

Equipment Limit-BLANKET	\$	50,000
Software/Data	\$	25,000
Extra Expense	\$	25,000
Valuation		RC
Equipment Breakdown		Included
iPads & Laptops	\$	20,000

General Liability		\$	6,578
General Aggregate	\$	3,000,000	
Products/Completed Ops	\$	1,000,000	
Each Occurrence	\$	1,000,000	
Personal Adv.Inj	\$	1,000,000	
Fire Damage	\$	100,000	
Med Expense Per Person		5,000/25,000/75,000	
		Per Person/Occ/Aggr	

General Liability Rating Basis

Schools-Priv-High School	200
School-FacultyLiabIncl	
Corporal Punishment	20

Coverages Included:

Sexual Abuse/Molestation	1,000,000	per occ
Social Work, Foster Care, & Counseling Liability	3,000,000	aggregate

Employee Benefits Liability		\$	300
Each Employee	\$	1,000,000	
Aggregate	\$	1,000,000	

Crime		\$	721
Employee Dishonesty	\$	500,000	
Deductible	\$	5,000	
Forgery	\$	300,000	
Deductible	\$	5,000	
Money & Securities	\$	100,000	
Deductible	\$	1,000	

Directors & Officers Liability	RSUI Indemnity	\$	1,200
Limit	\$	1,000,000	
Retention	\$	10,000	
Retro-Date		1/1/2008	

EPLI			Included
Limit	\$	1,000,000	
Retention	\$	10,000	
Retro-Date		1/1/2008	
Third Party Retention	\$	10,000	

Fiduciary Liability		Included
Limit	\$	1,000,000
Retention	\$	1,000
Retro-Date		4/1/2012
Additional Defense Limit	\$	1,000,000

**Additional Named Insureds:
East Chicago FOCUS Academy**

Auto policy		\$	223
Hired And Non Owned Auto	\$	1,000,000	

Student Accident	SecurityLife	\$	900
School Time, Full Time and Interscholastic Sports			
Maximum Medical Benefit	\$	25,000	
AD&D	\$	2,000	
Extended Dental	\$	5,000	

WorkComp	AmtrustGroup	\$	9,650
BI by Accident -Ea. Accident	\$	500,000	
BI by Disease - Ea. Employee	\$	500,000	
BI by Disease - Policy Limit	\$	500,000	
8868 -Professional	\$	950,000	
Rate		0.96	
Exp. Mod		1.03	

Umbrella		\$	1,200
Limit	\$	5,000,000	
Retention	\$	10,000	
*Underlying Coverage Incl			
Auto, GL, Prof Liab, Empl Liab			

Totals Totals:		\$	22,796
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This proposal contemplates the insured will operate in a leased building. This proposal does not decide to purchase a building.

Attachment 19

School Name: East Chicago Focus Academy

SCHOOL ENROLLMENT PROJECTIONS

Planned Number of Students																	
ACADEMIC YEAR	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	% ELL	% SPED	% SNAP, TANF or Foster Care
Year 1: 2017-2018										75	75	25	25	200	2%	10%	95%
Year 2: 2018-2019										75	50	50	25	200	2%	10%	95%
Year 3: 2019-2020										50	50	50	50	200	2%	10%	95%
Year 4: 2020-2021										50	50	50	50	200	2%	10%	95%
Year 5: 2021-2022										50	50	50	50	200	2%	10%	95%
Planned Number of Classes																	
ACADEMIC YEAR	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL			
Year 1: 2017-2018										2	2	2	2	8			
Year 2: 2018-2019										2	2	2	2	8			
Year 3: 2019-2020										2	2	2	2	8			
Year 4: 2020-2021										2	2	2	2	8			
Year 5: 2021-2022										2	2	2	2	8			

Note: FDK students are treated as 1 for purposes of ADM. 1/2 day kindergarten students are 0.5 ADM

	2016	2017
Foundation Grant	\$4,967	\$5,088
Complexity Grant	\$3,489	\$3,539

School Name: East Chicago FOCUS Academy						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE						
State Revenue						
Basic Grant		\$ 1,063,200	\$ 1,084,464	\$ 1,106,153	\$ 1,128,276	\$ 1,150,842
State Matching Funds for School Lunch Program		\$ -	\$ -	\$ -	\$ -	\$ -
Professional Development		\$ -	\$ -	\$ -	\$ -	\$ -
Technology Grants		\$ -	\$ -	\$ -	\$ -	\$ -
Remediation Program		\$ -	\$ -	\$ -	\$ -	\$ -
Gifted and Talented Program		\$ -	\$ -	\$ -	\$ -	\$ -
Textbook Reimbursement		\$ 12,500	\$ 4,000	\$ 4,000	\$ 15,000	\$ 600
Summer School		\$ 15,000	\$ 15,000	\$ 15,000	\$ 17,000	\$ 20,000
Charter and Innovation Network School Grant Program		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Charter and Innovation Network School Advance Program		\$ -	\$ -	\$ -	\$ -	\$ -
Other State Revenue (please describe)		\$ 303,300	\$ 306,333	\$ 309,396	\$ 312,490	\$ 315,615
Other State Revenue (please describe)		\$ -	\$ -	\$ -	\$ -	\$ -
Federal Revenue						
Public Charter School Program (PCSP) Grant	\$ 94,000	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
Public Law 101-476 (IDEA)		\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473
Title I		\$ 15,000	\$ 15,300	\$ 15,606	\$ 15,918	\$ 16,236
Title II		\$ 15,000	\$ 15,300	\$ 15,606	\$ 15,918	\$ 16,236
Federal Lunch Program		\$ -	\$ -			
Federal Breakfast Reimbursement		\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue Federal sources (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue Federal sources (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues						

Committed Philanthropic Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Before and After Care Fees		\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income		\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 94,000	\$ 1,779,000	\$ 1,795,997	\$ 1,571,974	\$ 1,611,439	\$ 1,627,003
EXPENDITURES						
Personnel Expenses						
Wages, Benefits and Payroll Taxes	\$ 76,000	\$ 641,720	\$ 660,972	\$ 680,801	\$ 701,225	\$ 722,262
Substitute Teachers		\$ 5,000	\$ 5,000	\$ 5,500	\$ 5,700	\$ 5,900
Professional Development	\$ 6,000	\$ 15,000	\$ 15,300	\$ 15,606	\$ 15,918	\$ 16,236
Bonuses		\$ -	\$ -			
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel Expenses	\$ 82,000	\$ 661,720	\$ 681,272	\$ 701,907	\$ 722,843	\$ 744,398
Instructional Supplies and Resources						
Textbooks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library, periodicals, etc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Technology	\$ -	\$ 40,000	\$ 10,000	\$ 10,000	\$ 50,000	\$ 5,000
Assessment materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computers	\$ -	\$ 75,000	\$ 20,000	\$ 20,000	\$ 100,000	\$ 1,000

Software	\$ -	\$ 50,000	\$ 20,000	\$ 20,000	\$ 50,000	\$ 5,000
Other classroom supplies	\$ -	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Field trips, other unclassified items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Co-curricular & Athletics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Instructional Supplies and Resources	\$ -	\$ 195,000	\$ 75,000	\$ 75,000	\$ 225,000	\$ 36,000
Support Supplies and Resources				\$ -	\$ -	\$ -
Administrative Computers	\$ 2,000	\$ 15,000	\$ 2,000	\$ 2,000	\$ 4,000	\$ 500
Administrative Software	\$ -	\$ 10,000	\$ 2,000	\$ 2,000	\$ 2,500	\$ 500
Administration Dues, fees, misc expenses	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 2,000
Office supplies	\$ 500	\$ 9,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Support Supplies and Resources	\$ 2,500	\$ 39,000	\$ 16,000	\$ 16,000	\$ 18,500	\$ 10,000
Board Expenses						
Charter Board Services, including Board Training, retreats	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Charter Board Supplies & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter Board Dues, fees, etc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	-	-	-	-	-	-
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Board Expenses	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Professional Purchased or Contracted Services						
Legal Services	\$ 5,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 22,000	\$ 20,000
Audit Services (compliant with SBOA requirements)	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 17,000	\$ 17,000
Payroll Services	\$ 600	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,200	\$ 7,200
Accounting Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Printing/Newsletter/Annual Report Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consultants	\$ -	\$ 15,000	\$ 10,000	\$ 10,000	\$ 15,000	\$ 5,000
Internet Services	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 17,000	\$ 17,000
Telephone/Telecommunication Services	\$ 600	\$ 10,000	\$ 10,000	\$ 10,000	\$ 12,000	\$ 12,000
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ -	\$ 23,000	\$ 23,000	\$ 25,000	\$ 27,000	\$ 27,000
Travel	\$ -	\$ 5,000	\$ 5,000	\$ 7,000	\$ 7,000	\$ 7,000
Postage	\$ 300	\$ 5,000	\$ 5,000	\$ 6,000	\$ 6,500	\$ 6,500
Special Education Services	\$ -	\$ 50,000	\$ 50,000	\$ 55,000	\$ 60,000	\$ 65,000
Student Information Services	\$ -	\$ 5,000	\$ 5,000	\$ 6,000	\$ 6,100	\$ 6,100
Food service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 22,000	\$ 24,000
Nursing Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ 75,000	\$ 75,000	\$ 80,000	\$ 85,000	\$ 85,000
Other (please describe)	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 22,000	\$ 24,000
Other (please describe)	\$ -	\$ 15,000	\$ 16,000	\$ 17,000	\$ 18,000	\$ 20,000

Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Professional Purchased or Contracted Services	\$ 6,500	\$ 300,000	\$ 296,000	\$ 313,000	\$ 343,800	\$ 342,800
Facilities						
Rent, mortgage, or other facility cost	\$ -	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000
Furniture & Equipment	\$ -	\$ 75,000	\$ 20,000	\$ 5,000	\$ 10,000	\$ 10,000
Gas/electric	\$ -	\$ 40,000	\$ 41,200	\$ 42,400	\$ 43,600	\$ 44,800
Water/Sewer	\$ -	\$ 15,000	\$ 15,450	\$ 15,900	\$ 16,350	\$ 16,800
Grounds Keeping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance Services	\$ -	\$ 10,000	\$ 12,000	\$ 15,000	\$ 20,000	\$ 20,000
Custodial	\$ -	\$ 40,000	\$ 42,000	\$ 45,000	\$ 47,000	\$ 47,000
Waste disposal	\$ -	\$ 7,000	\$ 7,210	\$ 7,420	\$ 7,630	\$ 7,840
Debt Service for Facilities (Interest Only)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facilities	\$ -	\$ 271,000	\$ 221,860	\$ 214,720	\$ 228,580	\$ 230,440
Other						
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indiana Charter School Board Administrative Fee	\$ -	\$ 31,896	\$ 32,534	\$ 33,185	\$ 33,848	\$ 34,525
CMO/EMO Fee	\$ -	\$ 145,000	\$ 146,580	\$ 149,055	\$ 151,577	\$ 154,146
Charter and Innovation Network School Advance Program Interest Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Escrow account for closure	\$ -	\$ -	\$ 10,000	\$ 20,000	\$ 30,000	\$ 30,000
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other	\$ -	\$ 176,896	\$ 189,114	\$ 202,240	\$ 215,425	\$ 218,671

Total Financing Activities	-	-	-	-	-	-	-	-
Total Cash Flow Adjustments	-	-	-	-	-	-	-	-
NET INCOME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Cash Balance	-	-	-	-	-	-	-	-
ENDING CASH BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Expected New School Annual Operating Budget and Cash Flow Projections -- YEAR 0 -- Pre-Opening Period							
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	TOTAL FIRST HALF 2017
REVENUE							
Federal Revenue							
Public Charter School Program (PCSP) Grant (NOTE: this is a competitive grant. Funding is not guaranteed.)	26,000	13,000	13,000	13,000	16,000	13,000	94,000
Other Revenue Federal sources (please describe)	-	-	-	-	-	-	-
Other Revenue Federal sources (please describe)	-	-	-	-	-	-	-
Other Revenues							
Committed Philanthropic Donations	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-

Total Revenue	26,000	13,000	13,000	13,000	16,000	13,000	94,000
EXPENDITURES							
Personnel Expenses							
Wages, Benefits and Payroll Taxes (TOTAL must match "Staffing Year 0")	12,667	12,667	12,667	12,667	12,667	12,667	76,000
Professional Development	3,000		-	-	3,000	-	6,000
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Total Personnel Expenses	15,667	12,667	12,667	12,667	15,667	12,667	82,000
Instructional Supplies and Resources							
Textbooks	-	-	-	-	-	-	-
Library, periodicals, etc	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Assessment materials	-	-	-	-	-	-	-
Computers	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-
Other classroom supplies	-	-	-	-	-	-	-
Field trips, other unclassified items	-	-	-	-	-	-	-
Co-curricular & Athletics	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)							

	-	-	-	-	-	-	-
Total Instructional Supplies and Resources	-	-	-	-	-	-	-
Support Supplies and Resources							
Administrative Computers	2,000	-	-	-	-	-	2,000
Administrative Software	-	-	-	-	-	-	-
Administration Dues, fees, misc expenses	-	-	-	-	-	-	-
Office supplies	500	-	-	-	-	-	500
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Total Support Supplies and Resources	2,500	-	-	-	-	-	2,500
Board Expenses							
Charter Board Services, including Board Training, retreats	2,000	-	-	-	-	-	2,000
Charter Board Supplies & Equipment	-	-	-	-	-	-	-
Charter Board Dues, fees, etc	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Total Board Expenses	2,000	-	-	-	-	-	2,000
Professional Purchased or Contracted Services							
Legal Services	5,000			-	-	-	5,000

Audit Services (compliant with SBOA requirements)	-	-	-	-	-	-	-
Payroll Services	100	100	100	100	100	100	600
Accounting Services	-	-	-	-	-	-	-
Printing/Newsletter/Annual Report Services	-	-	-	-	-	-	-
Consultants	-	-	-	-	-	-	-
Internet Services	-	-	-	-	-	-	-
Telephone/Telecommunication Services	100	100	100	100	100	100	600
Total Insurance Costs (per ICSB requirements detailed in charter school application)	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Postage	50	50	50	50	50	50	300
Special Education Services	-	-	-	-	-	-	-
Student Information Services	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Nursing Services	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Total Professional Purchased or Contracted Services	5,250	250	250	250	250	250	6,500
Facilities							
Rent, mortgage, or other facility cost	-	-	-	-	-	-	-
Furniture & Equipment	-	-	-	-	-	-	-
Gas/electric	-	-	-	-	-	-	-
Water/ Sewer	-	-	-	-	-	-	-

Grounds Keeping	-	-	-	-	-	-	-
Maintenance Services	-	-	-	-	-	-	-
Custodial	-	-	-	-	-	-	-
Waste disposal	-	-	-	-	-	-	-
Debt Service for Facilities (Interest Only)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Total Facilities	-	-	-	-	-	-	-
Other							
Contingency	-	-	-	-	-	-	-
Indiana Charter School Board Administrative Fee (0% in Year 0)	-	-	-	-	-	-	-
CMO/EMO Fee	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Other (please describe)	-	-	-	-	-	-	-
Total Other	-	-	-	-	-	-	-
Total Expenditures	25,417	12,917	12,917	12,917	15,917	12,917	93,000
Net Income (Pre-Cash Flow Adjustments)	583	83	83	83	83	83	1,000
CASH FLOW ADJUSTMENTS							
OPERATING ACTIVITIES							
Example - Add Back Depreciation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-

Total Operating Activities	-	-	-	-	-	-	-
INVESTMENT ACTIVITIES							
Example - Subtract Property and Equipment Expenditures	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Investment Activities	-	-	-	-	-	-	-
FINANCING ACTIVITIES							
Example - Add Expected Proceeds from a Loan or Line of Credit	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Financing Activities	-	-	-	-	-	-	-
Total Cash Flow Adjustments	-	-	-	-	-	-	-
NET INCOME	583	83	83	83	83	83	1,000
Beginning Cash Balance	-	-	-	-	-	-	-
ENDING CASH BALANCE	583	83	83	83	83	83	1,000

Expected Charter School Staffing Needs -- Year 0 -- Pre-Opening Period
Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.
Benefits Assumptions - Please describe how you calculated your benefits and what is included below
Benefits include: payroll taxes, Public Employee Retirement Fund/Teachers' Retirement Fund (PERF/TRF), Medical/Dental/Vision/Life Benefits. Total percentages may fluctuate based on annual PERF/TRF adjustments, or number of employees to participate in health care plans, so 18% is used as a comprehensive, conservative estimate.

Position Description	Number of Staff Per Position	Average Salary for the Position	Total Salary	Benefits and Payroll Taxes	TOTAL Salary and Benefits
School Leader	0.5	80,000	40,000	7,200	47,200
Office Manager (part-time)	0.5	38,000	19,000		19,000
Recruitment Support	0.5	10,000	5,000		5,000
Recruitment Support	0.5	10,000	5,000		5,000
			-		-
			-		-
			-		-
			-		-
			-		-
			-		-
TOTAL			69,000	7,200	76,200

Expected New School Annual Operating Budget -- YEAR 1 -- Fiscal Year July 1-June 30		
REVENUE	Amount	Notes
State Revenue		
Basic Grant	\$ 1,063,200	Basic Grant for 2017 = \$5088, Complexity estimated at \$2,000 for 150 students
State Matching Funds for School Lunch Program		
Professional Development		
Technology Grants		
Remediation Program		
Gifted and Talented Program		
Textbook Reimbursement	\$ 12,500	curriculum is online, so hardware and software are reimbursable
Summer School	\$ 15,000	
Charter and Innovation Network School Grant Program	\$ 75,000	150 students at \$500 each
Charter and Innovation Network School Advance Program		
Other State Revenue (please describe)	\$ 303,300	Adult Learner \$6066 for 50 students
Other State Revenue (please describe)		
Federal Revenue		
Public Charter School Program (PCSP) Grant	\$ 250,000	We have been granted this amount in past rounds
Public Law 101-476 (IDEA)	\$ 30,000	
Title I	\$ 15,000	
Title II	\$ 15,000	
Federal Lunch Program		Will outsource
Federal Breakfast Reimbursement		Will outsource
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
Total Revenue	\$ 1,779,000	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	\$ 641,720	

Substitute Teachers	\$ 5,000	
Professional Development	\$ 15,000	Title II funds
Bonuses		
Other (please describe)		
Total Personnel Expenses	\$ 661,720	
Instructional Supplies and Resources		
Textbooks		
Library, periodicals, etc		
Technology	\$ 40,000	smartboards, short throw projectors
Assessment materials		
Computers	\$ 75,000	Google chromebooks
Software	\$ 50,000	
Other classroom supplies	\$ 20,000	
Field trips, other unclassified items		
Co-curricular & Athletics		
Other (please describe)	\$ 10,000	copier
Other (please describe)		
Total Instructional Supplies and Resources	\$ 195,000	
Support Supplies and Resources		
Administrative Computers	\$ 15,000	
Administrative Software	\$ 10,000	
Administration Dues, fees, misc expenses	\$ 5,000	
Office supplies	\$ 9,000	
Other (please describe)		
Total Support Supplies and Resources	\$ 39,000	
Board Expenses		
Charter Board Services, including Board Training, retreats	\$ 2,000	
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)		

Other (please describe)		
Total Board Expenses	\$ 2,000	
Professional Purchased or Contracted Services		
Legal Services	\$ 20,000	
Audit Services (compliant with SBOA requirements)	\$ 15,000	
Payroll Services	\$ 7,000	
Accounting Services		
Printing/Newsletter/Annual Report Services		
Consultants	\$ 15,000	Marketing
Internet Services	\$ 15,000	
Telephone/Telecommunication Services	\$ 10,000	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 23,000	
Travel	\$ 5,000	
Postage	\$ 5,000	
Special Education Services	\$ 50,000	
Student Information Services	\$ 5,000	PowerSchool
Food service		
Transportation	\$ 20,000	bus passes for students
Nursing Services		
Other (please describe)	\$ 75,000	Professional Development Coaching/On-Site Training
Other (please describe)	\$ 20,000	child care
Other (please describe)	\$ 15,000	Security
Other (please describe)		
Total Professional Purchased or Contracted Services	\$ 300,000	
Facilities		
Rent, mortgage, or other facility cost	\$ 84,000	
Furniture & Equipment	\$ 75,000	
Gas/electric	\$ 40,000	
Water/ Sewer	\$ 15,000	
Grounds Keeping		
Maintenance Services	\$ 10,000	
Custodial	\$ 40,000	
Waste disposal	\$ 7,000	
Debt Service for Facilities (Interest Only)		
Other (please describe)		
Total Facilities	\$ 271,000	
Other		

Contingency		
Indiana Charter School Board Administrative Fee	\$ 31,896	Assume 3% of Basic Grant (Row 6).
CMO/EMO Fee	\$ 145,000	
Charter and Innovation Network School Advance Program Interest Costs		
Escrow account for disillusionment / closure		
Other (please describe)		
Other (please describe)		
Total Other	\$ 176,896	
Total Expenditures	\$ 1,645,616	
Carryover/Deficit	\$ 133,384	
Cumulative Carryover/(Deficit)	\$ 133,384	

Expected Charter School Staffing Needs -- Year 1

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
Benefits include: payroll taxes, Public Employee Retirement Fund/Teachers' Retirement Fund (PERF/TRF), Medical/Dental/Vision/Life Benefits. Total percentages may fluctuate based on annual PERF/TRF adjustments, or number of employees to participate in health care plans, so 18% is used as a comprehensive, conservative estimate.					
Position Description	Number of Staff Per Position	Average Salary for the Position	Total Salary	Benefits and Payroll Taxes	TOTAL Salary and Benefits
School Leader	1	82,000	82,000	14,760	96,760
Office Manager	1	40,000	40,000	7,200	47,200
Job Coach/Mentor	1	50,000	50,000	9,000	59,000
Lead English Teacher	1	44,000	44,000	7,920	51,920
Lead Math Teacher	1	44,000	44,000	7,920	51,920
Special Education Teacher	1	44,000	44,000	7,920	51,920
Science Teacher	1	44,000	44,000		44,000
Social Studies Teacher	1	44,000	44,000		44,000
Instructional Coaches	6	30,000	180,000		180,000
Instructional Coach (Title I)	0.5	30,000	15,000		15,000
			-		-
			-		-
			-		-
TOTAL			587,000	54,720	641,720

Expected New School Annual Operating Budget -- YEAR 2 -- Fiscal Year July 1-June 30		
REVENUE	Amount	Notes
State Revenue		
Basic Grant	\$1,084,464	Assume 2% increase
State Matching Funds for School Lunch Program		
Professional Development		
Technology Grants		
Remediation Program		
Gifted and Talented Program		
Textbook Reimbursement	\$ 4,000	curriculum is online, so hardware and software are reimbursable
Summer School	\$ 15,000	
Charter and Innovation Network School Grant Program	\$ 75,000	150 students at \$500 each
Charter and Innovation Network School Advance Program		
Other State Revenue (please describe)	\$ 306,333	Assume 1% increase - Adult Learner Funds
Other State Revenue (please describe)		
Federal Revenue		
Public Charter School Program (PCSP) Grant	\$ 250,000	We have been granted this amount in past rounds
Public Law 101-476 (IDEA)	\$ 30,600	Assume 2% increase
Title I	\$ 15,300	Assume 2% increase
Title II	\$ 15,300	Assume 2% increase
Federal Lunch Program		Will outsource
Federal Breakfast Reimbursement		Will outsource
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
Total Revenue	\$1,795,997	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	\$ 660,972	
Substitute Teachers	\$ 5,000	
Professional Development	\$ 15,300	Title II funds

Bonuses		
Other (please describe)		
Total Personnel Expenses	\$ 681,272	
Instructional Supplies and Resources		
Textbooks		
Library, periodicals, etc		
Technology	\$ 10,000	
Assessment materials		
Computers	\$ 20,000	
Software	\$ 20,000	
Other classroom supplies	\$ 15,000	
Field trips, other unclassified items		
Co-curricular & Athletics		
Other (please describe)	\$ 10,000	copier
Other (please describe)		
Total Instructional Supplies and Resources	\$ 75,000	
Support Supplies and Resources		
Administrative Computers	\$ 2,000	
Administrative Software	\$ 2,000	
Administration Dues, fees, misc expenses	\$ 5,000	
Office supplies	\$ 7,000	
Other (please describe)		
Total Support Supplies and Resources	\$ 16,000	
Board Expenses		
Charter Board Services, including Board Training, retreats	\$ 2,000	
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)		
Other (please describe)		
Other (please describe)		

Other (please describe)		
Other (please describe)		
Total Board Expenses	\$ 2,000	
Professional Purchased or Contracted Services		
Legal Services	\$ 20,000	
Audit Services (compliant with SBOA requirements)	\$ 15,000	
Payroll Services	\$ 7,000	
Accounting Services		
Printing/Newsletter/Annual Report Services		
Consultants	\$ 10,000	Marketing
Internet Services	\$ 15,000	
Telephone/Telecommunication Services	\$ 10,000	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 23,000	
Travel	\$ 5,000	
Postage	\$ 5,000	
Special Education Services	\$ 50,000	
Student Information Services	\$ 5,000	PowerSchool
Food service		
Transportation	\$ 20,000	bus passes for students
Nursing Services		
Other (please describe)	\$ 75,000	Professional Development Coaching/On-Site Training
Other (please describe)	\$ 20,000	child care
Other (please describe)	\$ 16,000	security
Other (please describe)		
Total Professional Purchased or Contracted Services	\$ 296,000	
Facilities		
Rent, mortgage, or other facility cost	\$ 84,000	
Furniture & Equipment	\$ 20,000	
Gas/electric	\$ 41,200	
Water/ Sewer	\$ 15,450	
Grounds Keeping		
Maintenance Services	\$ 12,000	
Custodial	\$ 42,000	
Waste disposal	\$ 7,210	
Debt Service for Facilities (Interest Only)		
Other (please describe)		

Total Facilities	\$ 221,860	
Other		
Contingency		
Indiana Charter School Board Administrative Fee	\$ 32,534	Assume 3% of Basic Grant (Row 6).
CMO/EMO Fee	\$ 146,580	
Charter and Innovation Network School Advance Program Interest Costs		
Escrow account for disillusionment / closure	\$ 10,000	
Other (please describe)		
Other (please describe)		
Total Other	\$ 189,114	
Total Expenditures	\$1,481,245	
Carryover/Deficit	\$ 314,752	

Cumulative Carryover/(Deficit) \$ 448,136

Expected Charter School Staffing Needs -- Year 2

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
Benefits include: payroll taxes, Public Employee Retirement Fund/Teachers' Retirement Fund (PERF/TRF), Medical/Dental/Vision/Life Benefits. Total percentages may fluctuate based on annual PERF/TRF adjustments, or number of employees to participate in health care plans, so 18% is used as a comprehensive, conservative estimate.					
Position Description	Number of Staff Per Position	Average Salary for the Position	Total Salary	Benefits and Payroll Taxes	TOTAL Salary and Benefits
School Leader	1	84,460	84,460	15,203	99,663
Office Manager	1	41,200	41,200	7,416	48,616
Job Coach/Mentor	1	51,500	51,500	9,270	60,770
Lead English Teacher	1	45,320	45,320	8,158	53,478
Lead Math Teacher	1	45,320	45,320	8,158	53,478
Special Education Teacher	1	45,320	45,320	8,158	53,478
			-		-
Science Teacher	1	45,320	45,320		45,320
Social Studies Teacher	1	45,320	45,320		45,320
			-		-
Instructional Coaches	6	30,900	185,400		185,400
Instructional Coach (Title I)	0.5	30,900	15,450		15,450
			-		-
			-		-
			-		-
TOTAL			604,610	56,362	660,972

Expected New School Annual Operating Budget -- YEAR 3 -- Fiscal Year July 1-June 30		
REVENUE	Amount	Notes
State Revenue		
Basic Grant	\$ 1,106,153	Assume 2% increase
State Matching Funds for School Lunch Program		
Professional Development		
Technology Grants		
Remediation Program		
Gifted and Talented Program		
Textbook Reimbursement	\$ 4,000	curriculum is online, so hardware and software are reimbursable
Summer School	\$ 15,000	
Charter and Innovation Network School Grant Program	\$ 75,000	150 students at \$500 each
Charter and Innovation Network School Advance Program		
Other State Revenue (please describe)	\$ 309,396	Assume 1% increase - Adult Learner Funds
Other State Revenue (please describe)		
Federal Revenue		
Public Charter School Program (PCSP) Grant		
Public Law 101-476 (IDEA)	\$ 31,212	Assume 2% increase
Title I	\$ 15,606	Assume 2% increase
Title II	\$ 15,606	Assume 2% increase
Federal Lunch Program		Will outsource
Federal Breakfast Reimbursement		Will outsource
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
Total Revenue	\$ 1,571,974	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	\$ 680,801	
Substitute Teachers	\$ 5,500	
Professional Development	\$ 15,606	Title II funds
Bonuses		

Other (please describe)		
Total Personnel Expenses	\$ 701,907	
Instructional Supplies and Resources		
Textbooks		
Library, periodicals, etc		
Technology	\$ 10,000	
Assessment materials		
Computers	\$ 20,000	
Software	\$ 20,000	
Other classroom supplies	\$ 15,000	
Field trips, other unclassified items		
Co-curricular & Athletics		
Other (please describe)	\$ 10,000	copier
Other (please describe)		
Total Instructional Supplies and Resources	\$ 75,000	
Support Supplies and Resources		
Administrative Computers	\$ 2,000	
Administrative Software	\$ 2,000	
Administration Dues, fees, misc expenses	\$ 5,000	
Office supplies	\$ 7,000	
Other (please describe)		
Total Support Supplies and Resources	\$ 16,000	
Board Expenses		
Charter Board Services, including Board Training, retreats	\$ 2,000	
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)		

Other (please describe)		
Total Board Expenses	\$ 2,000	
Professional Purchased or Contracted Services		
Legal Services	\$ 20,000	
Audit Services (compliant with SBOA requirements)	\$ 15,000	
Payroll Services	\$ 7,000	
Accounting Services		
Printing/Newsletter/Annual Report Services		
Consultants	\$ 10,000	Marketing
Internet Services	\$ 15,000	
Telephone/Telecommunication Services	\$ 10,000	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 25,000	
Travel	\$ 7,000	
Postage	\$ 6,000	
Special Education Services	\$ 55,000	
Student Information Services	\$ 6,000	PowerSchool
Food service		
Transportation	\$ 20,000	bus passes for students
Nursing Services		
Other (please describe)	\$ 80,000	Professional Development Coaching/On-Site Training
Other (please describe)	\$ 20,000	child care
Other (please describe)	\$ 17,000	security
Other (please describe)		
Total Professional Purchased or Contracted Services	\$ 313,000	
Facilities		
Rent, mortgage, or other facility cost	\$ 84,000	
Furniture & Equipment	\$ 5,000	
Gas/electric	\$ 42,400	
Water/ Sewer	\$ 15,900	
Grounds Keeping		
Maintenance Services	\$ 15,000	
Custodial	\$ 45,000	
Waste disposal	\$ 7,420	
Debt Service for Facilities (Interest Only)		
Other (please describe)		
Total Facilities	\$ 214,720	

Other		
Contingency		
Indiana Charter School Board Administrative Fee	\$ 33,185	Assume 3% of Basic Grant (Row 6).
CMO/EMO Fee	\$ 149,055	
Charter and Innovation Network School Advance Program Interest Costs		
Escrow account for disillusionment / closure	\$ 20,000	Schools are required to maintain an account in reserve to cover expenses for school closing. \$10,000 should be placed in reserve starting in year 2 with a balance of \$30,000 by year 4.
Other (please describe)		
Other (please describe)		
Total Other	\$ 202,240	
Total Expenditures	\$ 1,524,866	
Carryover/Deficit	\$ 47,107	
Cumulative Carryover/(Deficit)	\$ 495,243	

Expected Charter School Staffing Needs -- Year 3

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
Benefits include: payroll taxes, Public Employee Retirement Fund/Teachers' Retirement Fund (PERF/TRF), Medical/Dental/Vision/Life Benefits. Total percentages may fluctuate based on annual PERF/TRF adjustments, or number of employees to participate in health care plans, so 18% is used as a comprehensive, conservative estimate.					
Position Description	Number of Staff Per Position	Average Salary for the Position	Total Salary	Benefits and Payroll Taxes	TOTAL Salary and Benefits
School Leader	1	86,994	86,994	15,659	102,653
Office Manager	1	42,436	42,436	7,638	50,074
Job Coach/Mentor	1	53,045	53,045	9,548	62,593
Lead English Teacher	1	46,680	46,680	8,402	55,082
Lead Math Teacher	1	46,680	46,680	8,402	55,082
Special Education Teacher	1	46,680	46,680	8,402	55,082
			-		-
Science Teacher	1	46,680	46,680		46,680
Social Studies Teacher	1	46,680	46,680		46,680
			-		-
Instructional Coaches	6	31,827	190,962		190,962
			-		-
TOTAL			606,835	58,052	664,887

Expected New School Annual Operating Budget -- YEAR 4 -- Fiscal Year July 1-June 30		
REVENUE	Amount	Notes
State Revenue		
Basic Grant	\$ 1,128,276	Assume 2% increase
State Matching Funds for School Lunch Program		
Professional Development		
Technology Grants		
Remediation Program		
Gifted and Talented Program		
Textbook Reimbursement	\$ 15,000	curriculum is online, so hardware and software are reimbursable
Summer School	\$ 17,000	
Charter and Innovation Network School Grant Program	\$ 75,000	150 students at \$500 each
Charter and Innovation Network School Advance Program		
Other State Revenue (please describe)	\$ 312,490	Assume 1% increase - Adult Learner Funds
Other State Revenue (please describe)		
Federal Revenue		
Public Charter School Program (PCSP) Grant		
Public Law 101-476 (IDEA)	\$ 31,836	Assume 2% increase
Title I	\$ 15,918	Assume 2% increase
Title II	\$ 15,918	Assume 2% increase
Federal Lunch Program		Will outsource
Federal Breakfast Reimbursement		Will outsource
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
Total Revenue	\$ 1,611,439	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	\$ 701,225	
Substitute Teachers	\$ 5,700	

Professional Development	\$ 15,918	Title II funds
Bonuses		
Other (please describe)		
Total Personnel Expenses	\$ 722,843	
Instructional Supplies and Resources		
Textbooks		
Library, periodicals, etc		
Technology	\$ 50,000	
Assessment materials		
Computers	\$ 100,000	Uses reserve funds to replenish old technology
Software	\$ 50,000	
Other classroom supplies	\$ 15,000	
Field trips, other unclassified items		
Co-curricular & Athletics		
Other (please describe)	\$ 10,000	copier
Other (please describe)		
Total Instructional Supplies and Resources	\$ 225,000	
Support Supplies and Resources		
Administrative Computers	\$ 4,000	
Administrative Software	\$ 2,500	
Administration Dues, fees, misc expenses	\$ 5,000	
Office supplies	\$ 7,000	
Other (please describe)		
Total Support Supplies and Resources	\$ 18,500	
Board Expenses		
Charter Board Services, including Board Training, retreats	\$ 2,000	
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)		

Other (please describe)		
Total Board Expenses	\$ 2,000	
Professional Purchased or Contracted Services		
Legal Services	\$ 22,000	
Audit Services (compliant with SBOA requirements)	\$ 17,000	
Payroll Services	\$ 7,200	
Accounting Services		
Printing/Newsletter/Annual Report Services		
Consultants	\$ 15,000	Marketing
Internet Services	\$ 17,000	
Telephone/Telecommunication Services	\$ 12,000	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 27,000	
Travel	\$ 7,000	
Postage	\$ 6,500	
Special Education Services	\$ 60,000	
Student Information Services	\$ 6,100	PowerSchool
Food service		
Transportation	\$ 22,000	bus passes for students
Nursing Services		
Other (please describe)	\$ 85,000	Professional Development Coaching/On-Site Training
Other (please describe)	\$ 22,000	child care
Other (please describe)	\$ 18,000	security
Other (please describe)		
Total Professional Purchased or Contracted Services	\$ 343,800	
Facilities		
Rent, mortgage, or other facility cost	\$ 84,000	
Furniture & Equipment	\$ 10,000	
Gas/electric	\$ 43,600	
Water/ Sewer	\$ 16,350	
Grounds Keeping		
Maintenance Services	\$ 20,000	
Custodial	\$ 47,000	
Waste disposal	\$ 7,630	
Debt Service for Facilities (Interest Only)		

Other (please describe)		
Total Facilities	\$ 228,580	
Other		
Contingency		
Indiana Charter School Board Administrative Fee	\$ 33,848	Assume 3% of Basic Grant (Row 6).
CMO/EMO Fee	\$ 151,577	
Charter and Innovation Network School Advance Program Interest Costs		
Escrow account for disillusionment / closure	\$ 30,000	Schools are required to maintain an account in reserve to cover expenses for school closing. \$10,000 should be placed in reserve starting in year 2 with a balance of \$30,000 by year 4.
Other (please describe)		
Other (please describe)		
Total Other	\$ 215,425	
Total Expenditures	\$ 1,756,148	
Carryover/Deficit	\$ (144,709)	
Cumulative Carryover/(Deficit)	\$ 366,448	

Expected Charter School Staffing Needs -- Year 4

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
Benefits include: payroll taxes, Public Employee Retirement Fund/Teachers' Retirement Fund (PERF/TRF), Medical/Dental/Vision/Life Benefits. Total percentages may fluctuate based on annual PERF/TRF adjustments, or number of employees to participate in health care plans, so 18% is used as a comprehensive, conservative estimate.					
Position Description	Number of Staff Per Position	Average Salary for the Position	Total Salary	Benefits and Payroll Taxes	TOTAL Salary and Benefits
School Leader	1	89,604	89,604	16,129	105,732
Office Manager	1	43,709	43,709	7,868	51,577
Job Coach	1	54,636	54,636	9,835	64,471
Lead English Teacher	1	48,080	48,080	8,654	56,734
Lead Math Teacher	1	48,080	48,080	8,654	56,734
Special Education Teacher	1	48,080	48,080	8,654	56,734
			-		-
Science Teacher	1	48,080	48,080		48,080
Social Studies Teacher	1	48,080	48,080		48,080
			-		-
Instructional Coaches	6	32,782	196,691		196,691
Instructional Coach (Title I)	0.5	32,782	16,391		16,391
			-		-
			-		-
			-		-
TOTAL			641,431	59,794	701,225

Expected New School Annual Operating Budget -- YEAR 5 -- Fiscal Year July 1-June 30		
REVENUE	Amount	Notes
State Revenue		
Basic Grant	\$ 1,150,842	Assume 2% increase
State Matching Funds for School Lunch Program		
Professional Development		
Technology Grants		
Remediation Program		
Gifted and Talented Program		
Textbook Reimbursement	\$ 600	curriculum is online, so hardware and software are reimbursable
Summer School	\$ 20,000	
Charter and Innovation Network School Grant Program	\$ 75,000	150 students at \$500 each
Charter and Innovation Network School Advance Program		
Other State Revenue (please describe)	\$ 315,615	Assume 1% increase - Adult Learner Funds
Other State Revenue (please describe)		
Federal Revenue		
Public Charter School Program (PCSP) Grant		
Public Law 101-476 (IDEA)	\$ 32,473	Assume 2% increase
Title I	\$ 16,236	Assume 2% increase
Title II	\$ 16,236	Assume 2% increase
Federal Lunch Program		Will outsource
Federal Breakfast Reimbursement		Will outsource
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
Other Revenues		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
Total Revenue	\$ 1,627,003	
EXPENDITURES		
Personnel Expenses		
Wages, Benefits and Payroll Taxes	\$ 722,262	

Substitute Teachers	\$ 5,900	
Professional Development	\$ 16,236	Title II funds
Bonuses		
Other (please describe)		
Total Personnel Expenses	\$ 744,398	
Instructional Supplies and Resources		
Textbooks		
Library, periodicals, etc		
Technology	\$ 5,000	
Assessment materials		
Computers	\$ 1,000	
Software	\$ 5,000	
Other classroom supplies	\$ 15,000	
Field trips, other unclassified items		
Co-curricular & Athletics		
Other (please describe)	\$ 10,000	copier
Other (please describe)		
Total Instructional Supplies and Resources	\$ 36,000	
Support Supplies and Resources		
Administrative Computers	\$ 500	
Administrative Software	\$ 500	
Administration Dues, fees, misc expenses	\$ 2,000	
Office supplies	\$ 7,000	
Other (please describe)		
Total Support Supplies and Resources	\$ 10,000	
Board Expenses		
Charter Board Services, including Board Training, retreats	\$ 2,000	
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		

Other (please describe)		
Total Board Expenses	\$ 2,000	
Professional Purchased or Contracted Services		
Legal Services	\$ 20,000	
Audit Services (compliant with SBOA requirements)	\$ 17,000	
Payroll Services	\$ 7,200	
Accounting Services		
Printing/Newsletter/Annual Report Services		
Consultants	\$ 5,000	Marketing
Internet Services	\$ 17,000	
Telephone/Telecommunication Services	\$ 12,000	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 27,000	
Travel	\$ 7,000	
Postage	\$ 6,500	
Special Education Services	\$ 65,000	
Student Information Services	\$ 6,100	PowerSchool
Food service		
Transportation	\$ 24,000	bus passes for students
Nursing Services		
Other (please describe)	\$ 85,000	Professional Development Coaching/On-Site Training
Other (please describe)	\$ 24,000	child care
Other (please describe)	\$ 20,000	security
Other (please describe)		
Total Professional Purchased or Contracted Services	\$ 342,800	
Facilities		
Rent, mortgage, or other facility cost	\$ 84,000	
Furniture & Equipment	\$ 10,000	
Gas/electric	\$ 44,800	
Water/ Sewer	\$ 16,800	
Grounds Keeping		
Maintenance Services	\$ 20,000	
Custodial	\$ 47,000	

Waste disposal	\$ 7,840	
Debt Service for Facilities (Interest Only)		
Other (please describe)		
Total Facilities	\$ 230,440	
Other		
Contingency		
Indiana Charter School Board Administrative Fee	\$ 34,525	Assume 3% of Basic Grant (Row 6).
CMO/EMO Fee	\$ 154,146	
Charter and Innovation Network School Advance Program Interest Costs		
Escrow account for dissillusionment / closure	\$ 30,000	Schools are required to maintain an account in reserve to cover expenses for school closing. \$10,000 should be placed in reserve starting in year 2 with a balance of \$30,000 by year 4.
Other (please describe)		
Other (please describe)		
Total Other	\$ 218,671	
Total Expenditures	\$ 1,584,309	
Carryover/Deficit	\$ 42,694	
Cumulative Carryover/(Deficit)	\$ 409,142	

Expected Charter School Staffing Needs -- Year 5

Please fill in the expected positions along with salary and benefit estimates. Insert rows as needed. Be certain to include all Administrative Staff positions, in addition to Teachers and positions such as Paraprofessional, Teaching Assistant, Counselor, Therapist, Nurse, etc. as may be appropriate for your school model.

Benefits Assumptions - Please describe how you calculated your benefits and what is included below					
Benefits include: payroll taxes, Public Employee Retirement Fund/Teachers' Retirement Fund (PERF/TRF), Medical/Dental/Vision/Life Benefits. Total percentages may fluctuate based on annual PERF/TRF adjustments, or number of employees to participate in health care plans, so 18% is used as a comprehensive, conservative estimate.					
Position Description	Number of Staff Per Position	Average Salary for the Position	Total Salary	Benefits and Payroll Taxes	TOTAL Salary and Benefits
School Leader	1	92,292	92,292	16,613	108,904
Office Manager	1	45,020	45,020	8,104	53,124
Job Coach	1	56,275	56,275	10,130	66,405
Lead English Teacher	1	49,522	49,522	8,914	58,436
Lead Math Teacher	1	49,522	49,522	8,914	58,436
Special Education Teacher	1	49,522	49,522	8,914	58,436
			-		-
Science Teacher	1	49,522	49,522		49,522
Social Studies Teacher	1	49,522	49,522		49,522
			-		-
Instructional Coaches	6	33,765	202,592		202,592
Instructional Coach (Title I)	0.5	33,765	16,883		16,883
			-		-
			-		-
			-		-
TOTAL			660,674	61,588	722,262

Attachment 20

Budget and Finance Narrative

The Board of Directors for the East Chicago FOCUS Academy at all times retains all responsibility and authority over all fiscal matters for the school. However, they are supported in this endeavor by the experienced management team at the GEO Foundation, who works with the School Leader to develop an academically and fiscally-sound budget that is brought to the Board for review and approval.

As per the school's By-laws, the Board appoints a school treasurer who is responsible for overseeing the school's financial matters and reporting back to the board on a monthly basis. The school treasurer is part of GEO Foundation's management team, is an MBA and an attorney, with over a decade of experience in overseeing school budget and financial issues. She is supported by a licensed CPA who personally oversees the preparation of the school's financial statements. These functions are not outsourced.

All purchasing, payroll, and human resource functions are executed by a staff that has been together for nearly a decade. This highly experienced team has established a system of financial controls that have been approved by both independent auditors and the Indiana State Board of Accounts:

- an online purchase order system that requires the approval of the school treasurer before purchases are made to ensure compliance with budget, avoidance of theft
- an online vendor payment and invoicing system that ensures proper tracking of receipts and packing slips that prevents duplicate billings, false ordering, and theft
- approved accounting software to meet both Generally Accepted Accounting Principles (GAAP) and State Board of Accounts (Form 9) requirements
- separation of cash management, deposits, approvals and transaction recording functions to eliminate possibilities of embezzlement, theft, malfeasance, or transaction altering
- establishment of travel, credit card, conflict of interest, whistleblower, document retention policies
- reconciliation of bank accounts, review of all transactions, on a monthly basis
- Creation and review of all financial statements – balance sheet, income statement, cash forecasts – on a monthly basis

All financial statements are presented to the board on a monthly basis at public board meetings, and if there are concerns, the issues are brought to the financial committee more often if needed.

The key to the financial health of the East Chicago Focus Academy is that it is designed to thrive from the day that it opens on only the funds that it receives from federal and state local sources. While it does have resources that it can draw upon should it have less-than anticipated enrollment or face revenue shortfalls, charter schools should never lean on philanthropic or temporary dollars for operating revenues and long-term funding. No organization can be fiscally healthy using unstable or sporadic revenue dollars as a funding mechanism.

Year 0

Year 0 focuses on start up. The revenues are expected to come from the Public Charter School Program Grant – Implementation Phase. While the school recognizes that this grant is not guaranteed, GEO has had success in being granted these funds multiple times in the past (Gary Middle College, Pikes Peak Prep), and have a high level of confidence that GEO will earn them for this school as well. However, if GEO is unable to obtain these funds, GEO Foundation will provide loan the school the funding in the form of a low-interest start-up loan that the school can pay back over an affordable length of time. Alternatively, the school may take advantage of the Charter And Innovation School Advance Program if it is still in existence.

