

# SOUTHEAST NEIGHBORHOOD SCHOOL OF EXCELLENCE

## 2011-2012 Performance Analysis

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

<b>2.1. Is the school in sound fiscal health?</b>	
<b>STANDARD</b>	<b>The school presents significant concerns in no more than <u>one</u> 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.</b>

2011-12 Performance: **Meets Standard**

**A) The School’s Financial Audits (e.g. presence of “significant findings”)**

Southeast Neighborhood School of Excellence (SENSE) received a clean audit report for 2011-12 that 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...” As a result, our office has no significant concerns in this area.

In addition to having no current material weaknesses or significant deficiencies, the school also rectified a significant deficiency that was noted in its 2010-11 audit. The school had previously received cash advances of its Title I funds that were in excess of its immediate cash needs and resulted in an excessive cash balance for 6 of the 12 months in 2010-11. The auditors recommended that the school implement procedures to ensure that the time between the receipt and disbursement of Title I funds was minimized and in keeping with federal requirements. As of the 2011-12 review, the auditors found that the recommendation had been adopted.

Though the audit contained no material weaknesses or significant deficiencies, the Supplemental Audit Report did comment about penalties and interest the school paid for late payments. In July 2011, the school paid a late fee of \$39 and interest of \$142.97. It is important to note that the school’s administration has changed since this issue occurred, and there have been no further instances of this nature. The new school leader and the Board of Directors have implemented instructions to the head of school and the finance department that this should not happen again. In addition, the chair of the finance committee routinely reviews Payable aging’s to ensure this does not happen again. One other factor is that since this occurred, the school has built up

adequate cash reserves that preclude the situation that necessitated the interest on the credit cards.

**B) The School’s Financial Staffing and Systems**

The school has established adequate staffing and systems for managing its finances. The school’s staff includes Diane Greaney who is the Treasurer. Ms. Greaney and the school leader, Dr. Kristie Sweeney, work with Bookkeeping Plus, Inc. for the preparation of financial statements. Our office has not significant concerns in this area at this time.

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

The school has had some challenges maintaining a balanced budget over the past three years. As such, this is an area of concern for our office. The school end FY ’12 with a change in net assets of -\$72,249. Even when depreciation expense (\$39,242) is added back, the change in net assets was -\$33,007. Though the school had a negative change in net assets, its ending balance for FY ’12 was \$116,991.

This was a departure from previous years when the school was able to keep expenses in line with revenues. For FY ’11, the school’s revenues exceeded its expenses by \$249,513. This was an improvement compared to FY ’10 when the school’s revenues exceed expenses by \$53,480.

Even though the school has clearly faced some financial challenges as of late, it is important to note that the school is now under new administration. The new school leader has collaborated with board members to create an environment that fosters cooperation on financial decisions, A robust budgeting and re-estimating process coupled with monthly comparisons of actual performance against these budgets and estimates create a climate where both the board and Head of School are making sound financial decisions within a common framework.

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

The school has provided robust budget projections that include projections of income and expenses as well as anticipated balance sheets for the next three years. The table below summarizes the school’s projections of revenues over expense (revenue remaining after operating expenses are paid).

<b>Year</b>	<b>Revenue over expense</b>
FY ‘13	\$18,041
FY ‘14	\$355,300
FY ‘15	\$535,517

Our office has no significant concerns based on the projections above. Nonetheless, we will continue to monitor the school closely with a focus on their ability to adhere to their budget and meet financial obligations.

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

The school has fulfilled financial reporting requirements under Sections 10 and 17 of the charter agreement.

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

**2011-12 Performance: Approaching Standard**

SENSE did not meet 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.

<b>Year</b>	<b>Target Enrollment</b>	<b>Fall Enrollment</b>	<b>Percent Below</b>
2011-12	320	301	6.0%

*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 the attendance rate at SENSE was below the average of both the county and the state.

	<b>SENSE</b>	<b>MC</b>	<b>IN</b>
<b>2011-12 Attendance rate</b>	93.85%	96.06%	96.1%

No targets have been established for student retention rates for SENSE.

