ANDREW ACADEMY

2011-2012 Performance Analysis

Core Question 2: Is the organization effective and well-run?

2.1. Is the school in sound fiscal health?	
STANDARD	**The school presents significant concerns in no more than one of the following areas: a) its state financial audits (e.g., presence of "significant findings"); b) its financial staffing and systems; c) its success in achieving a balanced budget over the past three years; d) the adequacy of its projections of revenues and expenses for the next three years; e) its fulfillment of financial reporting requirements under Sections 10 and 17 of the charter agreement. In addition, if the school presents significant concerns in one area, it has a credible plan for addressing the concern that has been approved by the Mayor's Office.**

2011-12 Performance: **Approaching Standard**

A) The School's Financial Audits (e.g. presence of "significant findings")

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Our office does not have any significant concerns in this area at this time because Andrew Academy's audit contained no material weaknesses or significant deficiencies. The school's auditors, Sikich stated, "In our opinion, the financial statements …present fairly, in all material respects, the financial position of Andrew Academy as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America".

While the school had no significant deficiencies or material weaknesses, the school's supplemental audit report did include three considerations summarized below.

- **Deposits:** Charter schools must make deposits no later than the next business day and in the same form in which the funds were received. Some of the receipts and deposits tested in the audit indicate that the school did not deposit all funds no later than the following business day.
- **Sales Tax:** The school paid $15.20 in sales tax to AT &T in June 2012. The school is a 501 (c) 3 organization, and as such should not pay taxes on purchases.
- **Non-compliance of Public Works Laws:** The school could not produce records proving that they had implemented a proper request for proposal process for renovation and construction projects completed in 2011 and 2012

B) The School's Financial Staffing and Systems

The school has sufficient staffing and systems in place. The school's staff includes Chris Brunson, Business Manager for ADI (the school's CMO). The school also contracts with Bookkeeping Plus, Inc. for the preparation of financial statements.

C) The School's Success in Achieving a Balanced Budget Over the Past Three Years

Our office has some significant concerns regarding the schools ability to maintain a balanced budget over the last two years. Though Andrew Academy has been in operation for the past three years, it has only been chartered through the Mayor's Office since August 2010 (FY '11). As such, this evaluation will consider the schools performance solely for FY '11 and FY '12. The table below summarizes change in net assets and ending balance for both years.

Year	Change in Net Assets	Ending Balance
FY '11	-$295,623	-$295,623
FY '12	-$360,353	-$655,976

The data above indicates that the school has consistently been unsuccessful in ensuring that its expenses do not exceed its revenues. While schools may be able to operate for a short period with expenses exceeding revenues, schools cannot operate in this matter indefinitely. Therefore, our office will be monitoring the school closely to ensure that it is adhering to its board approved budget.

D) The Adequacy of the School's Projections of Revenues for the Next Three Years

The school's projection of revenues for the next 3 years is another area of significant concern for our office. The table below summarizes the projections.

Year	Revenue Over Expense
FY '13	-$31,836
FY '14	$1,744
FY '15	-$8,374

Our primary concern is that the school is expecting expenses to outpace revenues for two of the next three years. It's also important to note that these projections have specific enrollment targets associated with them. So, the anticipated deficit could be much greater if the school does not meet or exceed its enrollment targets for the coming years. In years past, the archdiocese has been a significant source of support when the school encountered shortfalls. While this trend is certainly encouraging, it does not alleviate all of our concerns.

E) The School's Fulfillment of Financial Reporting Requirements under Sections 10 and 17 of the Charter Agreement

The school has met all of its reporting requirements under Sections 10 and 17 of the Charter Agreement.

2.2. Are the school's student enrollment, attendance, and retention rates strong?	
STANDARD	**The school is consistently fully enrolled. Student attendance and retention rates are generally at or above the school's agreed-upon target rates.**

2011-12 Performance: **Meets Standard**

Andrew Academy met its enrollment target for 2011-12. The following chart displays the school's target enrollment compared with its official fall enrollment, as reported by the IDOE.