During this start-up phase, ECFA will work on onboarding the school leader and training them in the charter model, and recruiting students.

Year 1

Year 1 revenues will be generated by a fully enrolled school of 200 students. Much like the sister school, Gary Middle College, GEO is anticipating a mixture of funding from both the traditional, Per Pupil funding, as well as approximately 25% of student funding from the Adult Learner funds.

Additional revenues will be generated through:

- The Charter and Innovation Network School Grant Program will only fund students that are traditional learners, so only 150 of students will qualify for the \$500 from that program.
- Summer school programming.
- Textbook revenues – the curriculum is online, therefore hardware and software purchases qualify for reimbursement
- Federal grants – GEO is conservatively estimating amounts for IDEA Part B (Special Education), Title II (Professional Development), and Title I (Reading and Math support)
- Like the sister schools in Gary, ECFA will provide meals through the Federal Free/Reduced Breakfast and Lunch program, however the school will outsource the program, therefore it will not have the costs on financial sheets. ECFA may actually have some remaining revenues that may accrue to the school, but those are not definite, so this document does not list them at this time.

Key Expenses

- Salaries/Benefits – Salary expenses are listed on the separate sheet provided and consist of a School Leader, Office Manager, Job Coach/Mentor, 4 full-time licensed content teachers, a licensed Special Education teacher, 6 instructional coaches (paraprofessionals), and an instructional coach that is partially supported through Title I dollars.
- The first year, understandably, sees a heavy investment in technology, including Smartboards and Google Chromebooks. ECFA will also need additional expenses in furniture and equipment for this first year.
- Special Education Services will include related services such as Speech and Occupational Therapy, as required by Individual Educational Plans. The school will also purchase Director services from its sister school at 21st Century Charter School at Gary.
- Key support services for the unique student body will include transportation (bus passes) and child care.
- We will have extensive and ongoing Professional Development for teachers to help them implement the charter model, including support for the blended learning model, Odyssey, Teach Like A Champion, and other core teaching concepts.
- The lease rate is estimated for budgeting purposes on 7,000 square feet at \$12 per foot. (It is anticipated that the actual rate will be less.)
- The CMO fee won't exceed 10% of total state funding.
- Since the school is able to fund itself based on revenues and enrollment, the school does not need to take advantage of the

Should the school not be fully enrolled, the school has the opportunity to borrow the shortfall from GEO Foundation in the form of a non-secured, low-interest loan that it may pay back as revenues allow.

Year 2

We budget conservatively, and only assume a 2% increase in state and federal funding, with only a 1% increase in the Adult Learner funding. Since GEO anticipates the school to be fully enrolled at opening, there is no change in enrollment or staffing needs in subsequent years. Most revenue streams and expenses remain stable, resulting in a significant cash accumulation for the school by the end of year two.

Year 3

Again, with the stability in revenues and expenses, the school remains stable financially. However, with the Public Charter School Program grant expiring, the school's revenue line – while still strong – is slightly lower.

Year 4

With the school's technology now three years old, the school may take advantage of its large cash reserve fund to invest in new technology in year 4.

Year 5

In Year 5, the school continues to demonstrate a solid bottom line, and show that the school remains self-sufficient on state and federal revenues.

Attachment 21

Portfolio Performance Review and Performance Record

The documentation in Attachment 21 includes profile information about all schools in the GEO Foundation network (GEO Academies). Gary Middle College, 21st Century Charter School in Gary, IN, Pikes Peak Prep in Colorado Springs, Co and GEO Prep Academy, in Baton Rouge, LA. Also, documentation in regards to each schools performance over the years has been included.

Since the replication model is an alternative high school much of the documentation will focus on the success gained at reaching students who have dropped out of high school and are seeing an option to earn a high school diploma and college credits. It's important to note that Pikes Peak Prep in Colorado Springs has the best graduation rate among charter schools in Colorado Springs 11 and in the State. 21st Century Charter High School in Gary, IN has the best graduation rate in Gary among Gary public, private, and charter and beats the state rate as well. The ECFA Board and Organizing Team are applying to replicate Gary Middle College in this application based on the success that has been earned in the GEO High School Models as well as Gary Middle College. All students deserve to graduate from high school with the chance to attend college. ECFA will provide the opportunity to drop out students to achieve the goal of a college education or career readiness.

The next few pages, is a list of the recent graduates of Gary Middle College that shows age at graduation, the cohort class, type of diploma received and ECA pass rate (100%). In addition spread sheet also shows the English score attained that was taken at GMC, credits earned at GMC as well as the enrollment period. Finally, the report indicates post high school plans and the number of high school credits earned while at GMC. The earn rate is much higher this year, which proves the model is working as intended.

The last section of this attachment will describe the success that Gary Middle College has garnered over the three years of operation. Its performance and how so many deserving students have had a chance to restart a future inspired this application. East Chicago FOCUS Academy will provide students that same chance. Finally, the last documentation will point out a school that has faced challenges but has a new leader and is in process of a major turnaround. The positive result has been that the Board wasn't afraid to make changes in personnel and curriculum to accommodate what was best for students. Using research based curriculum and focusing on professional development and strong leadership is making the difference in transforming this school.

GEO Academies:

21st Century Charter School (21C) opened in Gary, Indiana in 2005 after Gary community leaders invited GEO to open the school. Today, the school serves nearly 800 students, has been commended for leading the state in academic growth, has achieved 100% graduation rates in three of the past five years, and is the highest performing high school in Gary. 21C regularly beats the district and state graduation rates. Students regularly graduate from 21st Century having already earned 30 college credits while seven have graduated with an Associate Degree. The school's student population is nearly 100% qualified for the federal lunch program.

Pikes Peak Prep (PPP) opened in Colorado Springs in 2005 and received a charter renewal in 2015. This school has also been commended for its high academic growth, having received an award from the Governor in 2011. Students from PPP also graduate having earned as many as 30 college credits with one having earned his Associate Degree. The school currently serves nearly 350 students and 68% are qualified for the federal lunch program. In 2015, the school's graduation rate beat both the local district and the State's as a whole.

GEO Prep of GBR opened with 157 students in August of 2015 and currently serves 162 students. Nearly 100% of the students attending GEO Prep are qualified for the free and reduced lunch program and are African American. Initial NWEA predictive testing of the students showed the school would have received a "C" had state tests been administered in the fall of 2015. The winter administration of NWEA testing shows improvement across the board and NWEA predicts the school would receive a "B" if state testing were administered today.

Gary Middle College (GMC), a high school dropout recovery school currently serving nearly 200 students, opened in Gary, Indiana in 2012. GMC is intentionally small to provide students more personal attention from the staff. Nearly all GMC students qualify for the free and reduced lunch program and are as young as 16. The school has also served students who were 64 years of age returning to earn their high school diploma, not a GED. ECFA focuses on supporting students for college and/or a career. Below are two charts that show comparative data for adult charter high schools in Indiana and credits earned per graduate at GMC.

Comparative Data for Adult High Schools in Indiana

School/2015 # Students	2013 Eng 10 #Students	2014 Eng 10 #Students	2013 Alg 1 #Students	2014 Alg 1 #Students	2013 Grads #Students	2014 Grads #Students
Christel House DORRS/266	35.3/6	57.1/8	38.6/17	41.7/5	13.3/4	26.5/9
ExCEL Centers/1268	57.3/59	60.6/94	79.5/147	81.5/132	17.7/69	19.3/88
GMC/224	24.1/7	38.8/19	40.9/9	39.5/17	8.0/6	23.5/16

Graduate Term	#Graduates	#Credits Earned	Ave # Credits Earned per month	#Months
2015 Winter Grads	23	408	1.92	212.5
2015 Summer Grads	66	944	1.39	675

GMC graduated 23 students in December 2015
69 students for the 2014-2015 school year
27 students for the 2013-2014 school year
11 students for the 2012-2013
In total GMC has graduated 130

GEO SCHOOLS PROFILE INFORMATION

School	Year Open	School Contact Info	Authorizer Information	Number of students	Grade Levels Served	Free and Reduced Lunch %
21st Century Charter School	2005	556 Washington Street Gary, IN 46402 219-886-9339 www.21cchartergary.org	Office of Charter Schools, Ball State University, Teacher's College (TC), Room 912 Muncie, IN 47306 765.285.9873	789	Kgn-12th grade	94.70%
Gary Middle College	2012	520 Washington Street Gary, IN 46402 219-888-7120 www.garymiddlecollege.org	Office of Charter Schools, Ball State University, Teacher's College (TC), Room 912 Muncie, IN 47306 765.285.9873	166	9th-12th grade	92.40%

Pikes Peak Prep	2005	525 E. Costilla Street Colorado Springs, Co 80903 719-570-7575 www.pikespeakprep.org	Charter School Institute 1580 Logan Street Suite 210, Denver, Colorado 80203 303.866.3299	327	Kgn- 12th grade	67%
GEO Prep Academy of Greater Baton Rouge	2015	4006 Platt Drive Baton Rouge, LA 70814 225-927-1500 www.geoprep.org	Louisiana Board of Elementary and Secondary Education, 1201 North Third Street, Baton Rouge, LA 70802 225.342.5840	162	Kgn-3rd Grade. (Kgn- 4th grade in 2016- 17)	87.65%

School	Race/ Ethnicity	Special Education Statistics	English Language Learner %	Contracte d with GEO	Class of 2015 Grad Rate	Class of 2014 Grad Rate	Class of 2013 Grad Rate	Class of 2012 Grad Rate	Class of 2011 Grad Rate
21st Century Charter School	96.8% Black, 2.0% Hispanic 1.1% Multi- racial 0.1% White	17%	NA	2005	93.8%	95.5%	100%	95.2%	100%
Gary Middle College	90.2% Black, 5.8% Hispanic 3.6% Multiraci al0.4% White	10%	NA	2012				NA	NA
Pikes Peak Prep	71% Hispanic, 25% White 4% Multi- racial	8%	10%	2005	77.80 %	59.26 %	75.00 %	80.00 %	57.14 %

GEO Prep Academy of Greater Baton Rouge	95% Black, 2% Hispanic, 3% White	13%	NA	2015	NA	NA	NA	NA	NA
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The graphs on the following pages include SAT, ACT and Graduation rates and data at GMC, 21st Century and Pikes Peak High Schools. Also, NWEA scores on all schools and ISTEP (IN) and TCAP, CSAP, and CMAS (CO) assessment/achievement data. NWEA data on GEO Prep of Greater Baton Rouge (opened August 2015) is the only assessment data available at this time.

Graduate Report - As of 3/2/2016 2:10:25 PM
School Year: 2014-2015

9885 - Gary Middle College
 4027 - Gary Middle College

Graduate Types	American Indian or Alaskan Native		Black / Non-Hispanic		Asian or Pacific Islander		Hispanic		White / Non-Hispanic		Multiracial		Totals
	M	F	M	F	M	F	M	F	M	F	M	F	
Core 40 Only (Passed GQE)	0	0	22	33	0	0	2	3	1	1	2	0	64
Core 40 Only (Evidence-based waiver)	0	0	1	3	0	0	0	0	0	0	0	0	4
General Diploma (Evidence-based waiver)	0	0	0	1	0	0	0	0	0	0	0	0	1
Total	0	0	23	37	0	0	2	3	1	1	2	0	69

Post Graduate Report - As of 3/2/2016 2:10:25 PM

	Male	Female	Total
Four year or more College or University	7	22	29
Vocational/Technical School	3	0	3
Not pursuing Higher Ed	13	6	19
Two year College or University	4	13	17
Military	1	0	1
Total	28	41	69

**Graduate Report - As of 3/2/2016 2:11:45 PM
School Year: 2013-2014**

9885 - Gary Middle College
4027 - Gary Middle College

Graduate Types	American Indian or Alaskan Native		Black / Non-Hispanic		Asian or Pacific Islander		Hispanic		White / Non-Hispanic		Multiracial		Totals
	M	F	M	F	M	F	M	F	M	F	M	F	
Core 40 Only (Passed GQE)	0	0	12	14	0	0	0	0	0	1	0	0	27
Total	0	0	12	14	0	0	0	0	0	1	0	0	27

Post Graduate Report - As of 3/2/2016 2:11:45 PM

	Male	Female	Total
Four year or more College or University	8	9	17
Vocational/Technical School	2	2	4
Two year College or University	3	2	5
Military	0	1	1
Total	13	14	27

The Post Graduate Report displays the types of higher education that graduates plan to pursue.

Graduate Report - As of 3/2/2016 2:12:27 PM
School Year: 2012-2013

9885 - Gary Middle College
 4027 - Gary Middle College

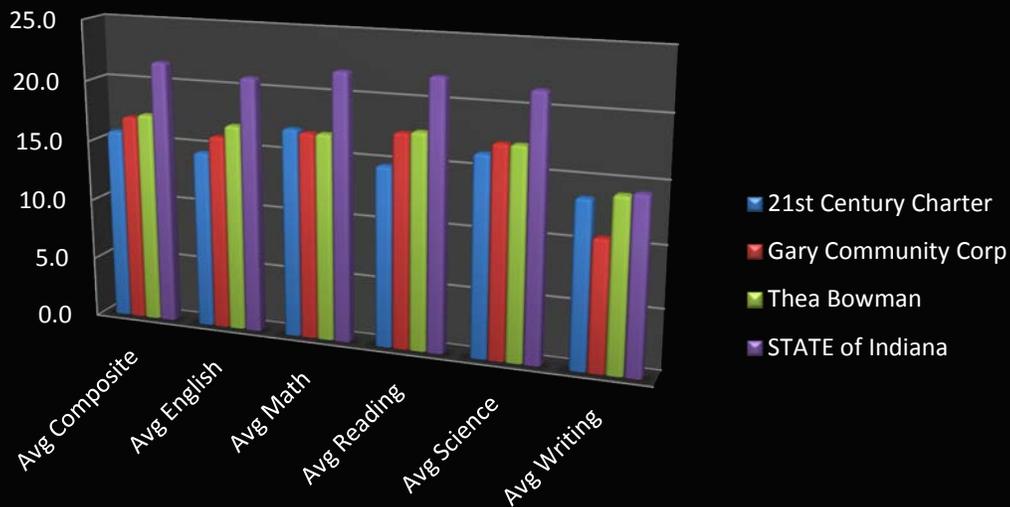
Graduate Types	American Indian or Alaskan Native		Black / Non-Hispanic		Asian or Pacific Islander		Hispanic		White / Non-Hispanic		Multiracial		Totals
	M	F	M	F	M	F	M	F	M	F	M	F	
Core 40 Only (Passed GQE)	0	0	5	5	0	0	0	0	0	0	1	0	11
Total	0	0	5	5	0	0	0	0	0	0	1	0	11

Post Graduate Report - As of 3/2/2016 2:12:27 PM

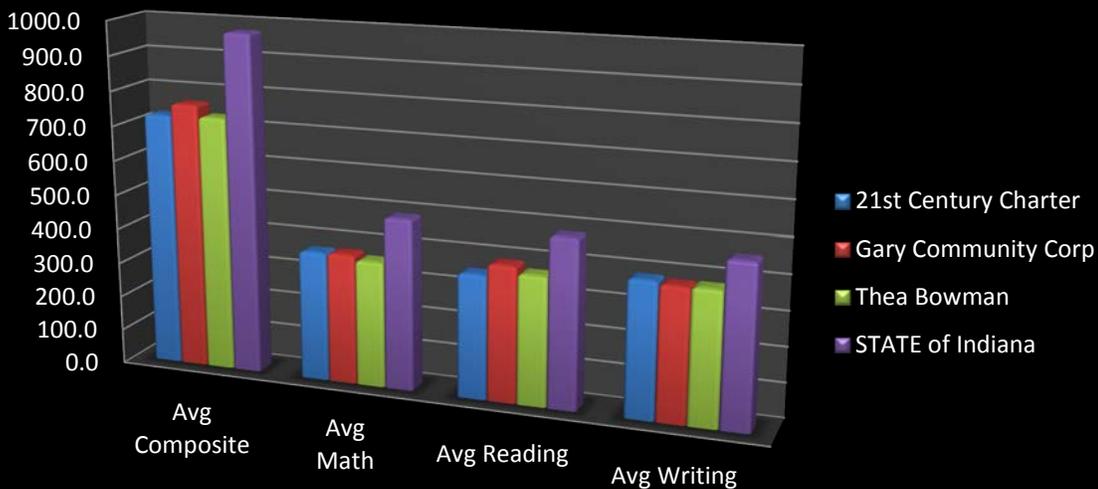
	Male	Female	Total
Four year or more College or University	0	1	1
Two year College or University	5	4	9
Military	1	0	1
Total	6	5	11

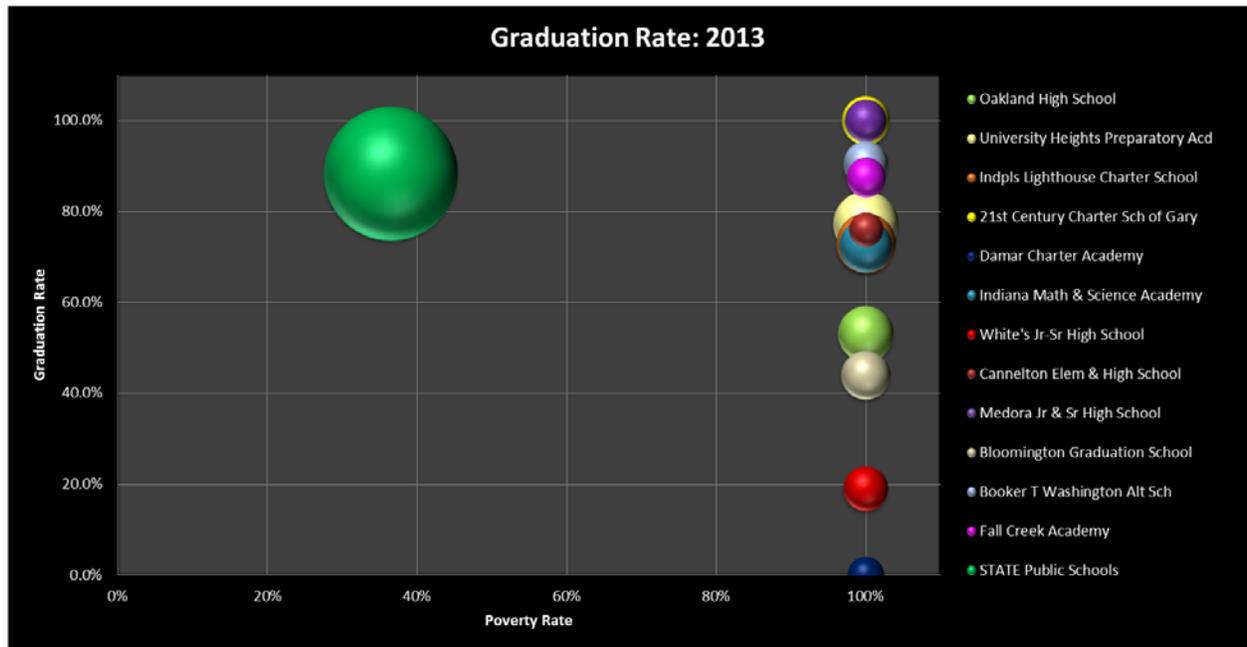
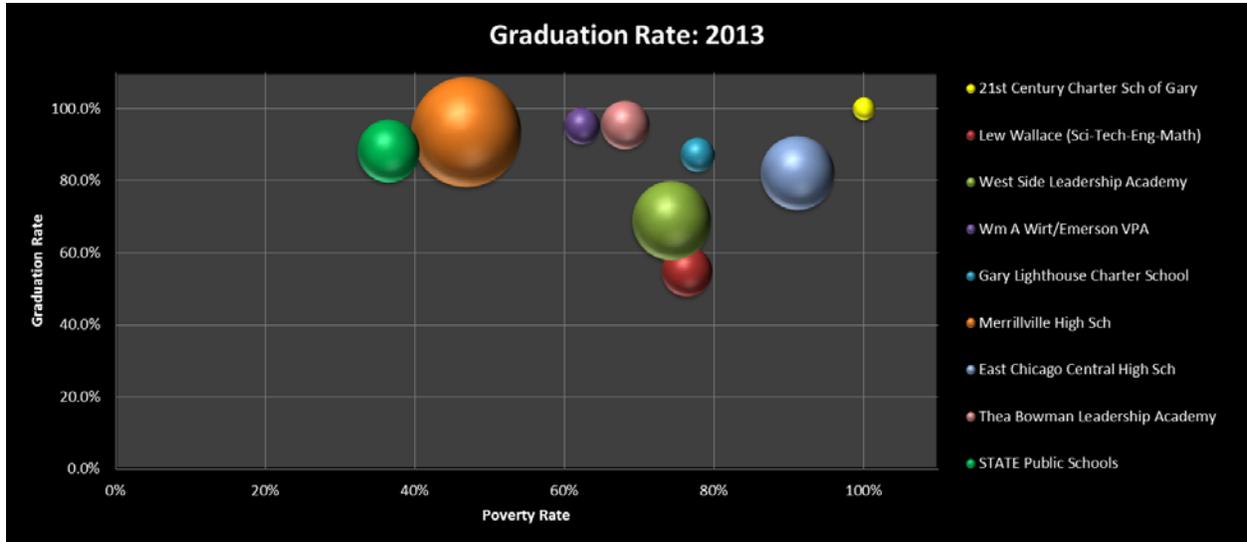
The Post Graduate Report displays the types of higher education that graduates plan to pursue.

2011 ACT: 21st Charter and STATE Averages



2011-12 SAT: 21st Charter and State Averages

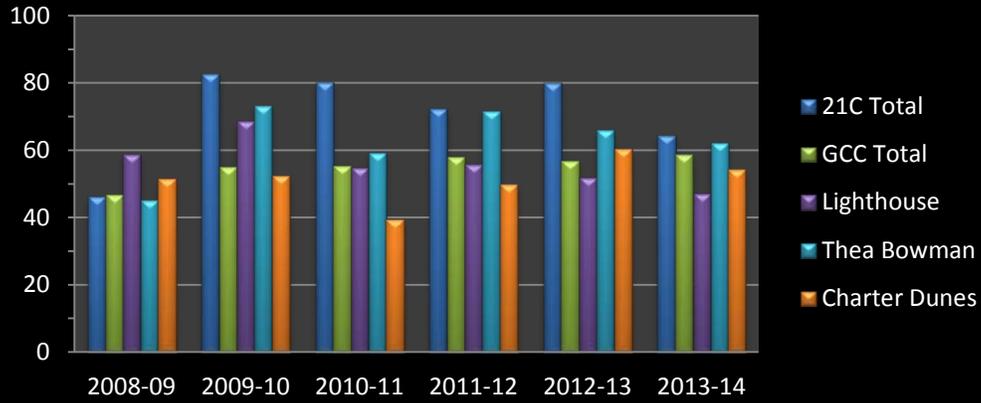




Math

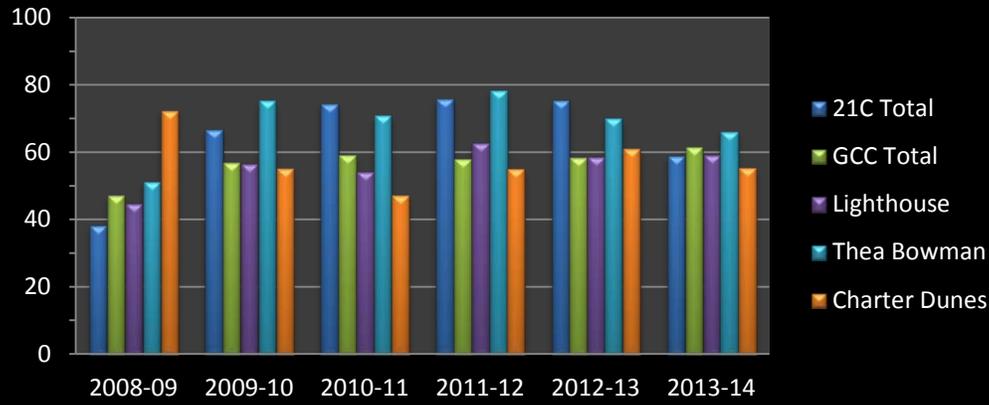
Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
21C Total	46.3	82.8	80.1	72.6	80.2	64.7
GCC Total	46.7	55.0	55.4	58.1	57	59
Lighthouse	59.0	68.6	54.7	56.1	51.7	47.2
Thea Bowman	45.4	73.4	59.3	71.8	66	62.3
Charter Dunes	51.6	52.4	39.5	50.0	60.3	54.5

Math Pass Rate: Spring ISTEP+ 21st Charter & Gary Community Corp

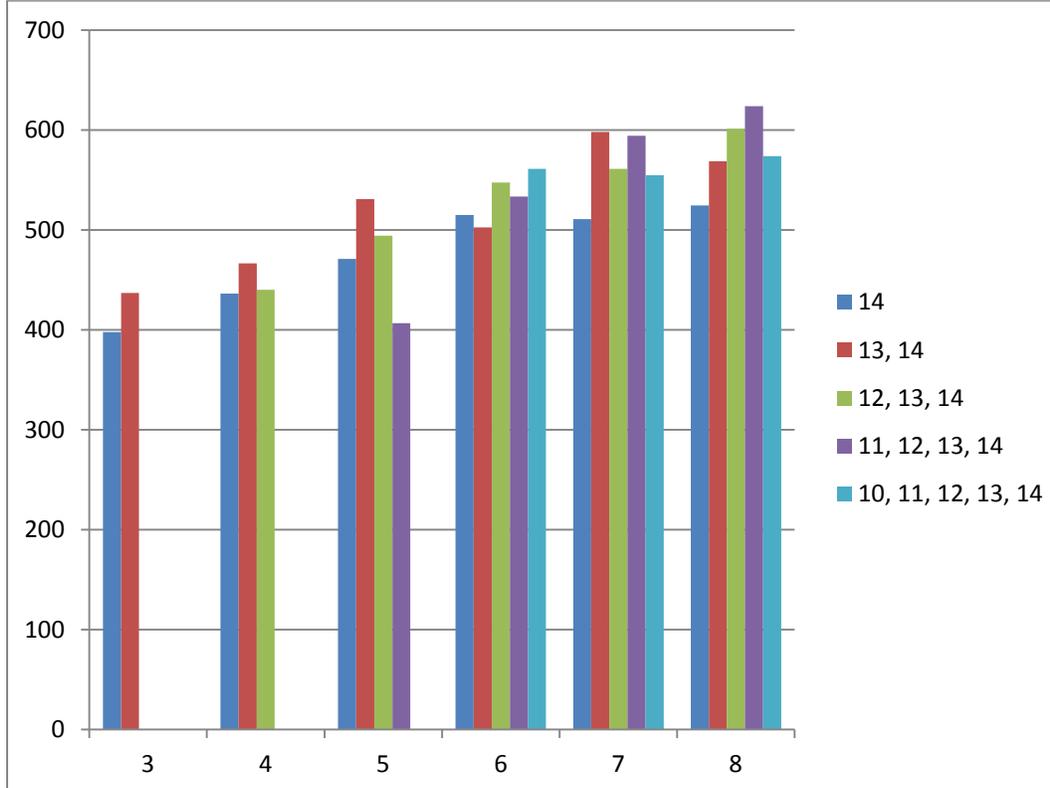
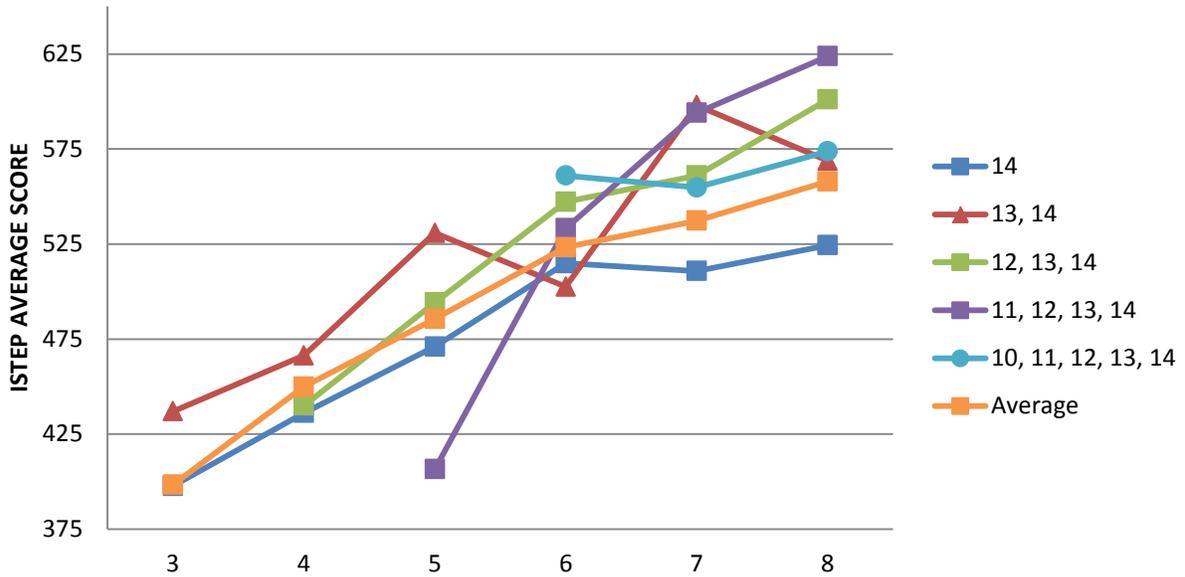


Year	ELA					
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
21C Total	38.1	66.9	74.5	76.1	75.4	58.9
GCC Total	47.3	57.2	59.2	58.1	58.6	61.4
Lighthouse	44.8	56.5	54.3	62.7	58.5	59.2
Thea Bowman	51.3	75.4	70.9	78.5	70.1	66.2
Charter Dunes	72.6	55.3	47.4	55.1	61.3	55.4

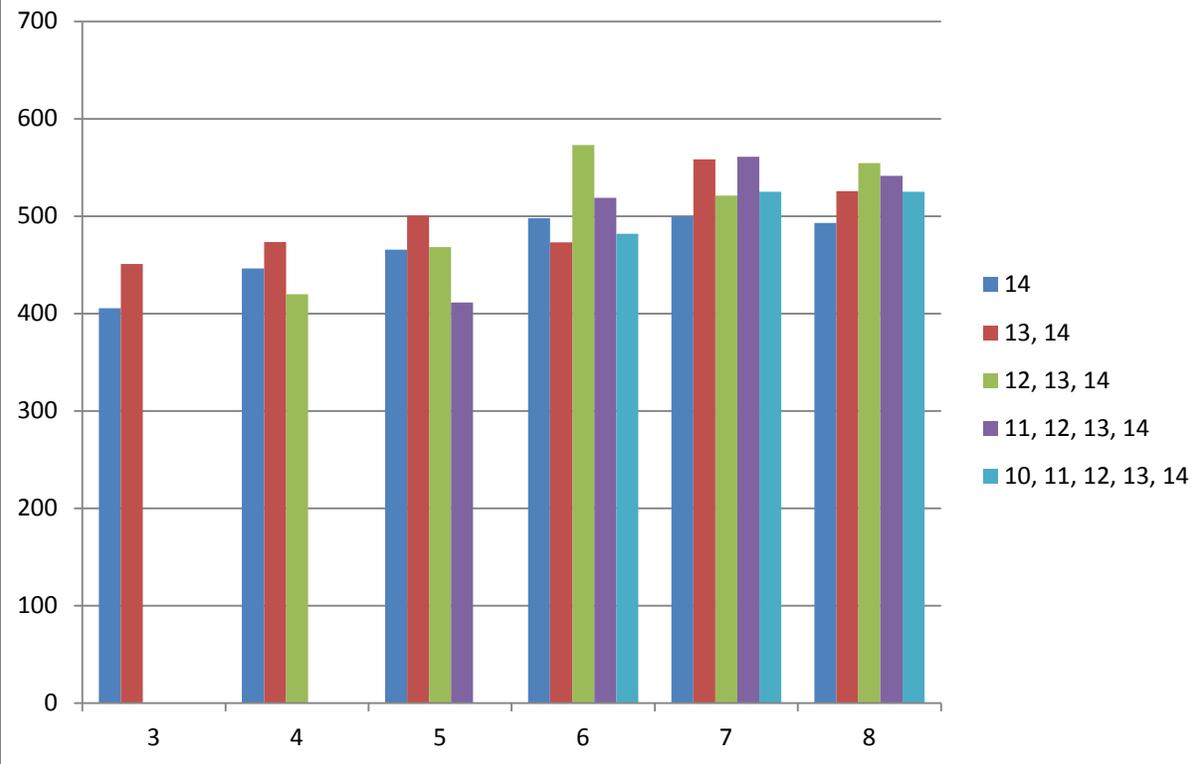
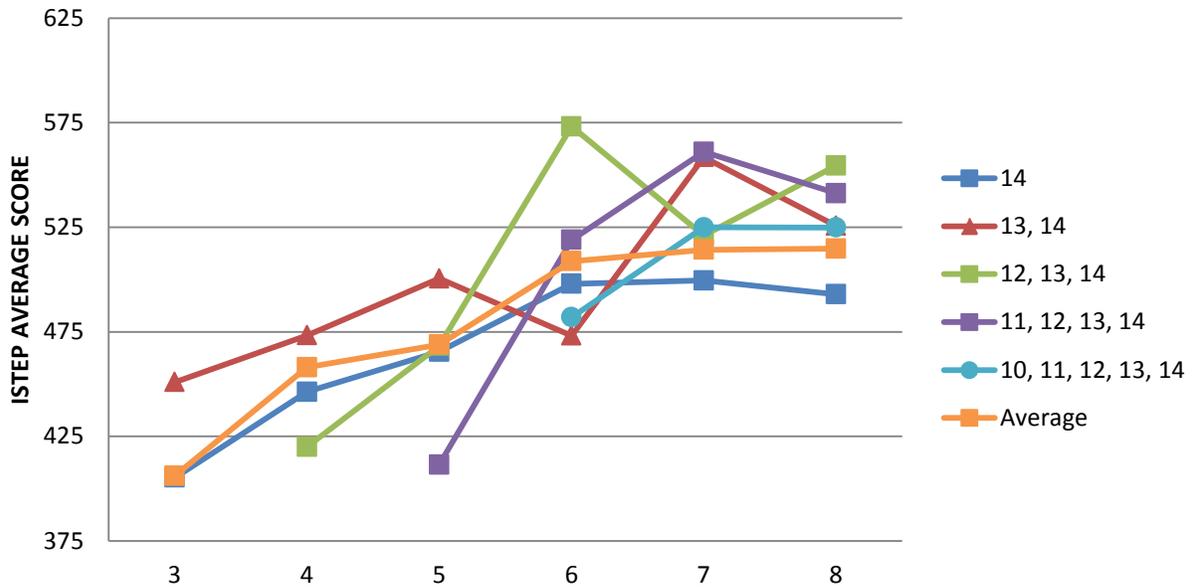
ELA Pass Rate: Spring ISTEP+ 21st Charter & Gary Community Corp



21st CC Math: Average 2014 ISTEP Score by Grade for New and Various States of Legacy Students



21st CC ELA: Average 2014 ISTEP SCORE by Grade for New and Various States of Legacy Students



WELCOME

LAST UPDATED: 11/17/2015

This dashboard has been designed to display state data for district staff to support effective systems analysis and improvement planning. It is organized by tabs across the top of the screen, beginning with SDRR (State Data Resource Report) that provides visualizations of state level data released in 2015. Typically, this data would be available through the performance frameworks. Because of the state assessment transition and the accountability clock pause, however, performance frameworks will not be released this year. For more information on the accountability system in 2015-16, see this fact sheet: http://www.cde.state.co.us/accountability/hb_15-1323_accountability_guidance. The demographics and fiscal tabs have also been updated with the most recent data. Subsequent tabs (e.g., Accountability, Performance) are available as a historical reference. Districts may use these tabs to get a visual representation of the historical trends to support improvement planning efforts. For additional support with planning, see resources found here: http://www.cde.state.co.us/uip/uip_train_ingandsupport_resources. In addition to text provided on the screen, information related to the data can be found by hovering the cursor over the elements of the report.

Questions, please contact Hai Huynh at huynh_h@cde.state.co.us

Select a School (Use the dropdown to select a school or type the first letter)

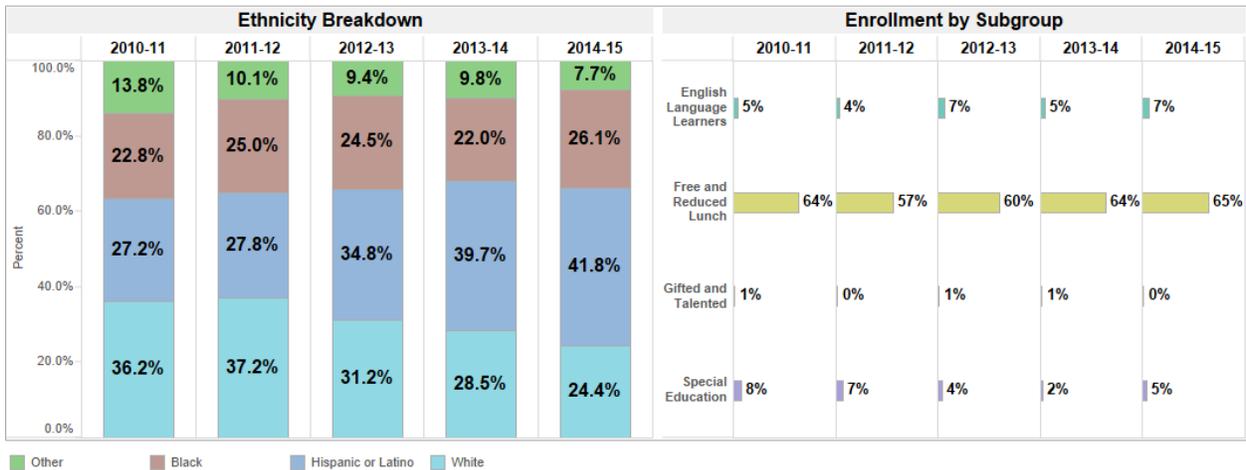
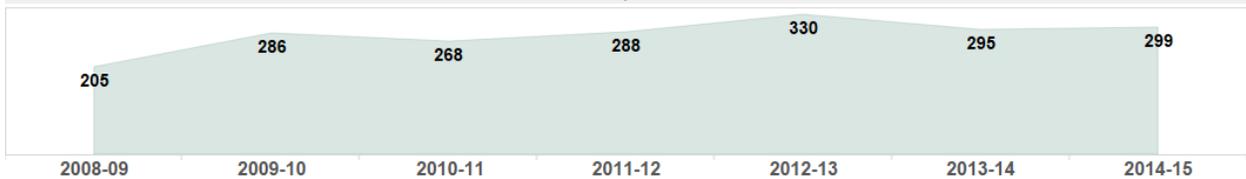
PIKES PEAK PREP - CHARTER SCHOOL INSTITUTE

DEMOGRAPHICS

Student Demographics

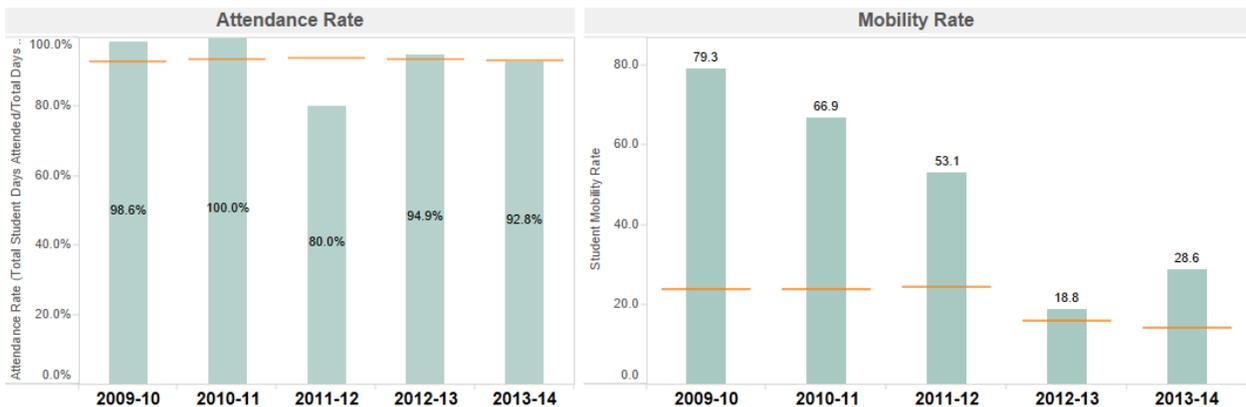
Information includes Percent of race/ethnicity groups and Percent of sub-group representation. Demographics definition changed for Hispanic and Asian in 2010-11. ELL is defined as students who are NEP, LEP and FEP M1 and M2.
Data source: October 1 Student Count

Total Pupil Count



Attendance and Mobility Rates

Information includes calculated attendance rate and district mobility rate. Orange line indicates state average rate. Mobility rate calculation revised for 2013. Please reference SchoolView for additional details.
Data Source: CDE Education Statistics Page



STUDENT PERFORMANCE

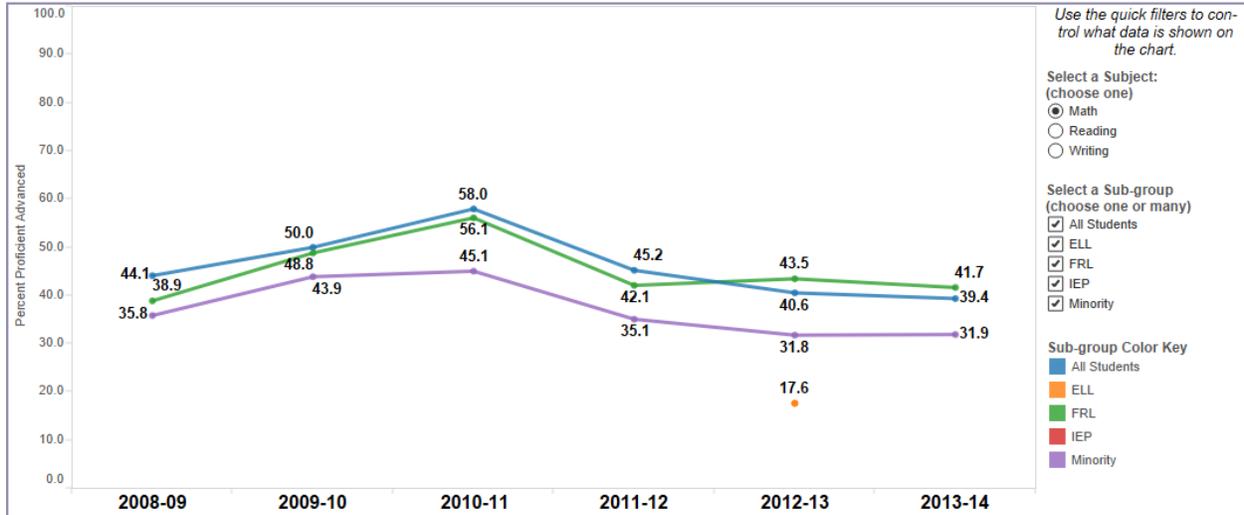
Select a School

PIKES PEAK PREP - CHARTER SCHOOL INSTITUTE

Please note that the displays on this tab will not be updated with new data in 2015-16, but will remain in the dashboard for reference. Because of the state assessment transition and the passage of H.B. 15-1323, school accountability measures are affected. The following website provides additional details on the accountability system during the transition: <http://www.cde.state.co.us/accountability/impact-of-assessment-transition-on-school-and-district-ac>.

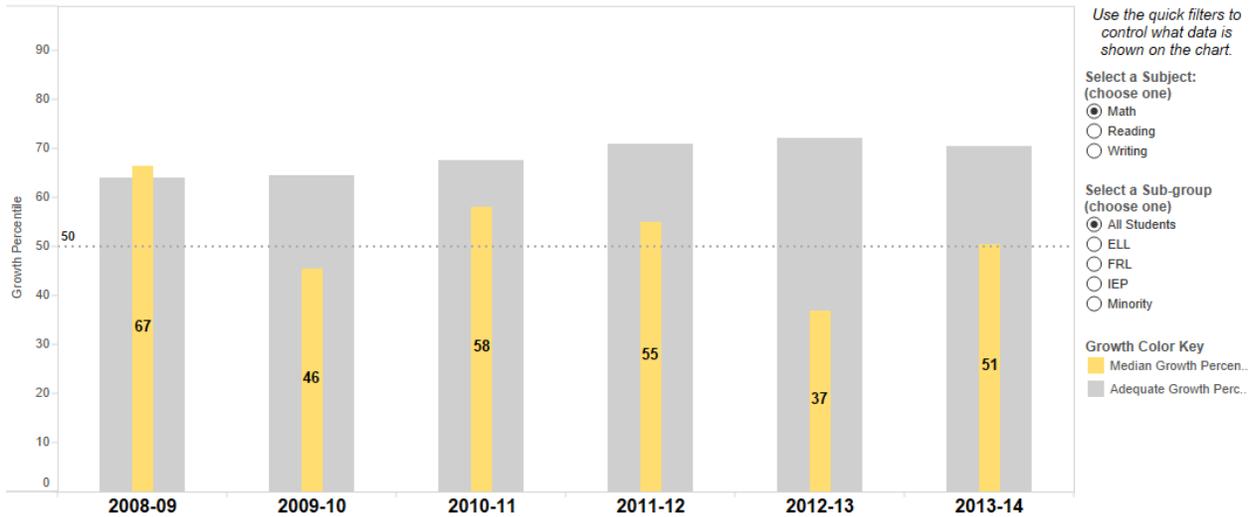
Achievement: Percentage of Students Scoring Proficient or Above

This interactive visual allows users to compare percentage of students proficient and advanced by sub-group. Data Source: Data Lab; School-level inclusion/exclusion rules



Growth: Median and Adequate Growth Percentiles

This interactive visual allows users to view MGP and AGP by Sub-group, by Subject, and by EMH level. Yellow bar should exceed green bar. Data Source: Data Lab & CDE Calculated; School-level inclusion/exclusion rules



STUDENT PERFORMANCE

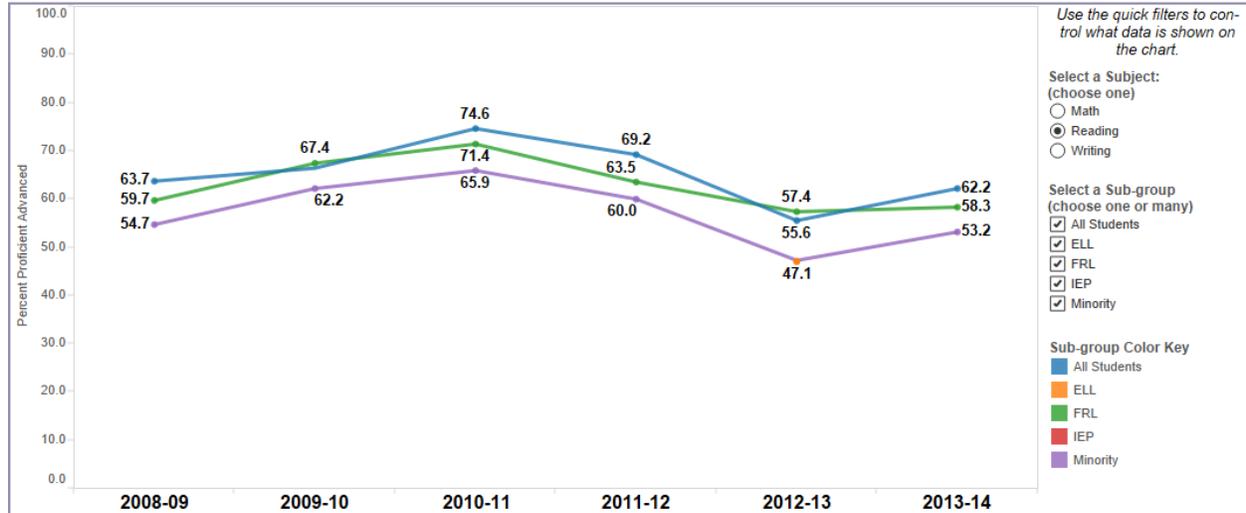
Select a School

PIKES PEAK PREP - CHARTER SCHOOL INSTITUTE

Please note that the displays on this tab will not be updated with new data in 2015-16, but will remain in the dashboard for reference. Because of the state assessment transition and the passage of H.B. 15-1323, school accountability measures are affected. The following website provides additional details on the accountability system during the transition: <http://www.cde.state.co.us/accountability/impact-of-assessment-transition-on-school-and-district-ac>.