Based on the 2011-12 performance, SENSE is approaching the Mayor’s Office standard for this indicator because they were not fully enrolled and had an attendance rate slightly lower than that of both the county and the state.

<b>2.3. Is the school's Board active and competent in its oversight?</b>	
<b>STANDARD</b>	<b>The Board's membership collectively contributes a broad skill set and fair representation of the community; Board members are knowledgeable about the school; roles and responsibilities of the Board are clearly delineated; Board meetings reflect thoughtful discussion and progress in the consideration of issues; overall, the Board provides consistent and competent stewardship of the school.</b>

2011-12 Performance: **Meets Standard**

The board of directors at Southeast Neighborhood School of Excellence (SENSE) is comprised of thirteen voting members as well as the school leader who serves as a non-voting member. The Board has had two founding members resign during the 2011-12 school year however recruited and brought on five new members in November and December 2011. The Board is comprised of members with a diverse range of professional expertise and knowledge about the school and its needs and with the addition of the newest board members the school has board members with key areas of expertise in the law and finance.

The Mayor's Office regularly attends board meetings and examines minutes of meetings held by the board. At meetings, the board generally makes quorum and meeting minutes are clear and well organized. The Board is actively engaged in the oversight of many aspects of school operations, including financial management, academic achievement, curriculum, programming, and extra-curricular activities.

In response to previous Mayor's Office concerns, a SENSE board member has developed a new member orientation packet that has been distributed to each new member to address board member development. The board has addressed the concern of providing support for the school's leader in that the board chair meets with the school leader on a weekly basis. In addition, the board chair and the school's leader are engaged in continuous conversations regarding all facets of the school. With the addition of a five new board members, the board may still wish to consider board training for its newer members and also a succession plan in the event of new leadership.

Based on the performance demonstrated, the board at SENSE has and is continuing to improve upon its ability to provide consistent stewardship. Therefore, the school meets the Mayor's Office standard for this indicator for 2011-12.

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

**2011-12 Performance: Exceeds Standard**

In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2011-12, 94% of SENSE parents reported overall satisfaction with the school. According to the data, the school exceeds the Mayor's Office standard for this indicator for the 2011-12 academic year.

<b>2.5. Is the school administration strong in its academic and organizational leadership?</b>	
<b>STANDARD</b>	<b>The school's leadership a) has sufficient academic and/or business expertise; b) has been sufficiently stable over time; c) has clearly defined roles and responsibilities among leaders and between leaders and the Board; d) actively engages in a process of continuous improvement which has led to some mid-course corrections.</b>

**2011-12 Performance: Approaching Standard**

In 2011-12, SENSE's administration exhibited sufficient academic and leadership expertise and demonstrated continuous improvement. However concerns exist with regard to the delineation of roles and responsibilities of leaders and between leaders and the Board.

Because of the school leader is now becoming fully acclimated to the Mayor's Office and IDOE compliance practices and to the unique characteristics of charter school management, she is actively engaging in a process of continuous improvement and implementing strategies to improve school performance. For example, the school leader developed the idea of a new student schedule for the 2011-12 school year. SENSE students attend school for longer class days every day from 8:15 – 4:15 pm except on Wednesday when students are released early at 2:30 pm. On Wednesdays, this early release time is reserved for homework roundtables, teacher professional development, and student remediation. The school has engaged with Indiana University Purdue University Indianapolis (IUPUI) to provide one to one tutoring for SENSE students and IUPUI students. Additionally, on Tuesday and Thursday evenings, College Prep provides tutors for SENSE students needing additional academic supports.

In 2011, the school hired a Dean of Students to handle student disciplinary issues. This has allowed the school leadership to focus more on student and teacher development. Both the new administrators have academic but lack business expertise. Still an area of concern for the school is the development of an effective school leadership transition or mentorship program. In addition, the school leader resigned at the end of the 2011-12 year and a new school leader with extensive experience was hired for the upcoming year which is why a transition program is needed.

Therefore, for 2011-12, leadership at the school is approaching the Mayor's Office standard for this indicator.

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

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