Year	Target Enrollment	Fall Enrollment	Percent Below
2011-12	166	182	N/A

***Source**: Official fall enrollment figures from the IDOE. Target enrollment is the maximum capacity from the school's charter agreement with the Mayor's Office, submitted by the school.*

The 2011-12 attendance rate at Andrew Academy was slightly lower than the state and county.

	AA	MC	IN
2011-12 Attendance rate	95.91%	96.06%	96.1 %

No targets have been established for student retention rates for Andrew Academy.

Based on the 2011-12 performance, Andrew Academy meets the Mayor's Office standard for this indicator because they were well beyond full enrollment and had an attendance rate that was slightly below the state and county average.

2.3. Is the school's Board active and competent in its oversight?	
STANDARD	**The school's board a) contributes a broad skill set and is reflective of the community; b) is knowledgeable about the school and able to make decisions in a timely fashion; c) has policies and by-laws that are consistently followed, regularly reviewed, and include clearly defined roles and responsibilities for members; d) consistently achieves quorum and adheres to Indiana's Open Door Law; e) records meeting minutes that are thorough, accurate and transparent; f) regularly conducts a formal evaluation of the school against established academic, financial and operational performance goals; and g) has a written plan for the succession of leadership.**

2011-12 Performance: **Approaching Standard**

The Andrew Academy Board is experienced and provides competent oversight of the school. There is a range of expertise on the Board; members are knowledgeable about the school, its policies, and issues of concern. The Board has consistently worked to clearly define roles and responsibilities.

The Board roster for 2011-12 revealed six members with a range of expertise which were reflective of the community, however the by-laws call for seven members of the board. Board

members provided a broad skill set in the areas of business, higher education, law, and elementary education.

Consistent representation of all members improved in the 2011-2012 academic year as well as achieving quorum which improved the board's ability to engage in thoughtful discussions to progress in consideration of issues and to provide consistent and competent stewardship of the school. However, the board has not formalized its subcommittee structure as articulated in its by-laws. The board has worked diligently to create formalized processes to hold both the CMO and school leadership accountable to academic, financial, and operational goals, including leadership succession. Therefore, the school is approaching the Mayor's Office standard for this indicator for the 2011-12 academic year.

2.4. Is there a high level of parent satisfaction with the school?	
STANDARD	**More than 80% but less than 90% of parents surveyed indicate that they are satisfied overall with the school.**

Not Evaluated. In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2011-12, 11 Andrew Academy parents responded to the survey. With a total enrollment of 182, this means that the school collected surveys from less than 10% of students' families. Accordingly, the survey information received was not statistically significant; therefore, the school could not be evaluated on this indicator for 2011-12.

2.5. Is the school administration strong in its academic and organizational leadership?	
STANDARD	**The school's administration a) has sufficient academic and organizational expertise; b) has been sufficiently stable over time; c) has clearly defined roles and responsibilities among administrators; d) actively engages in a process of continuous improvement and mid-course corrections; e) has established high expectations for all stakeholders – staff, students, and parents; f) has organized operations and secured necessary resources to effectively implement the mission of the school; g) ensures the school achieves strong academic and operational performance; and h) has developed a plan for succession for administrators and staff.**

2011-12 Performance: **Does Not Meet Standard**

Andrew Academy's administration exhibited sufficient academic and leadership expertise while demonstrating continuous improvement with a low level of turnover in leadership. Andrew Academy had an experienced and licensed school leader, campus director, special education director, and shared curriculum director and curriculum coach with partner school, Padua Academy. However, the school's leadership does not appear to actively engage in a process of continuous improvement which includes being responsive in a timely manner to requests from

the Mayor's Office. The school's leadership does not have a clear definition of the role and responsibilities which are evidenced by an overall lack of responsiveness. Though the school's leadership has utilized enrollment, testing and discipline data in an effort to guide mid-course corrections, it is unclear how effective the mid-corrections have been on the performance of the school due to a lack of engagement on the part of school leadership. Accordingly, the school does not meet the Mayor's Office standard for this indicator for 2011-12.

2.6. Is the school meeting its school-specific organizational and management performance goals?	
Meets standard	**School has clearly met its school-specific organizational goal.**

Not Evaluated. Andrew Academy did not have school-specific organizational and management performance goals to be evaluated for 2011-12.