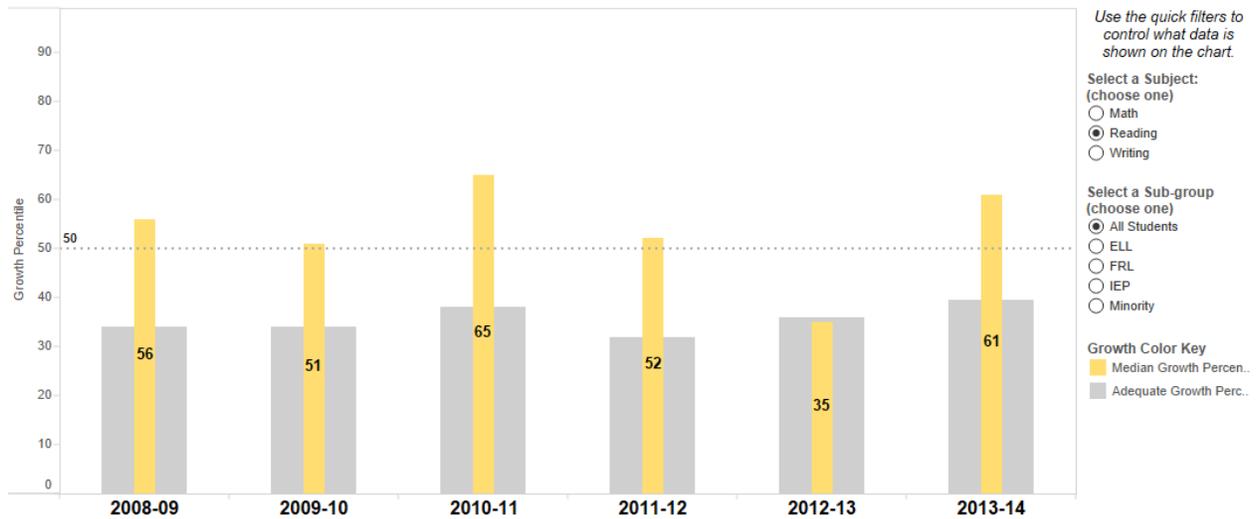
Achievement: Percentage of Students Scoring Proficient or Above

This interactive visual allows users to compare percentage of students proficient and advanced by sub-group.
Data Source: Data Lab; School-level inclusion/exclusion rules



Growth: Median and Adequate Growth Percentiles

This interactive visual allows users to view MGP and AGP by Sub-group, by Subject, and by EMH level. Yellow bar should exceed green bar.
Data Source: Data Lab & CDE Calculated; School-level inclusion/exclusion rules



STUDENT PERFORMANCE

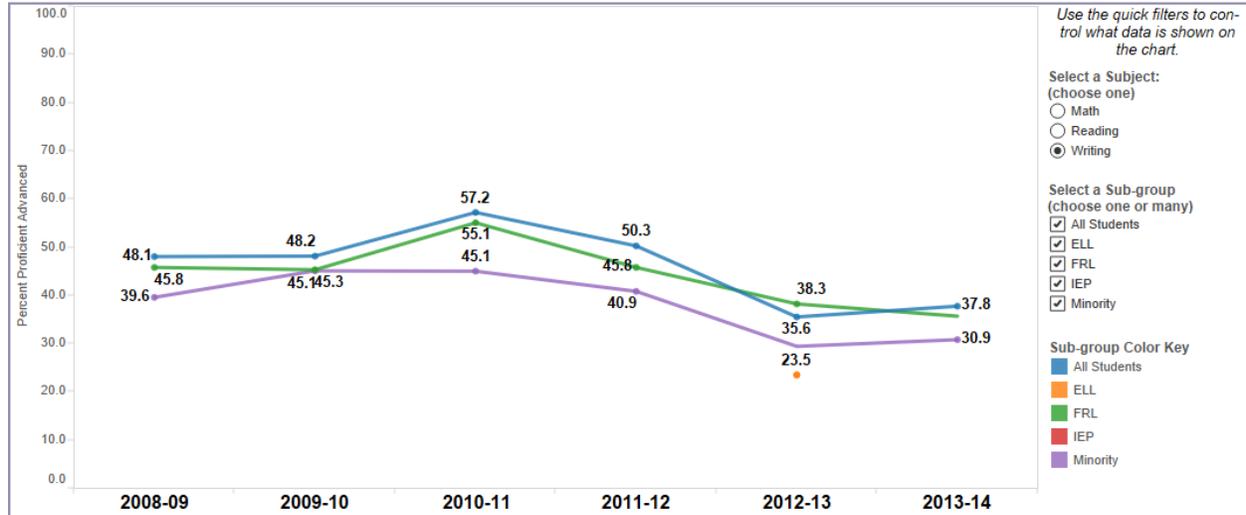
Select a School

PIKES PEAK PREP - CHARTER SCHOOL INSTITUTE

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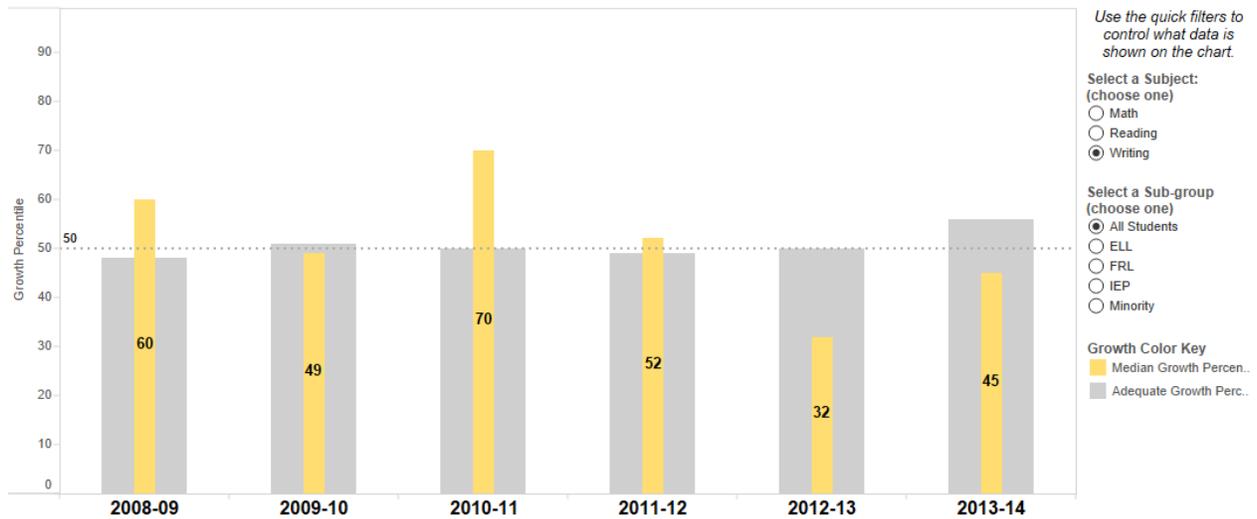
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ACCOUNTABILITY

Select a School

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Select a data time span

(For longitudinal data analysis, select either 1-year or 3-year)

Official

SPF Plan Type					
	2010	2011	2012	2013	2014
A. OVERALL		Performance Plan	Performance	Priority Improvement	Improvement
B. ELEMENTARY	Improvement Plan				
C. MIDDLE	Improvement Plan				
D. HIGH	Improvement Plan				

SPF % Points Earned					
	2010	2011	2012	2013	2014
A. OVERALL		79.0	79.6	56.3	56.0
B. ELEMENTARY	52.9		54.2	54.9	45.2
C. MIDDLE	52.9		74.6	57.0	61.5
D. HIGH	52.9		71.1	61.1	64.2

The data in this tab relates to the traditional School Performance Framework. Data for schools that are AEC is not available. For AEC schools, please reference your SPF report on SchoolView.org. The display below will indicate whether the school you've selected is an AEC.

	2010	2011	2012	2013	2014
A. OVERALL	NO	NO	NO	NO	NO
B. ELEMENTARY					
C. MIDDLE					
D. HIGH					

The below table indicates the plan type used (1-year or 3-Year)

	2010	2011	2012	2013	2014
A. OVERALL		1 Year	1 Year	3 Year	1 Year
B. ELEMENTARY	3 Year		3 Year	3 Year	1 Year
C. MIDDLE	3 Year		1 Year	3 Year	1 Year
D. HIGH	3 Year		3 Year	3 Year	1 Year

Year Entering Priority Improvement or Turnaround

SPF Key Indicator Ratings Overall

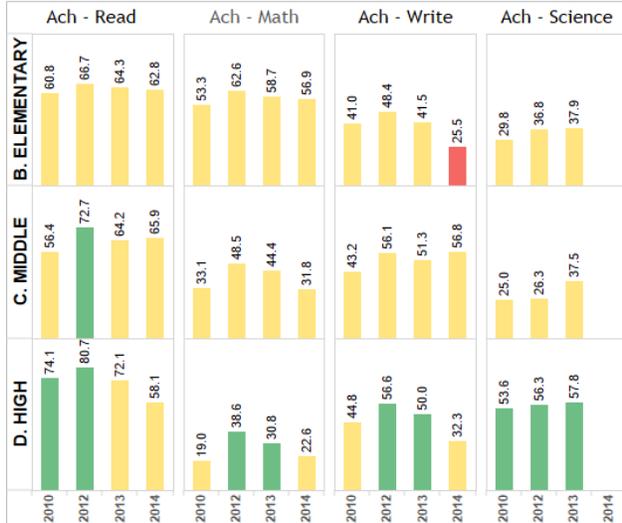
Number indicates percentage points earned on key indicator. Color of bar represents key performance indicator rating. Drop down menu at top of page indicates data time span. Data Source: School Performance Framework

Color Key
 Exceeds Meets Approaching Does Not Meet



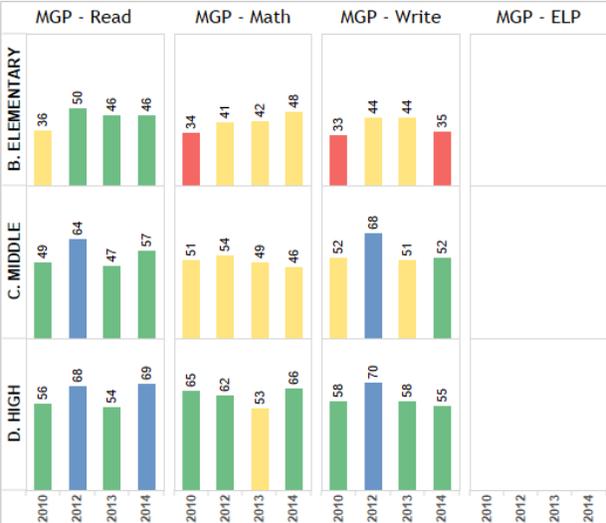
Achievement Data

Percent of students scoring Proficient and Advanced. Color of bar represents rating for sub-indicator. Drop down menu at top of page indicates data time span. Data Source: School Performance Framework



Growth Data

Median student growth percentile. Color of bar represents rating for sub-indicator. Drop down menu at top of page indicates data time span. MAGP can be found on Performance tab. Data Source: School Performance Framework



Growth Gaps Data

Use the Performance Tab for interactive diagnostic on growth gaps. View median and adequate growth percentile by sub-group, by FMH level, and by subject for

Post Secondary and Workforce Readiness Data

	2010	2011	2012	2013	2014
Graduation Rating			Does Not Meet	Does Not Meet	
Dropout Rating	Approaching		Approaching	Meets	Meets

STATE DATA RESOURCE REPORT: POSTSECONDARY WORKFORCE READINESS

SELECT A SCHOOL

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Select a Year Span

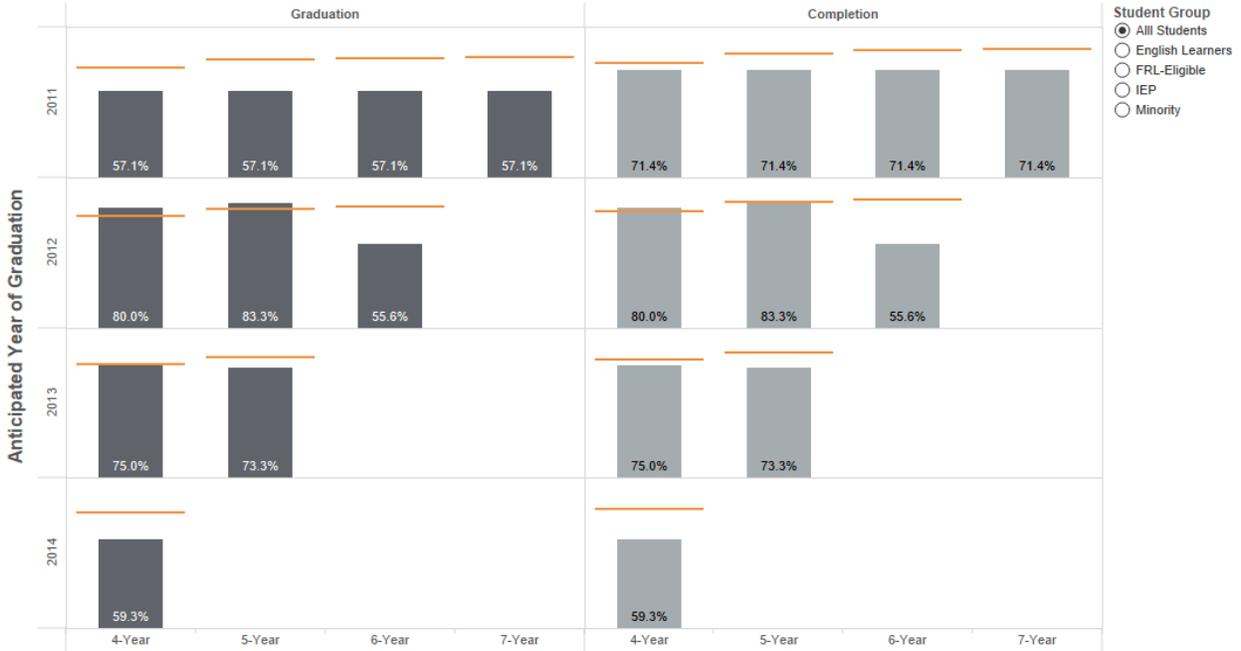
1 Year

Graduation and Completion Rates

The chart below displays the most recently available 4-, 5-, 6- and 7-year graduation and completion rates for the school and disaggregated student groups. The 3 year span is aggregated by the anticipated year of graduation. For graduation, ELL students include only NEP and LEP. Please visit the department's website at <http://www.cde.state.co.us/cdereval/gradcurrent-definitions#sthash.asD4R2qV.dpuf> for additional information.

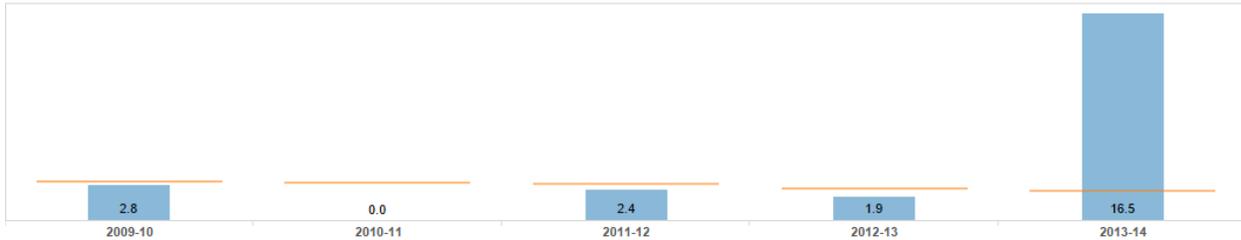
For groups that meet the minimum N-count threshold (i.e., at least 16 students), the results are displayed below. Cursor mouse over each bar to see detailed results. The orange line represents the state average for each year.

Notes



Dropout Rates

The chart below displays the most recently available dropout rates for all students that meet the minimum N-count threshold (i.e., at least 16 students). The bar represents the school's dropout rate while the orange lines represent the state average. Numbers are the school's dropout rate.



ACT Results

The chart below displays the results from the Colorado ACT, including the overall (composite) score, English, Math, Reading and Science disaggregated by student group. The bars represent the school's ACT results and the orange lines represent the state average. The numbers label the school's result. For groups that meet the minimum N-count threshold (i.e., at least 16 students took and received a valid test score), the results are displayed below. Cursor mouse over each bar to see detailed results.



STATE DATA RESOURCE REPORT: ACHIEVEMENT DATA

SELECT A SCHOOL

PIKES PEAK PREP - CHARTER SCHOOL INSTITUTE

Select a Year Span
1 Year

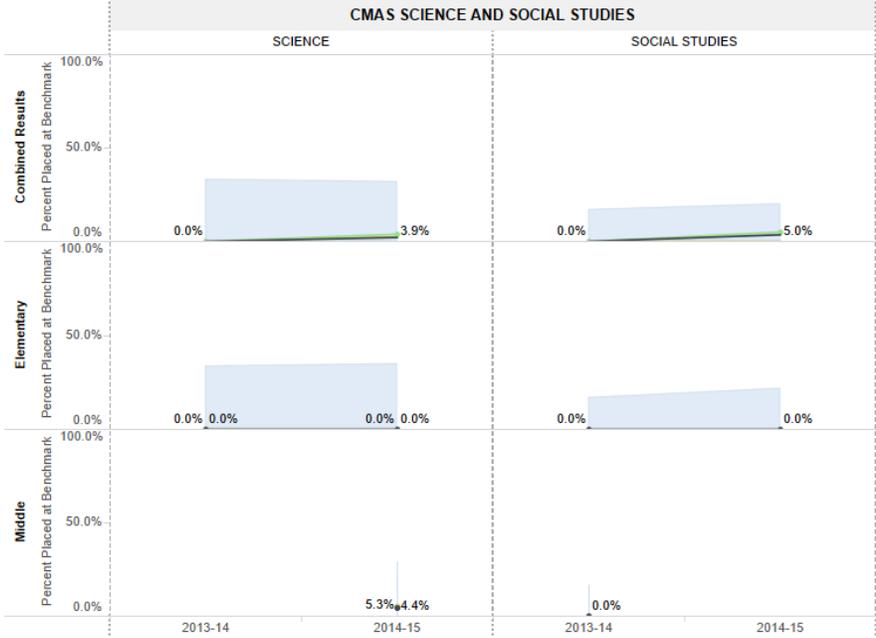
Data Notes

CMAS Science and Social Studies Participation

Participation rates are important to consider when interpreting achievement results. Federal expectations require a 95% participation rate. Participation rates at or above 95% are indicated in green font, below. Participation rates between 94% and 86% are displayed in orange font. Based on initial analyses of the impact of non-participants on achievement results, results may vary greatly once a school/district/disaggregated group falls below the 85% participation rate (indicated in red font). CDE advises districts to consider the participation rates when interpreting achievement scores, and especially when those rates fall below 85%.

	SCIENCE		SOCIAL STUDIES		
	2013-14	2014-15	2013-14	2014-15	
Combined	All Students	100.0%	92.5%	100.0%	97.0%
	FRL-Eligible	100.0%	92.9%	100.0%	95.8%
	Minority	100.0%	97.6%	100.0%	100.0%
Elementary	All Students	100.0%	88.9%	100.0%	100.0%
	FRL-Eligible		94.1%		
	Minority	100.0%	95.2%		
Middle	All Students		96.2%	100.0%	93.8%
	Minority		100.0%	100.0%	

The chart below displays results for CMAS Science and Social Studies (2013-14 and 2014-15) and CMAS Science and Social Studies Alternative Exam (2013-14 and 2014-15) achievement data for all students and up to five disaggregated student groups. Prior to analyzing the achievement results, review the participation data to ensure that all groups met the participation threshold for representative results. Results are displayed for each assessment and each disaggregated student group that meet the minimum N-count threshold (i.e., at least 16 students took and received a valid test score). Otherwise, no result is populated. Cursor mouse over each bar to see detailed results. Additional information about the data may be available by hovering over the gray circle labeled "Data Notes". Percent placed at benchmark: proportion of students scoring Strong Command (level 3) and Distinguished Command (level 4).

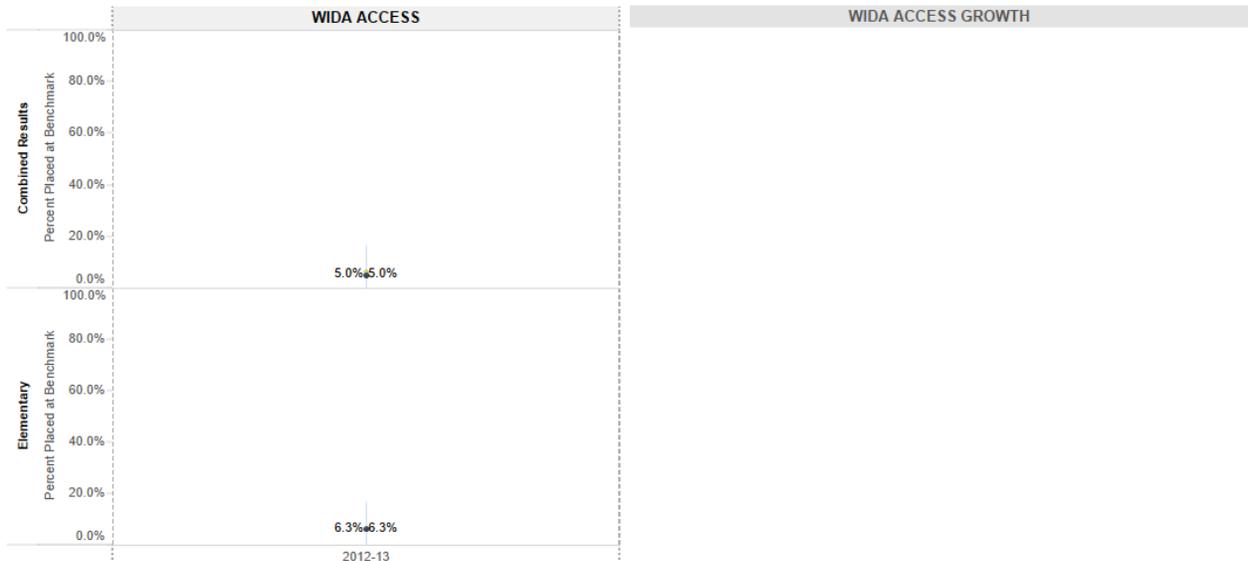


Student Group Color Key

All Students (Grey), FRL-Eligible (Green), Minority (Yellow)

WIDA Access Achievement and Growth Results

The charts below display results for WIDA Access Achievement (left-hand display) and Growth (right-hand display) over three years (2012-2014) for all students and up to five disaggregated student groups. Results are displayed for each assessment and each disaggregated group that meet the minimum N-size threshold (i.e., at least 16 students for achievement and at least 20 students for growth took and received a valid test score). Otherwise, no result is populated. Hover over each bar to see detailed results. The state average is illustrated by the grey box in the achievement display; the grey dotted line represents the state median of 51 on the growth chart. Percent placed at benchmark: proportion of students scoring level 5 overall AND level 5 on literacy.

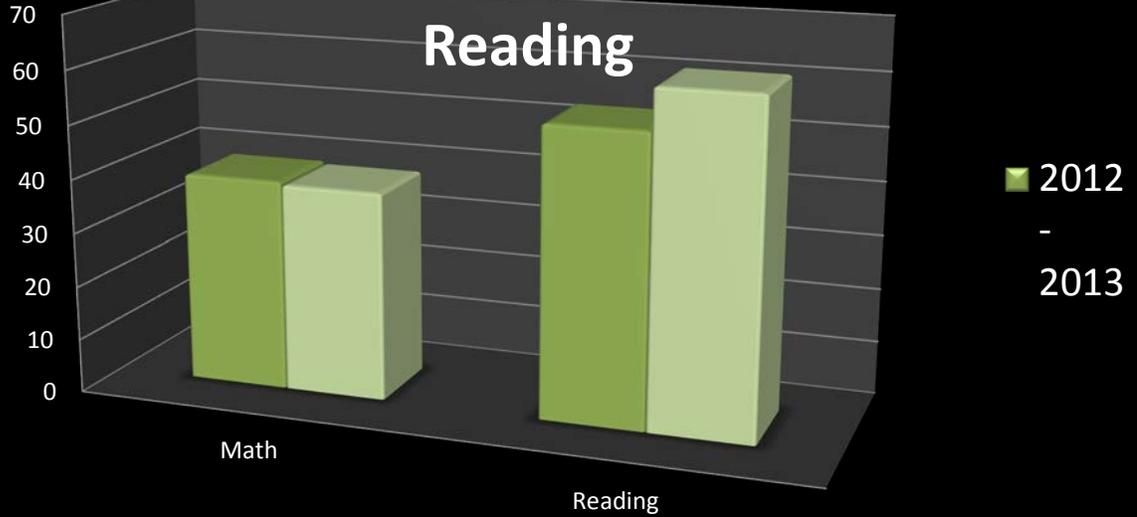


Student Group Color Key

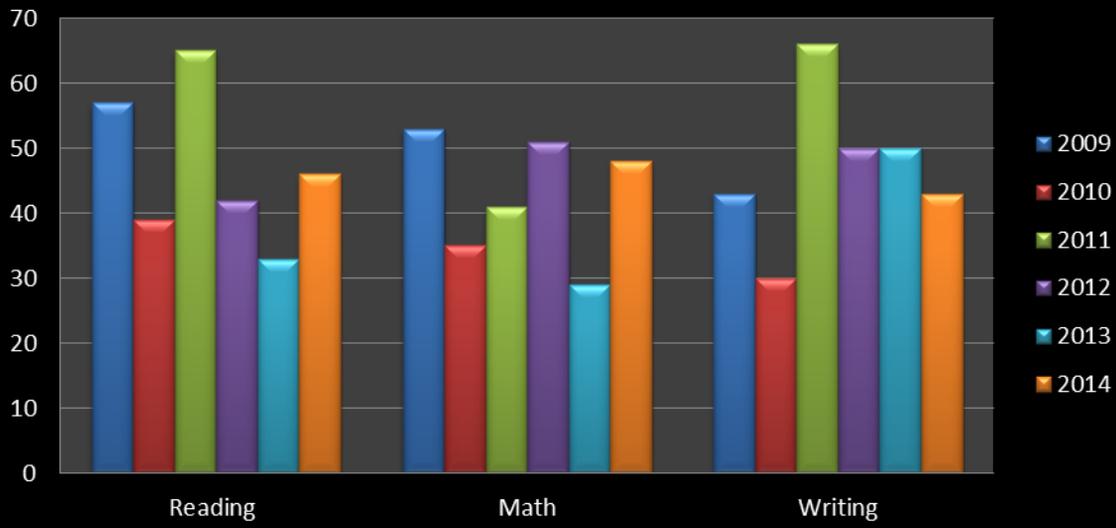
All Students (Grey), English Learners (Blue), Minority (Yellow)

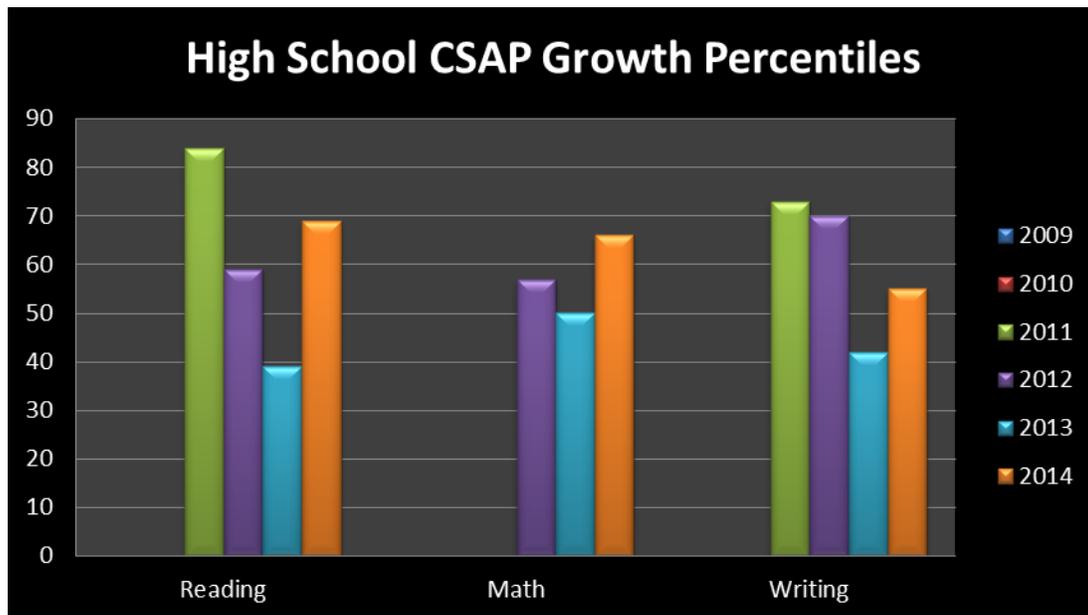
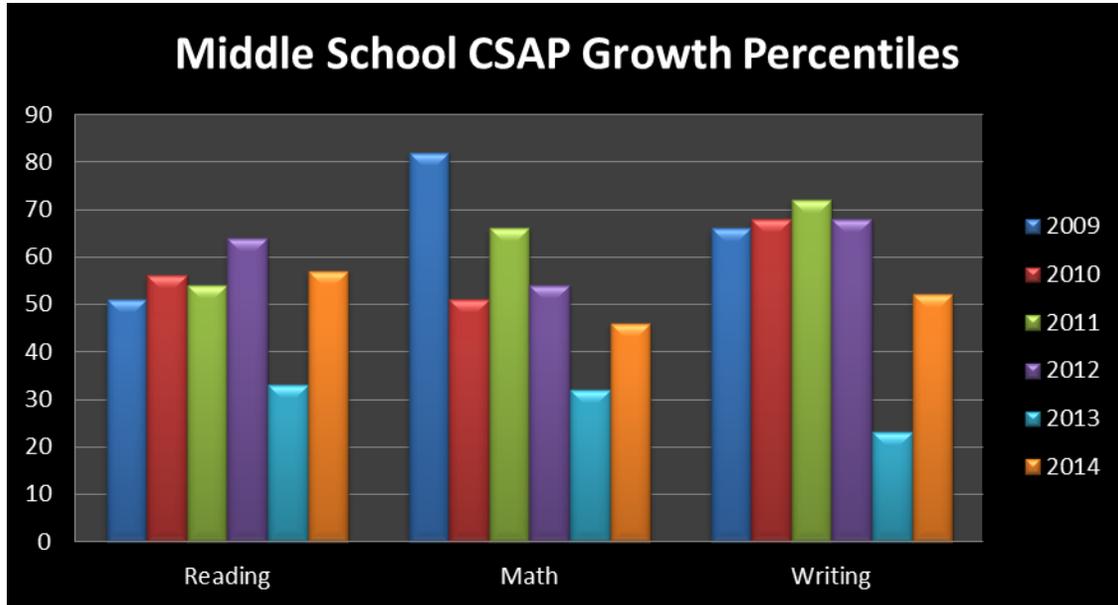
Growth Color Key:

Pikes Peak Preparatory Academy: TCAP Performance in Math and



Elementary CSAP Growth Percentiles





Geo Prep Opened in August of 2015

Test Data is Limited to NWEA Fall to Winter Results

Below is the NWEA test data showing where GEO Prep students started in the Fall and where they tested in the Winter compared to national norms. I almost every case the GEO Prep students started out below grade level when compared to national norms. It is rewarding to note that in almost every grade GEO Prep is closing the achievement gap. In math, GEO Prep students out grew national norms in K, 2nd and 3rd grade. And in reading, the K-3 students outperformed the national norm in every grade level.

GEO Prep Opened in August of 2015 as a K-3 Elementary School

BATON ROUGE, LA

GEO PREP NWEA Results FALL 2015 to WINTER 2016

Grade	MATHEMATICS			READING			LANGUAGE USAGE		
	% of Students Passing Fall	% of Students Passing Winter	% of Students Meeting Projection	% of Students Passing Fall	% of Students Passing Winter	% of Students Meeting Projection	% of Students Passing Fall	% of Students Passing Winter	% of Students Meeting Projection
K	94.44	91.07	77.36	94.34	98.25	79.25			
1	83.33	87.5	53.33	65.52	86.21	58.62			
2	90.63	80	53.13	58.06	67.65	43.33	90.63	68.57	37.5
3	80	89.29	88	79.17	82.14	29.17	84	82.14	56

Pikes Peak Prep K-10 NWEA 2015-16 Fall to Winter

GRADE	MATH	Lang. Usage	Reading
K	93.8%		56.3%
K	94.4%		36.4%
1	45.5%		31.8%
2	65.0%	60.0%	70.0%
3	50.0%	55.6%	72.2%
4	56.3%	81.3%	62.5%
5	40.7%	59.3%	37.0%
6	42.9%	47.6%	52.4%
7	60.0%	46.7%	26.7%
8	68.0%	48.0%	52.0%
9	54.5%	60.0%	63.6%
10	78.6%	84.6%	57.1%

21st Century K-10 NWEA 2015-16 Fall to Winter

GRADE	MATH	Lang. Usage	Reading
K	46.4%		57.1%
K	58.6%		37.9%

1	69.0%		44.8%
1	58.6%		48.3%
2	31.8%		27.3%
2	3.4%		26.7%
3	33.3%	25.0%	24.0%
3	69.0%	69.0%	75.9%
4	52.0%	37.5%	12.0%
4	59.3%	61.5%	47.8%
5	42.3%	70.8%	48.0%
5	40.0%	25.0%	23.8%
6	57.1%	50.0%	60.7%
6	69.0%	55.2%	40.0%
7	16.0%	28.6%	60.0%
8	50.0%	67.4%	49.1%
9	35.6%	46.7%	59.5%
10	44.2%	55.0%	48.8%
11	NA	NA	NA

Ball State's Annual Report to the State: Released February 2016

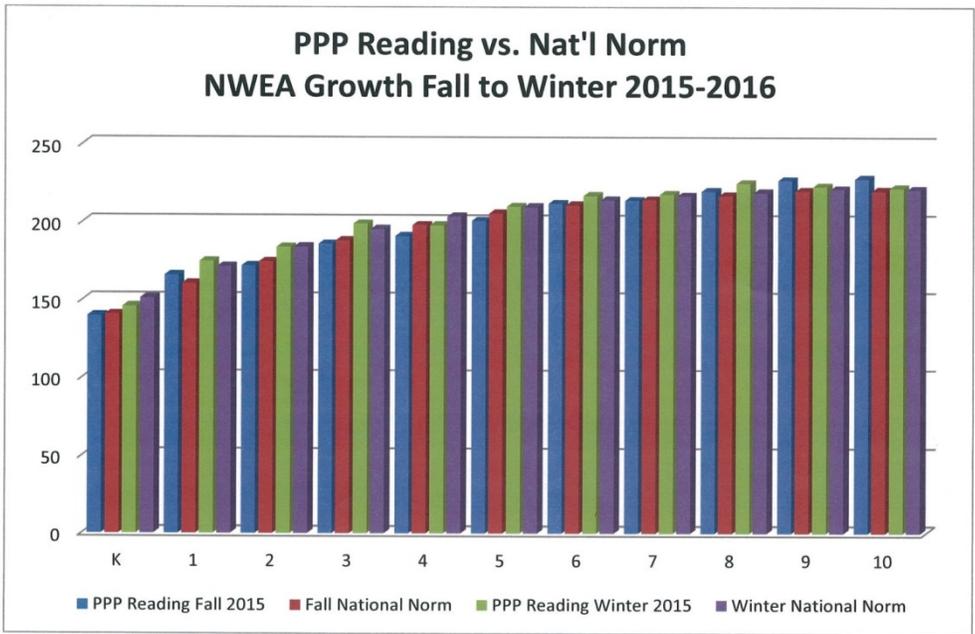
- 21st Century's NWEA Growth scores were among Ball State's best.
- Out of 32 schools, of which 9 did not report data, 21st Century is 6th best in reading and language arts growth, and 7th in math growth.
- Out of the top 7 schools, 21st Century has the highest percentage of poverty. In addition, of the 23 schools with NWEA data 21st Century is in the tops 30%, and has the most students of poverty.
- 21st Century has the top pass rate among all Ball State's charter in Algebra 1
- 21st Century 8th best among Ball State charter in English 10 pass rate
- 21st Century has the 2nd best non-waiver graduation rate among all Ball State charters and highest among high poverty schools
- 21st Century is 14th among all Ball State charters in ISTEP math growth
- 21st Century is 21st among all Ball State charters in ISTEP language arts growth

BALL STATE'S REPORT TO THE STATE 2014-15 SCHOOL-YEAR

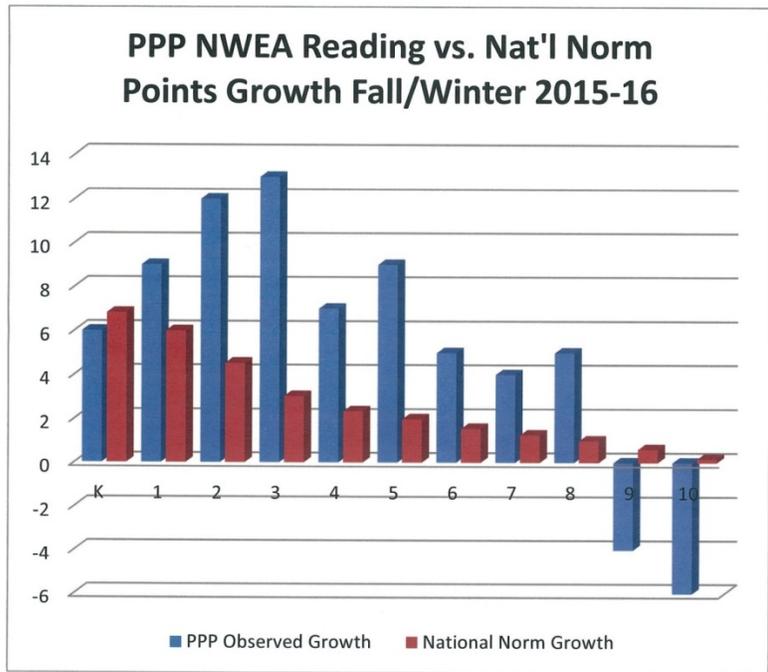
School	% Mtg NWEA Reading Growth	ISTEP L/A Growth	% Mtg L/A Growth	ISTEP Math Growth	% Mtg NWEA Math Growth	% Poverty	2013-2014 Grade	ALG 1 Pass %	Eng 10 Pass %	2014 Non Waiver Grad Rate
Bloomington Project	59.6	53	53.6	65	63.6		A			
EC Urban Enterprise	66.7	54	61.9	61	67	83.6	A			
Discovery	69.1	48	71.4	61	78.4	23.7	A			
Rock Creek Community	71.9	56	65.5	60	74.3	24	A	68.6	57.7	95.5
Anderson Prep	60.2	46	65.4	54.5	63.9	60.9	A	73.8	85.7	91.9

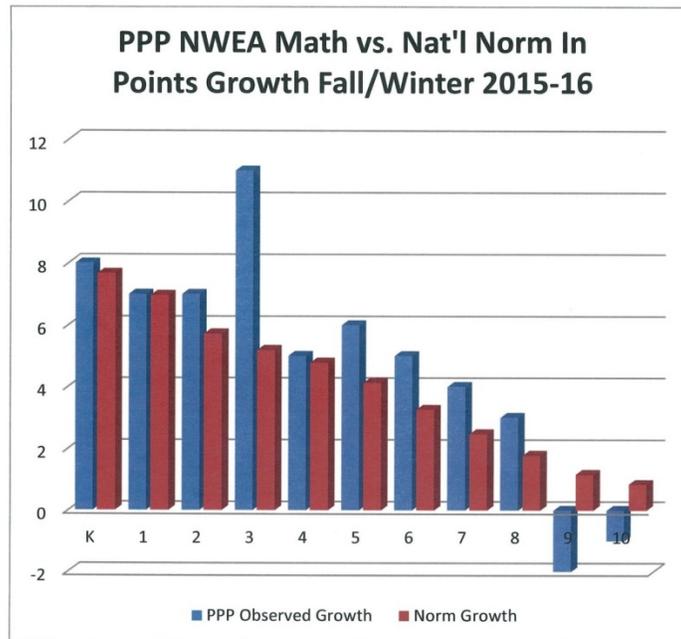
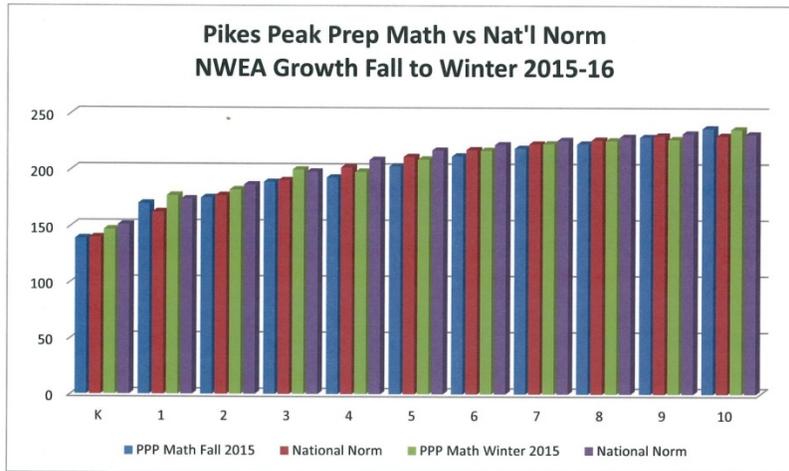
Hoosier Academy Indy	n/a	42.5	n/a	52	n/a		C	53.3	75	28.6
Community Montessori	41.1	49	45.3	51	41.1		D	51.9	66.7	59.3
Indiana Math Science Academy	n/a	45	n/a	50.5	n/a		C	81	68.8	83.3
Renaissance Academy	53.1	48	45.6	47.5	56.8		A			
Veritas	59.2	60	52.7	46.5	69.3	45.7	A			
Aspire	65.7	34	64.1	44	70.7	94.6	D			
Imagine Life West	49.1	37	50	43.5	49.9		F			
21st Century	65.5	34.5	62.6	42.5	65.4	94.7	D	84.6	65.9	94.3
Rural Community	57.9	50	59.3	41	75.9	64.2	B			
Geist Montessori	38.8	59.5	42.2	41	37.9		A			
Hammond Science & Tech	58.4	52	61.2	41	56.8		B			
Xavier	54.8	37	58.5	37	56		F			
Faulkner	45.6	47	40.9	30	43.9		B			
EC Lighthouse	57.1	37	58.6	30	47.8		D			
University Heights	42.1	24	n/a	28	39.2		D	60	73.2	50
Gary Lighthouse	50.5	42	57.5	25	47.4		D			66.7
IN Connections	n/a	45	n/a	25	n/a		D	41.9	90.9	43.4
Career Academy	57.9	44	58.6	25	52.9		F			27.8
Hoosier Academy Virtual	n/a	26	n/a	25	n/a		F			13.2
Thea Bowman	45.3	34	49.5	22	43.8		D	64.2	73.8	90.2
New Community	46.9	32.5	53.6	22	34		F			
Fall Creek	n/a	27	n/a	19	n/a		F	51.5	48.1	55
Options Noblesville	70		50		37.5	23.1	F	25	65.4	33.3
Options Carmel	n/a		n/a		n/a		F	21.4	43.8	30
Neighbor's New Vistas	n/a		n/a		n/a		N/A			25.8
GMC	n/a		n/a		n/a		N/A			8
Statewide								73.3	78.2	
Canaan	n/a		n/a		n/a		N/A			

**PPP Reading vs. Nat'l Norm
NWEA Growth Fall to Winter 2015-2016**

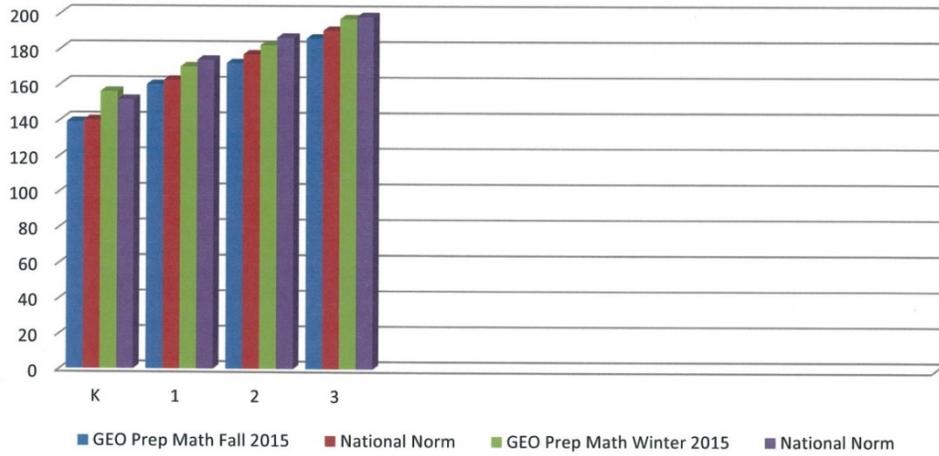


**PPP NWEA Reading vs. Nat'l Norm
Points Growth Fall/Winter 2015-16**

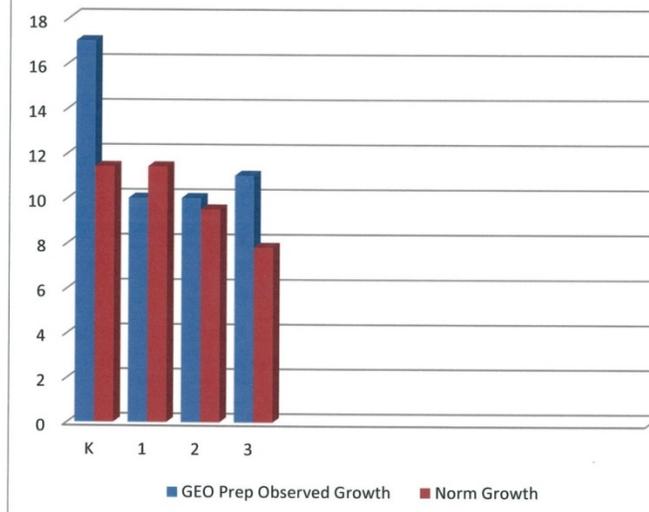




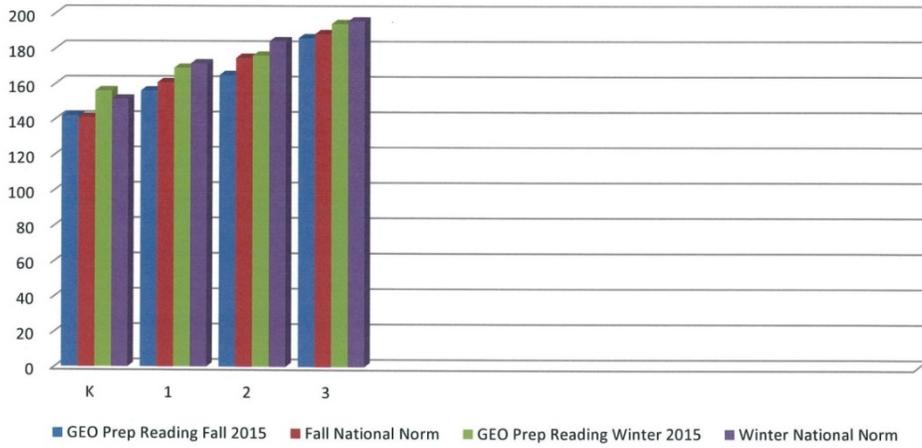
GEO Prep Math vs Nat'l Norm NWEA Growth Fall to Winter 2015-16



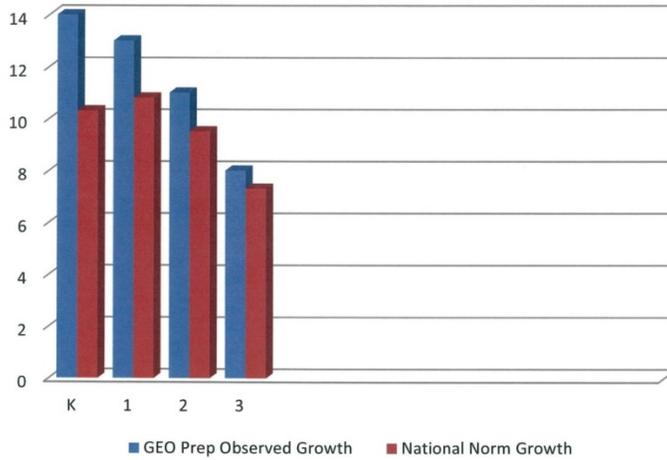
GEO Prep NWEA Math vs. Nat'l Norm In Points Growth Fall/Winter 2015-16

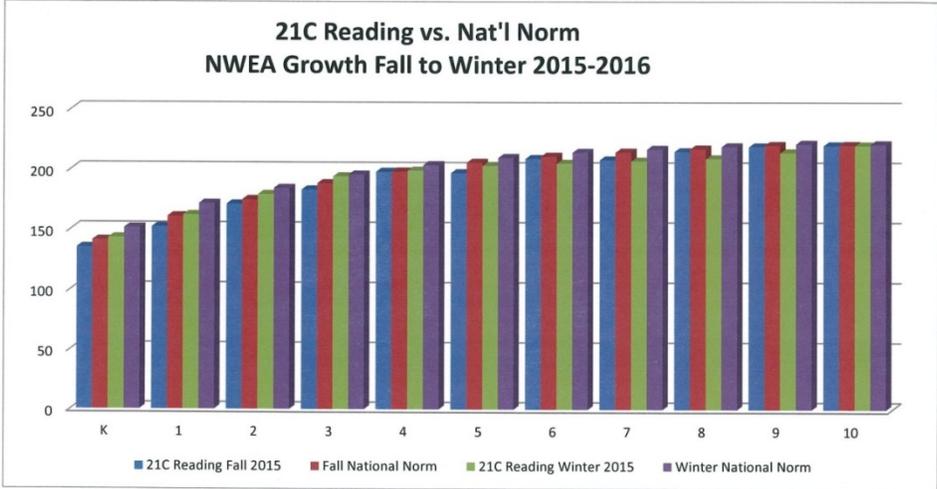
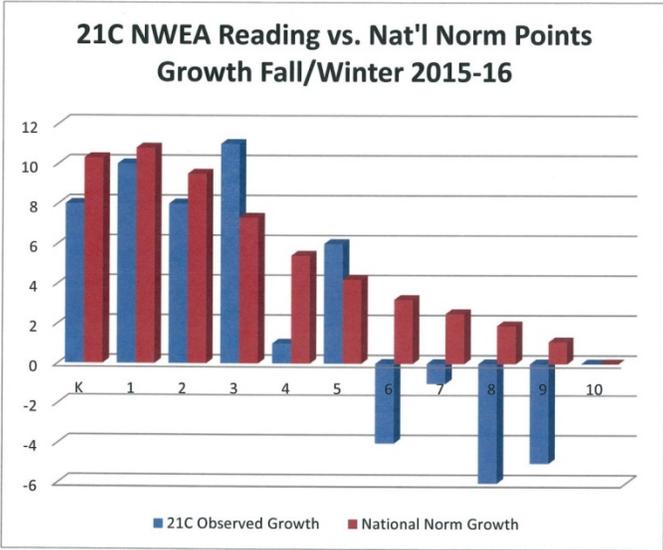


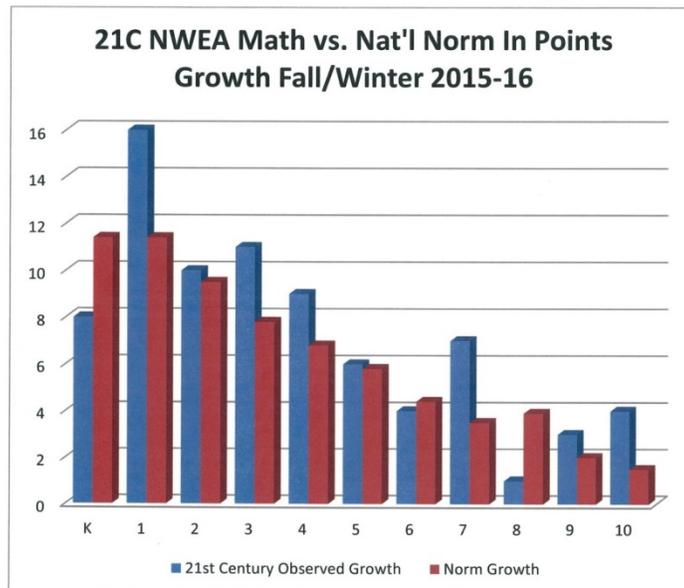
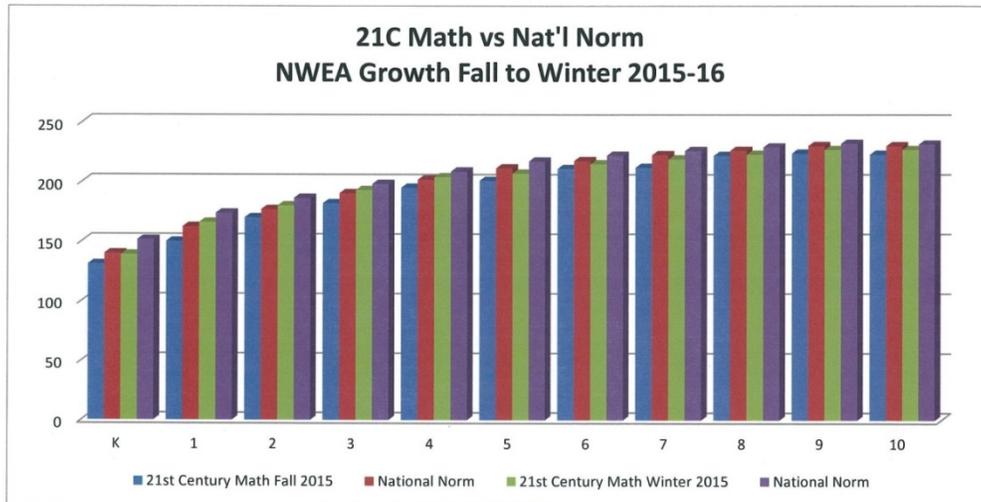
GEO Prep Reading vs. Nat'l Norm NWEA Growth Fall to Winter 2015-2016



GEO Prep NWEA Reading vs. Nat'l Norm Points Growth Fall/Winter 2015-16







Consistently High Performing School Based on Results:

21st Century Charter High School was named by the state of Indiana as the state’s top “growth” school in 2009. It has a stellar 4-year graduation rate of 100% in three of the past five years, students regularly graduate with 30 or more college credits and seven students have graduated from the high school having already earned 60 college credits while in the high school. The school has more students in the cue for future years to accomplish

this feat. In 2009-10 and 2010-11, 21st Century Charter School received an “A” from the state of Indiana and in 2011-12 and 2012-13 the school received a “C” after the state revised its school grading system. The school grading system is not widely respected in Indiana as the Governor, the legislature and the department of education has all called for a new grading system. That new system is due to be put in place in 2016. Nonetheless, in 2013-14, the school responded to parent demands (several charter schools were closed in Gary and several Gary Public Schools were consolidated, too) and desires to enter the school by building a new facility and increasing its enrollment by nearly 200 new students. Construction was not complete on time and forced the school to educate students in less than ideal classrooms for one full month. This, on top of the new students, primarily from closed low-performing charters and closed Gary Public schools which increased the school’s enrollment in tested grades by more than 50%, caused the school’s overall test scores to fall dramatically under the new state grading system and the school received a “D” from the state. Had the school closed its doors to new students, the school would have received at least a “C” last year. However, it should be noted that the 21st Century Charter High School received a “B” from the state, up from a “C” the previous year. The “B” for the high school is because of the high graduation rate, the college and career readiness programs, and the improvement in math (Algebra 1) and language arts (English 10) scores.

Primary Causes for Success:

1. Serve the Gary Community better than any other school
2. Students graduate with 30 or more college credits
3. College or career readiness opportunities
4. Dedicated Staff

Challenges:

1. Taking too many students with years of gaps in achievement levels
2. Attracting staff
3. Leadership
4. The K-8 struggles to close the gap even though is better choice in Gary

School Influenced Change:

1. Other high schools are beginning to offer college credit
2. Added Gary Middle College to serve more high school students (GMC has a wait list , which is why ECFA would fill the need).

Under Achieving School

21st Century K-8 was chosen as the school with challenges. In the 2015-16 school-year new ELA and Math curriculum has been implemented to establish a more rigorous content based program along with intensive professional development to assist in the transformational turnaround. This is not an easy task as has been discovered. The Board made a leadership change in November of 2015, which has shown to be good for staff morale but also an adjustment period for some. The most recent fall to winter NWEA charts indicated the concern that has initiated the change in academic programs and leadership. The lack of growth and student improvement had to stop. To continue would only deepen the gap. As indicated in the graphs in Attachment 21 there have been years of good growth and yet years where little or no growth has occurred in specific grades. All of the GEO schools utilize NWEA as a way to measure the schools using a nationally normed assessment as well as a way to compare the achievement among the GEO schools. Even though 21st Century held its own or achieved higher than Gary schools the comparison to GEO’s other schools told a different story.

*21st Century NWEA Fall to Winter Growth charts on following pages.

Primary Causes and Strategies for Improvement:

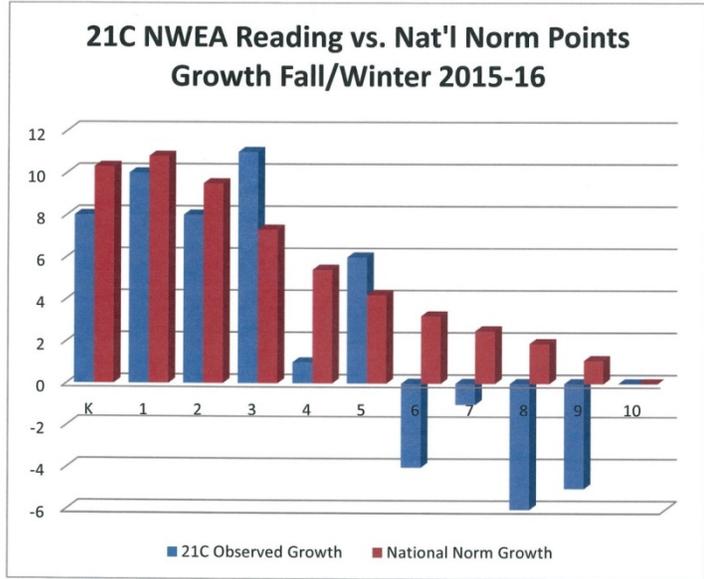
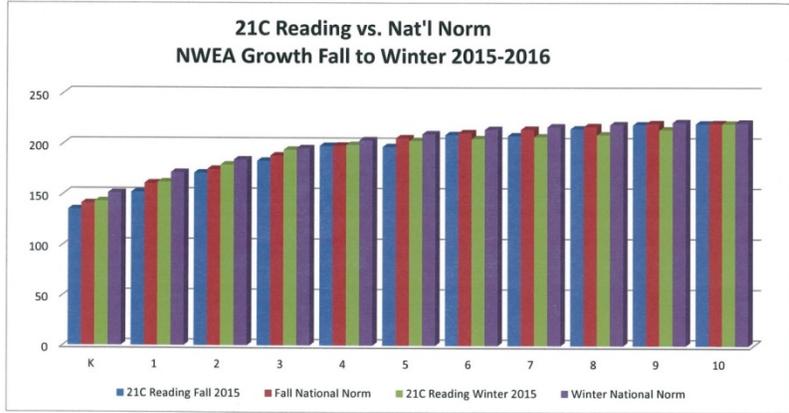
1. Lack of Leadership is a major cause of the gaps in achievement. Three years ago a new leader came in and did not put in place the structure and culture that is necessary for success. Even though the TAP program was implemented under this person’s direction it was not done with fidelity and therefore was ineffective.
2. Staff turnover is another cause of the school’s gap in achievement. The staff turnover is attributed to different reasons. One is lack of leadership and another is that many staff employment agreements were not renewed due to ineffective teaching. In addition, there are many first years’ teachers that need a few years to learn best practices to become proficient in teaching. There have been experienced teachers that were found to not be a good fit for the demographics in Gary as well. The students may come to 21st

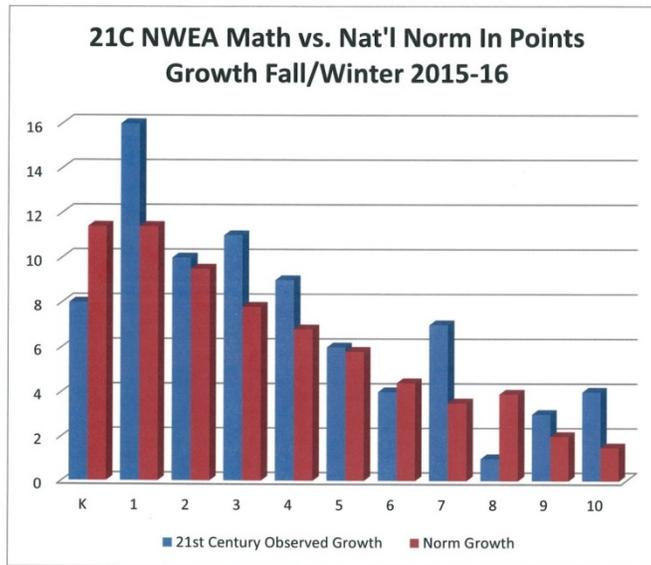
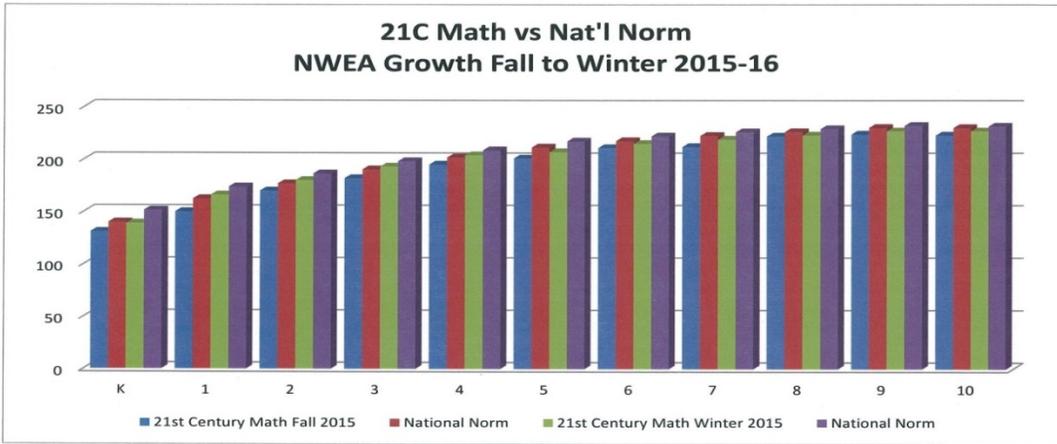
Century with deficiencies but that does not mean that they are incapable of closing the gap. The mindset of some staff has not been in the best interest of students and their needs.

3. A strong and committed school culture. The school has been inconsistent in developing the school culture. This is beginning to change with new leadership and a self-reflection tool that has been used to begin building transformational change.
4. Curriculum. The implementation of the new reading/language arts curriculum and math program will help in establishing the consistency and spiraling of learning that is needed to build a strong foundation to learning. The professional development that has accompanied the implementation has been valued by staff. It will be part of ongoing PD as it is important to create an environment of continuous improvement.
5. Additional staff changes:
Two Intervention Specialists were hired in January in order to focus intensive tutoring to students that were identified as “bubble students”; those that were approaching basic in reading and math. They are working with specific students on a daily basis and tracking results weekly and making accommodations.
6. The building was flooded in February and grades 3-5 have been displaced to other space. With everything else this year the misfortune of the building being flooded threw another wrench in the dynamics. Fortunately space was found but this disruption was another “bump in the road”.

How Will Improvement Be Determined?

The spring cycle of NWEA will be administered as well as the ISTEP. The school is looking for improvement. The data will be evaluated and adjustments, if needed, will be made.





Attachment 22

Attachment 22 – Organizational Financial Statements (Indiana)

21st Century Charter School at Gary

- 2012-2013 (audit)
- 2013-2014 (audit)
- 2014-2015 (audit)
- January 2016 (interim statement)

Gary Middle College

- 2012-2013 (audit)
- 2013-2014 (audit)
- 2014-2015 (audit)
- January 2016 (interim statement)

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
WITH SUPPLEMENTARY AND OTHER INFORMATION

June 30, 2013 and 2012



ksmcpa.com

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

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Independent Auditors' Report

Board of Directors
21st Century Charter School @ Gary, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of 21st Century Charter School @ Gary, Inc. (collectively, the School) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of 21st Century Charter School @ Gary, Inc. as of June 30, 2013 and 2012, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States.

Other Matters

Report on Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 4 through 14, the retirement plan schedule of funding progress and employer contributions on page 31 and the schedule of actual operating revenues and expenses compared to budget – modified cash basis on page 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School's basic financial statements. The schedule of expenditures of federal awards on pages 35 and 36, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2014, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Katy, Sapper & Miller, LLP

Indianapolis, Indiana
February 11, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) Years Ended June 30, 2013 and 2012

21st Century Charter School @ Gary, Inc. (the School) is a public charter school located in Gary, Indiana. The School is structured around a competency-based approach that allows children with higher ability to progress and also permits students to regroup, master material not mastered at a more restrictive school and continue toward their potential.

The accompanying financial statements of the School as of June 30, 2013 and 2012, and for the fiscal years then ended, conform with accounting principles generally accepted in the United States as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's Codification of Governmental Accounting and Financial Reporting Standards document these principles.

This section of the School's financial report provides management's discussion and analysis (MD&A) of the financial performance during the years ended June 30, 2013 and 2012. Please read it in conjunction with the Independent Auditors' Report at the beginning of this report and the financial statements, which follow this section.

This MD&A is an opportunity for management to make information concerning the School meaningful and understandable. In addition to describing the School and its work, this MD&A briefly analyzes, discusses or presents:

- Basic financial statements
- Condensed financial information
- Overall financial position and results of operations
- Significant transactions within individual funds
- Significant capital assets and long-term debt activity
- Currently known facts

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2013 fiscal year include the following:

- Total revenues were \$6,119,910 as compared to total expenses of \$6,588,735.
- The total net position decreased by \$468,825 from the prior year's ending balance.

Key financial highlights for the 2012 fiscal year include the following:

- Total revenues were \$4,091,095 as compared to total expenses of \$4,019,087.
- The total net position increased by \$72,008 from the prior year's ending balance.

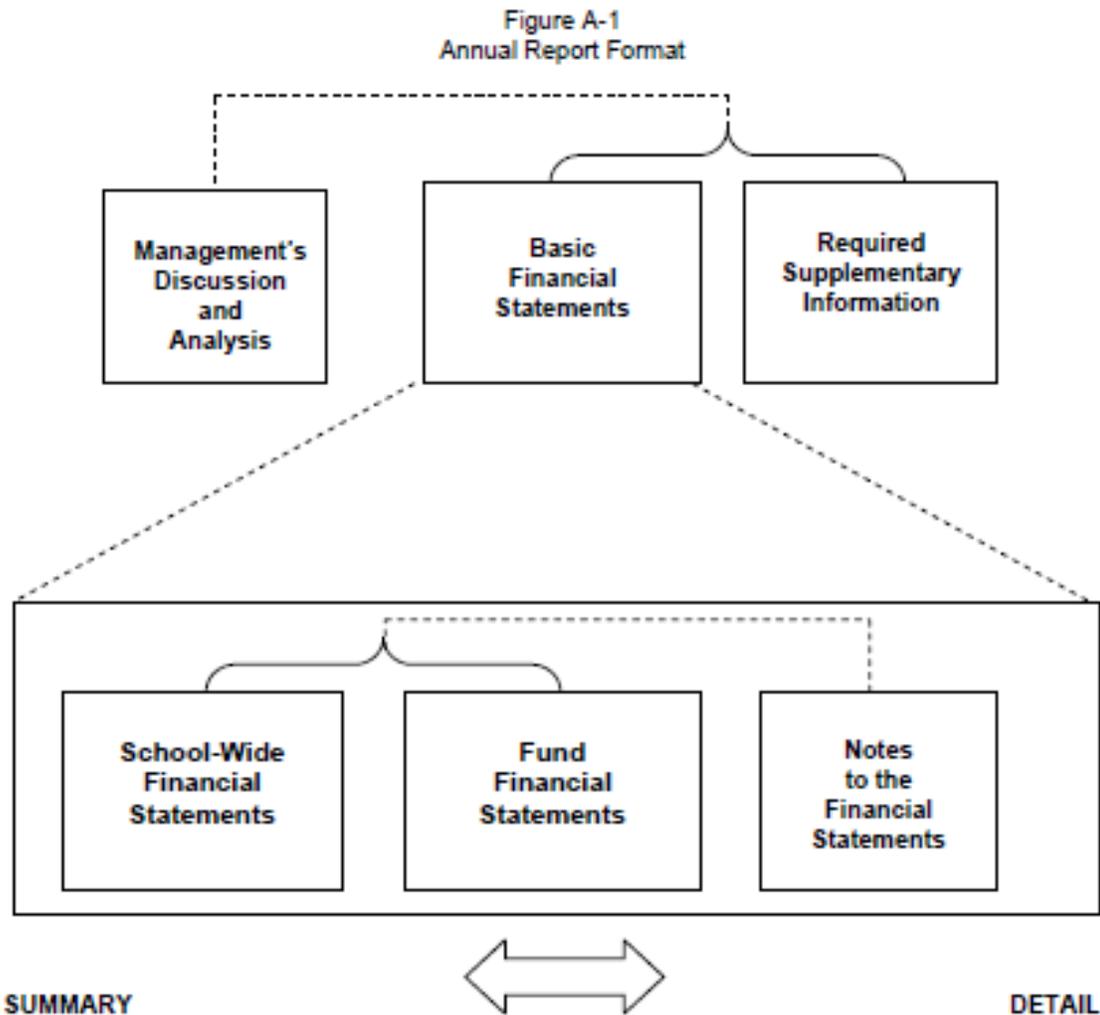
21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Years Ended June 30, 2013 and 2012

OVERVIEW OF THE FINANCIAL STATEMENTS

- The first two statements are School-wide financial statements that provide both short-term and long-term information about the School's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School, reporting the School's operations in more detail than the School-wide statements.
- The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Years Ended June 30, 2013 and 2012

Figure A-2 summarizes the major features of the School's financial statements, including the portion of the School's activities the statements cover and the types of information the statements contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2. Major Features of the School-wide and Fund Financial Statements

Type of Statements	School-wide	Governmental Funds Statements
Scope	Entire School (except fiduciary funds) and the School's component units	The activities of the School that are not proprietary or fiduciary
Required Financial Statements	Statements of net position Statements of activities	Balance sheets Statements of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services, have been received and payment is due during the year or soon thereafter

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED) Years Ended June 30, 2013 and 2012

School-Wide Statements

The School-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statements of net position include all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statements of activities regardless of when cash is received or paid.

The two School-wide statements report the School's net position and how it has changed. Net position, the difference between the School's assets and liabilities, is one way to measure the School's financial health or position.

- Over time, increases or decreases in the School's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the School you need to consider additional non-financial factors such as changes in the School's creditworthiness.

In the School-wide financial statements the activities of the School are shown as governmental activities:

- Governmental Activities: Most of the School's basic services are included here, such as education and administration. State funding finances most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's funds focusing on its most significant or "major" funds, not the School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs.

- The School may establish funds to control and manage money for specific purposes.

The School has the following fund type:

- Governmental Funds - Most of the School's basic services are included in governmental funds, which generally focus on balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine the financial resources that can be spent in the near future to finance the School's programs. Since this information does not encompass the additional long-term focus of the School-wide statements, additional information at the bottom of the governmental funds statements is provided to explain the relationship (or differences) between the financial reports.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Years Ended June 30, 2013 and 2012

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The following is condensed from the Statements of Net Position:

	Governmental Activities		
	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
ASSETS			
Current Assets	\$ 7,353,315	\$ 1,832,129	\$ 1,632,079
Capital Assets	5,463,648	530,896	615,199
Noncurrent Assets	1,014,187		
Total Assets	<u>\$13,831,150</u>	<u>\$2,363,025</u>	<u>\$2,247,278</u>
LIABILITIES			
Current Liabilities	\$ 676,540	\$ 425,044	\$ 452,488
Noncurrent Liabilities	13,507,986	1,822,532	1,751,349
Total Liabilities	<u>\$14,184,526</u>	<u>\$2,247,576</u>	<u>\$2,203,837</u>
NET POSITION			
Net investment in Capital Assets	\$ 549,003	\$ 517,339	\$ 615,199
Unrestricted	<u>(902,379)</u>	<u>(401,890)</u>	<u>(571,758)</u>
Total Net Position	<u>\$ (353,376)</u>	<u>\$ 115,449</u>	<u>\$ 43,441</u>

The total net position at June 30 was as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets	\$13,831,150	\$2,363,025	\$2,247,278
Liabilities	14,184,526	2,247,576	2,203,837
Net Position	<u>\$ (353,376)</u>	<u>\$ 115,449</u>	<u>\$ 43,441</u>

The School's total net position was \$(353,376) on June 30, 2013, compared to total net position of \$115,449 at June 30, 2012, and \$43,441 at June 30, 2011.

The primary change in the assets and liabilities from June 30, 2012 to June 30, 2013 related to a bond issuance in the amount of \$13,500,000 for the acquisition of an approximately 32,500 square foot building and the construction and equipping of a new, approximately 50,000 square foot building. The School implemented *Government Accounting Standards Board Statement No. 65 (GASB No. 65), Items Previously Reported as assets and liabilities*. GASB No. 65 requires the School to expense bond issuance costs when incurred. Previously, bond issuance costs would have been amortized over the length of the bond. Bond issuance costs totaled \$816,194 during the June 30, 2013 year-end.

The State of Indiana also changed its' funding to the School from a calendar year to a fiscal year so the School is no longer paid in arrears. In conjunction with this change, the outstanding Common School Fund loans were forgiven. This resulted in a decrease in accounts receivable from the State and the write-off of the Common School Fund loans as of June 30, 2013.

The primary change in the assets and liabilities from June 30, 2011 to June 30, 2012 was increased state and federal funding related to higher student enrollment.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Years Ended June 30, 2013 and 2012

Change in Net Position

The following is condensed from the Statements of Activities:

	Change in Net Position		
	Years Ended June 30,		
		Governmental Activities	
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues			
Program Revenues			
Charges for Services	\$ 705	\$ 4,388	\$ 5,882
Operating Grants and Contributions	340,200	283,612	301,958
General Revenues			
Forgiveness of debt – Common School Fund	2,154,960		
Unrestricted State Funding	1,759,790	3,036,150	2,890,544
Grants and contributions not restricted to Specific programs	1,608,967	748,432	597,042
Rent income	200,000		
Other	<u>55,288</u>	<u>18,513</u>	<u>37,269</u>
Total Revenues	<u>6,119,910</u>	<u>4,091,095</u>	<u>3,832,695</u>
Expenses			
Instruction	2,063,730	1,492,584	1,347,880
Support Services	2,558,704	1,886,769	1,904,077
Noninstructional Services	16,457	22,847	194,101
Facilities	553,502	360,000	360,000
Depreciation	247,467	192,460	197,406
Interest	332,681	64,427	63,685
Bond issuance costs	<u>816,194</u>		
Total Expenses	<u>6,588,735</u>	<u>4,019,087</u>	<u>4,067,149</u>
Change in Net Position	(468,825)	72,008	(234,454)
Beginning Net Position	<u>115,449</u>	<u>43,441</u>	<u>277,895</u>
Ending Net Position	<u>\$ (353,376)</u>	<u>\$ 115,449</u>	<u>\$ 43,441</u>

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Years Ended June 30, 2013 and 2012

The change in net position for the years ended June 30 was as follows:

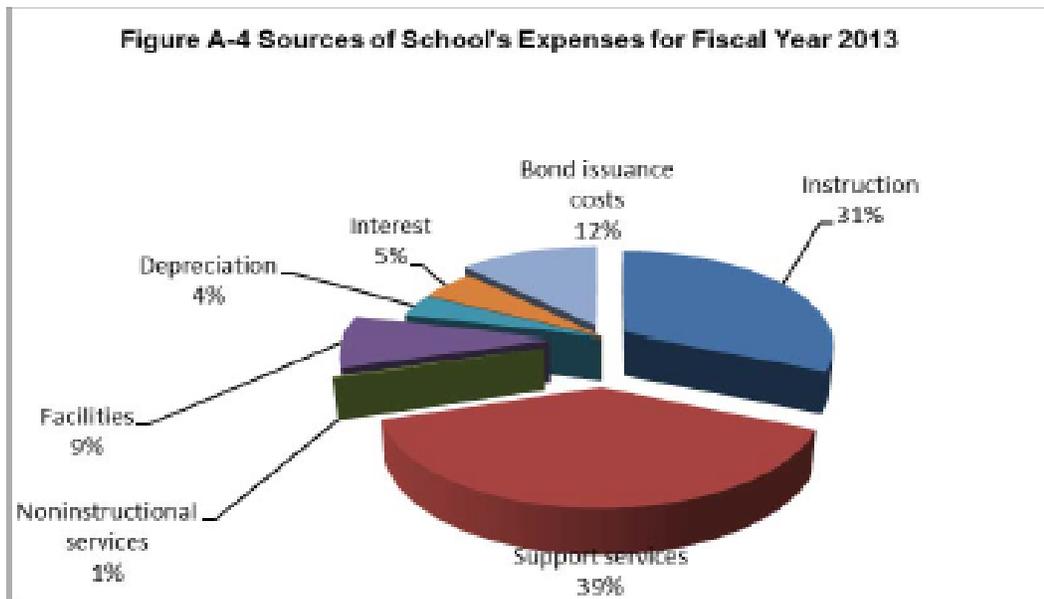
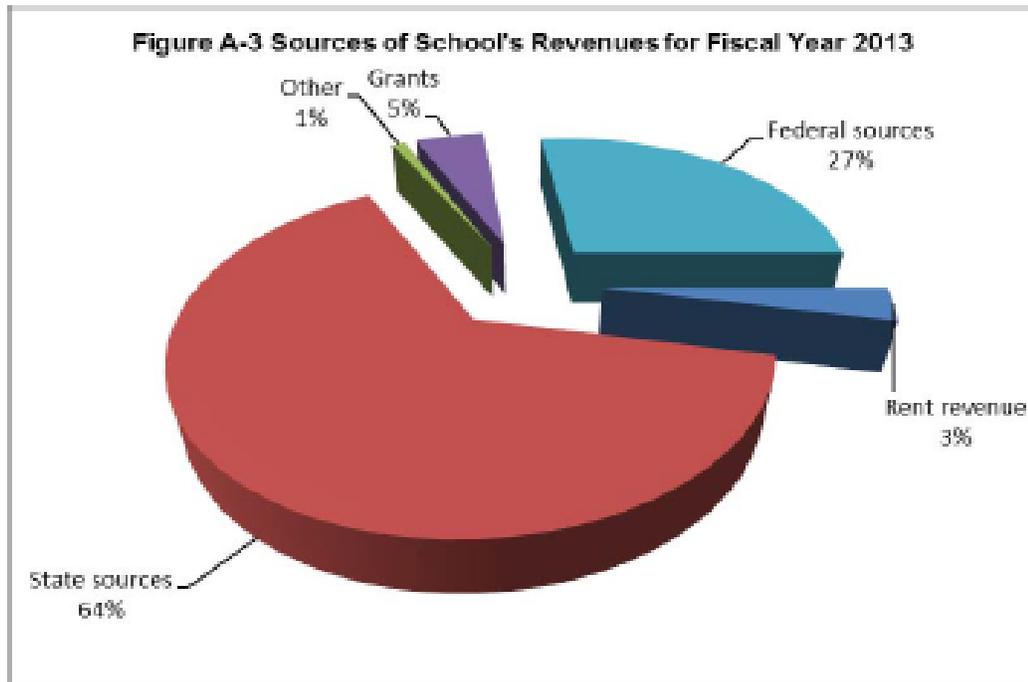
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues	\$6,119,910	\$4,091,095	\$3,832,695
Expenses	<u>6,588,735</u>	<u>4,019,087</u>	<u>4,067,149</u>
Change in Net Position	<u>\$ (468,825)</u>	<u>\$ 72,008</u>	<u>\$ (234,454)</u>

In 2013, unrestricted State funding decreased as a result of the change in funding from a calendar year to a fiscal year. However, this revenue decrease was offset by an increase due to debt forgiveness of the Common School Fund loans. Grant revenue and correlating expenses increased due to an additional grant received. Additional interest expense and issuance costs were incurred related to the bond issuance. The change in 2012 is due to an increase in student enrollment.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Years Ended June 30, 2013 and 2012

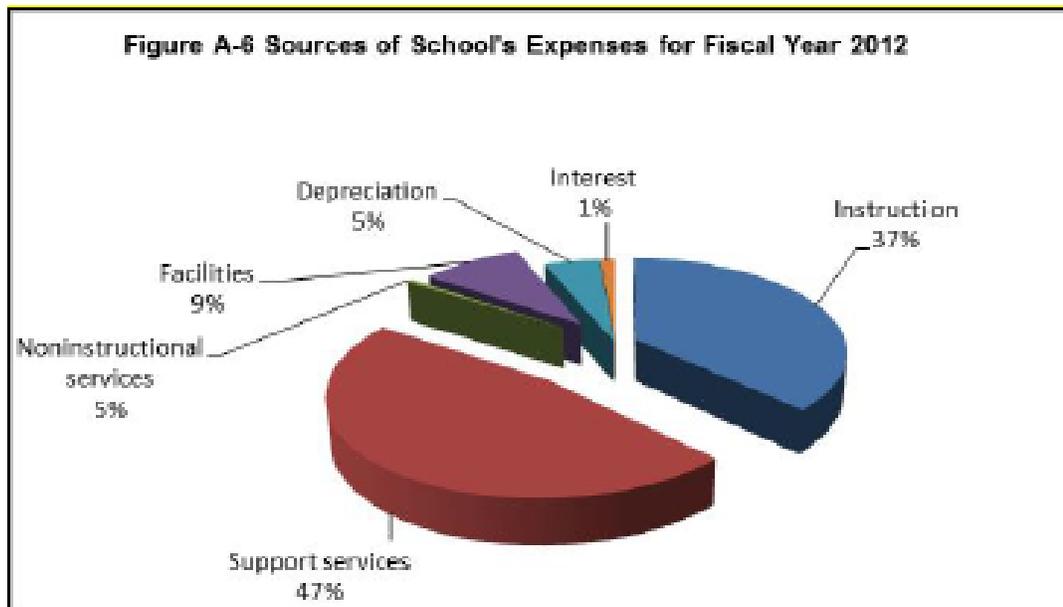
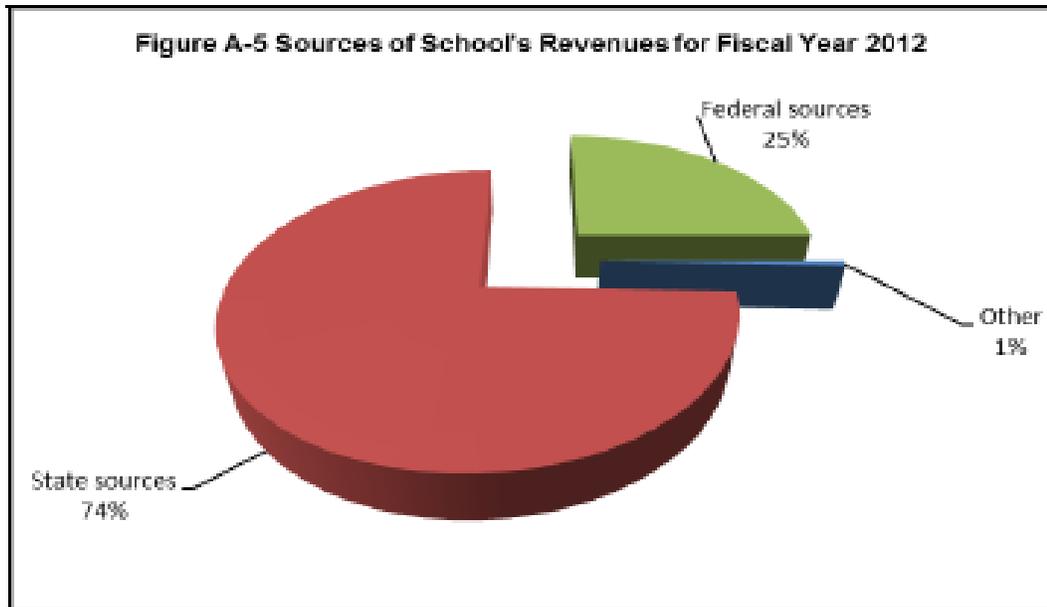
Sources of revenue and expenses are broken down below.



21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Years Ended June 30, 2013 and 2012

Sources of revenue and expenses are broken down below.



21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Years Ended June 30, 2013 and 2012

CAPITAL ASSETS

During fiscal year ended June 30, 2013, the school purchased the building in which the school was located for approximately \$3,500,000. This building had previously been leased. Construction in progress of approximately \$1,300,000 was incurred related to the construction of a new building being constructed for the purpose of leasing to Gary Middle College. These acquisitions were funded with debt incurred from the bond issuance in the amount of \$13,500,000.

The School's Capital Assets

Capital assets held were are follows for years ended June 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Capital assets	\$ 6,727,839	\$ 1,559,643	\$ 1,451,486
Less: Accumulated depreciation	<u>(1,264,191)</u>	<u>(1,028,747)</u>	<u>(836,287)</u>
Total	<u>\$ 5,463,648</u>	<u>\$ 530,896</u>	<u>\$ 615,199</u>

DEBT

Changes in long-term liabilities of governmental activities for the year ended June 30, 2013, were as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>	<u>Amount Due After One Year</u>
Accrued Interest	\$ 222,899	\$ 49,846	\$ 272,745		
Notes Payable	1,605,692	457,678	1,962,514	\$ 100,856	\$ 7,986
Bonds Payable		<u>13,500,000</u>		<u>13,500,000</u>	<u>13,500,000</u>
	<u>\$1,828,591</u>	<u>\$14,007,524</u>	<u>\$2,235,259</u>	<u>\$13,600,856</u>	<u>\$13,507,986</u>

Changes in long-term liabilities of governmental activities for the year ended June 30, 2012, were as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>	<u>Amount Due After One Year</u>
Accrued Interest	\$ 159,214	\$ 63,685	\$	\$ 222,899	\$ 222,899
Notes Payable	<u>1,592,135</u>	<u>18,355</u>	<u>4,798</u>	<u>1,605,692</u>	<u>1,599,633</u>
	<u>\$1,751,349</u>	<u>\$ 82,040</u>	<u>\$ 4,798</u>	<u>\$1,828,591</u>	<u>\$1,822,532</u>

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Years Ended June 30, 2013 and 2012

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances and to demonstrate the School's accountability for the funding it receives. If you have questions about this report or need additional financial information, contact the Business Office, 21st Century Charter School @ Gary, Inc., 556 Washington Street, Gary, Indiana 46402.

BASIC FINANCIAL STATEMENTS

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENTS OF NET POSITION - PRIMARY GOVERNMENT
June 30, 2013 and 2012

ASSETS

	Governmental Activities	
	2013	2012
CURRENT ASSETS		
Cash	\$ 253,822	\$ 209,663
Restricted cash	6,821,758	
Accounts receivable	277,737	1,622,466
Total Current Assets	7,353,315	1,832,129
NONCURRENT ASSETS		
Restricted cash	1,014,187	
Capital assets, net	5,463,648	530,896
Total Noncurrent Assets	6,477,835	530,896
TOTAL ASSETS	\$13,831,150	\$ 2,363,025

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts payable and other	\$ 20,478	\$ 224,452
Accrued expenses	278,041	194,533
Accrued interest	285,151	
Notes payable - current	92,870	6,059
Total Current Liabilities	676,540	425,044
NONCURRENT LIABILITIES		
Accrued interest		222,899
Notes payable	7,986	1,599,633
Bonds payable	13,500,000	
Total Noncurrent Liabilities	13,507,986	1,822,532
Total Liabilities	14,184,526	2,247,576
NET POSITION		
Net investment in capital assets	549,003	517,339
Unrestricted	(902,379)	(401,890)
Total Net Position	(353,376)	115,449
TOTAL LIABILITIES AND NET POSITION	\$13,831,150	\$ 2,363,025

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENT OF ACTIVITIES - PRIMARY GOVERNMENT
Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES				
Instruction	\$ 2,063,730		\$ 136,200	\$ (1,927,530)
Support services	2,558,704	\$ 705		(2,557,999)
Noninstructional services	16,457			(16,457)
Facilities	553,502		204,000	(349,502)
Depreciation, unallocated	247,467			(247,467)
Interest, unallocated	332,681			(332,681)
Bond issuance costs	816,194			(816,194)
Total Governmental Activities	<u>6,588,735</u>	<u>705</u>	<u>340,200</u>	<u>(6,247,830)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 6,588,735</u>	<u>\$ 705</u>	<u>\$ 340,200</u>	<u>\$ (6,247,830)</u>
GENERAL REVENUES				
				\$ 2,154,960
Forgiveness of debt - Common School Fund				1,759,790
State funding				
Grants and contributions not restricted to specific programs				1,608,967
Rent income				200,000
Other				55,268
Total General Revenues				<u>5,779,005</u>
CHANGE IN NET POSITION				(468,825)
NET POSITION - BEGINNING OF YEAR				<u>115,449</u>
NET POSITION - END OF YEAR				<u>\$ (353,376)</u>

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENT OF ACTIVITIES - PRIMARY GOVERNMENT
Year Ended June 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 1,492,584		\$ 49,587	\$ (1,442,997)
Support services	1,886,769	\$ 4,388	5,033	(1,877,348)
Noninstructional services	22,847			(22,847)
Facilities	360,000		228,992	(131,008)
Depreciation, unallocated	192,460			(192,460)
Interest, unallocated	64,427			(64,427)
Total Governmental Activities	<u>4,019,087</u>	<u>4,388</u>	<u>283,612</u>	<u>(3,731,087)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,019,087</u>	<u>\$ 4,388</u>	<u>\$ 283,612</u>	<u>\$ (3,731,087)</u>
GENERAL REVENUES				
State aid				\$ 3,036,150
Grants and contributions not restricted to specific programs				748,432
Other				18,513
Total General Revenues				<u>3,803,095</u>
CHANGE IN NET POSITION				72,008
NET POSITION - BEGINNING OF YEAR				<u>43,441</u>
NET POSITION - END OF YEAR				<u>\$ 115,449</u>

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

ASSETS

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
ASSETS			
Cash	\$ 253,822	\$ -	\$ 253,822
Accounts receivable	277,737		277,737
Restricted cash	<u>7,835,943</u>		<u>7,835,943</u>
TOTAL ASSETS	<u>\$ 8,367,502</u>	<u>\$ -</u>	<u>\$ 8,367,502</u>

LIABILITIES AND FUND BALANCES

LIABILITIES			
Accounts payable and other	\$ 20,478	\$ -	\$ 20,478
Accrued expenses	278,041		278,041
Total Liabilities	<u>298,519</u>	<u>-</u>	<u>298,519</u>
FUND BALANCES			
Restricted for: Capital Expenditures	6,821,756	\$ -	6,821,756
Restricted for: Debt Service	1,014,187		1,014,187
Unassigned	233,040		233,040
Total Fund Balances	<u>8,068,983</u>	<u>-</u>	<u>8,068,983</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,367,502</u>	<u>\$ -</u>	<u>\$ 8,367,502</u>

Total Fund Balances of Governmental Funds \$ 8,068,983

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 5,463,648

Long-term liabilities and associated accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds. (13,866,007)

Net Position of Governmental Activities \$ (353,376)

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

ASSETS

	General	Other Governmental Funds	Totals
ASSETS			
Cash	\$ 22,315	\$ 187,348	\$ 209,663
Accounts receivable	1,622,466		1,622,466
TOTAL ASSETS	<u>\$ 1,644,781</u>	<u>\$ 187,348</u>	<u>\$ 1,832,129</u>

LIABILITIES AND FUND BALANCES

LIABILITIES			
Accounts payable and other	\$ 37,104	\$ 187,348	\$ 224,452
Accrued expenses	194,533		194,533
Notes payable - current	6,059		6,059
Total Liabilities	<u>237,696</u>	<u>187,348</u>	<u>425,044</u>
FUND BALANCES			
Unassigned	1,407,085		1,407,085
Total Fund Balances	<u>1,407,085</u>	<u>-</u>	<u>1,407,085</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,644,781</u>	<u>\$ 187,348</u>	<u>\$ 1,832,129</u>

Total Fund Balances of Governmental Funds \$ 1,407,085

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 530,896

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds. (1,822,532)

Net Position of Governmental Activities \$ 115,449

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	General	Title I	Charter Facilities Grant	SIG ARRA Grant	Other Governmental Funds	Totals
REVENUES						
State sources	\$ 1,727,346				\$ 41,444	\$ 1,768,790
Federal sources	2,933	\$ 449,239	\$ 204,000	\$ 810,975	168,687	1,635,834
Grants and contributions not restricted to specific programs	304,333					304,333
Rent revenue	200,000					200,000
Other	55,288				705	55,993
Total Revenues	<u>2,289,900</u>	<u>449,239</u>	<u>204,000</u>	<u>810,975</u>	<u>210,836</u>	<u>3,964,950</u>
EXPENDITURES						
Current:						
Instruction	1,174,475	395,946		392,964	100,345	2,063,730
Support services	2,110,661	50,703		286,849	110,491	2,558,704
Noninstructional services	13,867	2,590				16,457
Facilities	349,502		204,000			553,502
Debt service:						
Principal	66,572					66,572
Interest	47,530					47,530
Bond issuance costs	816,194					816,194
Capital outlay:						
Capital outlay	5,056,725			131,162		5,187,887
Total Expenditures	<u>9,635,626</u>	<u>449,239</u>	<u>204,000</u>	<u>810,975</u>	<u>210,836</u>	<u>11,310,576</u>
Excess of Expenditures over Revenues	<u>(7,345,626)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,345,626)</u>
OTHER FINANCING SOURCES						
Debt financing obtained	14,007,524					14,007,524
Total Other Financing Sources	<u>14,007,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,007,524</u>
NET CHANGE IN FUND BALANCES	6,661,898	-	-	-	-	6,661,898
FUND BALANCES - BEGINNING OF YEAR	1,407,085	-	-	-	-	1,407,085
FUND BALANCES - END OF YEAR	<u>\$ 8,068,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,068,983</u>

Net Change in Fund Balances of Governmental Funds \$ 6,661,898

Amounts reported for governmental activities in the statement of activities are different because:

Long-term liabilities, including common school loans and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds. This is the amount of revenue recognized in current period for the forgiveness of debt. 2,154,960

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 4,940,420

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. (13,940,952)

Government funds report interest payments as expenditures. However, in the statement of activities, the interest is expensed as incurred. (285,151)

Change in Net Position of Governmental Activities \$ (468,825)

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2012**

	General	Title I	Charter Facilities Grant	Other Governmental Funds	Totals
REVENUES					
State sources	\$ 3,013,000			\$ 35,810	\$ 3,048,810
Federal sources	89,814	\$ 450,732	\$ 228,992	249,846	1,019,384
Other	18,513			4,388	22,901
Total Revenues	<u>3,121,327</u>	<u>450,732</u>	<u>228,992</u>	<u>290,044</u>	<u>4,091,095</u>
EXPENDITURES					
Current:					
Instruction	911,686	363,523		217,375	1,492,584
Support services	1,775,201	87,209		24,359	1,886,769
Noninstructional services	22,847				22,847
Facilities	131,008		228,992		360,000
Debt service:					
Principal	10,857				10,857
Interest	742				742
Capital outlay:					
Capital outlay	59,847			48,310	108,157
Total Expenditures	<u>2,912,188</u>	<u>450,732</u>	<u>228,992</u>	<u>290,044</u>	<u>3,881,956</u>
Excess of Revenues over Expenditures	<u>209,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,139</u>
OTHER FINANCING SOURCES					
Debt financing obtained	18,355				18,355
Total Other Financing Sources	<u>18,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,355</u>
NET CHANGE IN FUND BALANCES	227,494	-	-	-	227,494
FUND BALANCES - BEGINNING OF YEAR	<u>1,179,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,179,591</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,407,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,407,085</u>

Net Change In Fund Balances of Governmental Funds \$ 227,494

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (84,303)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. (7,498)

Government funds report interest payments as expenditures. However, in the statement of activities, the interest is expensed as incurred. (63,685)

Change in Net Position of Governmental Activities \$ 72,008

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

21st Century Charter School @ Gary, Inc. (the School) is a nonprofit corporation established to operate a charter school. The School is dedicated to ensure that all students show growth in character, academics, life skills, the arts, and wellness using teaching skills tailored to meet the needs of each student.

The School was established under the laws of the State of Indiana, and operates under a Board of School Directors form of government.

The accompanying financial statements of the School as of June 30, 2013 and 2012, and for the fiscal years then ended, conform with accounting principles generally accepted in the United States as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's Codification of Governmental Accounting and Financial Reporting Standards document these principles. The School's significant accounting policies are as follows:

Reporting Entity: The financial reporting entity consists of the School and organizations for which the School is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the School. In addition, any legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization's governing body and is able to impose its will on the organization, or if the organization provided benefits to, or imposes financial burdens on the School.

The School's financial reporting entity is composed of the following:

- Primary Government: 21st Century Charter School @ Gary, Inc.

School-Wide Financial Statements: The school-wide financial statements (i.e., the Statements of Net Position and Statements of Activities) report information on all activities of the School. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from Business-type activities, which rely to a significant extent on fees and charges for support. The School has no Business-type activities.

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and proprietary funds. The School has no proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The School reports the following major governmental funds:

- The General Fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- Title I Fund accounts for federal awards received to improve the learning skills of children who are at risk of not meeting academic standards.
- Charter Facilities Grant Fund accounts for federal awards received to assist with facilities funding.
- ARRA – School Improvement Grants, Recovery Act (SIG) Grant for federal awards received for school improvements.

Basis of Accounting: The school-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Government-mandated non-exchange revenues and voluntary non-exchange revenues and certain grants and entitlements are recognized in the period when all applicable eligibility requirements have been met.

Governmental funds are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (that is, when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The governmental funds recognize expenditures for these liabilities to the extent they will be matured or liquidated with expendable financial resources.

The School elected to early adopt GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The application of GASB Statement No. 65 required that the bond issuance costs be expensed as incurred and not deferred.

Estimates: Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from those estimates.

Net Position and Fund Balances: Net position is displayed in three components:

- The Net Investment in Capital Assets component consists of property or infrastructure that the School acquired, net of the related debt.
- The Restricted Net Position component represents a net position with constraints placed on their use that are either (i) externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or (ii) imposed by law through constitutional provisions or enabling legislation.
- The Unrestricted Net Position component consists of a net position that does not meet the definition of the preceding two components.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds: Fund balances can be displayed in five components:

- Non-spendable fund balance includes amounts not in spendable form.
- Amounts listed in restricted fund balance are subject to constraints imposed by external organizations. For purposes of determining the ending fund balance, restricted funds are considered to be spent first when an expenditure occurs for which both restricted and unrestricted amounts are available.
- Committed fund balance is amounts that are designated by the School's Board resolution to be used for a specific purpose. If expenditure occurs for which committed, assigned or unassigned amounts are available, committed amounts are considered to be spent first, followed by assigned and then unassigned funds.
- Assigned fund balance amounts are available for commitment by the School's Board resolution, to projects.
- Unassigned fund balance is the residual classification for the general fund.

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

Cash includes deposits in financial institutions.

Restricted Cash includes funds held in trust accounts for capital expenditures and debt service reserves.

Accounts Receivable: Accounts receivable balances consist of amounts billed or billable for services provided, net of an allowance for doubtful accounts. Accounts receivable are recorded at net realizable value when earned.

An allowance for uncollectible accounts is determined by management based upon historical losses, specific circumstances, and general economic conditions. Periodically, management reviews accounts receivable and considers the need for an allowance based on current circumstances. Management has estimated that no allowance was necessary at June 30, 2013 and 2012.

Capital Assets: Capital assets are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The School provides for depreciation on the straight-line method at rates designed to depreciate the cost of assets over estimated useful lives as follows:

Building and improvements	39 years
Equipment	3-15 years

Compensated Absences: All full-time employees receive compensation for vacations, holidays, illness and certain other qualifying absences. All compensated leave benefits are nonvesting and have not been accrued, with the exception of vacation.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status: The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for income taxes has been included in the financial statements. In addition, the School has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income in fiscal years 2013 or 2012.

The School files U.S. federal and state of Indiana information tax returns. The School is no longer subject to U.S. federal and state income tax examinations by tax authorities for fiscal years before 2010.

Subsequent Events: The School has evaluated the financial statements for subsequent events occurring through February 11, 2014, the date the financial statements were available to be issued.

NOTE 2 - BUDGETS

The operating budget is initially prepared by the Treasurer and approved by the Board of Directors of the School.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

NOTE 4 - CAPITAL ASSETS

Capital assets used in governmental activities for the year ended June 30, 2013 were as follows:

	Balance at July 1, 2012	Additions	Retirements	Balance at June 30, 2013
Capital assets not being depreciated:				
Land		\$ 298,500		\$ 298,500
Construction in progress		1,313,789		1,313,789
		<u>1,810,289</u>		<u>1,810,289</u>
Depreciable capital assets:				
Building		3,203,500		3,203,500
Building improvements	\$ 93,857	16,008		109,865
Equipment	1,465,786	358,090	\$ 19,691	1,804,185
Total depreciable capital assets	1,559,643	3,577,598	19,691	5,117,550
Less: Accumulated depreciation	<u>1,028,747</u>	<u>247,467</u>	<u>12,023</u>	<u>1,264,191</u>
Net depreciable capital assets	<u>530,896</u>	<u>3,330,131</u>	<u>7,668</u>	<u>3,853,359</u>
Total Capital Assets, net	<u>\$ 530,896</u>	<u>\$4,940,420</u>	<u>\$ 7,668</u>	<u>\$5,463,648</u>

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Capital assets used in governmental activities for the year ended June 30, 2012 were as follows:

	Balance at July 1, 2011	Additions	Retirements	Balance at June 30, 2012
Depreciable capital assets:				
Building improvements	\$ 93,857			\$ 93,857
Equipment	<u>1,357,629</u>	<u>\$ 108,157</u>		<u>1,465,786</u>
Total depreciable capital assets	1,451,486	108,157		1,559,643
Less: Accumulated depreciation	<u>836,287</u>	<u>192,460</u>	<u> </u>	<u>1,028,747</u>
Total Capital Assets, net	<u>\$ 615,199</u>	<u>\$ (84,303)</u>	<u>\$ </u>	<u>\$ 530,896</u>

NOTE 5 - LONG-TERM DEBT ACTIVITY

Long-term debt of governmental activities included the following at June 30, 2013 and 2012:

	2013	2012
Indiana Common School Fund loan payable in semi-annual installments, including interest computed at 4%. Forgiven in 2013.		\$1,010,581
Indiana Common School Fund loan payable in semi-annual installments, including interest computed at 4%. Forgiven in 2013.		250,798
Indiana Common School Fund loan payable in semi-annual installments, including interest computed at 4%. Forgiven in 2013.		330,756
Series 2013A bonds payable, maturing in March 2033, including interest computed at a rate of 6%, secured by Real Estate Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture filing, and Trust Accounts and interest in the Project, as defined in the Loan Agreement dated February 1, 2013.	\$ 5,525,000	
Series 2013A bonds payable, maturing in March 2043, including interest computed at a rate of 6.25%, secured by Real Estate Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture filing, and Trust Accounts and interest in the Project, as defined in the Loan Agreement dated February 1, 2013.	7,355,000	
Series 2013B bonds payable, maturing in March 2018, including interest computed at a rate of 7%, secured by Real Estate Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture filing, and Trust Accounts and interest in the Project, as defined in the Loan Agreement dated February 1, 2013.	620,000	
Note payable to GEO Foundation for the lease of computer equipment, payable in monthly payments with an imputed interest rate of 9.50%, through maturity in July 2014.		93,358

NOTE 5 - LONG-TERM DEBT ACTIVITY (CONTINUED)

	2013	2012
Loan payable in monthly installments, including interest computed at 5.45%, through maturity in August 2014. Secured by equipment.	\$ 7,498	\$ 13,557
	<u>13,600,856</u>	<u>1,605,692</u>
Less: Current maturities	<u>92,870</u>	<u>6,059</u>
Total Long-term Debt	<u>\$13,507,986</u>	<u>\$1,599,633</u>

In 2013, the Indiana legislature appropriated funding from the Indiana general fund to repay Indiana Common School fund loans and accrued interest outstanding as of June 30, 2013 on behalf of charter schools. The School has applied for and received repayment of its indebtedness as of June 30, 2013. The gain due to this loan forgiveness has been reflected in the accompanying statement of activities.

At June 30, 2013, the debt service requirements of bonds and loans payable for governmental activities were as follows:

<u>Year Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
June 30, 2014	\$ 92,870	\$ 834,588	\$ 927,458
June 30, 2015	182,988	830,504	1,013,490
June 30, 2016	190,000	817,904	1,007,904
June 30, 2017	205,000	804,254	1,009,254
June 30, 2018	215,000	790,221	1,005,221
June 30, 2019 – June 30, 2023	1,300,000	3,733,437	5,033,437
June 30, 2024 – June 30, 2028	1,735,000	3,285,537	5,020,537
June 30, 2029 – June 30, 2033	2,325,000	2,886,337	5,011,337
June 30, 2034 – June 30, 2038	3,125,000	1,866,771	4,991,771
June 30, 2039 – June 30, 2043	<u>4,230,000</u>	<u>736,875</u>	<u>4,966,875</u>
	<u>\$13,600,856</u>	<u>\$16,386,428</u>	<u>\$29,987,284</u>

Total interest paid during the years ended June 30, 2013 and 2012 was \$47,530 and \$742, respectively.

Changes in long-term liabilities of governmental activities for the year ended June 30, 2013, were as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>	<u>Amount Due After One Year</u>
Accrued interest	\$ 222,899	\$ 49,846	\$ 272,745		
Notes payable	1,605,692	457,678	1,962,514	\$ 100,856	\$ 7,986
Bonds payable	<u> </u>	<u>13,500,000</u>	<u> </u>	<u>13,500,000</u>	<u>13,500,000</u>
	<u>\$1,828,591</u>	<u>\$14,007,524</u>	<u>\$2,235,259</u>	<u>\$13,600,856</u>	<u>\$13,507,986</u>

NOTE 5 - LONG-TERM DEBT ACTIVITY (CONTINUED)

Changes in long-term liabilities of governmental activities for the year ended June 30, 2012, were as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>	<u>Amount Due After One Year</u>
Accrued interest	\$ 159,214	\$ 63,685		\$ 222,899	\$ 222,899
Notes payable	<u>1,592,135</u>	<u>18,355</u>	<u>\$ 4,798</u>	<u>1,605,692</u>	<u>1,599,633</u>
	<u>\$1,751,349</u>	<u>\$ 82,040</u>	<u>\$ 4,798</u>	<u>\$1,828,591</u>	<u>\$1,822,532</u>

NOTE 6 - MANAGEMENT AND CHARTER AGREEMENTS

The School has a management agreement with Greater Educational Opportunities Foundation (GEOF). Under the management agreement, GEOF charges administrative and per student fees in exchange for the management, operation, administration, payroll and accounting services provided. During the years ended June 30, 2013 and 2012, the School paid GEOF fees of \$350,000 and \$553,122, respectively. As part of the management services provided, GEOF acts as the payor of certain operating expenses, which are reimbursed to GEOF by the School. The School's board retains final authority and responsibility for financial and budgetary commitments. Under this arrangement, the School had paid an excess of \$81,421 and \$74,973 at June 30, 2013 and 2012, respectively, which will be applied against future expenses.

The School leased space from Greater Education Opportunities Foundation Holdings Indiana, LLC (GEOFHIN) under a long-term operating lease. Rent expense totaled \$270,975 for the year ended June 30, 2013, of which \$240,000 was to GEOFHIN. Rent expense totaled \$395,139 for the year ended June 30, 2012, of which \$360,000 was to GEOFHIN. The building was purchased from GEOFHIN during 2013.

The School leases space to Gary Middle College, Inc. This lease expired in September 2013 and is being paid on a month to month basis in the amount of \$16,666 per month until renewed. Rent income totaled \$200,000 for the year ended June 30, 2013. At June 30, 2013, the School had a receivable from Gary Middle College, Inc. in the amount of \$33,000 for June rent.

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay Ball State University an annual administrative fee equal to 3% of State tuition support, along with other licensing fees. Payments under this charter agreement were \$94,438 and \$84,184 in the years ended June 30, 2013 and 2012, respectively.

NOTE 7 - PENSION PLANS403(b) Plan

The School's faculty and certain administrative employees are participants in a 403(b) tax deferred annuity retirement plan. All participants may contribute to the Plan. There were no employer matching contributions to the Plan in the years ended June 30, 2013 and 2012.

NOTE 7 - PENSION PLANS (CONTINUED)

Indiana Public Retirement System

Plan Description

The School elected to become a participating employer in the Indiana Public Retirement System (INPRS). INPRS resulted from legislation passed in 2010 that merged the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF), with the merger of the funds being effective as of July 1, 2011. The School contributes to INPRS, an agent multiple-employer retirement system that acts as a common investment and administrative agent for units of state and local government in Indiana. INPRS is governed by state statutes I.C.S. 5-10.2 and 5-10.3. As such, it is INPRS's responsibility to administer the law in accordance with the expressed intent of the Indiana General Assembly. INPRS is a qualified plan under Internal Revenue Code Section 401(a) and is tax exempt.

INPRS is a contributory defined benefit plan that covers substantially all School employees. INPRS retirement benefits vest after 10 years of service. Senate Bill 74 enabled INPRS participants to be eligible for early retirement with 100% of the defined benefit pension if certain conditions were met. A participant may retire with full benefits at age 60 with 15 or more years of service or at age 55 if the participant's age plus years of service equals 85 or more (Rule of 85). If neither of the above conditions is met, a participant may retire with 100% of the pension benefit at age 65 with 10 or more years of service. This annual pension benefit is equal to 1.1% times the average annual salary times the number of years and months of INPRS-covered employment. The average annual salary used for calculating the pension benefit is an average of the participant's highest five years of employment earning within the 10 years preceding retirement.

Participants who retire between the ages of 50 and 65 with 15 or more years of service receive a pension benefit that is reduced by various percentages according to the participant's age.

In addition, the participants are required to contribute to an annuity savings account. Legislation permits an INPRS employer to make the participant's contributions on behalf of the participants. Participants may elect to receive the contributions and accumulated earnings in a lump sum at retirement, or, they may choose to receive the annuity amount as a monthly supplement to their employer-provided pension described in the paragraph above. The participant's balance in the annuity savings account may be withdrawn at any time with interest should a participant terminate employment.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to INPRS, One North Capitol, Suite 001, Indianapolis, Indiana 46204.

Funding Policy

The School is required by State statute to contribute at an actuarially determined rate. The current rate is 9.7% (8.6% in prior year) of annual covered payroll. The School contributed the participant's required contribution of 3% of their annual salary to an annuity savings account. The contribution requirements of participants are determined by State statute.

NOTE 7 - PENSION PLANS (CONTINUED)

Annual Pension Cost

For the 2013 plan year, the School's annual contribution of \$65,943 was greater than the required contribution. Contribution to the plan was \$42,268 for fiscal year 2012. The INPRS funding policy provides for actuarially determined periodic contributions at rates that change so that sufficient assets will be available to pay benefits when due. The required contributions were determined as part of the June 30, 2012 actuarial valuation using the entry age normal cost method. The asset valuation method is 4-year smoothing of gains/losses on market value with a 20% corridor. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 8.75 and 7.0% in 2013 and 2012, respectively per year, compounded annually; (b) projected salary increases based on INPRS experience from 2005 to 2010; and (c) assumed annual post retirement benefit increases of 1.0%. INPRS uses the method of establishing a new gain or loss base each year to amortize the unfunded liability over a 30-year open period.

REQUIRED SUPPLEMENTARY INFORMATION

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

**RETIREMENT PLAN SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS (UNAUDITED)
Year Ended June 30, 2013**

<u>Asset Valuation Date</u>	<u>(1) Actuarial Value of Assets</u>	<u>(2) Actuarial Accrued Liability (AAL) Entry Age</u>	<u>(2-1) (Unfunded) Overfunded AAL (UAAL)</u>	<u>(1/2) Funded Ratio</u>	<u>(3) Covered Payroll</u>	<u>[(2-1)/3] UAAL as a Percentage of Covered Payroll</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 30, 2012	\$ 205,690	\$ 185,950	\$19,740	100%	\$ 610,184	0%	\$ 33,829	124%
June 30, 2011	155,789	151,432	37,357	100%	605,366	0%	31,601	136%
June 30, 2010	182,759	122,074	60,685	100%	552,323	0%	23,450	160%

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

**SCHEDULE OF ACTUAL OPERATING REVENUES AND EXPENSES
COMPARED TO BUDGET – MODIFIED CASH BASIS (UNAUDITED)
Year Ended June 30, 2013**

Budget Basis of Accounting: The School's budget process is based on a modified cash basis and accounts for certain transactions on a basis other than GAAP. The most significant differences between the modified cash basis and the GAAP basis are the manner in which revenues and expenses are recorded.

The following table shows budget and actual financial results reported under the modified cash basis of accounting.

	<u>Original Budget Total</u>	<u>Actual Total</u>	<u>Difference</u>
Revenue			
State funding	\$3,871,074	\$3,923,750	\$ 52,676
Federal sources	1,890,508	1,635,834	(254,674)
Grants and contributions		304,333	304,333
Rent	200,000	200,000	
Other funding		55,993	55,993
Total Revenues	<u>5,961,582</u>	<u>6,119,910</u>	<u>158,328</u>
Expenses			
Salaries, wages and benefits	1,807,556	1,951,887	144,331
Professional services	1,208,727	717,589	(489,138)
Title 1	1,775,164	1,120,485	(654,679)
Occupancy and building maintenance	165,000	90,752	(74,248)
Rent	398,000	291,122	(104,878)
Bus and transportation	20,000	49,110	29,110
Office, organizational and other	78,000	115,281	37,281
Extracurricular	40,000	13,867	(26,133)
Other Expenses	120,000	162,625	42,625
Bond Issuance costs		816,194	816,194
Capital Expenditures	130,000	679,675	549,675
Total Expenses	<u>5,738,447</u>	<u>6,008,587</u>	<u>270,140</u>
Net Revenues Over Expenses	<u>\$ 223,135</u>	<u>\$ 111,323</u>	<u>\$(111,812)</u>

The modified cash basis, as presented above, does not include depreciation expense of \$247,467 and interest expense of \$332,681 which are not budgeted items.

OTHER REPORTS AND SUPPLEMENTARY INFORMATION

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

Board of Directors
21st Century Charter School @ Gary, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of 21st Century Charter School @ Gary, Inc. (the School) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated February 11, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Item 2013-01 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

The School's Response to Findings

The School's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Katy, Sappan & Miller, LLP

Indianapolis, Indiana
February 11, 2014

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through the Indiana Department of Education			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	84.010	FY 2011-2012	\$ 33,042
Title I Grants to Local Educational Agencies	84.010	FY 2012-2013	<u>416,197</u>
Total for Title I Grants to Local Educational Agencies			449,239
Special Education Cluster			
Special Education - Grants to States	84.027	FY 2012-2013	72,473
Improving Teacher Quality State Grants	84.367	FY 2012-2013	94,346
Education Jobs Fund	84.410	FY 2012-2013	1,868
Charter Schools	84.282	FY 2012-2013	204,000
School Improvement Grants Cluster			
ARRA - School Improvement Grants, Recovery Act*	84.388	FY 2012-2013	810,975
Total for U.S. Department of Education			<u>1,632,901</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,632,901</u></u>

* Grant relates to the American Recovery and Reinvestment Act of 2009

See accompanying notes to schedule of expenditures of federal awards.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of 21st Century Charter School @ Gary, Inc. (the School) and other programs of the federal government for the year ended June 30, 2013. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operational expenses of the School, it is not intended to and does not present the net position or changes in net position of the School.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

*Independent Auditors' Report on Compliance for
Each Major Federal Program and Report on
Internal Control over Compliance
Required by OMB Circular A-133*

Board of Directors
21st Century Charter School @ Gary, Inc.

Report on Compliance for Each Major Federal Program

We have audited 21st Century Charter School @ Gary, Inc.'s (the School) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2013. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
February 11, 2014

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

SECTION I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued [*unmodified, qualified, adverse, or disclaimer*]: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
84.010	Title I, Part A Cluster, Title I Grants to Local Educational Agencies
84.388	School Improvement Grants Cluster, ARRA - School Improvement Grants, Recovery Act

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2013

SECTION I – Summary of Auditors’ Results (Continued)

Dollar threshold used to distinguish between
type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

_____ yes ✓ no

SECTION II – Financial Statement Findings

2013-01: Material Weakness in Internal Control over Financial Reporting

Criteria: Misstatement of the School’s financial statements should be detected and prevented by 21st Century Charter School @ Gary, Inc.’s internal control over financial reporting in a timely manner.

Condition and Context: There were material misstatements noted in certain account balances reported at June 30, 2013.

Cause and Effect: Internal controls were not effective in finding and correcting the material misstatements at June 30, 2013.

Recommendation: We recommend the School evaluate accounting procedures to increase timely review and approval of manual journal entries, account reconciliations, and internal financial statements.

Management Response: Management agrees with this finding and will review accounting practices within the School.

SECTION III – Federal Award Findings and Questioned Costs

None

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013

Financial Statement Findings

2012-01: **Material Weakness in Internal Control over Financial Reporting**

Conditions and Context: Reconciliations of accounts to sub-ledger and other supporting documentation did not occur in a timely manner.

Recommendations: The School should evaluate accounting procedures to increase timely review and approval of manual journal entries, account reconciliations, and internal financial statements.

Current Status: The School has implemented the recommendations.

Federal Award Findings and Questioned Costs

2012-02: **Cash Management - Grant funds were drawn but not spent during the grant period**

Federal Agency: U.S. Department of Education
Federal Program Title: Special Education Cluster (IDEA)
Improving Teacher Quality State Grants

CFDA Number: 84.027 & 84.367

Pass-Through Entity: Indiana Department of Education

Award Number and Years: 10-9545(FY2009-10), 11-9545(FY2010-11) for Special Education Cluster and FY2009-10(FY2009-10) for Improving Teacher Quality State Grant

Conditions and Context: Two programs had significant fund balances and net income related to the grant programs. We were able to determine that these funds should have been repaid if not spent and the excess unspent funds were reclassified as accounts payable.

Recommendations: The School should work with the DOE to determine the best solutions for repaying the funds or reducing future draws on existing grants.

Current Status: The School has implemented the recommendations.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

OTHER REPORT

The reports presented herein were prepared in addition to another report prepared for the School as listed below:

Supplemental Audit Report of 21st Century Charter School @ Gary, Inc.



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B44649

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

December 30, 2014

Charter School Board
21st Century Charter School @ Gary, Inc.
556 Washington Street
Gary, IN 46402

We have reviewed the Financial Statements and Independent Auditors' Report prepared by Crowe Horwath LLP, Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the 21st Century Charter School @ Gary, Inc., as of June 30, 2014, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the status of a prior audit finding in the report. Page 20 contains the status of the prior audit finding.

In addition to the report presented herein, a Supplemental Audit Report for 21st Century Charter School @ Gary, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Financial Statements and Independent Auditors' Report and the Supplemental Audit Report are filed in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

21st CENTURY CHARTER SCHOOL @ GARY, INC.

FINANCIAL STATEMENTS
June 30, 2014

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

FINANCIAL STATEMENTS
June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
21st Century Charter School @ Gary, Inc.
Gary, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of 21st Century Charter School @ Gary, Inc. (the School), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 21st Century Charter School @ Gary, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, an error in the prior year was discovered by management of the School during the current year. An adjustment has been made to net assets as of July 1, 2013 to correct those errors. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2014 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
October 30, 2014

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2014

	<u>2014</u>
ASSETS	
Cash and cash equivalents	\$ 38,248
Restricted cash	1,809,653
Grants receivable	480,633
Prepaid expenses	19,294
Due from related parties (Note 4)	75,849
Bond issue costs	716,365
Property and equipment, net (Note 2)	<u>12,230,181</u>
Total assets	<u>\$ 15,370,223</u>
LIABILITIES AND NET ASSETS	
Accounts payable and accrued expenses	\$ 562,901
Due to related parties (Note 4)	272,441
Bonds and notes payable (Note 3)	<u>13,521,254</u>
Total liabilities	<u>14,356,596</u>
Net Assets	
Unrestricted	<u>1,013,627</u>
Total liabilities and net assets	<u>\$ 15,370,223</u>

See accompanying notes to financial statements.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
21st Century Charter School @ Gary, Inc.
Gary, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of 21st Century Charter School @ Gary, Inc. (the School), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 21st Century Charter School @ Gary, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, an error in the prior year was discovered by management of the School during the current year. An adjustment has been made to net assets as of July 1, 2013 to correct those errors. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2014 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
October 30, 2014

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2014

	2014
ASSETS	
Cash and cash equivalents	\$ 38,248
Restricted cash	1,809,653
Grants receivable	480,633
Prepaid expenses	19,294
Due from related parties (Note 4)	75,849
Bond issue costs	716,365
Property and equipment, net (Note 2)	<u>12,230,181</u>
Total assets	<u>\$ 15,370,223</u>
LIABILITIES AND NET ASSETS	
Accounts payable and accrued expenses	\$ 562,901
Due to related parties (Note 4)	272,441
Bonds and notes payable (Note 3)	<u>13,521,254</u>
Total liabilities	<u>14,356,596</u>
Net Assets	
Unrestricted	<u>1,013,627</u>
Total liabilities and net assets	<u>\$ 15,370,223</u>

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

	<u>2014</u>
Public support and revenues	
Federal grants	\$ 1,876,414
State and local grants	4,911,289
Rental income	300,000
Loss on disposal of equipment	<u>(20,514)</u>
Total revenue and support	<u>7,087,189</u>
Expenses	
Federal grant funded program activities	1,534,947
State and local grant funded program activities	2,434,160
School operations and building services	2,049,940
Education supporting services	<u>450,000</u>
Total program expenses	6,469,047
Management and general	<u>26,512</u>
Total expenses	<u>6,495,559</u>
Change in net assets	571,630
Net assets as of July 1, 2013	(353,376)
Prior period adjustment (Note 1)	<u>795,373</u>
Net assets as of July 1, 2013 (as restated)	<u>441,997</u>
Net assets, end of year	<u>\$ 1,013,627</u>

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2014

	<u>2014</u>
Cash flows from operating activities	
Change in net assets	\$ 571,630
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	568,568
Loss on disposal of property and equipment	20,514
Change in assets and liabilities:	
Grants receivable	(311,202)
Prepaid expenses	(19,294)
Due to/from related parties	290,944
Accounts payable and accrued other expenses	(6,815)
Net cash from operating activities	<u>1,114,345</u>
Cash flows from investing activities	
Purchases of property and equipment	(7,276,607)
Proceeds from restricted cash	6,028,290
Net cash from investing activities	<u>(1,250,317)</u>
Cash flows from financing activities	
Principal payments on notes payable	(79,602)
Net cash used by financing activities	<u>(79,602)</u>
Net change in cash and cash equivalents	(215,574)
Cash and cash equivalents, beginning of year	<u>253,822</u>
Cash and cash equivalents, end of year	<u>\$ 38,248</u>
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	\$ 370,979

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization: 21st Century Charter School @ Gary, Inc. (the School) is a nonprofit corporation established to operate a charter school. The School is dedicated to ensure that all students show growth in character, academics, life skills, the arts, and wellness using teaching skills tailored to meet the needs of each student.

The School was established under the laws of the State of Indiana, and operates under a Board of School Directors form of government. The financial statements of the School are consolidated into the Greater Education Opportunities Foundation (GEOF) financial statements due to economic control.

Method of Accounting: The School maintains its accounts on the accrual basis of accounting and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Income Taxes: The School is exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the School is not considered to be a private foundation under Section 509(a) of the Internal Revenue Code.

The School has adopted applicable guidance with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit will be recorded.

The School is no longer subject to examination by taxing authorities for years before 2011. The School does not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. The School recognizes interest and/or penalties related to income tax matters in income tax expense. The School did not have any amounts accrued for interest and penalties at June 30, 2014.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000. For the purpose of the statement of cash flows, the School considers all highly liquid debt instruments, if any, purchased with a maturity of three months or less to be cash equivalent.

Restricted Cash: Restricted cash consists of funds held in trust accounts for capital expenditures and debt service reserves.

Grants Receivable: Grants receivable balances consist of amounts billed or billable for services provided or contracted. The School does not accrue interest on any of its grants receivables.

Allowances: No allowance for doubtful accounts is recorded as of June, 30, 2014. The allowances are based upon prior experience and management's analysis of specific receivables and promises to give. Losses are charged off to the reserve when management deems further collection efforts will no longer produce additional recoveries. The School currently considers all receivables to be fully collectible.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment: Expenditures for property and equipment and items in excess of \$500 which substantially increase the useful lives of existing assets are capitalized at cost or at fair value at date of gift. Repairs and maintenance costs are expensed as incurred. Depreciation has been computed on straight-line method at rates designed to depreciate the costs of assets over their estimated useful lives as follows:

Buildings and improvements	39 years
Property and equipment	3-7 years

Impairment of Long-Lived Assets: In accordance with GAAP, the School reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of June 30, 2014, management believes that no impairment exists.

Bond issuance costs: All fees and other costs relative to the issuance of the tax-exempt bonds have been recorded as an asset and amortized over the life of the related bonds. Accumulated amortization as of June 30, 2014 is \$99,929.

Fair Value of Financial Instruments: Cash and cash equivalents and accounts payable approximate fair value because of the short maturity of these instruments. Grants receivable are not readily marketable. The School has estimated their fair value to be the carrying value. The carrying value of all the School's financial instruments, approximate fair value, except for bonds and notes payable. The fair value of the School's bonds and notes payable is estimated based on quoted market prices for the same or similar issues. The fair value of bonds and notes payable for the bondholders at June 30, 2014 was approximately \$13,379,546.

The fair values of financial instruments other than investments, which include the items listed in the preceding paragraph, are based on a variety of factors. In some cases, fair values represent quoted market prices for identical or comparable instruments (Level 1 inputs - market approach). In other cases, fair values have been estimated based on assumptions about the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of risk (Level 2 inputs - income approach). Accordingly, the fair values may not represent actual values that could have been realized at year-end or that will be realized in the future.

Basis of Presentation: The School follows GAAP and reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets – The unrestricted net asset class includes general assets and liabilities of the School. The unrestricted net assets of the School may be used at the discretion of management to support the School's purposes and operations.

Temporarily Restricted Net Assets – The temporarily restricted net asset class includes assets of the School related to gifts and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. The School had no temporarily restricted net assets as of June 30, 2014.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Permanently Restricted Net Assets – The permanently restricted net asset class includes assets of the School related to contributions and other inflows of assets whose use by the School is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the School. The School had no permanently restricted net assets as of June 30, 2014.

Federal and State Grants: Support funded by grants is recognized as the School performs the contracted services under various grant agreements. Grant revenue is typically recognized as earned as the eligible expenses are incurred. Some of the School's grant agreements are not on a cost reimbursement basis, and support is recognized when earned. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Functional and Allocated Expenses: Expenses are charged directly to activities when specifically identifiable. All other costs are allocated to the activities based upon various actual statistical bases. Salaries and related expenses are charged based on the relative amount of time historically spent by personnel.

Advertising: The School expenses advertising costs as incurred. During 2014, expenses totaling \$17,135 were incurred for advertising.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2014, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2014. Management has performed their analysis through October 30, 2014, the date the financial statements were issued.

Restatement: During 2014, management determined that the previously issued financial statements in conformity with accounting standards adopted by the Governmental Accounting Standards Board (GASB) were incorrect. Management believes, that based on the governance structure of the School, the financial statements of the School should be accounted for under standards adopted by the Financial Accounting Standards Board (FASB). The only material change affecting net assets from the prior presentation relate to the accounting for bond issuance costs, which were previously expensed under GASB Statement No. 65. The impact of the restatement on the 2013 change in net assets would have been an increase of \$795,373. Unrestricted net assets have been restated by \$795,373 to capitalize the net unamortized bond issuance costs at July 1, 2013 as follows:

	<u>Unrestricted Net Assets</u>
July 1, 2013 net assets	\$ (353,376)
Restatement- basis of accounting	<u>795,373</u>
July 1, 2013 net assets, as restated	<u>\$ 441,997</u>

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

NOTE 2 - PROPERTY AND EQUIPMENT

At June 30, the carrying value of land, buildings and building improvements, and equipment, consists of the following:

	<u>2014</u>
Land	\$ 296,500
Building and building improvements	11,261,897
Equipment	<u>2,189,744</u>
	13,277,579
Less: accumulated depreciation	<u>(1,517,961)</u>
	<u>\$ 12,230,181</u>

Depreciation expense for the year ended June 30, 2014 was \$489,560. Interest incurred on construction related debt in the amount of \$470,563 was capitalized during 2014 and is included in property and equipment as of June 30, 2014.

NOTE 3 – BONDS AND NOTES PAYABLE

Bonds and notes payable consisted of the following at June 30, 2014:

Series 2013A bonds payable, maturing in March 2033, including interest computed at 6%, secured by Real Estate Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, and Trust Accounts and interest in the Project, as defined in the Loan Agreement dated February 1, 2013.	\$ 5,525,000
Series 2013A bonds payable, maturing in March 2043, including interest computed at 6.25%, secured by Real Estate Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, and Trust Accounts and interest in the Project, as defined in the Loan Agreement dated February 1, 2013.	7,355,000
Series 2013B bonds payable, maturing in March 2018, including interest computed at 7%, secured by Real Estate Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, and Trust Accounts and interest in the Project, as defined in the Loan Agreement dated February 1, 2013.	620,000
Note payable to GEO Foundation for the lease of computer equipment, payable in monthly payments with an imputed interest rate of 9.50% through maturity in July 2014.	20,154
Loan payable in monthly installments, including interest computed at 5.45%, through maturity in August 2014. Secured by equipment.	<u>1,100</u>
Total bonds and notes payable	<u>\$ 13,521,254</u>

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

NOTE 3 – BONDS AND NOTES PAYABLE (Continued)

The estimated future principal payments due on long term debt are:

2015	\$	196,254
2016		190,000
2017		205,000
2018		215,000
2019		230,000
Thereafter		<u>12,485,000</u>
	\$	<u>13,521,254</u>

Total interest expense during the year ended June 30, 2014 was \$370,318. The School has various financial and nonfinancial covenants associated with the debt obligations, for which they reported compliance as of June 30, 2014.

NOTE 4 - RELATED PARTY TRANSACTIONS

The School has a management agreement with the Greater Educational Opportunities Foundation (GEOF). Under the management agreement, GEOF charges administrative and per student fees in exchange for the management, operation, administration, payroll and accounting services provided. During the year ended June 30, 2014, the School paid GEOF fees of \$350,000. As part of the management services provided, GEOF acts as the payor of certain operating expenses, which are reimbursed to GEOF by the School. The School's board retains final authority and responsibility for financial and budgetary commitments. At June 30, 2014, the School has a payable to GEOF for \$218,530 for various transactions and a receivable from GEOF in the amount of \$74,973 for overpayment of administrative fees. There is also a notes payable to GEOF as disclosed in Note 3.

The School leases space to Gary Middle College, Inc. which expires on June 30, 2015. Rent income totaled \$300,000 for the year ended June 30, 2014. The School has a receivable from Gary Middle College, Inc. of \$876 and a payable to Gary Middle College, Inc. for \$2,111 as of June 30, 2014, for various transactions from the rental agreement.

The School also has a related party payable to Pike's Peak Prep, another school managed by GEOF, in the amount of \$51,800 for an educational software license.

NOTE 5 - CHARTER AGREEMENT

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay Ball State University an annual administrative fee equal to 3% of State tuition support, along with other licensing fees. Payments under this charter agreement were \$87,341 for the year ended June 30, 2014.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

NOTE 6 - PENSION PLANS

The School's faculty and certain administrative employees are participants in a 403(b) tax deferred annuity retirement plan. All participants may contribute to the plan. There were no employer matching contributions to the plan for the year ended June 30, 2014.

The School also participates in the Public Employment Retirement Fund (PERF) and the Teacher's Retirement Fund (TRF). Employees are required to contribute 3% of gross wages to their respective plan. The School is required to contribute 7.5% to TRF and 10.0% to PERF, respectively. The School's expense for the year ended June 30, 2014 was \$97,056.

OTHER REPORTS AND SUPPLEMENTARY INFORMATION

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Pass Through Number	Total Federal Expenditures
<u>U.S. Department of Education</u>			
Passed through the Indiana Department of Education			
Title I, Part A			
Title I Grants to Local Educational Agencies	84.010	FY 2012-2013	\$ 41,170
Title I Grants to Local Educational Agencies	84.010	FY 2013-2014	<u>664,325</u>
Total for Title I Grants to Local Educational Agencies			<u>705,495</u>
Special Education			
Special Education – Grants to States	84.027	FY 2012-2013	18,046
Special Education – Grants to States	84.027	FY 2013-2014	<u>91,949</u>
Total for Special Education – Grants to States			<u>109,995</u>
School Improvement Grants			
School Improvement Grants, ARRA	84.388	FY 2012-2013	263,659
School Improvement Grants, ARRA	84.388	FY 2013-2014	<u>694,455</u>
Total for School Improvement Grants, ARRA			<u>958,114</u>
Total Expenditures of Federal Awards			<u>\$ 1,773,604</u>

See accompanying note to the Schedule of Expenditures of Federal Awards

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014

NOTE 1 - BASIS OF PRESENTATION

This schedule includes the federal awards activity of 21st Century Charter School @ Gary, Inc. and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
21st Century Charter School @ Gary, Inc.
Gary, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of 21st Century Charter School @ Gary, Inc. (the School), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 30, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
October 30, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
21st Century Charter School @ Gary, Inc.
Gary, Indiana

Report on Compliance for Each Major Federal Program

We have audited 21st Century Charter School @ Gary, Inc.'s (the School) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2014. The School's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the School's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
October 30, 2014

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2014

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.388	School Improvement Grants, ARRA

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X No

(Continued)

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2014

**SECTION 2 - FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO
BE REPORTED IN ACCORDANCE WITH GAGAS.**

None

**SECTION 3 - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT
FINDINGS AS DEFINED IN OMB A-133 SECTION 510 (a).**

None

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2014

SECTION 4 - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FINDING 2013-001 – CONTROLS OVER FINANCIAL REPORTING

Condition: During the prior year audit, adjustments were posted that changed the financial statement results of the School by a material amount.

Status: Resolved

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
OTHER REPORT
June 30, 2014

The reports presented herein were prepared in addition to another official report prepared for the School as listed below:

Indiana State Board of Accounts Compliance Report of 21st Century Charter School @ Gary, Inc.

The above report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressing is *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.

21st CENTURY CHARTER SCHOOL @ GARY, INC.

FINANCIAL STATEMENTS
June 30, 2015 and 2014

21ST CENTURY CHARTER SCHOOL @ GARY, INC.

FINANCIAL STATEMENTS
June 30, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
21st Century Charter School @ Gary, Inc.
Gary, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of 21st Century Charter School @ Gary, Inc. (the School), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 21st Century Charter School @ Gary, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2015 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Crowe Horwath LLP
Crowe Horwath LLP

Indianapolis, Indiana
October 28, 2015

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 293,928	\$ 38,248
Restricted cash	1,423,270	1,809,653
Grants receivable	230,685	480,633
Prepaid expenses	48,546	19,294
Due from related parties (Note 4)	83,423	75,849
Bond issue costs	644,549	716,365
Property and equipment, net (Note 2)	<u>11,948,213</u>	<u>12,230,181</u>
Total assets	<u>\$ 14,672,614</u>	<u>\$ 15,370,223</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 789,829	\$ 562,901
Due to related parties (Note 4)	22,887	272,441
Bonds and notes payable (Note 3)	<u>13,325,000</u>	<u>13,521,254</u>
Total liabilities	14,137,716	14,356,596
NET ASSETS		
Unrestricted	<u>534,898</u>	<u>1,013,627</u>
Total net assets	<u>534,898</u>	<u>1,013,627</u>
Total liabilities and net assets	<u>\$ 14,672,614</u>	<u>\$ 15,370,223</u>

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Public support and revenues		
Federal grants	\$ 2,380,598	\$ 1,876,414
State and local grants	5,638,426	4,911,289
Education supporting services	24,465	-
Rental income	300,000	300,000
Loss on disposal of equipment	(3,648)	(20,514)
Total revenue and support	<u>8,339,841</u>	<u>7,067,189</u>
Expenses		
Federal grant funded program activities	2,238,461	1,534,947
State and local grant funded program activities	3,374,633	2,434,160
School operations and building services	2,625,717	2,049,940
Education supporting services	571,423	450,000
Total program expenses	<u>8,810,234</u>	<u>6,469,047</u>
Management and general	8,336	26,512
Total expenses	<u>8,818,570</u>	<u>6,495,559</u>
Change in net assets	(478,729)	571,630
Net assets at beginning of year	<u>1,013,627</u>	<u>441,997</u>
Net assets, end of year	<u>\$ 534,898</u>	<u>\$ 1,013,627</u>

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
 STATEMENTS OF CASH FLOWS
 Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ (478,729)	\$ 571,630
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	722,523	568,568
Loss on disposal of property and equipment	3,648	20,514
Change in assets and liabilities:		
Grants receivable	249,948	(311,202)
Prepaid expenses	(29,252)	(19,294)
Due to/from related parties	(257,128)	290,944
Accounts payable and accrued other expenses	<u>226,928</u>	<u>(6,815)</u>
Net cash from operating activities	<u>437,938</u>	<u>1,114,345</u>
Cash flows from investing activities		
Purchases of property and equipment	(372,387)	(7,276,607)
Proceeds from restricted cash	<u>388,383</u>	<u>6,026,290</u>
Net cash from investing activities	<u>13,996</u>	<u>(1,250,317)</u>
Cash flows from financing activities		
Principal payments on bonds and notes payable	<u>(196,254)</u>	<u>(79,602)</u>
Net cash used by financing activities	<u>(196,254)</u>	<u>(79,602)</u>
Net change in cash and cash equivalents	255,680	(215,574)
Cash and cash equivalents, beginning of year	<u>38,248</u>	<u>253,822</u>
Cash and cash equivalents, end of year	<u>\$ 293,928</u>	<u>\$ 38,248</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest, net of capitalized interest	\$ 834,588	\$ 370,979

See accompanying notes to financial statements.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization: 21st Century Charter School @ Gary, Inc. (the School) is a nonprofit corporation established to operate a charter school. The School is dedicated to ensure that all students show growth in character, academics, life skills, the arts, and wellness using teaching skills tailored to meet the needs of each student.

The School was established under the laws of the State of Indiana, and operates under a Board of School Directors form of government. The financial statements of the School are consolidated into the Greater Education Opportunities Foundation (GEOF) financial statements due to economic control.

Method of Accounting: The School maintains its accounts on the accrual basis of accounting and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Income Taxes: The School is exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the School is not considered to be a private foundation under Section 509(a) of the Internal Revenue Code.

The School has adopted applicable guidance with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit will be recorded.

The School does not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. The School recognizes interest and/or penalties related to income tax matters in income tax expense. The School did not have any amounts accrued for interest and penalties at June 30, 2015 and 2014.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000. Bank balances may periodically exceed FDIC insured limits. For the purpose of the statement of cash flows, the School considers all highly liquid debt instruments, if any, purchased with a maturity of three months or less to be cash equivalent.

Restricted Cash: Restricted cash consists of funds held in trust accounts for capital expenditures and debt service reserves.

Grants Receivable: Grants receivable balances consist of amounts billed or billable for services provided or contracted. The School does not accrue interest on any of its grants receivables.

Allowances: No allowance for doubtful accounts is recorded as of June, 30, 2015 and 2014. The allowances are based upon prior experience and management's analysis of specific receivables and promises to give. Losses are charged off to the reserve when management deems further collection efforts will no longer produce additional recoveries. The School currently considers all receivables to be fully collectible.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment: Expenditures for property and equipment and items in excess of \$500 which substantially increase the useful lives of existing assets are capitalized at cost or at fair value at date of gift. Repairs and maintenance costs are expensed as incurred. Depreciation has been computed on straight-line method at rates designed to depreciate the costs of assets over their estimated useful lives as follows:

Buildings and improvements	39 years
Property and equipment	3-7 years

Impairment of Long-Lived Assets: In accordance with GAAP, the School reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of June 30, 2015 and 2014, management believes that no impairment exists.

Bond issuance costs: All fees and other costs relative to the issuance of the tax-exempt bonds have been recorded as an asset and amortized over the life of the related bonds. Accumulated amortization as of June 30, 2015 and 2014 was \$171,745 and \$99,929.

Fair Value of Financial Instruments: Cash and cash equivalents and accounts payable approximate fair value because of the short maturity of these instruments. Grants receivable are not readily marketable. The School has estimated their fair value to be the carrying value. The carrying value of all the School's financial instruments, approximate fair value, except for bonds and notes payable. The fair value of the School's bonds and notes payable is estimated based on quoted market prices for the same or similar issues. The fair value of bonds and notes payable for the bondholders at June 30, 2015 and 2014 were approximately \$13,409,000 and \$13,583,000, respectively.

Basis of Presentation: The School follows GAAP and reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets – The unrestricted net asset class includes general assets and liabilities of the School. The unrestricted net assets of the School may be used at the discretion of management to support the School's purposes and operations.

Temporarily Restricted Net Assets – The temporarily restricted net asset class includes assets of the School related to gifts and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. The School had no temporarily restricted net assets as of June 30, 2015 and 2014.

Permanently Restricted Net Assets – The permanently restricted net asset class includes assets of the School related to contributions and other inflows of assets whose use by the School is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the School. The School had no permanently restricted net assets as of June 30, 2015 and 2014.

Federal and State Grants: Support funded by grants is recognized as the School performs the contracted services under various grant agreements. Grant revenue is typically recognized as earned as the eligible expenses are incurred. Some of the School's grant agreements are not on a cost reimbursement basis, and support is recognized when earned. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional and Allocated Expenses: Expenses are charged directly to activities when specifically identifiable. All other costs are allocated to the activities based upon various actual statistical bases. Salaries and related expenses are charged based on the relative amount of time historically spent by personnel.

Advertising: The School expenses advertising costs as incurred. During 2015 and 2014, expenses totaling \$28,284 and \$17,135 were incurred for advertising.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2015, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2015. Management has performed their analysis through October 28, 2015, the date the financial statements were issued.

NOTE 2 - PROPERTY AND EQUIPMENT

At June 30, the carrying value of land, buildings and building improvements, and equipment, consists of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 296,500	\$ 296,500
Building and building improvements	11,407,665	11,261,897
Equipment	<u>2,408,784</u>	<u>2,189,745</u>
	14,112,949	13,748,142
Less: accumulated depreciation	<u>(2,164,736)</u>	<u>(1,517,961)</u>
	<u>\$ 11,948,213</u>	<u>\$ 12,230,181</u>

Depreciation expense for the year ended June 30, 2015 and 2014 were \$650,707 and \$489,560, respectively. Interest incurred on construction related debt in the amount of \$470,563 was capitalized during 2014 and is included in property and equipment as of June 30, 2014.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2015 and 2014

NOTE 3 – BONDS AND NOTES PAYABLE

Bonds and notes payable consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Series 2013A bonds payable, maturing in March 2033, including interest computed at 6%, secured by Real Estate Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, and Trust Accounts and interest in the Project, as defined in the Loan Agreement dated February 1, 2013. Principal payments begin on February 28, 2018.	\$ 5,525,000	\$ 5,525,000
Series 2013A bonds payable, maturing in March 2043, including interest computed at 6.25%, secured by Real Estate Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, and Trust Accounts and interest in the Project, as defined in the Loan Agreement dated February 1, 2013. Principal payments begin on February 28, 2034.	7,355,000	7,355,000
Series 2013B bonds payable, maturing in March 2018, including interest computed at 7%, secured by Real Estate Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, and Trust Accounts and interest in the Project, as defined in the Loan Agreement dated February 1, 2013.	445,000	620,000
Note payable to GEO Foundation for the lease of computer equipment, payable in monthly payments with an imputed interest rate of 9.50% through maturity in July 2014.	-	20,154
Loan payable in monthly installments, including interest computed at 5.45%, through maturity in August 2014. Secured by equipment.	-	1,100
Total bonds and notes payable	<u>\$ 13,325,000</u>	<u>\$ 13,521,254</u>

The estimated future principal payments due on long term debt are:

2016	\$	190,000
2017		205,000
2018		215,000
2019		230,000
2020		245,000
Thereafter		<u>12,240,000</u>
		<u>\$ 13,325,000</u>

Total interest expense during the years ended June 30, 2015 and 2014 were \$830,843 and \$370,318, respectively. The School has various financial and nonfinancial covenants associated with the debt obligations, for which they reported compliance as of June 30, 2015 and 2014.

OTHER REPORTS AND SUPPLEMENTARY INFORMATION

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	<u>CFDA Number</u>	Pass Through Number	<u>Total Federal Expenditures</u>
<u>U.S. Department of Education</u>			
Passed through the Indiana Department of Education			
Title I, Part A			
Title I Grants to Local Educational Agencies	84.010	FY 2013-2014	\$ 163,322
Title I Grants to Local Educational Agencies	84.010	FY 2014-2015	<u>919,545</u>
Total for Title I Grants to Local Educational Agencies			<u>1,082,867</u>
Special Education – Grants to States	84.027	FY 2014-2015	<u>115,033</u>
School Improvement Grants			
School Improvement Grants, ARRA	84.388	FY 2013-2014	478,238
School Improvement Grants	84.377	FY 2014-2015	<u>790,423</u>
Total for School Improvement Grants			<u>1,268,661</u>
Total Expenditures of Federal Awards			<u>\$ 2,466,561</u>

See accompanying note to the Schedule of Expenditures of Federal Awards.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

NOTE 1 - BASIS OF PRESENTATION

This schedule includes the federal awards activity of 21st Century Charter School @ Gary, Inc. and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
21st Century Charter School @ Gary, Inc.
Gary, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of 21st Century Charter School @ Gary, Inc. (the School), which comprise the statement of financial position as of June 30, 2015, and the related statement of activities, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 28, 2015.

Internal Control Over Financial Reporting

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

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

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

(Continued)

Compliance and Other Matters

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

Purpose of this Report

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

Crowe Horwath LLP
Crowe Horwath LLP

Indianapolis, Indiana
October 28, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
21st Century Charter School @ Gary, Inc.
Gary, Indiana

Report on Compliance for Each Major Federal Program

We have audited 21st Century Charter School @ Gary, Inc.'s (the School) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2015. The School's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the School's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

(Continued)

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP
Crowe Horwath LLP

Indianapolis, Indiana
October 28, 2015

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2015

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.388	School Improvement Grants, ARRA
84.377	School Improvement Grants

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

SECTION 2 - FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS.

None

SECTION 3 - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS AS DEFINED IN OMB A-133 SECTION 510 (a).

None

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2015

SECTION 4 - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None reported.

21ST CENTURY CHARTER SCHOOL @ GARY, INC.
OTHER REPORT
June 30, 2015

The reports presented herein were prepared in addition to another official report prepared for the School as listed below:

Indiana State Board of Accounts Compliance Report of 21st Century Charter School @ Gary, Inc.

The above report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressing its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.

Statement of Activities
21st Century Charter School at Gary
July 1 through January 31, 2016

Revenues		Full Year Budget	January YTD Actuals
	State Funding		
	State Tuition Support	\$ 5,474,056	\$ 3,193,199
	Summer School	0	0
	Capital Funding	369,500	369,500
	Textbook Reimbursement	3,000	0
		<u>\$ 5,846,556</u>	<u>\$ 3,562,699</u>
	Federal Funding		
	Title I	969,118	416,796
	IDEA Special Ed Part B	130,731	58,692
	Title I School Improvement	-	213,342
	Title III - Professional Development	171,000	-
	Title I 14-15 Funding	-	1,832
		<u>\$ 1,270,849</u>	<u>\$ 690,663</u>
	Other		
	GMC Rent	300,000	175,000
	Robotics Donations	15,000	-
	Staff Reimbursement from GMC	-	86,447
	Other Revenue	-	136,810
		<u>\$ 315,000</u>	<u>\$ 398,257</u>
Total Revenue		\$ 7,432,405	\$ 4,651,619
Expenses			
	General (non-grant) Salaries/Benefits		
	General Salaries	\$ 3,132,000	\$ 1,749,629
	Title II Professional Development (Stipends/Training)	140,000	-
	General Social Security/Medicare	269,640	144,820
	General Health/Dental benefits	269,640	125,190
	General Retirement (Perf/Terf) 403B	308,160	164,467
		<u>\$ 4,119,440</u>	<u>\$ 2,184,106</u>
	Title I - Main Grant		
	Title I Instruction - Salaries/Benefits	795,000	416,611
	Title I Community Service	10,000	185
	Title I 14-15	-	1,832
		<u>805,000</u>	<u>418,628</u>
	Title I - School Improvement Grant		
	SIG 14-15	-	220,542
	IDEA		
	IDEA Salaries/Benefits	85,000	186,624
	Student Support/Supplies		
	Classroom Supplies	70,000	49,957
	High Ability Supplies and Materials	-	197
	Textbooks/Curriculum	30,000	7,524
	Field Trips	20,000	6,763
	Athletics	30,000	16,052
	Other Professional Development	-	23,344
	Other Extra Curriculars	30,000	38,990
	Robotics Program	30,000	(6,221)
	College Program/Career Center	70,000	67,416
		<u>280,000</u>	<u>204,022</u>

Operations		
D&O, Liability Insurance	30,000	15,517
Workers Comp/Unemployment Insurance	50,000	32,031
Bonds	5,000	-
Office Supplies/Postage	50,000	41,561
Copier	40,000	30,755
Connectivity	50,000	81,001
Other Expenses	-	12,740
Travel	30,000	16,307
	<u>255,000</u>	<u>229,913</u>
Capital Expenditures		
Hardware	300,000	65,121
Software	-	-
Building Capital Expenditures	50,000	4,459
Lease (F&E)	-	-
Transfer Capital Expenditures to balance sheet	-	(60,580)
Depreciation and Amortization	-	409,670
Vehicle Maintenance	15,000	8,147
	<u>365,000</u>	<u>417,817</u>
Buildings and Grounds		
Debt Service	950,000	479,697
Rent (modulars)	36,000	32,173
Electric/Gas	150,000	106,858
Water/Trash	40,000	19,723
Building /Grounds Maintenance	90,000	150,845
	<u>1,266,000</u>	<u>789,295</u>
Service Contracts		
IDEA Related Services	45,731	76,546
TFA (Title II)	31,000	-
IT Management	75,000	37,584
Technology Services	-	66,957
Joint Staff Reimbursements	-	109,679
Payroll Processing	7,000	5,469
Security	30,000	17,856
Audit	30,000	12,400
Legal	-	9,404
Marketing	-	8,212
Dues and Fees	10,000	12,857
Ball State Fees	165,000	64,236
Administrative	450,000	262,500
	<u>843,731</u>	<u>683,698</u>
Subtotal Expenses	<u>\$ 8,019,171</u>	<u>\$ 5,334,645</u>
Excess Revenue Over (Under) Expenses	<u>\$ (586,766)</u>	<u>\$ (683,026)</u>

Statement of Financial Position
 21st Century Charter School at Gary
 At 1-31-2016

Assets		
	Cash	\$ 796,941
	Accounts Receivable	97,560
	Prepaid Expenses	63,504
	Intercompany A/R	141,895
	Bond Trust	1,624,147
	Amortized Bond Closing Costs	606,180
	Fixed Assets	14,182,529
	Accumulated Depreciation	(2,536,038)
	Net Fixed Assets	<u>11,646,491</u>
Total Assets		<u>\$ 14,976,718</u>
Liabilities		
	Accounts Payable	\$ 120,258
	Payroll Withholdings	8,153
	Intercompany A/P	31,608
	Accrued Payroll	381,933
	Accrued Expenses	15,253
	School Loan	900,000
	Bond Liability	<u>13,667,641</u>
	Total Liabilities	15,124,846
Fund Balance (Equity)		
	Prior Year Fund Balance	534,899
	Current Year Net Income (Loss)	<u>(683,026)</u>
	Total Fund Balance	(148,127)
Total Liabilities and Fund Balance		<u>\$ 14,976,718</u>

3/1/2016

GARY MIDDLE COLLEGE, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
WITH SUPPLEMENTARY AND OTHER INFORMATION
June 30, 2013

GARY MIDDLE COLLEGE, INC.

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Independent Auditors' Report

Board of Directors
Gary Middle College, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gary Middle College, Inc. (collectively, the School) as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the School's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gary Middle College, Inc. as of June 30, 2013, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States.

Other Matters

Report on Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 3 through 11 and the schedule of actual operating revenues and expenses compared to budget – modified cash basis on page 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Katz, Sappun & Miller, LLP

Indianapolis, Indiana
December 27, 2013

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gary Middle College, Inc. as of June 30, 2013, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States.

Other Matters

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Katz, Sappan & Miller, LLP

Indianapolis, Indiana
December 27, 2013

GARY MIDDLE COLLEGE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) Year Ended June 30, 2013

Gary Middle College, Inc. (the School) is a public charter school located in Gary, Indiana. The School is structured around a blended learning approach and serves non-traditional high school students who want to obtain their high school diploma and attend college.

The accompanying financial statements of the School as of June 30, 2013, and for the fiscal year then ended, conform with accounting principles generally accepted in the United States as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's Codification of Governmental Accounting and Financial Reporting Standards document these principles.

This section of the School's financial report provides management's discussion and analysis (MD&A) of the financial performance during the year ended June 30, 2013. Please read it in conjunction with the Independent Auditors' Report at the beginning of this report and the financial statements, which follow this section.

This MD&A is an opportunity for management to make information concerning the School meaningful and understandable. In addition to describing the School and its work, this MD&A briefly analyzes, discusses or presents:

- Basic financial statements
- Condensed financial information
- Overall financial position and results of operations
- Significant transactions within individual funds
- Significant capital assets and long-term debt activity
- Currently known facts

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2013 fiscal year include the following:

- Total revenues were \$1,839,910 as compared to total expenses of \$1,719,602
- The total net position increased by \$120,308 from the prior year's ending balance.

GARY MIDDLE COLLEGE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Year Ended June 30, 2013

Figure A-2 summarizes the major features of the School's financial statements, including the portion of the School's activities the statements cover and the types of information the statements contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2. Major Features of the School-wide and Fund Financial Statements

Type of Statements	School-wide	Government Funds Statements
Scope	Entire School (except fiduciary funds) and the School's component units	The activities of the School that are not proprietary or fiduciary
Required Financial Statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services, have been received and payment is due during the year or soon thereafter

GARY MIDDLE COLLEGE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED) Year Ended June 30, 2013

School-Wide Statements

The School-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two School-wide statements report the School's net position and how it has changed. Net position, the difference between the School's assets and liabilities, is one way to measure the School's financial health or position.

- Over time, increases or decreases in the School's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the School you need to consider additional non-financial factors such as changes in the School's creditworthiness.

In the School-wide financial statements the activities of the School are shown as governmental activities:

- Governmental Activities: Most of the School's basic services are included here, such as education and administration. State funding finances most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's funds focusing on its most significant or "major" funds, not the School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs.

- The School may establish funds to control and manage money for specific purposes.

The School has the following fund type:

- Governmental Funds - Most of the School's basic services are included in governmental funds, which generally focus on balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine the financial resources that can be spent in the near future to finance the School's programs. Since this information does not encompass the additional long-term focus of the School-wide statements, additional information at the bottom of the governmental funds statements is provided to explain the relationship (or differences) between the financial reports.

GARY MIDDLE COLLEGE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Year Ended June 30, 2013

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The following is condensed from the Statements of Net Position:

	Governmental Activities	
	<u>June 30, 2013</u>	<u>June 30, 2012</u>
ASSETS		
Current Assets	\$ 43,335	\$ 84,261
Capital Assets	<u>451,153</u>	<u>4,583</u>
Total Assets	<u>\$ 494,488</u>	<u>\$ 88,844</u>
LIABILITIES		
Current Liabilities	\$ 322,044	\$ 42,097
Noncurrent Liabilities	<u>5,389</u>	<u></u>
Total Liabilities	<u>\$ 327,433</u>	<u>\$ 42,097</u>
NET POSITION		
Net investment in Capital Assets	\$ 434,479	\$ 4,583
Unrestricted	<u>(267,424)</u>	<u>42,164</u>
Total Net Position	<u>\$ 167,055</u>	<u>\$ 46,747</u>

The total net position at June 30 was as follows:

	<u>2013</u>	<u>2012</u>
Assets	\$ 494,488	\$ 88,844
Liabilities	<u>327,433</u>	<u>42,097</u>
Net Position	<u>\$ 167,055</u>	<u>\$ 46,747</u>

The School's total net position was \$167,055 on June 30, 2013, compared to a total net position of \$46,747 at June 30, 2012.

The primary change in the assets and liabilities from June 30, 2012 to June 30, 2013 was due to acquisition of Capital Assets and increase in payables at year end as a function of school being open and operating. Prior year was for a partial year and the School was in the process of starting up operations.

GARY MIDDLE COLLEGE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Year Ended June 30, 2013

Changes in Net Position

The following is condensed from the Statements of Activities:

	Change in Net Position Years Ended June 30,	
	<u>2013</u>	<u>2012</u>
	Governmental Activities	
Revenues		
Operating Grants and Contributions	\$ 277,435	
General Revenues		
Unrestricted State Funding	1,396,292	\$112,683
Other	<u>166,183</u>	<u>2,501</u>
Total Revenues	<u>1,839,910</u>	<u>115,184</u>
Expenses		
Instruction	451,101	3,126
Support Services	957,440	62,685
Noninstructional Services	49,520	2,500
Rent	200,000	
Depreciation	48,946	126
Interest	<u>12,595</u>	
Total Expenses	<u>1,719,602</u>	<u>68,437</u>
Change in Net Position	120,308	46,747
Beginning Net Position	46,747	-
Ending Net Position	<u>\$ 167,055</u>	<u>\$ 46,747</u>

The change in net position for the year ended June 30 was as follows:

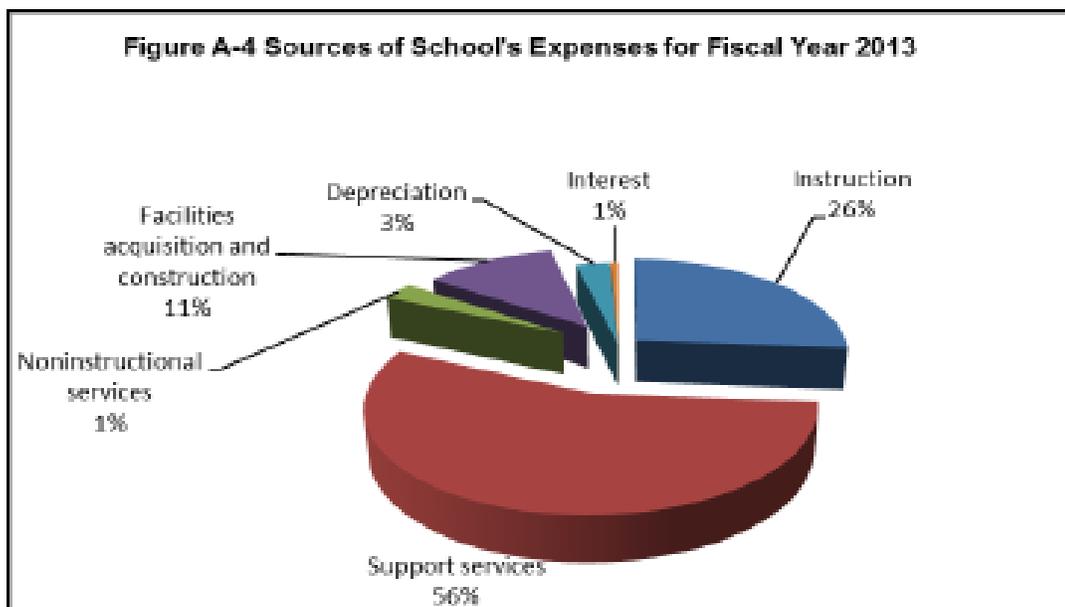
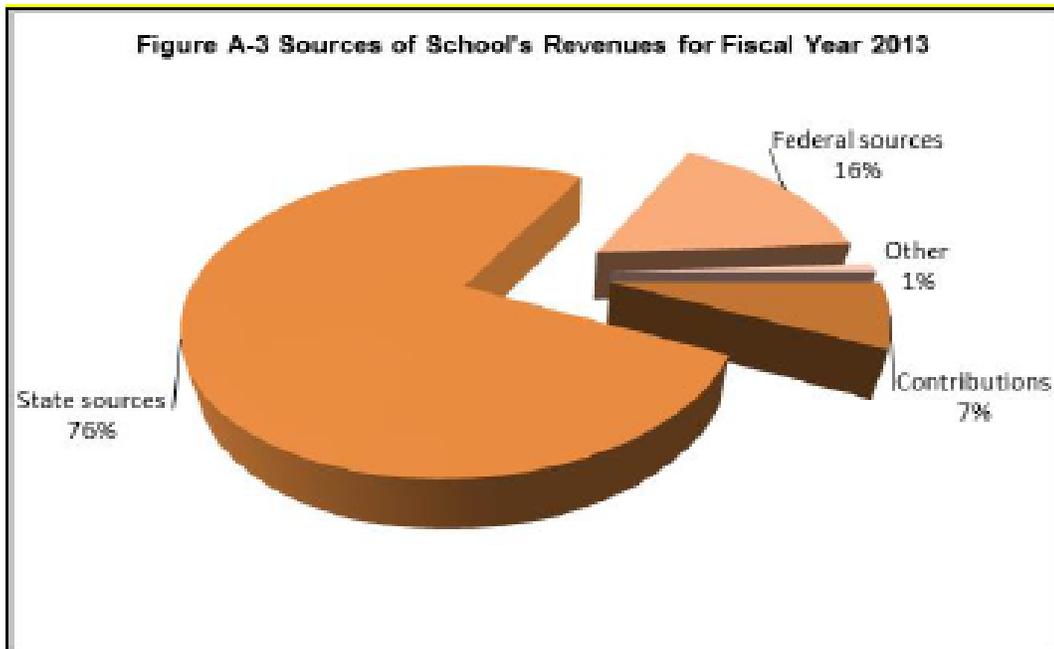
	<u>2013</u>	<u>2012</u>
Revenues	\$1,839,910	\$115,184
Expenses	<u>1,719,602</u>	<u>68,437</u>
Change in Net Assets	<u>\$ 120,308</u>	<u>\$ 46,747</u>

Change in revenues and expenses in 2013 is primarily due to 2013 being the first year of operations at the School. Prior year revenues and expenses were related to start up.

GARY MIDDLE COLLEGE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Year Ended June 30, 2013

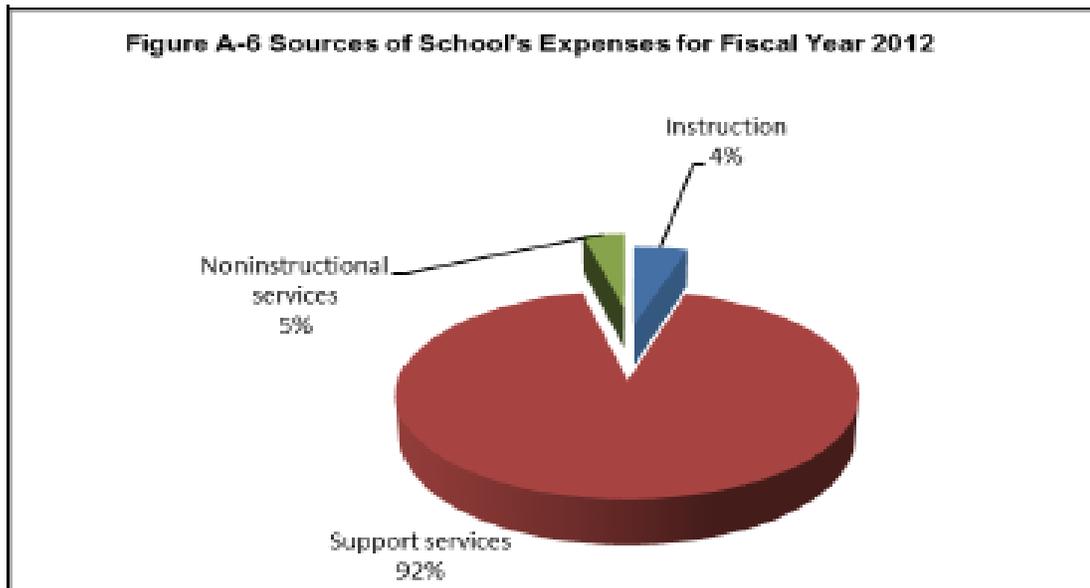
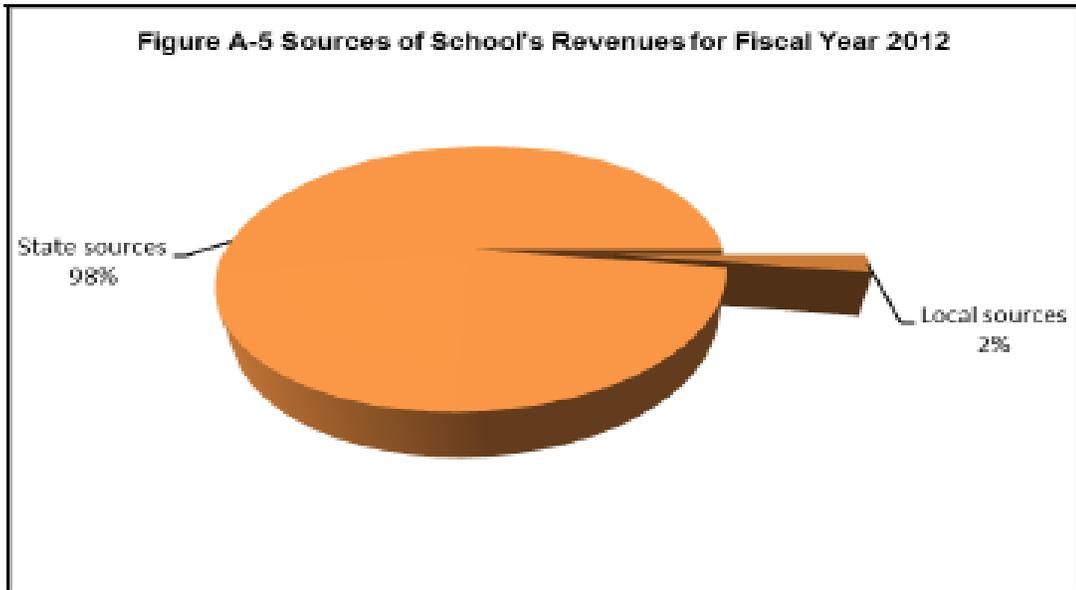
Sources of revenue and expenses are broken down below.



GARY MIDDLE COLLEGE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Year Ended June 30, 2013

Sources of revenue and expenses are broken down below.



GARY MIDDLE COLLEGE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
Year Ended June 30, 2013

CAPITAL ASSETS

By the end of fiscal year 2013, the School had invested \$500,226 in capital assets. Accumulated depreciation on these assets was \$49,073 at June 30, 2013 and \$126 at June 30, 2012.

The School's Capital Assets

	<u>2013</u>	<u>2012</u>
Capital assets	\$500,226	\$4,709
Less: Accumulated depreciation	<u>(49,073)</u>	<u>(126)</u>
Total	<u>\$451,153</u>	<u>\$4,583</u>

DEBT

Changes in long-term liabilities of governmental activities for the year ended June 30, 2013, were as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>	<u>Amount Due After One Year</u>
Notes Payable	<u>\$ -</u>	<u>\$231,277</u>	<u>\$214,603</u>	<u>\$16,674</u>	<u>\$5,389</u>

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances and to demonstrate the School's accountability for the funding it receives. If you have questions about this report or need additional financial information, contact the Business Office, Gary Middle College, Inc., 556 Washington Street, Gary, Indiana 46402.

BASIC FINANCIAL STATEMENTS

GARY MIDDLE COLLEGE, INC.
STATEMENT OF NET POSITION - PRIMARY GOVERNMENT
June 30, 2013

ASSETS

	<u>Governmental Activities 2013</u>
CURRENT ASSETS	
Cash	\$ 24,041
Accounts receivable	18,304
Total Current Assets	<u>43,335</u>
NONCURRENT ASSETS	
Capital assets, net	451,153
Total Noncurrent Assets	<u>451,153</u>
TOTAL ASSETS	<u>\$ 494,488</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES	
Accounts payable and other	\$ 97,156
Accrued expenses	32,392
Accounts payable -GEOF	147,878
Accounts payable - 21st Century	33,333
Notes payable - current	11,285
Total Current Liabilities	<u>322,044</u>
NONCURRENT LIABILITIES	
Notes payable	5,389
Total Noncurrent Liabilities	<u>5,389</u>
Total Liabilities	<u>327,433</u>
NET POSITION	
Net investment in capital assets	434,479
Unrestricted	(267,424)
Total Net Position	<u>167,055</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 494,488</u>

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.

STATEMENT OF ACTIVITIES - PRIMARY GOVERNMENT
Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	
PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES			
Instruction	\$ 451,101	\$ 194,090	\$ (257,011)
Support services	957,440		(957,440)
Noninstructional services	49,520		(49,520)
Rent	200,000	83,345	(116,655)
Depreciation, unallocated	48,946		(48,946)
Interest, unallocated	12,595		(12,595)
Total Governmental Activities	<u>1,719,602</u>	<u>277,435</u>	<u>(1,442,167)</u>
TOTAL PRIMARY GOVERNMENT	\$ 1,719,602	\$ 277,435	\$ (1,442,167)
GENERAL REVENUES			
State aid			\$ 1,396,292
Grants and contributions not restricted to specific programs			147,567
Other			18,616
Total General Revenues			<u>1,562,475</u>
CHANGE IN NET POSITION			120,308
NET POSITION - BEGINNING OF YEAR			<u>46,747</u>
NET POSITION - END OF YEAR			<u>\$ 167,055</u>

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

ASSETS

	General	Other Governmental Funds	Totals
ASSETS			
Cash	\$ 24,941	\$ -	\$ 24,941
Accounts receivable	18,394		18,394
TOTAL ASSETS	\$ 43,335	\$ -	\$ 43,335

LIABILITIES AND FUND BALANCES

LIABILITIES			
Accounts payable and other	\$ 130,489	\$ -	\$ 130,489
Accrued expenses	180,270		180,270
Total Liabilities	310,759	-	310,759
FUND BALANCES			
Unassigned	(267,424)		(267,424)
Total Fund Balances	(267,424)	-	(267,424)
TOTAL LIABILITIES AND FUND BALANCES	\$ 43,335	\$ -	\$ 43,335

Total Fund Balances of Governmental Funds	\$(267,424)
---	-------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	451,153
---	---------

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(16,674)
---	----------

Net Position of Governmental Activities	\$ 167,055
--	-------------------

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	General	Other Governmental Funds	Totals
REVENUES			
State sources	\$ 1,396,292		\$ 1,396,292
Federal sources	180,077	\$ 118,215	298,292
Contributions	126,710		126,710
Other	18,616		18,616
Total Revenues	1,721,695	118,215	1,839,910
EXPENDITURES			
Current:			
Instruction	416,231	34,870	451,101
Support services	957,440		957,440
Noninstructional services	49,520		49,520
Rent	116,655	83,345	200,000
Debt service:			
Principal	214,603		214,603
Interest	12,595		12,595
Capital outlay:			
Capital outlay	495,516		495,516
Total Expenditures	2,262,560	118,215	2,380,775
Excess of Expenditures over Revenues	(540,865)	-	(540,865)
OTHER FINANCING SOURCES			
Debt financing obtained	231,277		231,277
Total Other Financing Sources	231,277	-	231,277
NET CHANGE IN FUND BALANCES	(309,588)	-	(309,588)
FUND BALANCES - BEGINNING OF YEAR	42,164	-	42,164
FUND BALANCES - END OF YEAR	\$ (267,424)	\$ -	\$ (267,424)

Net Change In Fund Balances of Governmental Funds **\$ (309,588)**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 446,570

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. (16,674)

Change in Net Position of Governmental Activities **\$ 120,308**

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gary Middle College, Inc. (the School) is a nonprofit corporation established to operate a charter school. The School is dedicated to ensure that all students armed with the skills and tools they will need to not only receive a high school diploma, but also to excel at the collegiate level.

The School was established under the laws of the State of Indiana, and operates under a Board of School Directors form of government.

The accompanying financial statements of the School as of June 30, 2013, and for the fiscal year then ended, conform with accounting principles generally accepted in the United States as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's Codification of Governmental Accounting and Financial Reporting Standards document these principles. The School's significant accounting policies are as follows:

Reporting Entity: The financial reporting entity consists of the School and organizations for which the School is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the School. In addition, any legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization's governing body and is able to impose its will on the organization, or if the organization provided benefits to, or imposes financial burdens on the School.

The School's financial reporting entity is composed of the following:

- Primary Government: Gary Middle College, Inc.

School-Wide Financial Statements: The school-wide financial statements (i.e., the Statement of Net Position and Statement of Activities) report information on all activities of the School. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from Business-type activities, which rely to a significant extent on fees and charges for support. The School has no Business-type activities.

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and proprietary funds. The School has no proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The School reports the following major governmental fund:

- The General Fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Basis of Accounting: The school-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Government-mandated non-exchange revenues and voluntary non-exchange revenues and certain grants and entitlements are recognized in the period when all applicable eligibility requirements have been met.

Governmental funds are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (that is, when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The governmental funds recognize expenditures for these liabilities to the extent they will be matured or liquidated with expendable financial resources.

Estimates: Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from those estimates.

Net Position and Fund Balances: Net position is displayed in three components:

- The Net Investment in Capital Assets component consists of property or infrastructure that the School acquired, net of the related debt.
- The Restricted Net Position component represents net position with constraints placed on their use that are either (i) externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or (ii) imposed by law through constitutional provisions or enabling legislation.
- The Unrestricted Net Position component consists of net position that do not meet the definition of the preceding two components.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds: Fund balances can be displayed in five components:

- Non-spendable fund balance includes amounts not in spendable form.
- Amounts listed in restricted fund balance are subject to constraints imposed by external organizations. For purposes of determining the ending fund balance, restricted funds are considered to be spent first when an expenditure occurs for which both restricted and unrestricted amounts are available.
- Committed fund balance is amounts that are designated by the School's Board resolution to be used for a specific purpose. If expenditure occurs for which committed, assigned or unassigned amounts are available, committed amounts are considered to be spent first, followed by assigned and then unassigned funds.
- Assigned fund balance amounts are available for commitment by the School's Board resolution, to projects.
- Unassigned fund balance is the residual classification for the general fund.

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

Cash includes deposits in financial institutions.

Accounts Receivable: Accounts receivable balances consist of amounts billed or billable for services provided, net of an allowance for doubtful accounts. Accounts receivable are recorded at net realizable value when earned.

An allowance for uncollectible accounts is determined by management based upon historical losses, specific circumstances, and general economic conditions. Periodically, management reviews accounts receivable and considers the need for an allowance based on current circumstances. Management has estimated that no allowance was necessary at June 30, 2013.

Capital Assets: Capital assets are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The School provides for depreciation on the straight-line method at rates designed to depreciate the cost of assets over estimated useful lives as follows:

Equipment	3-15 years
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Compensated Absences: All full-time employees receive compensation for vacations, holidays, illness and certain other qualifying absences. All compensated leave benefits are nonvesting and have not been accrued, with the exception of vacation.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status: The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for income taxes has been included in the financial statements. In addition, the School has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income in fiscal year 2013.

The School files U.S. federal and state of Indiana information tax returns. The School is subject to U.S. federal and state income tax examinations by tax authorities for all fiscal years since incorporation.

Subsequent Events: The School has evaluated the financial statements for subsequent events occurring through December 27, 2013, the date the financial statements were available to be issued.

NOTE 2 - BUDGETS

The operating budget is initially prepared by the Treasurer and approved by the Board of Directors of the School.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

NOTE 4 - CAPITAL ASSETS

Capital assets used in governmental activities for the year ended June 30, 2013 were as follows:

	Balance at July 1, 2012	Additions	Retirements	Balance at June 30, 2013
Depreciable capital assets:				
Equipment	\$4,709	\$495,516		\$500,225
Less: Accumulated depreciation	<u>126</u>	<u>48,946</u>		<u>49,072</u>
Total Capital Assets, net	<u>\$4,583</u>	<u>\$446,570</u>	<u>\$</u>	<u>\$451,153</u>

NOTE 5 - LONG-TERM DEBT ACTIVITY

Long-term debt of governmental activities included the following at June 30, 2013:

Note payable to GEO Foundation for the lease of computer equipment, payable in monthly payments with an imputed interest rate of 9.50%, through maturity in July 2014.	\$16,674
Less: Current maturities	<u>11,285</u>
Total Long-term Debt	<u>\$ 5,389</u>

NOTE 5 - LONG-TERM DEBT ACTIVITY (CONTINUED)

At June 30, 2013, the debt service requirements of the note payable for governmental activities was as follows:

<u>Year Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
June 30, 2013	\$11,285	\$1,072	\$12,357
June 30, 2014	<u>5,389</u>	<u>511</u>	<u>5,900</u>
	<u>\$16,674</u>	<u>\$1,583</u>	<u>\$18,257</u>

Total interest paid during the year ended June 30, 2013 was \$12,595.

Changes in long-term liabilities of governmental activities for the year ended June 30, 2013, were as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>	<u>Amount Due After One Year</u>
Notes payable	\$ <u>-</u>	<u>\$231,277</u>	<u>\$214,603</u>	<u>\$16,674</u>	<u>\$5,389</u>

NOTE 6 - MANAGEMENT AND CHARTER AGREEMENTS

The School has a management agreement with Greater Educational Opportunities Foundation (GEOF). Under the management agreement, GEOF charges administrative and per student fees in exchange for the management, operation, administration, payroll and accounting services provided. During the year ended June 30, 2013, the School paid GEOF fees of \$227,535. As part of the management services provided, GEOF acts as the payor of certain operating expenses, which are reimbursed to GEOF by the School. The School's board retains final authority and responsibility for financial and budgetary commitments. At June 30, 2013, the School had a payable to GEOF of \$147,848 for management fees.

The School leases space from 21st Century Charter Schools @ Gary, Inc. (21st Century). This lease expired in September 2013 and is being paid on a month to month basis with payment in the amount of \$16,868 per month until renewed. Rent expense totaled \$200,000 for the year ended June 30, 2013. At June 30, 2013, the School had a payable to 21st Century Charter Schools @ Gary, Inc. in the amount of \$33,000.

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay Ball State University an annual administrative fee equal to 3% of State tuition support, along with other licensing fees. Payments under this charter agreement were \$20,949 in the year ended June 30, 2013.

NOTE 7 - PENSION PLANS

403(b) Plan

The School's faculty and certain administrative employees are participants in a 403(b) tax deferred annuity retirement plan. All participants may contribute to the Plan. There were no employer matching contributions to the Plan in the year ended June 30, 2013.

NOTE 7 - PENSION PLANS (CONTINUED)

Indiana Public Retirement System

Plan Description

The School elected to become a participating employer in the Indiana Public Retirement System (INPRS). INPRS resulted from legislation passed in 2010 that merged the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF), with the merger of the funds being effective as of July 1, 2011. The School contributes to INPRS, an agent multiple-employer retirement system that acts as a common investment and administrative agent for units of state and local government in Indiana. INPRS is governed by state statutes I.C.S. 5-10.2 and 5-10.3. As such, it is INPRS's responsibility to administer the law in accordance with the expressed intent of the Indiana General Assembly. INPRS is a qualified plan under Internal Revenue Code Section 401(a) and is tax exempt.

INPRS is a contributory defined benefit plan that covers substantially all School employees. INPRS retirement benefits vest after 10 years of service. Senate Bill 74 enabled INPRS participants to be eligible for early retirement with 100% of the defined benefit pension if certain conditions were met. A participant may retire with full benefits at age 60 with 15 or more years of service or at age 55 if the participant's age plus years of service equals 85 or more (Rule of 85). If neither of the above conditions is met, a participant may retire with 100% of the pension benefit at age 65 with 10 or more years of service. This annual pension benefit is equal to 1.1% times the average annual salary times the number of years and months of INPRS-covered employment. The average annual salary used for calculating the pension benefit is an average of the participant's highest five years of employment earning within the 10 years preceding retirement.

Participants who retire between the ages of 50 and 65 with 15 or more years of service receive a pension benefit that is reduced by various percentages according to the participant's age.

In addition, the participants are required to contribute to an annuity savings account. Legislation permits an INPRS employer to make the participant's contributions on behalf of the participants. Participants may elect to receive the contributions and accumulated earnings in a lump sum at retirement, or, they may choose to receive the annuity amount as a monthly supplement to their employer-provided pension described in the paragraph above. The participant's balance in the annuity savings account may be withdrawn at any time with interest should a participant terminate employment.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to INPRS, One North Capitol, Suite 001, Indianapolis, Indiana 46204.

Funding Policy

The School is required by State statute to contribute at an actuarially determined rate. The current rate is 9.7% of annual covered payroll. The School contributed the participant's required contribution of 3% of their annual salary to an annuity savings account. The contribution requirements of participants are determined by State statute.

Annual Pension Cost

For the 2013 plan year, the School's annual contribution was \$17,640. The INPRS funding policy provides for actuarially determined periodic contributions at rates that change so that sufficient assets will be available to pay benefits when due. As this was the first year, there was no required contributions as determination is based on the prior year actuarial valuation using the entry age normal cost method. The asset valuation method is 4-year smoothing of gains/losses on market value with a 20% corridor. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 6.75% per year, compounded annually; (b) projected salary increases based on INPRS experience from 2005 to 2010; and (c) assumed annual post retirement benefit increases of 1.0%. INPRS uses the method of establishing a new gain or loss base each year to amortize the unfunded liability over a 30-year open period.

REQUIRED SUPPLEMENTARY INFORMATION

GARY MIDDLE COLLEGE, INC.

**SCHEDULE OF ACTUAL OPERATING REVENUES AND EXPENSES
COMPARED TO BUDGET – MODIFIED CASH BASIS (UNAUDITED)
Year Ended June 30, 2013**

Budget Basis of Accounting: The School's budget process is based on a modified cash basis and accounts for certain transactions on a basis other than GAAP. The most significant differences between the modified cash basis and the GAAP basis are the manner in which revenues and expenses are recorded.

The following table shows budget and actual financial results reported under the modified cash basis of accounting.

	<u>Original Budget Total</u>	<u>Actual Total</u>	<u>Difference</u>
Revenue			
State funding	\$1,458,800	\$1,396,292	\$ (62,508)
Federal sources	246,000	298,292	52,292
Contributions		126,710	126,710
Other funding		18,616	18,616
Total Revenues	<u>1,704,800</u>	<u>1,839,910</u>	<u>135,110</u>
Expenses			
Salaries, wages and benefits	820,986	869,016	48,030
Professional services	357,000	357,316	316
Occupancy and building maintenance		82,929	82,929
Rent	285,000	200,000	(85,000)
Bus and transportation		6,391	6,391
Office, organizational and other	201,432	112,036	(89,396)
Other expenses	25,000	30,373	5,373
Extracurricular	1,000		(1,000)
Total Expenses	<u>1,690,418</u>	<u>1,658,061</u>	<u>(32,357)</u>
Net Revenues Over Expenses	<u>\$ 14,382</u>	<u>\$ 181,849</u>	<u>\$167,467</u>

The modified cash basis, as presented above, does not include depreciation expense of \$48,946 and interest expense of \$12,595 which are not budgeted items.

OTHER REPORTS AND SUPPLEMENTARY INFORMATION

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

Board of Directors
Gary Middle College, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gary Middle College, Inc. (the School) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 27, 2013.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as Item 2013-01 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The School's Response to Findings

The School's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Katz, Sappaw & Miller, LLP

Indianapolis, Indiana
December 27, 2013

GARY MIDDLE COLLEGE, INC.

**SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013**

Financial Statement Findings

2013-01: Material Weakness in Internal Control over Financial Reporting

Criteria: Misstatement of the School's financial statements should be detected and prevented by Gary Middle College, Inc.'s internal control over financial reporting in a timely manner.

Condition and Context: There were material misstatements noted in certain account balances reported at June 30, 2013.

Cause and Effect: Internal controls were not effective in finding and correcting the material misstatement at June 30, 2013.

Recommendation: We recommend the School evaluate accounting procedures to increase timely review and approval of manual journal entries, account reconciliations, and internal financial statements.

Management Response: Management agrees with this finding and will review accounting practices within the School.

GARY MIDDLE COLLEGE, INC.

OTHER REPORT

The reports presented herein were prepared in addition to another report prepared for the School as listed below:

Supplemental Audit Report of Gary Middle College, Inc.



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B44651

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

December 30, 2014

Charter School Board
Gary Middle College, Inc.
558 Washington St.
Gary, IN 46402

We have reviewed the Financial Statements and Independent Auditors' Report prepared by Crowe Horwath LLP, Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Gary Middle College, Inc., as of June 30, 2014 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In addition to the report presented herein, a Supplemental Audit Report for Gary Middle College, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Financial Statements and Independent Auditors' Report and the Supplemental Audit Report are filed in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

GARY MIDDLE COLLEGE, INC.

FINANCIAL STATEMENTS

June 30, 2014

GARY MIDDLE COLLEGE, INC.

FINANCIAL STATEMENTS
June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Gary Middle College, Inc.
Gary, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Gary Middle College, Inc. (the School), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(Continued)

GARY MIDDLE COLLEGE, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2014

	<u>2014</u>
ASSETS	
Cash and cash equivalents	\$ 258,030
Grants receivable	65,490
Prepaid expenses	5,956
Due from related parties	55,381
Property and equipment, net	<u>454,496</u>
Total assets	<u>\$ 837,333</u>
LIABILITIES AND NET ASSETS	
Accounts payable and accrued expenses	\$ 82,503
Due to related parties	<u>15,216</u>
Total liabilities	<u>97,719</u>
Net Assets	
Unrestricted	<u>739,614</u>
Total liabilities and net assets	<u>\$ 837,333</u>

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

	<u>2014</u>
Public support and revenues	
Federal grants	\$ 360,757
State and local grants	1,885,439
Loss on disposal of property and equipment	<u>(14,650)</u>
Total revenue and support	<u>2,231,546</u>
Expenses	
Federal grant funded program activities	163,896
State and local grant funded program activities	713,976
School operations and building services	555,437
Education supporting Services	<u>222,500</u>
Total program expenses	1,655,809
Management and general	<u>3,178</u>
Total expenses	<u>1,658,987</u>
Change in net assets	572,559
Net assets, beginning of year	<u>167,055</u>
Net assets, end of year	<u>\$ 739,614</u>

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2014

	<u>2014</u>
Cash flows from operating activities	
Change in net assets	\$ 572,559
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation	82,492
Loss on disposal of property and equipment	14,650
Change in assets and liabilities	
Grants receivable	(65,490)
Prepaid expenses	(5,956)
Due to/from related parties	(202,982)
Accounts payable and other accrued expenses	(47,045)
Net cash from operating activities	<u>348,248</u>
Cash flows from investing activities	
Purchases of property and equipment	(134,235)
Proceeds from disposal of property and equipment	33,750
Net cash from investing activities	<u>(100,485)</u>
Cash flows from financing activities	
Principal payments on notes payable	(16,674)
Net cash from financing activities	<u>(16,674)</u>
Net change in cash and cash equivalents	231,089
Cash and cash equivalents, beginning of year	<u>24,941</u>
Cash and cash equivalents, end of year	<u>\$ 256,030</u>
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	\$ 319

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization: Gary Middle College, Inc. (the School) is a nonprofit corporation established to operate a charter school. The School is dedicated to ensure that all students armed with the skills and tools they will need to not only receive a high school diploma, but also to excel at the collegiate level.

The School was established under the laws of the State of Indiana, and operates under a Board of School Directors form of government. The financial statements of the School are combined into the Greater Education Opportunities Foundation (GEOF) financial statements due to economic control.

During 2014, management determined that the previously issued financial statements in conformity with accounting standards adopted by the Governmental Accounting Standards Board (GASB) were incorrect. Management believes, that based on the governance structure of the School, the financial statements of the School should be accounted for under standards adopted by the Financial Accounting Standards Board (FASB). The impact on the change in net assets at July 1, 2013 due to the conversion from GASB to FASB is not considered material.

Method of Accounting: The School maintains its accounts on the accrual basis of accounting and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Income Taxes: The School is exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the School is not considered to be a private foundation under Section 509(a) of the Internal Revenue Code.

The School has adopted applicable guidance with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit will be recorded.

The School is no longer subject to examination by taxing authorities for years before 2011. The School does not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. The School recognizes interest and/or penalties related to income tax matters in income tax expense. The School did not have any amounts accrued for interest and penalties at June 30, 2014.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000. For the purpose of the statement of cash flows, the School considers all highly liquid debt instruments, if any, purchased with a maturity of three months or less to be cash equivalent.

Grants Receivable: Grants receivable balances consist of amounts billed or billable for services provided or contracted and are due within one year. The School does not accrue interest on any of its grants receivables.

(Continued)

GARY MIDDLE COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowances: No allowance for doubtful accounts is recorded as of June, 30, 2014. The allowances are based upon prior experience and management's analysis of specific receivables and promises to give. Losses are charged off to the reserve when management deems further collection efforts will no longer produce additional recoveries. The School currently considers all receivables to be fully collectible.

Property and Equipment: Expenditures for property and equipment and items in excess of \$500 which substantially increase the useful lives of existing assets are capitalized at cost or at fair value at date of gift. Repairs and maintenance costs are expensed as incurred. Depreciation has been computed on straight-line method at rates designed to depreciate the costs of assets over their estimated useful lives as follows:

Property and equipment	3-7 years
------------------------	-----------

Impairment of Long-Lived Assets: In accordance with GAAP, the School reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of June 30, 2014, management believes that no impairment exists.

Fair Value of Financial Instruments: The carrying value of all the School's financial instruments, which include cash and cash equivalents, grants receivable, and accounts payable, approximate fair values.

Basis of Presentation: The School follows GAAP and reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets – The unrestricted net asset class includes general assets and liabilities of the School. The unrestricted net assets of the School may be used at the discretion of management to support the School's purposes and operations.

Temporarily Restricted Net Assets – The temporarily restricted net asset class includes assets of the School related to gifts and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. The School had no temporarily restricted net assets as of June 30, 2014.

Permanently Restricted Net Assets – The permanently restricted net asset class includes assets of the School related to contributions and other inflows of assets whose use by the School is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the School. The School had no permanently restricted net assets as of June 30, 2014.

Federal and State Grants: Support funded by grants is recognized as the School performs the contracted services under various grant agreements. Grant revenue is typically recognized as earned as the eligible expenses are incurred. Some of the School's grant agreements are not on a cost reimbursement basis, and support is recognized when earned. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

(Continued)

GARY MIDDLE COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional and Allocated Expenses: Expenses are charged directly to activities when specifically identifiable. All other costs are allocated to the activities based upon various actual statistical bases. Salaries and related expenses are charged based on the relative amount of time historically spent by personnel.

Advertising: The School expenses advertising costs as incurred. During 2014, expenses totaling \$13,212 were incurred for advertising.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2014, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2014. Management has performed their analysis through October 30, 2014, the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

At June 30, the carrying value of furniture, equipment, and textbooks consists of the following:

	<u>2014</u>
Property and equipment	\$ 568,460
Less: accumulated depreciation	<u>(113,964)</u>
	<u>\$ 454,496</u>

Depreciation expense for the year ended June 30, 2014 was \$82,492.

NOTE 3 - LEASES

The School leases space from 21st Century Charter Schools @ Gary, Inc, a related entity. This lease expired June 30, 2014, and is renewed on an annual basis. Rent expense totaled \$300,000 for the year ended June 30, 2014.

Future minimum lease payments under operating leases at June 30, 2014, are as follows:

2015	<u>\$ 300,000</u>
	<u>\$ 300,000</u>

(Continued)

GARY MIDDLE COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

NOTE 4 - RELATED PARTY TRANSACTIONS

The School has a management agreement with GEOFF. Under the management agreement, GEOFF charges administrative and per student fees in exchange for the management, operation, administration, payroll and accounting services provided. During the year ended June 30, 2014, the School paid GEOFF fees of \$222,500. As part of the management services provided, GEOFF acts as the payor of certain operating expenses, which are reimbursed to GEOFF by the School. The School's Board retains final authority and responsibility for financial and budgetary commitments. At June 30, 2014, the School had a payable to GEOFF for \$14,340. A receivable from GEOFF is also recorded as of June 30, 2014 in the amount of \$53,250 for overpayment of administrative fees and insurance proceeds from the loss on disposal of equipment shown on the Statement of Activities.

The School also had a receivable from 21st Century Charter School @ Gary, Inc. of \$2,111 and a payable to 21st Century Charter Schools @ Gary, Inc. for \$876 as of June 30, 2014, for various payroll transactions between the entities.

NOTE 5 - CHARTER AGREEMENT

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay Ball State University an annual administrative fee equal to 3% of State tuition support, along with other licensing fees. Payments under this charter agreement were \$30,761 for the year ended June 30, 2014.

NOTE 6 - PENSION PLANS

The School's faculty and certain administrative employees are participants in a 403(b) tax deferred annuity retirement plan. All participants may contribute to the plan. There were no employer matching contributions to the plan for the year ended June 30, 2014.

The School also participates in the Public Employment Retirement Fund (PERF) and the Teacher's Retirement Fund (TRF). Employees are required to contribute 3% of gross wages to their respective plan. The School is required to contribute 7.5% to TRF and 11.2% to PERF, respectively. The School's expense for the year ended June 30, 2014 was \$36,277.

SUPPLEMENTARY INFORMATION

GARY MIDDLE COLLEGE, INC.
OTHER REPORT
Year Ended June 30, 2014

The reports presented herein were prepared in addition to another report prepared for the School as listed below:

Indiana State Board of Accounts Compliance Report of Gary Middle College, Inc.

The above report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.



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January 12, 2016

Charter School Board
Gary Middle College, Inc.
556 Washington St.
Gary, IN 46402

We have reviewed the Financial Statements and Independent Auditors' Report prepared by Crowe Horwath LLP, Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Gary Middle College, Inc., as of June 30, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In addition to the report presented herein, a Supplemental Audit Report for Gary Middle College, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Financial Statements and Independent Auditors' Report and the Supplemental Audit Report are filed in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

GARY MIDDLE COLLEGE, INC.

FINANCIAL STATEMENTS

June 30, 2015 and 2014

GARY MIDDLE COLLEGE, INC.

FINANCIAL STATEMENTS
June 30, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Gary Middle College, Inc.
Gary, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Gary Middle College, Inc. (the School), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gary Middle College, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows the years then ended in conformity with accounting principles generally accepted in the United States.

Crowe Horwath LLP
Crowe Horwath LLP

Indianapolis, Indiana
October 28, 2015

GARY MIDDLE COLLEGE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 385,058	\$ 256,030
Grants receivable	38,530	65,490
Prepaid expenses	16,684	5,956
Due from related parties	1,008	55,361
Property and equipment, net	<u>411,429</u>	<u>454,496</u>
Total assets	<u>\$ 832,709</u>	<u>\$ 837,333</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	88,875	\$ 82,503
Due to related parties	<u>6,196</u>	<u>15,216</u>
Total liabilities	95,071	97,719
NET ASSETS		
Unrestricted	<u>737,638</u>	<u>739,614</u>
Total liabilities and net assets	<u>\$ 832,709</u>	<u>\$ 837,333</u>

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Public support and revenues		
Federal grants	\$ 62,240	\$ 360,757
State and local grants	1,603,666	1,885,439
Supporting services	21,423	-
Loss on disposal of property and equipment	<u>(17,050)</u>	<u>(14,650)</u>
Total revenue and support	<u>1,670,279</u>	<u>2,231,546</u>
Expenses		
Federal grant funded program activities	65,365	100,196
State and local grant funded program activities	834,705	777,676
School operations and building services	541,199	555,437
Education supporting services	<u>214,008</u>	<u>222,500</u>
Total program expenses	1,655,277	1,655,809
Management and general	<u>16,978</u>	<u>3,178</u>
Total expenses	<u>1,672,255</u>	<u>1,658,987</u>
Change in net assets	(1,976)	572,559
Net assets, beginning of year	<u>739,614</u>	<u>167,055</u>
Net assets, end of year	<u>\$ 737,638</u>	<u>\$ 739,614</u>

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.
 STATEMENTS OF CASH FLOWS
 Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ (1,976)	\$ 572,559
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	88,830	82,492
Loss on disposal of property and equipment	17,050	14,650
Change in assets and liabilities		
Grants receivable	28,980	(65,490)
Prepaid expenses	(10,728)	(5,956)
Due to/from related parties	45,333	(202,962)
Accounts payable and other accrued expenses	6,372	(47,045)
Net cash from operating activities	<u>171,841</u>	<u>348,248</u>
Cash flows from investing activities		
Purchases of property and equipment	(62,813)	(134,235)
Proceeds from disposal of property and equipment	-	33,750
Net cash from investing activities	<u>(62,813)</u>	<u>(100,485)</u>
Cash flows from financing activities		
Principal payments on notes payable	-	(16,674)
Net cash from financing activities	<u>-</u>	<u>(16,674)</u>
Net change in cash and cash equivalents	109,028	231,089
Cash and cash equivalents, beginning of year	<u>256,030</u>	<u>24,941</u>
Cash and cash equivalents, end of year	<u>\$ 365,058</u>	<u>\$ 256,030</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ -	\$ 319

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization: Gary Middle College, Inc. (the School) is a nonprofit corporation established to operate a charter school. The School is dedicated to ensure that all students armed with the skills and tools they will need to not only receive a high school diploma, but also to excel at the collegiate level.

The School was established under the laws of the State of Indiana, and operates under a Board of School Directors form of government. The financial statements of the School are combined into the Greater Education Opportunities Foundation (GEOF) financial statements due to economic control.

Method of Accounting: The School maintains its accounts on the accrual basis of accounting and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Income Taxes: The School is exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the School is not considered to be a private foundation under Section 509(a) of the Internal Revenue Code.

The School has adopted applicable guidance with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit will be recorded.

The School does not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. The School recognizes interest and/or penalties related to income tax matters in income tax expense. The School did not have any amounts accrued for interest and penalties at June 30, 2015 and 2014.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000. Bank balances may periodically exceed FDIC insured limits. For the purpose of the statement of cash flows, the School considers all highly liquid debt instruments, if any, purchased with a maturity of three months or less to be cash equivalent.

Grants Receivable: Grants receivable balances consist of amounts billed or billable for services provided or contracted and are due within one year. The School does not accrue interest on any of its grants receivables.

(Continued)

GARY MIDDLE COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowances: No allowance for doubtful accounts is recorded as of June, 30, 2015 and 2014. The allowances are based upon prior experience and management's analysis of specific receivables and promises to give. Losses are charged off to the reserve when management deems further collection efforts will no longer produce additional recoveries. The School currently considers all receivables to be fully collectible.

Property and Equipment: Expenditures for property and equipment and items in excess of \$500 which substantially increase the useful lives of existing assets are capitalized at cost or at fair value at date of gift. Repairs and maintenance costs are expensed as incurred. Depreciation has been computed on straight-line method at rates designed to depreciate the costs of assets over their estimated useful lives as follows:

Property and equipment	3-7 years
------------------------	-----------

Impairment of Long-Lived Assets: In accordance with GAAP, the School reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of June 30, 2015 and 2014, management believes that no impairment exists.

Fair Value of Financial Instruments: The carrying value of all the School's financial instruments, which include cash and cash equivalents and accounts payable, approximate fair values. Grants receivable are not readily marketable. The School has estimated their fair value to be the carrying value.

Basis of Presentation: The School follows GAAP and reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets – The unrestricted net asset class includes general assets and liabilities of the School. The unrestricted net assets of the School may be used at the discretion of management to support the School's purposes and operations.

Temporarily Restricted Net Assets – The temporarily restricted net asset class includes assets of the School related to gifts and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. The School had no temporarily restricted net assets as of June 30, 2015 and 2014.

Permanently Restricted Net Assets – The permanently restricted net asset class includes assets of the School related to contributions and other inflows of assets whose use by the School is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the School. The School had no permanently restricted net assets as of June 30, 2015 and 2014.

Federal and State Grants: Support funded by grants is recognized as the School performs the contracted services under various grant agreements. Grant revenue is typically recognized as earned as the eligible expenses are incurred. Some of the School's grant agreements are not on a cost reimbursement basis, and support is recognized when earned. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

(Continued)

GARY MIDDLE COLLEGE, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional and Allocated Expenses: Expenses are charged directly to activities when specifically identifiable. All other costs are allocated to the activities based upon various actual statistical bases. Salaries and related expenses are charged based on the relative amount of time historically spent by personnel.

Advertising: The School expenses advertising costs as incurred. During 2015 and 2014, expenses totaling \$19,775 and \$13,212, were incurred for advertising.

Reclassifications: Certain prior year amounts have been reclassified to conform with the current year presentation. The reclassifications had no effect on results of operations or net assets.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2015, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2015. Management has performed their analysis through October 28, 2015, the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

At June 30, the carrying value of furniture, equipment, and textbooks consists of the following:

	<u>2015</u>	<u>2014</u>
Property and equipment	\$ 598,273	\$ 568,460
Less: accumulated depreciation	<u>(186,844)</u>	<u>(113,964)</u>
	<u>\$ 411,429</u>	<u>\$ 454,496</u>

Depreciation expense for the years ended June 30, 2015 and 2014 were \$88,830 and \$82,492, respectively.

NOTE 3 - LEASES

The School leases space from 21st Century Charter Schools @ Gary, Inc, a related entity. This lease expired June 30, 2015, and is being renewed on an annual basis. Rent expense totaled \$300,000 for the year ended June 30, 2015 and 2014.

Future minimum lease payments under operating leases at June 30, 2015, are as follows:

2016	<u>\$ 300,000</u>
	<u>\$ 300,000</u>

(Continued)

GARY MIDDLE COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 4 - RELATED PARTY TRANSACTIONS

The School has a management agreement with GEOFF. Under the management agreement, GEOFF charges administrative and per student fees in exchange for the management, operation, administration, payroll and accounting services provided. During the years ended June 30, 2015 and 2014, the School paid GEOFF fees of \$200,000 and \$222,500, respectively. As part of the management services provided, GEOFF acts as the payor of certain operating expenses, which are reimbursed to GEOFF by the School. The School's Board retains final authority and responsibility for financial and budgetary commitments. At June 30, 2015 and 2014, the School had a payable to GEOFF for \$4,208 and \$14,340, respectively. A receivable from GEOFF is also recorded as of June 30, 2014 in the amount of \$53,250 for overpayment of administrative fees and insurance proceeds from the loss on disposal of equipment shown on the Statements of Activities. There was no receivable outstanding at June 30, 2015.

At June 30, 2015 and 2014, the School had a receivable balance in the amount of \$1,008 and \$2,111 due from 21st Century Charter School @ Gary, Inc. and a payable to 21st Century Charter School @ Gary, Inc. in the amount of \$1,988 and \$876 for various payroll transactions between these entities.

NOTE 5 - CHARTER AGREEMENT

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay Ball State University an annual administrative fee equal to 3% of State tuition support, along with other licensing fees. Payments under this charter agreement were \$24,143 and \$30,761 for the years ended June 30, 2015 and 2014, respectively.

NOTE 6 - PENSION PLANS

The School's faculty and certain administrative employees are participants in a 403(b) tax deferred annuity retirement plan. All participants may contribute to the plan. There were no employer matching contributions to the plan for the years ended June 30, 2015 and 2014.

The School participates in the Indiana Public Retirement System (INPRS). INPRS includes both the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF). PERF is a defined benefit pension plan. PERF is a cost sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS. TRF is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. The School employees are required to contribute three percent of their annual covered salary. The School is required to contribute an actuarially determined rate determined annually for PERF and TRF. In addition, because the plan is considered a multiple employer plan, it is only subject to certain minimum reporting requirements of the FASB Accounting Standards Code Section 715-30-55. The School's expense for the years ended June 30, 2015 and 2014 were \$33,571 and \$36,277, respectively.

SUPPLEMENTARY INFORMATION

GARY MIDDLE COLLEGE, INC.
OTHER REPORT
Year ended June 30, 2015

The reports presented herein were prepared in addition to another report prepared for the School as listed below:

Indiana State Board of Accounts Compliance Report of Gary Middle College, Inc.

The above report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.

Statement of Activities
Gary Middle College
July 1 through January 31, 2016

Revenues		Full Year Budget	Jan YTD Actuals
	State Funding		
	State Tuition Support	\$ 1,249,796	\$ 727,210
	Adult Learner Fund	310,200	264,000
	Charter Facilities Grant	83,500	83,500
	Summer School	-	-
		<u>\$ 1,643,496</u>	<u>\$ 1,074,710</u>
	Federal Funding		
	Title I	35,096	10,670
	IDEA Special Ed Part B	39,362	(15,174)
	Title II - Professional Development	7,000	-
		<u>\$ 81,458</u>	<u>\$ (4,504)</u>
	Other		
	Other Revenue	-	31
		<u>\$ -</u>	<u>\$ 31</u>
Total Revenue		<u>\$ 1,724,954</u>	<u>\$ 1,070,237</u>
Expenses	General (non-grant) Salaries/Benefits		
	Administration/Non-Cert Support	\$ 280,000	\$ 153,598
	Instructional	600,000	153,807
	TAP bonuses/stipends (Title II)	7,000	-
	Healthy/Dental/Life	65,600	20,330
	Retirement (PRF/TRF)	65,600	24,679
	Soc Sec/Medicare	57,890	23,698
		<u>\$ 1,076,090</u>	<u>\$ 376,112</u>
	Student Support/Supplies		
	Classroom Supplies	\$ 30,000	\$ 7,177
	Curriculum	40,000	-
	Other Professional Development	30,000	2,347
	Other Extra Curriculars	5,000	-
	College (Textbooks/Tuition)/Career	40,000	5,034
		<u>145,000</u>	<u>14,558</u>
	Office/Operations		
	W Comp/Unempl	\$ 26,610	\$ 7,572
	Bonds	2,000	-
	Package (DBQ, P&C)	20,000	18,385
	Marketing	-	21,057
	Postage	6,000	92
	Travel (incl student)	10,000	14,264
	Copier	20,000	632
	Office Supplies	30,000	11,778
	Connectivity	40,000	2,739
		<u>154,610</u>	<u>76,498</u>
	Capital Expenditures		
	Furniture & Equipment	\$ 150,000	\$ -
	Building Rental	300,000	175,000
	Building Maintenance and Repair	-	6,469
	Depreciation and Amortization	-	52,384
	Transfer Capital Expenditures to balance sheet	-	-
		<u>450,000</u>	<u>233,853</u>

Service Contracts			
IDEA Related Services	\$	39,962	\$ 473
Joint Staff Reimbursements		-	84,595
Payroll Processing		5,000	894
Audit		15,000	6,700
Technology Services		50,000	14,949
Child Care		60,000	39,120
Security		25,000	33,448
Administrative		155,000	116,667
		<u>351,962</u>	<u>296,845</u>
Other Expenditures			
BSU Fees	\$	46,800	\$ 16,496
Dues and Fees		5,000	4,846
Other		-	-
Food Purchases		-	1,852
		<u>51,800</u>	<u>23,194</u>
Title I - Main			
Certified Salaries/Benefits		<u>35,096</u>	<u>10,670</u>
		35,096	10,670
Subtotal Expenses	\$	<u>2,263,958</u>	\$ <u>1,031,731</u>
Excess Revenue Over (Under) Expenses	\$	<u>(589,004)</u>	\$ <u>38,507</u>
Available Fund Carryover	\$	300,000	
Charter Loan Proceeds		200,000	
Total	\$	<u>(39,004)</u>	

Statement of Financial Position
 Gary Middle College
 At 1-31-2016

Assets		
	Cash	\$ 687,343
	Accounts Receivable	2,319
	Intercompany A/R	3,500
	Prepaid Expenses	18,056
	Fixed Assets	598,272
	Accumulated Depreciation	(239,228)
	Net Fixed Assets	359,044
	Deposits	1,500
Total Assets		<u>\$ 1,071,763</u>
Liabilities		
	Accounts Payable	\$ 24,167
	Student Deposits	4,574
	Payroll Withholdings	1,189
	Intercompany A/P	14,202
	School Loan	200,000
	Accrued Payroll	51,487
	Total Liabilities	<u>295,619</u>
Fund Balance (Equity)		
	Prior Year Fund Balance	737,637
	Current Year Net Income (Loss)	38,507
	Total Fund Balance	<u>776,143</u>
Total Liabilities and Fund Balance		<u>\$ 1,071,763</u>

3/1/2016

Attachment 23
Attachment 23
Organizational Financial Statements (Outside of Indiana)

Pikes Peak Prep (Colorado Springs, CO)

- 2012-2013 (audit)
- 2013-2014 (audit)
- 2014-2015 (audit)
- December 2015 (interim statement)

GEO Prep Academy of Greater Baton Rouge (Baton Rouge, Louisiana)

Opened August, 2015

- December 2015 (interim statement)

GEO Foundation

At this time, as GEO Foundation is not a state-sponsored entity, we generally do not publish our financial statements unless required by operation of law. Our Management Fees charged to the schools are public and transparent on the individual schools' financials, reflect market value (or less), are independently negotiated at arm's length via contract, and approved by authorizers through the charter contract. Like others that have applied to and been approved by the ISCB, should this information be required, we would prefer to provide this information in a context that is not published in a public format.

**Pikes Peak Prep
Colorado Springs, Colorado**

FINANCIAL STATEMENTS

With Independent Auditors' Report

June 30, 2012

Pikes Peak Prep

BASIC FINANCIAL STATEMENTS

June 30, 2012

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**WAGNER
BARNES, PC**

Certified Public Accountants & Business Consultants

Independent Auditors' Report

Board of Directors
Pikes Peak Prep
Colorado Springs, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Pikes Peak Prep (the School), as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pikes Peak Prep, as of June 30, 2012, and the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Wagner Barnes, PC

Lakewood, Colorado
October 26, 2012

Management's Discussion and Analysis
Pikes Peak Prep
June 30, 2012

As management of Pikes Peak Prep Charter School, we offer readers of Pikes Peak Prep's financial statements this narrative overview and analysis of the financial activities of the school for the fiscal year ended June 30, 2012. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the school's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The school's total net assets decreased by \$76,408, although the cumulative fund balance remained positive at \$56,088. It is important to recognize that this was not an operating loss, in that the school met budget and maintained a positive cash flow, however, accounting principles require the accruing of the remaining teacher summer salaries, and a reflection of depreciation, both of which combined to decrease the net value.
- There was no significant increase in revenues, as enrollment remained stable from the prior year.
- There was no significant additional debt incurred this year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the school's basic financial statements. The first statement is the Statement of Net Assets, which demonstrates the school's current net assets and change in position since next year. The second statement is the Statement of Activities, which demonstrates the revenues and expenses by activity (primarily Government Funds). The third statement is the school's Balance Sheet of Governmental Funds, which demonstrates the fund balances for the Governmental Funds only. The fourth and final statement is the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

GOVERNMENTAL FUNDS

Governmental Funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the school's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out; therefore, increases in capital improvements are not recognized in this statement (although those investments are reflected in the Net Assets). Governmental funds are reported using an accounting method called "modified accrual accounting" that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the school's programs.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets serve over time as one useful indicator of a school's financial condition. In this case, while the prior two years demonstrated an increase in the net assets of the school, this year, the school reflected an accrued loss of \$51,222, plus net depreciation and debt payments that caused a final net loss of \$76,408. Looking forward, the school has experienced a significant increase in enrollment for 2012-2013, and anticipates that the prior trend towards increasing the net assets will continue.

ANALYSIS OF LIABILITIES and RESTRICTED FUNDS

The school made no significant additions or changes to debt in the 2011-12 school year.

The school maintained its Tabor reserve at \$61,000, as required by statute. These funds are considered restricted.

Statements of Net Assets

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Cash	\$ 116,279	\$ 81,645
Accounts receivable and prepaid expenses	26,209	87,791
Capital assets	157,557	236,787
Total Assets	<u>300,045</u>	<u>406,223</u>
<u>Liabilities</u>		
Current liabilities	86,400	62,126
Noncurrent liabilities	758,305	812,349
Total Liabilities	<u>844,705</u>	<u>874,475</u>
<u>Net Assets</u>		
Investment in capital assets, net of related debt	157,557	236,787
Restricted for emergencies	61,000	61,000
Unrestricted	(763,217)	(766,039)
Total Net Assets	<u>\$ (544,660)</u>	<u>\$ (468,252)</u>

Changes in Net Assets

	Governmental Activities	
	2012	2011
Revenues		
Local sources	\$ 1,819,780	\$ 2,015,465
State sources	34,738	27,810
Federal sources	207,174	189,877
Total Revenues	<u>2,061,692</u>	<u>2,233,152</u>
Expenses		
Current		
Instruction	810,423	833,010
Supporting services	1,316,299	1,363,571
Debt service interest	11,378	10,098
Total Expenses	<u>2,138,100</u>	<u>2,206,679</u>
Change in Net Assets	(76,408)	26,473
Net Assets-Beginning	<u>(468,252)</u>	<u>(494,725)</u>
Net Assets-Ending	\$ <u>(544,660)</u>	\$ <u>(468,252)</u>

REQUESTS FOR INFORMATION:

This report is designated to provide an overview of the school's finances for those with an interest in this area. Questions concerning any of the information found in this report of requests for additional information should be directed to the Treasurer, Pikes Peak Prep, c/o GEO Foundation, 1630 N Meridian Street, Suite 350, Indianapolis, IN 46202.

Basic Financial Statements

Pikes Peak Prep

STATEMENT OF NET ASSETS

June 30, 2012

	<u>Governmental Activities</u>
Assets	
Cash	\$ 116,279
Account receivable	4,199
Prepaid expenses	22,010
Capital assets, net of accumulated depreciation	<u>157,557</u>
Total assets	<u>300,045</u>
Liabilities	
Accounts payable	21,918
Accrued expenses	2,733
Accrued salaries and benefits	61,749
Noncurrent liabilities	
Due within one year	219,061
Due in more than one year	<u>539,244</u>
Total liabilities	<u>844,705</u>
Net Assets	
Invested in capital assets, net of related debt	157,557
Restricted for emergencies	61,000
Unrestricted	<u>(763,217)</u>
Total net assets	<u>\$ (544,660)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

Pikes Peak Prep

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

Functions/Programs:	Program Revenues				
	Expenses	Changes for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government					
Governmental Activities					
Instructional	\$ 810,424	\$ -	\$ 112,181	\$ -	(698,243)
Supporting services	1,316,299	21,182	61,558	93,410	(1,140,149)
Interest on long term debt	11,378	-	-	-	(11,378)
Total primary government	<u>\$ 2,138,101</u>	<u>\$ 21,182</u>	<u>\$ 173,739</u>	<u>\$ 93,410</u>	<u>(1,849,770)</u>
General revenues:					
Per Pupil Revenue					1,757,464
Other revenue					15,898
Total general revenues					<u>1,773,362</u>
Change in net assets					(76,408)
Net assets - beginning of year					(468,252)
Net assets - ending of year					<u>\$ (544,660)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

Pikes Peak Prep

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2012

	<u>General Fund</u>
Assets	
Cash	\$ 116,279
Account receivable	4,199
Prepaid expenses	22,010
Total assets	<u>142,488</u>
Liabilities	
Accounts payable	21,918
Accrued expenses	2,733
Accrued salaries and benefits	61,749
Total liabilities	<u>86,400</u>
Fund balances	
Restricted for emergencies	61,000
Unassigned	(4,912)
Total fund balances	<u>56,088</u>
Total liabilities and fund balance	<u>\$ 142,488</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Government fund balance	\$ 56,088
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. This amount is net of accumulated depreciation of \$662,274 at June 30, 2012.	157,557
Long-term liabilities are not due and payable in the current period and are not reported in the funds	<u>(758,305)</u>
Net assets of governmental activities	<u>\$ (544,660)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

Pikes Peak Prep
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND

For the Year Ended June 30, 2012

	General Fund
Revenues	
Local sources	\$ 1,819,780
State sources	34,738
Federal sources	207,174
Total revenues	2,061,692
Expenditures	
Current	
Instruction	729,718
Supporting services	1,316,299
Capital expenditures	1,475
Debt Service	
Principal	54,044
Interest	11,378
Total expenditures	2,112,914
Excess of revenues over (under) expenditures	(51,222)
Fund balances - beginning	107,310
Fund balances - ending	\$ 56,088

The accompanying Notes to Financial Statements are an integral part of these statements.

Pikes Peak Prep

Reconciliation of The Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Fund
To The Statement of Activities
Year Ended June 30, 2012

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (51,222)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount that capital outlay \$1,475, exceeded depreciation expense (\$80,705) during the year.	(79,230)
Repayment of long-term debt and related costs are reported as an expenditure in the governmental funds and decrease fund balance. For the entity as a whole, however, these costs and payments reduce the liabilities or are capitalized in the statement of net assets and do not result in an expense in the statement of activities. This is the amount principal payments on long term debt for the year.	54,044
Change in net assets of governmental activities	<u>\$ (76,408)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

Pikes Peak Prep

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND**

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)
Revenues				
Local sources				
Per pupil revenue	\$ 1,724,250	\$ 2,026,964	\$ 1,757,464	\$ (269,500)
Tuition and fees	-	-	21,182	21,182
Grants and contributions	28,200	-	25,237	25,237
Other	-	-	15,897	15,897
Federal and state sources				
Grants and donations	179,000	151,000	241,912	90,912
Total revenues	<u>1,931,450</u>	<u>2,177,964</u>	<u>2,061,692</u>	<u>(116,272)</u>
Expenditures				
Salaries	715,000	789,000	793,350	(4,350)
Employee benefits	207,100	225,460	263,748	(38,288)
Purchased services	221,000	262,000	402,249	(140,249)
Purchased services - Occupancy	392,000	399,000	404,177	(5,177)
Supplies and materials	226,500	238,500	163,004	75,496
Property	-	-	1,475	(1,475)
Other	98,000	141,000	19,489	121,511
Debt services				
Principal	16,600	16,600	54,044	(37,444)
Interest	50,000	50,000	11,378	38,622
Total expenditures	<u>1,926,200</u>	<u>2,121,560</u>	<u>2,112,914</u>	<u>8,646</u>
Excess of revenues over (under) expenditures	<u>5,250</u>	<u>56,404</u>	<u>(51,222)</u>	<u>(107,626)</u>
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>107,310</u>	<u>107,310</u>
Fund balance - ending	<u>\$ 5,250</u>	<u>\$ 56,404</u>	<u>\$ 56,088</u>	<u>\$ (316)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

Pikes Peak Prep
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 1 – Reporting entity

Pikes Peak Prep (School) was formed on 2005 pursuant to the Colorado Charter School Act to form and operate a charter school. The School previously operated under the name “21st Century Charter School at Colorado Springs”, but changed its name to “Pikes Peak Prep” during the fiscal year 2009.

The School follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of an organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

As of June 30, 2012, no component unit has been identified as reportable to the School.

Note 2 - Summary of significant accounting policies

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all non-fiduciary activities of the School. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of net assets reports all financial and capital resources of the School. The difference between the assets and liabilities of the School is reported as net assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2012

of a particular function or segment. Unrestricted intergovernmental revenues and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting, and financial statement presentation

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

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

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

Internally dedicated resources are reported as general revenues rather than as program revenues.

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

The School reports the following major governmental fund:

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2012

General Fund – This fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires School management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

D. Cash and investments and cash equivalents

Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

The School's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of six months or less from the date of acquisition

Investments for the School are reported at fair value.

E. Capital assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School as those with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: equipment, 3 to 7 years.

Pikes Peak Prep
NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2012

F. Fund equity

Beginning with fiscal year 2011 the School implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expenses or inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation. The School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the School's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors. The School did not have any committed resources as of June 30, 2012.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the School's policy to use the most restrictive classification first.

As June 30, 2012, the School had \$61,000 restricted by legislation (for emergencies).

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2012

G. Budgetary information

Formal budgetary integration is employed as a management control device during the year. Formal budgetary integration is also employed to comply with the State of Colorado Budget Law. The total fund expenditure amounts are the control for establishing what level of expenditures a fund can reach without exceeding appropriations.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. In accordance with the Colorado State Budget Law, the School's Board of Directors follows these procedures in establishing the budgetary data reflected in the financial statements:

- Management submits to the Board of Directors a proposed operating budget for each fund, based on their respective basis of accounting, for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them, but expenditures may not legally exceed appropriations at the fund level. Before June 30, the expenditures are appropriated for the ensuing year. The appropriation is at the total fund level and lapses at year-end.

During the year ended June 30, 2012, the School amended its original budget in the general fund, increasing budgeted revenue from \$1,931,450 to \$2,177,964, and increasing budgeted expenditures from \$1,926,200 to \$2,121,560.

H. Income taxes

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The School's Forms 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2012, 2011, and 2010 are subject to examination by the IRS, generally for three years after they were filed.

Note 3 – Cash and investments

Cash is reflected on the July 30, 2012 statements of net assets as follows:

Cash	<u>\$ 116,279</u>
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Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2012

Cash at June 30, 2012 consist of the following:

Deposits with financial institutions	\$ 56,158
TABOR restricted cash reserve deposits	<u>60,121</u>
Total cash	<u>\$ 116,279</u>

A. Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. At June 30, 2011, State regulatory commissioners have indicated that all financial institutions holding deposits for the School are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2012, the School's cash deposits had a bank balance of \$144,465 and a carrying balance of \$116,279.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School has no policy regarding custodial credit risk for deposits.

B. Investments

The School has not adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The School had no investments at June 30, 2012.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities

Pikes Peak Prep

NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2012

- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Note 4 – Capital assets

Changes in capital assets for the year ended June 30, 2012 are summarized as follows:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Activities				
Capital Assets, Being Depreciated:				
Equipment	\$ 778,355	\$ 1,475	\$ -	\$ 779,830
Less Accumulated Depreciation:				
Equipment	541,568	80,705	-	622,273
Net Capital Assets	<u>\$ 236,787</u>	<u>\$ (79,230)</u>	<u>\$ -</u>	<u>\$ 157,557</u>

Depreciation has been charged to the Instructional program for the School.

Note 5 – Accrued salaries and benefits

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2012, were \$61,749. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

Note 6 – Long-term debt

The following is a summary of the School's long-term debt transactions for the year ended June 30, 2012:

Pikes Peak Prep

NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2012

	Balance June 30, 2011	Additions	Payments	Balance June 30, 2012	Due in One Year
Line of Credit	\$ 149,065	\$ -	\$ -	\$ 149,065	\$ 149,065
Note Payable	83,555	-	20,187	63,368	19,996
Loan Payable	579,729	-	33,857	545,872	50,000
	<u>\$ 812,349</u>	<u>\$ -</u>	<u>\$ 54,044</u>	<u>\$ 758,305</u>	<u>\$ 219,061</u>

Line of Credit

The School obtained a line of credit from Old National Bank. The line of credit carries a variable interest rate of prime plus one percent which was 4.95% at June 30, 2012. The School is required to make monthly interest payments on the amount drawn. The School converted a portion of the line of credit into a long term note. The School renewed the line of credit in June 2012.

Note Payable

In June 2010, the School entered into a loan agreement in the amount of \$100,000 with Old National Bank. Proceeds of the note were use to pay down the School's line of credit. The note is unsecured and carries and accrues interest at a rate of 5.6% per year. Monthly principal and interest payments in the amount of \$1,919 are due through June 2015.

Loan Payable

During 2011, the School entered into a loan agreement for the repayment of amounts previously owned to the GEO Foundation. Per the term of this agreement, the School has agreed to pay the Foundation a total of \$631,013, at a rate of \$50,000 per year, through June 2023. This loan does not bear interest. For the year ended June 30, 2012, the School made a net payment of \$33,857.

Pikes Peak Prep

NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2012

Future debt services requirements are as follows:

<u>Year Ended June, 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 219,061	\$ 3,032	\$ 222,093
2014	71,140	1,884	73,024
2015	72,065	669	72,734
2016	50,000	-	50,000
2017	50,000	-	50,000
2018-2022	250,000	-	250,000
2023	46,039	-	46,039
Total	<u>\$ 758,305</u>	<u>\$ 5,585</u>	<u>\$ 763,890</u>

Note 7 – Agreement

Management agreement

The School entered into a management agreement with the Greater Educational Opportunities Foundation, Inc. (GEO), which is not-for-profit 501(c)(3) research and educational institution. The current agreement terminates June 30, 2015 at which time it automatically renews for a term equivalent to the term of the Charter Agreement, unless either party notifies the other within a 120 day period prior to the first day of the new school year of their attention not to renew the agreement. While the Board has contracted the daily operations of the School to GEO, the Board remains responsible for all budgetary and policy issues, in addition to holding GEO accountable for the administration, operation, and performance of the School in accordance with the School's contract with the Charter School Institute.

The agreement requires that the School pay Geo an administrative fee equal to the amount set forth and approved by the Board its annual budget. For the year ended June 30, 2012 the administrative fees charged to the School totaled \$159,000.

Per the terms of the agreement, GEO shall maintain all bank accounts and shall process all vendor invoices and payroll checks for the School. Vendor invoices include, but are not limited to, curriculum materials, textbooks, furniture, computers, building payments and maintenance costs. If at the close of the month, the School's debts exceed its available cash, GEO shall loan the School an amount necessary to cover the amounts owed by the School.

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2012

Note 8 – Risk management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School purchases commercial insurance for these risks of loss.

Note 9 – Defined benefit pension plan

Plan Description. GEO, on behalf of the School contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the School are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy. The School is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for member is 8.0% and for the School it is 10.15% of covered salary. A portion of the School's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 9). If the School rehires PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions on the amounts paid for the retiree, the member is required to contribute 8% of covered payroll. The School is also required to pay an amortization equalization disbursement equal to 4.6% of the total payroll for the calendar year 2012. For the years ending June 30, 2010, 2011, and 2012 the School's employer contributions for the SDTF were \$102,018, \$101,362, and \$104,494, respectively, equal to their required contributions for each year.

Note 10 – Postemployment healthcare benefits

Plan description. GEO, on behalf of the School contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2012

12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy. The School is required to contribute at a rate of 1.02% of covered alary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The appointment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. For the years ending June 30, 2010, 2011 and 2012, the School's employer contribution to the HCTF were \$7,658, \$7,233, and \$8,339, respectively, equal to their required contributions for each year.

Note 11 – Commitments and contingencies

Operating Lease

The School has entered into a non-cancellable operating lease for a building with the GEO Foundation Holdings Colorado, LLC. Required rent payments may be increased on an annual basis at a maximum rate of 7% per year. The term of the lease ends on August 31, 2012 and may be renewed with the written agreement of both parties.

The future minimum lease payments are as follows:

Year Ended	
<u>June 30</u>	
2013	\$50,000

Total rent expense for the year ended June 30, 2012 for the lease was \$300,000.

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2012, significant amounts of grant expenditures have not been audited, but the School

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2012

believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the Academy has established a reserve for emergencies. At June 30, 2012, the reserve of \$61,000 was recorded as a reservation of fund balance in the General Fund.

**Pikes Peak Prep
Colorado Springs, Colorado**

FINANCIAL STATEMENTS

With Independent Auditors' Report

June 30, 2014

Pikes Peak Prep

BASIC FINANCIAL STATEMENTS

June 30, 2014

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Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Pikes Peak Prep
Colorado Springs, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Pikes Peak Prep (the School) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

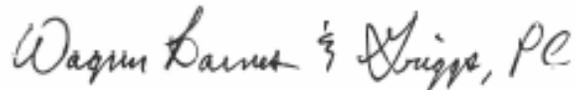
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pikes Peak Prep, as of June 30, 2014, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

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



Lakewood, Colorado
September 29, 2014

Management's Discussion and Analysis
Pikes Peak Prep
June 30, 2014

As management of Pikes Peak Prep Charter School, we offer readers of Pikes Peak Prep's financial statements this narrative overview and analysis of the financial activities of the school for the fiscal year ended June 30, 2014. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the school's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The school's total net position increased by \$56,262, and the cumulative fund balance increased \$75,228, to \$261,282.
- Revenues and expenses increased by approximately 6% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the school's basic financial statements. The first statement is the Statement of Net Position, which demonstrates the school's current net position and change in position since last year. The second statement is the Statement of Activities, which demonstrates the revenues and expenses by activity (primarily Government Funds). The third statement is the school's Balance Sheet of Governmental Funds, which demonstrates the fund balances for the Governmental Funds only. The fourth and final statement is the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

GOVERNMENTAL FUNDS

Governmental Funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the school's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out; therefore, increases in capital improvements are not recognized in this statement (although those investments are reflected in the Net Position). Governmental funds are reported using an accounting method called "modified accrual accounting" that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the school's programs.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position serves over time as one useful indicator of a school's financial condition. In this case, the school still reflects a deficit in net position from losses incurred in prior years. However, while the school has made only a slight gain this year in decreasing those losses, as the school remains stable in enrollment and continues to retire debt, it is anticipated that the negative net asset balance will further decrease in future years.

ANALYSIS OF RESTRICTED FUNDS

The school maintained its Tabor reserve at \$81,200, as required by statute. These funds are considered restricted.

Statements of Net Position		
	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash	\$ 146,172	\$ 102,882
Receivables and prepaid expenses	234,769	199,273
Capital assets	65,739	91,175
Total Assets	<u>446,680</u>	<u>393,330</u>
<u>Liabilities</u>		
Current liabilities	119,659	116,101
Long-term liabilities outstanding	816,964	823,434
Total Liabilities	<u>936,623</u>	<u>939,535</u>
<u>Net Assets</u>		
Net investment in capital assets	42,282	67,718
Restricted for emergencies	81,200	67,300
Unrestricted	(613,425)	(681,223)
Total Net Position	<u>\$ (489,943)</u>	<u>\$ (546,205)</u>

Changes in Net Position

	Governmental Activities	
	2014	2013
Revenues		
Local sources	\$ 2,291,944	\$ 2,217,466
State sources	49,468	30,488
Federal sources	362,992	301,272
Total Revenues	2,704,404	2,549,226
Expenses		
Current		
Instruction	1,173,890	1,055,393
Supporting services	1,468,818	1,487,346
Debt service interest	5,434	8,032
Total Expenses	2,648,142	2,550,771
Change in Net Position	56,262	(1,545)
Net Position-Beginning	(516,205)	(511,660)
Net Position-Ending	\$ (489,943)	\$ (513,205)

REQUESTS FOR INFORMATION:

This report is designated to provide an overview of the school's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Treasurer, Pikes Peak Prep, c/o GEO Foundation, 1630 N Meridian Street, Suite 350, Indianapolis, IN 46202.

Basic Financial Statements

PIKES PEAK PREP
STATEMENT OF NET POSITION
June 30, 2014

	Governmental Activities
ASSETS	
Cash	\$ 146,172
Account receivable	219,002
Prepaid expenses	15,767
Capital assets, net of accumulated depreciation	65,739
Total assets	446,680
LIABILITIES	
Accounts payable	26,236
Accrued expenses	5,088
Accrued salaries and benefits	83,612
Deferred revenue	4,723
Noncurrent liabilities	
Due within one year	121,281
Due in more than one year	695,683
Total liabilities	936,623
NET POSITION	
Net investment in capital assets	42,282
Restricted for emergency	81,200
Unrestricted	(613,425)
Total net position	\$ (489,943)

The accompanying Notes to the Financial Statements are an integral part of these

PIKES PEAK PREP

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2014

Functions/Programs:	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental Activities					
Instructional	\$ 1,173,890	\$ -	\$ 591,550	\$ -	\$ (582,340)
Supporting services	1,468,818	7,216	65,150	160,598	(1,235,854)
Interest on long-term debt	5,434	-	-	-	(5,434)
Total primary government	<u>2,648,142</u>	<u>7,216</u>	<u>656,700</u>	<u>160,598</u>	<u>(1,823,628)</u>

General revenues:

Per pupil revenue	1,878,407
Other revenue	1,483
Total general revenues	<u>1,879,890</u>
	56,262
	<u>(546,205)</u>
	<u>\$ (489,943)</u>

Change in net position

Net position - beginning of year	
Net position - ending of year	

The accompanying Notes to the Financial Statements are an integral part of these statements.

**PIKES PEAK PREP
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

	General Fund
ASSETS	
Cash	\$ 146,172
Account receivable	219,002
Prepaid expenses	15,767
Total assets	380,941
 LIABILITIES	
Accounts payable	26,236
Accrued expenses	5,088
Accrued salaries and benefits	83,612
Deferred revenue	4,723
Total liabilities	119,659
 FUND BALANCES	
Restricted for emergencies	81,200
Unassigned	180,082
Total fund balances	261,282
TOTAL LIABILITIES AND FUND BALANCE	\$ 380,941

Amounts reported for governmental activities
in the statement of net position are different because:

Government fund balance	\$ 261,282
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. This amount is net of accumulated depreciation of \$732,053 at June 30, 2014	65,739
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(816,964)
Net position of governmental activities	\$ (489,943)

The accompanying Notes to the Financial Statements are an integral part of these statements.

PIKES PEAK PREP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	General Fund
REVENUES	
Local sources	\$ 2,291,944
State sources	49,468
Federal sources	362,992
Total revenues	2,704,404
EXPENDITURES	
Current	
Instruction	1,130,493
Supporting services	1,468,818
Capital expenditures	17,961
Debt Service:	
Principal	68,100
Interest	5,434
Total expenditures	2,690,806
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,598
OTHER FINANCING SOURCES	
Loan proceeds	61,630
Total other financing sources	61,630
NET CHANGE IN FUND BALANCE	75,228
FUND BALANCE - BEGINNING	186,054
FUND BALANCE - ENDING	\$ 261,282

The accompanying Notes to the Financial Statements are an integral part of these statements.

PIKES PEAK PREP
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds:	\$ 75,228
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital expenditures	17,961
Depreciation expense	(43,397)
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Principal payments	68,100
Loan proceeds	(61,630)
Change in net position of governmental activities	\$ 56,262

The accompanying Notes to the Financial Statements are an integral part of these statements.

PIKES PEAK PREP

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources				
Per pupil revenue	\$ 2,537,600	\$ 1,835,928	\$ 1,878,407	\$ 42,479
Tuition and fees	-	-	7,216	7,216
Grants and contributions	208,000	709,705	26,838	(682,867)
Other	-	350,000	379,483	29,483
Federal and state sources	-	-	412,460	412,460
Total revenues	<u>2,745,600</u>	<u>2,895,633</u>	<u>2,704,404</u>	<u>(191,229)</u>
EXPENDITURES				
Salaries	1,034,667	972,500	1,056,167	(83,667)
Employee benefits	289,014	285,638	289,320	(3,682)
Purchased services	430,604	456,805	558,128	(101,323)
Purchased services - Occupancy	401,000	400,000	431,722	(31,722)
Supplies, repair, and materials	191,000	187,000	256,532	(69,532)
Other	-	-	7,442	(7,442)
Capital expenditures	214,983	533,677	17,961	515,716
Debt Service				
Principal and Interest	133,143	50,000	73,534	(23,534)
Total expenditures	<u>2,694,411</u>	<u>2,885,620</u>	<u>2,690,806</u>	<u>194,814</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	51,189	10,013	13,598	3,686
OTHER FINANCING SOURCES				
Loan proceeds	-	-	61,630	61,630
Total other financing sources	<u>-</u>	<u>-</u>	<u>61,630</u>	<u>61,630</u>
NET CHANGE IN FUND BALANCE	51,189	10,013	75,228	65,215
FUND BALANCE - BEGINNING	186,054	186,054	186,054	-
FUND BALANCE - ENDING	<u>\$ 237,243</u>	<u>\$ 196,067</u>	<u>\$ 261,282</u>	<u>\$ 65,215</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

Pikes Peak Prep

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 1 – Reporting entity

Pikes Peak Prep (School) was formed on 2005 pursuant to the Colorado Charter School Act to form and operate a charter school. The School previously operated under the name "21st Century Charter School at Colorado Springs", but changed its name to "Pikes Peak Prep" during the fiscal year 2009.

The School follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of an organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

As of June 30, 2014, no component unit has been identified as reportable to the School. The School has been identified as a component unit of GEO Foundation (GEO), headquartered in Indianapolis, Indiana, because GEO controls the appointment of a majority of the School's Board of Directors and that economic interest is present due to a stipulation that any remaining funds upon the School's dissolution reverts to GEO, as well as GEO's guarantee of certain of the School's debt. See Note 8 to these financial statements for additional information.

Note 2 - Summary of significant accounting policies

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the School. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the School. The difference between the assets and liabilities of the School is reported as net position.

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

Pikes Peak Prep

NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2014

revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting, and financial statement presentation

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

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

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

Internally dedicated resources are reported as general revenues rather than as program revenues.

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

The School reports the following major governmental fund:

General Fund – This fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2014

C. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires School management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

D. Cash and investments and cash equivalents

Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

The School's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of six months or less from the date of acquisition.

Investments for the School are reported at fair value.

E. Capital assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School as those with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: equipment, 3 to 7 years.

F. Fund equity

Beginning with fiscal year 2011 the School implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2014

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expenses or inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation. The School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the School's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors. The School did not have any committed resources as of June 30, 2014.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the School's policy to use the most restrictive classification first.

G. Budgetary information

Formal budgetary integration is employed as a management control device during the year. Formal budgetary integration is also employed to comply with the State of Colorado Budget Law. The total fund expenditure amounts are the control for establishing what level of expenditures a fund can reach without exceeding appropriations.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. In accordance with the Colorado State Budget Law, the School's Board of Directors follows these procedures in establishing the budgetary data reflected in the financial statements:

Pikes Peak Prep

NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2014

- Management submits to the Board of Directors a proposed operating budget for each fund, based on their respective basis of accounting, for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them, but expenditures may not legally exceed appropriations at the fund level. Before June 30, the expenditures are appropriated for the ensuing year. The appropriation is at the total fund level and lapses at year-end.

During the year ended June 30, 2014, the School amended its original budget in the general fund, increasing budgeted revenue from \$2,745,600 to \$2,895,633, and increasing budgeted expenditures from \$2,694,411 to \$2,885,620.

H. Income taxes

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The School's Forms 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2014, 2013, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Note 3 – Cash and Investments

Cash is reflected on the June 30, 2014, statements of net position as follows:

Cash	<u>\$ 146,172</u>
------	-------------------

Cash at June 30, 2014, consists of the following:

Deposits with financial institutions	\$ 85,884
TABOR restricted cash reserve deposits	60,288
Total cash	<u>\$ 146,172</u>

A. Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. At June 30, 2011, State regulatory commissioners have indicated that all financial institutions holding deposits for the School are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2014

naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2014, the School's cash deposits had a bank balance of \$171,982 and a carrying balance of \$146,172.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School has no policy regarding custodial credit risk for deposits.

B. Investments

The School has not adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The School had no investments at June 30, 2014.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Note 4 – Capital assets

Changes in capital assets for the year ended June 30, 2014 are summarized as follows:

Pikes Peak Prep

NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2014

	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014
Governmental Activities				
Capital assets, Being Depreciated:				
Equipment	\$ 779,831	\$ 17,961	\$ -	\$ 797,792
Less Accumulated Depreciations:				
Equipment	688,656	43,397	-	\$ 732,053
Capital assets, net	\$ 91,175	\$ (25,436)	\$ -	\$ 65,739

Depreciation has been charged to the Instructional program for the School.

Note 5 – Accrued salaries and benefits

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2014, were \$83,612. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

Note 6 – Long-term debt

The following is a summary of the School's long-term debt transactions for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due in One Year
Note Payable	\$ 108,400	\$ -	\$ 47,002	\$ 61,398	\$ 48,947
Note Payable	43,432	-	21,098	22,334	22,334
Loan Payable	671,602	61,630	-	733,232	50,000
	<u>\$ 823,434</u>	<u>\$ 61,630</u>	<u>\$ 68,100</u>	<u>\$ 816,964</u>	<u>\$ 121,281</u>

Notes Payable

In June 2010, the School entered into a loan agreement in the amount of \$100,000 with Old National Bank. Proceeds of the note were used to pay down the School's line of credit. The note is unsecured and carries and accrues interest at a rate of 5.6% per year. Monthly principal and interest payments in the amount of \$1,919 are due through June 2015.

In October, 2012, the School entered into a loan agreement in the amount of \$142,456.57 with ENT Federal Credit Union. Proceeds of the note were used to pay

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2014

off the School's line of credit. The note is unsecured and carries and accrues interest at a rate of approximately 4.0% per year. Monthly principal and interest payments in the amount of \$4,209 are due through September 2015.

Loan Payable

During 2011, the School entered into a loan agreement for the repayment of amounts previously owed to the GEO Foundation (GEO). Per the term of this agreement, the School has agreed to pay the Foundation a total of \$631,013, at a rate of \$50,000 per year, through June 2023. This loan does not bear interest. For the year ended June 30, 2014, GEO made a net advance of additional \$61,630.

Future debt services requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 121,281	\$ 2,232	\$ 123,513
2016	62,537	82	62,619
2017	50,000	-	50,000
2018	50,000	-	50,000
2019	50,000	-	50,000
2020-2024	250,000	-	250,000
2025-2027	233,146	-	233,146
Total	<u>\$ 816,964</u>	<u>\$ 2,314</u>	<u>\$ 819,278</u>

Note 7 – Net Position

The School reports net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of leases, bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

As of June 30, 2014, the School had net investment in capital assets of \$42,282.

Restricted net position is restricted for use either externally imposed by creditors, grantors contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. As of June 30, 2014, the School had restricted net position for emergencies of \$81,200.

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2014

The School had unrestricted net position of (\$613,425) as of June 30, 2014.

Note 8 – Agreement

Management agreement

The School entered into a management agreement with the Greater Educational Opportunities Foundation, Inc. (GEO), which is not-for-profit 501(c)(3) research and educational institution. The current agreement terminates June 30, 2015 at which time it automatically renews for a term equivalent to the term of the Charter Agreement, unless either party notifies the other within a 120 day period prior to the first day of the new school year of their attention not to renew the agreement. While the Board has contracted the daily operations of the School to GEO, the Board remains responsible for all budgetary and policy issues, in addition to holding GEO accountable for the administration, operation, and performance of the School in accordance with the School's contract with the Charter School Institute.

The agreement requires that the School pay Geo an administrative fee equal to the amount set forth and approved by the Board its annual budget. For the year ended June 30, 2014, the administrative fees charged to the School totaled \$200,000.

Per the terms of the agreement, GEO shall maintain all bank accounts and shall process all vendor invoices and payroll checks for the School. Vendor invoices include, but are not limited to, curriculum materials, textbooks, furniture, computers, building payments and maintenance costs. If at the close of the month, the School's debts exceed its available cash, GEO shall loan the School an amount necessary to cover the amounts owed by the School.

Note 9 – Risk management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School purchases commercial insurance for these risks of loss.

Note 10 – Defined benefit pension plan

Plan Description. GEO, on behalf of the School contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the School are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be

Pikes Peak Prep

**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2014

obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy. The School is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for member is 8.0% and for the School it is 10.15% of covered salary. A portion of the School's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 11). If the School rehires PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions on the amounts paid for the retiree, the member is required to contribute 8% of covered payroll. The School is also required to pay an amortization equalization disbursement equal to 4.6% of the total payroll for the calendar year 2014. For the years ending June 30, 2012, 2013, and 2014 the School's employer contributions for the SDTF were \$104,494, \$150,340, and \$160,262 respectively, equal to their required contributions for each year.

Note 11 – Postemployment healthcare benefits

Plan description. GEO, on behalf of the School contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy. The School is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The appointment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. For the years ending June 30, 2012, 2013 and 2014, the School's employer contribution to the HCTF were \$8,339, \$16,795, and \$17,904 respectively, equal to their required contributions for each year.

Pikes Peak Prep

NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2014

Note 12 – Commitments and contingencies

Operating Lease

The School has entered into a non-cancellable operating lease for a building with the GEO Foundation Holdings Colorado, LLC. Required rent payments may be increased on an annual basis at a maximum rate of 7% per year. The term of the lease ends on July 15, 2013 and may be renewed with the written agreement of both parties. The parties agreed to extend the lease until September 30, 2017.

Total rent expense for the year ended June 30, 2014 for the lease was \$300,250.

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2014, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the Academy has established a reserve for emergencies. At June 30, 2014, the reserve of \$81,200 was recorded as a restriction of fund balance in the General Fund.

**Pikes Peak Prep
Colorado Springs, Colorado**

FINANCIAL STATEMENTS

With Independent Auditors' Report

June 30, 2015

Pikes Peak Prep
BASIC FINANCIAL STATEMENTS
June 30, 2015

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Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Pikes Peak Prep
Colorado Springs, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Pikes Peak Prep (the School) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pikes Peak Prep, as of June 30, 2015, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages I through III and Required Supplementary Information on page 23, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Wagner Barrett & Griggs, PC

Lakewood, Colorado
October 14, 2015

Management's Discussion and Analysis
Pikes Peak Prep
June 30, 2015

As management of Pikes Peak Prep Charter School, we offer readers of Pikes Peak Prep's financial statements this narrative overview and analysis of the financial activities of the school for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the school's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The school's total net position increased by \$87,680, and the cumulative fund balance increased \$82,748, to \$344,030.
- Revenues and expenses increased by approximately 7.7% and 7.2% respectively over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the school's basic financial statements. The first statement is the Statement of Net Position, which demonstrates the school's current net position and change in position since last year. The second statement is the Statement of Activities, which demonstrates the revenues and expenses by activity (primarily Government Funds). The third statement is the school's Balance Sheet of Governmental Funds, which demonstrates the fund balances for the Governmental Funds only. The fourth and final statement is the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

GOVERNMENTAL FUNDS

Governmental Funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the school's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out; therefore, increases in capital improvements are not recognized in this statement (although those investments are reflected in the Net Position). Governmental funds are reported using an accounting method called "modified accrual accounting" that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the school's programs.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position serves over time as one useful indicator of a school's financial condition. In this case, the school still reflects a deficit in net position from losses incurred in prior years. However, while the school has made only a slight gain this year in decreasing those losses, as the school remains stable in enrollment and continues to retire debt, it is anticipated that the negative net position will further decrease in future years.

ANALYSIS OF RESTRICTED FUNDS

The school maintained its Tabor reserve at \$87,400, as required by statute. These funds are considered restricted.

Statements of Net Position

	2015	(Restated) 2014
Assets		
Cash	\$ 102,227	\$ 146,172
Receivables and prepaid expenses	420,900	234,769
Capital assets, net	52,523	65,739
Total Assets	575,650	446,680
Deferred Outflows of Resources		
Pension related deferred outflow	90,692	84,046
Total Deferred Outflows of Resources	90,692	84,046
Liabilities		
Current liabilities	273,101	206,830
Long-term liabilities outstanding	798,629	816,964
Total Liabilities	1,071,730	1,023,794
Net Position		
Net investment in capital assets	(30,934)	42,282
Restricted for emergencies	87,400	81,200
Unrestricted	(461,854)	(616,550)
Total Net Position	\$ (405,388)	\$ (493,068)

Changes in Net Position

	<u>Governmental Activities</u>	
		(Restated)
	<u>2015</u>	<u>2014</u>
<u>Revenues</u>		
Local sources	\$ 2,609,028	\$ 2,291,944
State sources	59,993	49,468
Federal sources	244,108	362,992
Total Revenues	<u>2,913,129</u>	<u>2,704,404</u>
<u>Expenses</u>		
Current		
Instruction	1,222,438	1,176,109
Supporting services	1,600,723	1,469,724
Debt service interest	2,288	5,434
Total Expenses	<u>2,825,449</u>	<u>2,651,267</u>
Change in Net Position	87,680	53,137
Net Position - Beginning	(493,068)	(546,205)
Net Position - Ending	<u>\$ (405,388)</u>	<u>\$ (493,068)</u>

REQUESTS FOR INFORMATION:

This report is designated to provide an overview of the school's finances for those with an interest in this area. Questions concerning any of the information found in this report of requests for additional information should be directed to the Treasurer, Pikes Peak Prep, c/o GEO Foundation, 1630 N Meridian Street, Suite 350, Indianapolis, IN 46202.

PIKES PEAK PREP
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Functions/Programs:	Program Revenues				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental Activities					
Instructional	\$ 1,222,438	\$ -	\$ 731,717	\$ -	\$ (490,721)
Supporting services	1,600,723	8,143	72,759	49,535	(1,470,286)
Interest on long-term debt	2,288	-	-	-	(2,288)
Total primary government	<u>2,825,449</u>	<u>8,143</u>	<u>804,476</u>	<u>49,535</u>	<u>(1,963,295)</u>

General revenues:	
Per pupil revenue	2,043,920
Other revenue	7,055
Total general revenues	<u>2,050,975</u>
Change in net position	87,680
Net position - beginning of year (restated)	(493,068)
Net position - ending of year	<u>\$ (405,388)</u>

**PIKES PEAK PREP
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	General Fund
ASSETS	
Cash	\$ 102,227
Account receivable	345,261
Prepaid expenses	75,639
Total assets	523,127
 LIABILITIES	
Accounts payable	70,671
Accrued expenses	5,246
Accrued salaries and benefits	103,180
Total liabilities	179,097
 FUND BALANCES	
Nonspendable	75,639
Restricted for emergencies	87,400
Unassigned	180,991
Total fund balances	344,030
TOTAL LIABILITIES AND FUND BALANCE	\$ 523,127

Amounts reported for governmental activities
in the statement of net position are different because:

Government fund balance	\$ 344,030
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. This amount is net of accumulated depreciation of \$594,424 at June 30, 2015	52,523
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds. Net pension liability at December 31, 2014 (from PERA schedule)	(3,312)
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(796,629)
Net position of governmental activities	\$ (405,388)

PIKES PEAK PREP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General Fund
REVENUES	
Local sources	\$ 2,609,028
State sources	59,993
Federal sources	244,108
Total revenues	2,913,129
EXPENDITURES	
Current	
Instruction	1,192,068
Supporting services	1,600,723
Capital expenditures	16,967
Debt Service:	
Principal	71,252
Interest	2,288
Total expenditures	2,883,298
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,831
OTHER FINANCING SOURCES	
Loan proceeds	52,917
Total other financing sources	52,917
NET CHANGE IN FUND BALANCE	82,748
FUND BALANCE - BEGINNING	261,282
FUND BALANCE - ENDING	\$ 344,030

PIKES PEAK PREP

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds:	\$	82,748
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures		16,967
Depreciation expense		(30,183)
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal payments		71,252
Loan proceeds		(52,917)
Net effect of the change in net pension liability (from PERA schedules)		<u>(187)</u>
Change in net position of governmental activities	\$	<u>87,680</u>

PIKES PEAK PREP

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2015

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources			
Per pupil revenue	\$ 2,152,877	\$ 2,043,920	\$ (108,957)
Tuition and fees	-	8,143	8,143
Grants and contributions	571,584	550,214	(21,370)
Other	-	7,055	7,055
Federal and state sources	196,508	303,797	107,291
Total revenues	<u>2,920,967</u>	<u>2,913,129</u>	<u>(7,838)</u>
EXPENDITURES			
Salaries	1,164,555	1,206,217	(41,662)
Employee benefits	317,643	326,880	(9,237)
Purchased services	557,420	403,609	153,811
Purchased services - Occupancy	529,701	544,041	(14,340)
Supplies, repair, and materials	195,966	300,728	(104,742)
Other	14,206	11,316	2,890
Capital expenditures	66,276	16,967	49,309
Debt Service			
Principal and Interest	70,838	73,540	(2,702)
Total expenditures	<u>2,916,625</u>	<u>2,883,298</u>	<u>33,327</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,342	29,831	25,489
OTHER FINANCING SOURCES			
Loan proceeds	60,602	52,917	(7,685)
Total other financing sources	<u>60,602</u>	<u>52,917</u>	<u>(7,685)</u>
NET CHANGE IN FUND BALANCE	64,944	82,748	17,804
FUND BALANCE - BEGINNING	<u>261,282</u>	<u>261,282</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 326,226</u>	<u>\$ 344,030</u>	<u>\$ 17,804</u>

Pikes Peak Prep

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1 – Reporting entity

Pikes Peak Prep (School) was formed on 2005 pursuant to the Colorado Charter School Act to form and operate a charter school. The School previously operated under the name "21st Century Charter School at Colorado Springs", but changed its name to "Pikes Peak Prep" during the fiscal year 2009.

The School follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of an organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

As of June 30, 2015, no component unit has been identified as reportable to the School. The School has been identified as a component unit of GEO Foundation (GEO), headquartered in Indianapolis, Indiana, because GEO controls the appointment of a majority of the School's Board of Directors and that economic interest is present due to a stipulation that any remaining funds upon the School's dissolution reverts to GEO, as well as GEO's guarantee of certain of the School's debt. See Note 8 to these financial statements for additional information.

Note 2 - Summary of significant accounting policies

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the School. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the School. The difference between the assets, deferred outflows of resources and liabilities of the School is reported as net position.

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

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NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting, and financial statement presentation

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

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

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

Internally dedicated resources are reported as general revenues rather than as program revenues.

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

The School reports the following major governmental fund:

General Fund – This fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

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**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2015

C. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires School management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

D. Cash and investments and cash equivalents

Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

The School's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of six months or less from the date of acquisition.

Investments for the School are reported at fair value.

E. Capital assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School as those with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: equipment, 3 to 7 years.

F. Fund equity

Beginning with fiscal year 2011 the School implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

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**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2015

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expenses or inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation. The School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the School's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors. The School did not have any committed resources as of June 30, 2014.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the School's policy to use the most restrictive classification first.

G. Budgetary information

Formal budgetary integration is employed as a management control device during the year. Formal budgetary integration is also employed to comply with the State of Colorado Budget Law. The total fund expenditure amounts are the control for establishing what level of expenditures a fund can reach without exceeding appropriations.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. In accordance with the Colorado State Budget Law, the School's Board of Directors follows these procedures in establishing the budgetary data reflected in the financial statements:

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NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

- Management submits to the Board of Directors a proposed operating budget for each fund, based on their respective basis of accounting, for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them, but expenditures may not legally exceed appropriations at the fund level. Before June 30, the expenditures are appropriated for the ensuing year. The appropriation is at the total fund level and lapses at year-end.

H. Income taxes

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The School's Forms 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2015, 2014, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Note 3 – Cash and investments

Cash is reflected on the June 30, 2015, statements of net position as follows:

Cash	<u>\$ 102,227</u>
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Cash at June 30, 2015, consists of the following:

Deposits with financial institutions	\$ 41,867
TABOR restricted cash reserve deposits	<u>60,360</u>
Total cash	<u>\$ 102,227</u>

A. Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. At June 30, 2011, State regulatory commissioners have indicated that all financial institutions holding deposits for the School are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

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NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

At June 30, 2015, the School's cash deposits had a bank balance of \$105,530 and a carrying balance of \$102,227.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School has no policy regarding custodial credit risk for deposits.

B. Investments

The School has not adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The School had no investments at June 30, 2015.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Note 4 – Capital assets

Changes in capital assets for the year ended June 30, 2015 are summarized as follows:

	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
Governmental Activities				
Capital assets, Being Depreciated:				
Equipment	\$ 797,792	\$ 16,967	\$ 167,812	\$ 646,947
Less Accumulated Depreciations:				
Equipment	732,053	30,183	167,812	\$ 594,424
Capital assets, net	\$ 65,739	\$ (13,216)	\$ -	\$ 52,523

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NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

Depreciation has been charged to the Instructional program for the School.

Note 5 – Accrued salaries and benefits

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2015, were \$103,180. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

Note 6 – Long-term debt

The following is a summary of the School's long-term debt transactions for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due in One Year
Note Payable	\$ 61,398	\$ -	\$ 48,918	\$ 12,480	\$ 12,480
Note Payable	22,334	-	22,334	-	-
Loan Payable	733,232	52,917	-	786,149	50,000
	<u>\$ 816,964</u>	<u>\$ 52,917</u>	<u>\$ 71,252</u>	<u>\$ 798,629</u>	<u>\$ 62,480</u>

Notes Payable

In June 2010, the School entered into a loan agreement in the amount of \$100,000 with Old National Bank. Proceeds of the note were used to pay down the School's line of credit. The note is unsecured and carries and accrues interest at a rate of 5.6% per year. Monthly principal and interest payments in the amount of \$1,919 are due through June 2015.

In October, 2012, the School entered into a loan agreement in the amount of \$142,456.57 with ENT Federal Credit Union. Proceeds of the note were used to pay off the School's line of credit. The note is unsecured and carries and accrues interest at a rate of approximately 4.0% per year. Monthly principal and interest payments in the amount of \$4,209 are due through September 2015.

Loan Payable

During 2011, the School entered into a loan agreement for the repayment of amounts previously owed to the GEO Foundation (GEO). Per the term of this agreement, the School has agreed to pay the Foundation a total of \$631,013, at a rate of \$50,000 per year, through June 2023. This loan does not bear interest. For the year ended June 30, 2015, GEO made a net advance of additional \$52,917.

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NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

Future debt services requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 62,480	\$ 82	\$ 62,562
2017	50,000	-	50,000
2018	50,000	-	50,000
2019	50,000	-	50,000
2020	50,000	-	50,000
2021-2025	250,000	-	250,000
2026-2027	286,149	-	286,149
Total	<u>\$ 798,629</u>	<u>\$ 82</u>	<u>\$ 798,711</u>

Note 7 – Net Position

The School reports net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of leases, bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

As of June 30, 2015, the School had net investment in capital assets of \$(30,934).

Restricted net position is restricted for use either externally imposed by creditors, grantors contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. As of June 30, 2015, the School had restricted net position for emergencies of \$87,400.

The School had unrestricted net position of (\$405,388) as of June 30, 2015.

Note 8 – Agreement

Management agreement

The School entered into a management agreement with the Greater Educational Opportunities Foundation, Inc. (GEO), which is not-for-profit 501(c)(3) research and educational institution. The current agreement terminates June 30, 2015 at which time it automatically renews for a term equivalent to the term of the Charter Agreement, unless either party notifies the other within a 120 day period prior to the first day of the new school year of their attention not to renew the agreement. While the Board has contracted the daily operations of the School to GEO, the Board remains responsible for all budgetary and policy issues, in addition to holding GEO accountable for the

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**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2015

administration, operation, and performance of the School in accordance with the School's contract with the Charter School Institute.

The agreement requires that the School pay GEO an administrative fee equal to the amount set forth and approved by the Board its annual budget. For the year ended June 30, 2015, the administrative fees charged to the School totaled \$200,000.

Per the terms of the agreement, GEO shall maintain all bank accounts and shall process all vendor invoices and payroll checks for the School. Vendor invoices include, but are not limited to, curriculum materials, textbooks, furniture, computers, building payments and maintenance costs. If at the close of the month, the School's debts exceed its available cash, GEO shall loan the School an amount necessary to cover the amounts owed by the School.

Note 9 – Risk management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School purchases commercial insurance for these risks of loss.

Note 10 – Defined benefit pension plan

Summary of Significant Accounting Policies

Pensions. Pikes Peak Prep participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the School are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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**NOTES TO FINANCIAL STATEMENTS
(continued)**

June 30, 2015

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on the life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions. Eligible employees and the School are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	3.50%	4.00%
Total Employer Contribution Rate to the SCHDTF ¹	16.43%	17.33%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were \$191,825 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the School reported a liability of \$94,004 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

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NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

At December 31, 2014, the School's proportion was .02 percent, which was the same as its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the School recognized pension expense of \$187. At June 30, 2015, the School's deferred outflows of resources were \$90,692.

\$90,692 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Actuarial assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	28.78%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.78%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

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NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	95,059	94,004	93,120

Pension plan fiduciary net position. Detailed information about the SCHDTP's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 11 – Postemployment healthcare benefits

Plan description. GEO, on behalf of the School contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. The School is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the Colorado Revised Statutes, as amended. For the years ending June 30, 2013, 2014 and 2015, the School's employer contribution to the HCTF were \$16,795, \$17,904, and \$19,277 respectively, equal to their required contributions for each year.

Note 12 – Commitments and contingencies

Operating Lease

The School has entered into a non-cancellable operating lease for a building with the GEO Foundation Holdings Colorado, LLC. Required rent payments may be increased on an annual basis at a maximum rate of 7% per year. The term of the lease ended on July 15, 2013 and may be renewed with the written agreement of both parties. The parties agreed to extend the lease until September 30, 2017.

Total rent expense for the year ended June 30, 2015 for the lease was \$336,965.

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NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the Academy has established a reserve for emergencies. At June 30, 2015, the reserve of \$87,400 was recorded as a restriction of fund balance in the General Fund.

Note 13 – New GASB Standards

For the year ended June 30, 2015, the School implemented the following GASB Statements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* – GASB Statement No. 68 provides guidance to improve accounting and financial reporting by state and local governments for pensions. The statement will provide decision-useful information, support assessments of accountability and interperiod equity, and create additional transparency for pension reporting.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* – GASB Statement No. 71 addresses amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit plan after the measurement date of the government's beginning net pension liability.

Pikes Peak Prep

NOTES TO FINANCIAL STATEMENTS
(continued)

June 30, 2015

Note 14 – Restatement to financial statements

The School has restated the net position at June 30, 2014, due to the implementation of GASB Statement No. 68. The net change is as follows:

Net position - June 30, 2014 (as previously stated)	\$ (489,943)
Adjustment for GASB 68	(3,125)
Net position - restated June 30, 2014	<u>\$ (493,068)</u>

**PIKES PEAK PREP
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
(Unaudited)**

	<u>12/31/2014</u>	<u>12/31/2013</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY		
School's Proportion of the Net Pension Liability	0.0244359418%	0.0245007365%
School's Proportionate Share of the Net Pension Liability	\$ 3,312	\$ 3,125
School's Covered-Employee Payroll	\$ 1,023,689	\$ 987,703
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.32%	0.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.6%	64.0%

**PIKES PEAK PREP
SCHEDULE OF SCHOOL CONTRIBUTIONS
(Unaudited)**

	<u>6/30/2015</u>	<u>6/30/2014</u>
SCHOOL CONTRIBUTIONS		
Statutorily Required Contribution	\$ 191,825	\$ 178,166
Contributions in Relation to the Statutorily Required Contribution	191,825	178,166
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
School's Covered-Employee Payroll	\$ 1,021,059	\$ 1,002,782
Contributions as a Percentage of Covered-Employee Payroll	18.8%	17.8%

These schedules are presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

CHARTER SCHOOL 1ST QUARTER FINANCIAL REPORT
FISCAL YEAR 2015-16

Year to Date as of December 31, 2015

500000 GEO Prep Academy of Greater Baton Rouge		Includes Special Fund Federal, Federal MCLB and SPECIAL FUNDS				Student Count Budget is Based on					
Item		References	GENERAL FUNDS		SPECIAL FUNDS		Actual Yr-to-Date 2015-16	Annual Budget 2015-16	% of Total Budget	Actual % of Budgeted Object	Comments/Assumptions
		L.A.U.G.H. Source/ Object Code	Actual Yr-to-Date 2015-16	Annual Budget 2015-16	Actual Yr-to-Date 2015-16	Annual Budget 2015-16					
Revenues											
1	REVENUES FROM LOCAL SOURCES										
2	Earnings on Investments	1500-1542					\$0	\$0	0.0%	DIW/0!	
3	Food Service (Income from meals)	1600-1620					\$0	\$0	0.0%	DIW/0!	
4	Contributions and Donations	1920	\$0				\$0	\$0	0.0%	DIW/0!	
5	E-Rate Reimbursements	1933					\$0	\$0	0.0%	DIW/0!	
6	Local "MFP" Per Pupil Aid (Local Revenue transfers)	1934		\$0			\$0	\$0	0.0%	DIW/0!	
7	Other (exclude amounts on lines 2 - 6)	1000-1939	\$8,489	\$150,000			\$8,489	\$150,000	7.1%	DIW/0!	
8							\$0	\$0	0.0%	DIW/0!	
9	<i>(additional revenues exclude MFP)</i>						\$0	\$0	0.0%	DIW/0!	
10							\$0	\$0	0.0%	DIW/0!	
11	TOTAL REVENUES FROM LOCAL SOURCES		\$8,489	\$150,000	\$0	\$0	\$8,489	\$150,000	7.1%	5.7%	
12											
13	REVENUE FROM STATE SOURCES										
14	Unrestricted Grants-In-Aid										
15	State Per Pupil Aid - MFP	3110	\$875,649	\$1,762,270			\$875,649	\$1,762,270	83.6%	49.7%	
16											
17	Other Unrestricted Revenues	3190					\$0	\$0	0.0%	DIW/0!	
18	Restricted Grants-In-Aid						\$0	\$0	0.0%	DIW/0!	
19	Education Support Fund (8q)	3220					\$0	\$0	0.0%	DIW/0!	
20	PIP	3230					\$0	\$0	0.0%	DIW/0!	
21	Other Restricted Revenues (list grant & amount below)	3230					\$0	\$0	0.0%	DIW/0!	
22	LA-4	3230					\$0	\$0	0.0%	DIW/0!	
23	Extended School Year Services	3230					\$0	\$0	0.0%	DIW/0!	
24							\$0	\$0	0.0%	DIW/0!	
25							\$0	\$0	0.0%	DIW/0!	
26							\$0	\$0	0.0%	DIW/0!	
27	<i>(additional revenues exclude MFP)</i>						\$0	\$0	0.0%	DIW/0!	
28							\$0	\$0	0.0%	DIW/0!	
29	TOTAL REVENUE FROM STATE SOURCES		\$875,649	\$1,762,270	\$0	\$0	\$875,649	\$1,762,270	83.6%	49.7%	

CHARTER SCHOOL 1ST QUARTER FINANCIAL REPORT
FISCAL YEAR 2015-16
 Year to Date as of December 31, 2015

School Name: GED Prep Academy of Greater Baton Rouge

Student Count Budget is Based on: **15**

Includes Special Fund Federal,
Federal NCLB and
Other Special Funds

	Item	References	GENERAL FUNDS		SPECIAL FUNDS		Actual Yr-to-Date 2015-16	Annual Budget 2015-16	% of Total Budget	Actual % of Budgeted Object	Comments/Assumptions
			Actual Yr-to-Date 2015-16	Annual Budget 2015-16	Actual Yr-to-Date 2015-16	Annual Budget 2015-16					
		L.A.U.G.H. Source/ Object Code									
Expenditures											
67	SALARIES (Object 100 series)										
68	School Administrators										
69	Principal/Executive Salary	111					\$0	\$0	0.0%		
70	Business Official Salary	111		\$93,000			\$0	\$93,000	4.4%		
71	Other School Administrators (exclude amounts on line 70-71)	111		\$93,996	\$210,000		\$93,996	\$210,000	10.0%		
72	Teachers	112		\$279,820	\$405,470	\$71,958	\$351,777	\$465,000	22.2%		
73	Therapist/Specialist/Counselors	113					\$0	\$0	0.0%		
74	Clerical/Secretarial Salary	114					\$0	\$0	0.0%		
75	Custodial Salaries	116					\$0	\$0	0.0%		
76	Other (excludes amounts on lines 69-76)	100-150		\$73,000			\$0	\$178,612	8.5%		
77	TOTAL SALARIES	100	\$373,815	\$781,470	\$71,958	\$165,142	\$445,773	\$346,612	45.3%		
78	EMPLOYEE BENEFITS (Object 200 series)										
79	Health Insurance Benefits - Current Employees	210		\$22,895	\$20,000		\$22,895	\$20,000	1.0%		
80	Social Security	220		\$25,526	\$60,000		\$25,526	\$60,000	2.9%		
81	Medicare	225		\$7,302			\$7,302	\$0	0.0%		
82	Retirement	230-230		\$17,773	\$35,000		\$17,773	\$35,000	1.7%		
83	Unemployment	250		\$11,102	\$30,000		\$11,102	\$30,000	1.4%		
84	Health Insurance Benefits - Retired Employees	270		\$0	\$0		\$0	\$0	0.0%		
85	Other (excludes amounts on lines 80-85)	200-290		\$4,466	\$20,000		\$4,466	\$20,000	1.0%		
86	TOTAL EMPLOYEE BENEFITS	200	\$83,664	\$165,000	\$0	\$0	\$83,664	\$165,000	7.9%		
87	PURCHASED PROF. & TECH. SVCS (Object 300 Series)										
88	Legal Services	332					\$0	\$0	0.0%		
89	Accounting/Auditing Services	333		\$15,000			\$0	\$15,000	0.7%		
90	Management Company Services	300-340		\$126,307	\$250,000		\$126,307	\$250,000	12.0%		

CHARTER SCHOOL 1ST QUARTER FINANCIAL REPORT
FISCAL YEAR 2015-16

Year to Date as of December 31, 2015

Student Count Budget is Based on: 15

School Name: GEO Prep Academy of Greater Baton Rouge

Includes Special Fund Federal, Federal MCLB and Other Special Funds

Item	References	GENERAL FUNDS				SPECIAL FUNDS				Actual Yr-to-Date 2015-16	Annual Budget 2015-16	% of Total Budget	Actual % of Budgeted Object	Comments/Assumptions
		Actual Yr-to-Date 2015-16	Annual Budget 2015-16	Actual Yr-to-Date 2015-16	Annual Budget 2015-16									
		L.A.U.G.H. Source/ Object Code												
31 Other Purchased Prof/Tech Svcs (excludes amounts on lines 88-91)		\$23,420		\$23,420		\$23,420		\$23,420	\$0	0.0%	DIW/0!			
32 TOTAL PURCHASED PROF. & TECHNICAL SVCS.		\$143,727	\$265,000	\$0	\$0	\$143,727	\$265,000	\$143,727	\$265,000	12.7%	56.5%			
33 PURCHASED PROPERTY SERVICES (Object 400 Series)														
34 Water/Sewerage	411		\$0				\$0		\$0	0.0%	DIW/0!			
35 Building and Land Rent/Lease	441	\$71,320	\$200,000			\$71,320	\$200,000	\$71,320	\$200,000	3.6%	36.0%			
36 Equipment & Vehicle Rent/Lease	442		\$0				\$0		\$0	0.0%	DIW/0!			
37 Repairs & Maintenance Services	430	\$54,052	\$60,000			\$54,052	\$60,000	\$54,052	\$60,000	2.9%	90.1%			
38 Other (excludes amounts on lines 35-38)	400-430		\$0				\$0		\$0	0.0%	DIW/0!			
39 TOTAL PURCHASED PROPERTY SERVICES	400	\$125,372	\$260,000	\$0	\$0	\$125,372	\$260,000	\$125,372	\$260,000	12.4%	48.5%			
100 OTHER PURCHASED SERVICES (Object 500 Series)														
101 Purchased Student Transportation Services	510-519	\$875	\$5,000			\$875	\$5,000	\$875	\$5,000	0.2%	17.5%			
102 Insurance (property, liability, fleet, error/omissions, etc.)	520-529	\$7,132	\$15,000			\$7,132	\$15,000	\$7,132	\$15,000	0.7%	47.5%			
103 Food Service Management	570		\$0			\$79,689	\$30,000	\$79,689	\$30,000	1.4%	265.6%			
104 Travel	580-583	\$25,484	\$30,000			\$25,484	\$30,000	\$25,484	\$30,000	1.4%	84.3%			
105 Other (excludes amounts on lines 102-105)	500-530	\$25,582	\$15,000			\$25,582	\$15,000	\$25,582	\$15,000	0.7%	170.5%			
106 TOTAL OTHER PURCHASED SERVICES	500	\$53,073	\$65,000	\$30,000	\$30,000	\$138,762	\$95,000	\$138,762	\$95,000	4.5%	146.1%			
107 SUPPLIES (Object 600 series)														
108 Materials and Supplies	610	\$12,367	\$52,000			\$12,367	\$52,000	\$12,367	\$52,000	2.5%	23.8%			
109 Utilities (natural gas, electricity, coal, gasoline)	620-629	\$34,467	\$70,000			\$34,467	\$70,000	\$34,467	\$70,000	3.3%	49.2%			
110 Food & Commodities	630-632	\$0				\$0		\$0	\$0	0.0%	DIW/0!			
111 Books and Periodicals (including textbooks/workbooks)	640-644	\$16,894	\$20,000			\$16,894	\$20,000	\$16,894	\$20,000	1.0%	84.5%			
112 Other Supplies (excludes amounts on lines 103-112)	600-644	\$7,742	\$0			\$7,742	\$0	\$7,742	\$0	0.0%	DIW/0!			
113 TOTAL SUPPLIES	600	\$71,470	\$142,000	\$0	\$0	\$71,470	\$142,000	\$71,470	\$142,000	6.8%	50.3%			
114 PROPERTY (Object 700 series)														
115 Land Purchases and Land Improvements	710							\$0	\$0	0.0%	DIW/0!			

CHARTER SCHOOL 1ST QUARTER FINANCIAL REPORT
FISCAL YEAR 2015-16

Year to Date as of December 31, 2015

School Name: **GEO Prep Academy of Greater Baton Rouge**

Student Count Budget is Based on: **15**

Includes Special Fund Federal,
Federal MCLB and
Other Special Funds

	References	GENERAL FUNDS			SPECIAL FUNDS			Actual Yr-to-Date 2015-16	Annual Budget 2015-16	% of Total Budget	Actual % of Budgeted Object	Comments/Assumptions
		L.A.U.G.H. Source/ Object Code	Actual Yr-to-Date 2015-16	Annual Budget 2015-16	Actual Yr-to-Date 2015-16	Annual Budget 2015-16						
115	Land Purchases and Land Improvements	710					\$0	\$0	0.0%	DIW01		
116	Buildings Acquisitions (existing structures)	720					\$0	\$0	0.0%	DIW01		
117	Equipment/Furnishings	730-739	\$121,310	\$210,000			\$121,310	\$210,000	10.0%	57.8%		
118	Other (Excludes amounts on lines 116-118)	700-740					\$0	\$0	0.0%	DIW01		
119	TOTAL PROPERTY	700	\$121,310	\$210,000	\$0	\$0	\$121,310	\$210,000	10.0%	57.8%		
120	OTHER OBJECTS (Object 800 series)											
121	Administrative Fees (State & Local)	810	\$4,830	\$7,000			\$4,830	\$7,000	0.3%	69.0%		
122	Interest on Loans/Notes	830					\$0	\$0	0.0%	DIW01		
123	Loan Repayment (principal only)	831					\$0	\$0	0.0%	DIW01		
124	Other (excludes amounts on lines 122-123)	800 - 830					\$0	\$0	0.0%	DIW01		
125	TOTAL OTHER OBJECTS	800	\$4,830	\$7,000	\$0	\$0	\$4,830	\$7,000	0.3%	69.0%		
126	OTHER USES OF FUNDS (Object 300 Series)											
127	Indirect Costs	933					\$0	\$0	0.0%	DIW01		
128	Other (Excludes amounts on lines 127-128)	900-932					\$0	\$0	0.0%	DIW01		
129							\$0	\$0	0.0%	DIW01		
130	TOTAL OTHER USES OF FUNDS	900	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	DIW01		
131	TOTAL EXPENDITURES	100-900	\$995,862	\$1,895,470	\$151,646	\$195,142	\$1,147,508	\$2,090,612	100.0%	54.3%		

Excess (Deficiency) of Revenues over Expenditures	(\$111,724)	\$16,800	(\$12,800)	\$0	\$16,800
Fund Balance From Prior Year		\$0		\$0	\$0
Fund Balance at End of Year	(\$111,724)	\$16,800	(\$12,800)	\$0	\$16,800

Attachment 24

Litigation Documentation

“GEO’s 21st Century Charter School at Gary school is currently in litigation with a former office manager who is suing the school for various charges including defamation, intentional infliction of emotional distress, and wrongful termination. The case is stemming from the school’s termination of the employee in 2008, when the school discovered her mishandling of school funds. The audit performed by the State Board of Accounts that year confirmed the school’s concerns, and determined that the employee had mishandled over \$11,000. The Indiana Attorney General’s office subsequently brought charges against the employee to recover the funds, and a settlement was reached between those parties to do so, independent of the school. The charges have been substantially dismissed by the court twice, and are now in litigation for the third time. No financial demands have been made at this time and the case is still pending.”

Dana Teasley, GEO CFO and Legal Counsel