

**Core Question 2: Is the organization in sound fiscal health?**

The Financial Performance Framework, outlined in Core Question 2, gauges both near term financial health and longer term financial sustainability while accounting for key financial reporting requirements. Crowe Horwath, the school's auditor, included the activity of both Christel House Academy South, Christel House West, Christel House DORS South and Christel House DORS West in its financial statements. This accountability report reflects disaggregated calculations of Christel House DORS South's financial position *only*.

2.1. Short-term Health: Does the school demonstrate the ability to pay its obligations in the next 12 months?							
Indicator Targets	Does not meet standard	The school does not meet standard on 2 or more of the five sub-indicators shown below.					
	Approaching standard	The school approaches standard for all 5 sub-indicators shown below, OR meet standard on 3 sub-indicators, while approaching on the remaining 2 OR meets standard on 4 sub-indicators, while not meeting standard for the final sub-indicator.					
	Meets standard	The school meets standard for 4 sub-indicators shown below, while approaching standard on the final sub-indicator.					
	Exceeds standard	The school meets standard for all 5 sub-indicators.					
School Rating	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
	2012-13	2013-14	<b>2014-15</b>	2015-16	2016-17	2017-18	2018-19
	ES	ES	<b>ES</b>				
Sub-indicator Ratings	Sub-	Sub-indicator targets				Result	Rating
	Enrollment Ratio	DNMS	Enrollment ratio is less than or equal to 89%			100%	MS
		AS	Enrollment ratio is between 90 – 98%				
		MS	Enrollment ratio equals or exceeds 99%				
	February Enrollment Variance	DNMS	Enrollment ratio is less than or equal to 89%			101%	MS
		AS	Enrollment ratio is between 90 – 95%				
		MS	Enrollment ratio equals or exceeds 95%				
	Current Ratio	DNMS	Current ratio is less than or equal to 1.0			1.53	MS
		AS	Current ratio is between 1.0 – 1.1				
		MS	Current ratio equals or exceeds 1.1				
	Days Cash on Hand	DNMS	Days cash on hand is less than or equal to			60	MS
		AS	Days cash on hand is between 30-45				
		MS	Days cash on hand equals or exceeds 45				
Debt Default	DNMS	Default or delinquent payments identified			N/A	MS	
	MS	Not in default or delinquent					

Christel House DORS South received a rating of **Exceeds Standard** for Core Question 2.1 for the 2014-15 school year.

Based on data from the September 2014 count day, the school **met standard** on the enrollment targets stated in its charter agreement, enrolling 199 students, one student under the charter projected enrollment. As measured by the February Enrollment Variance, the school retained 101 percent of students from September count day to February count day. As a result, the school **met standard** for this sub-indicator.

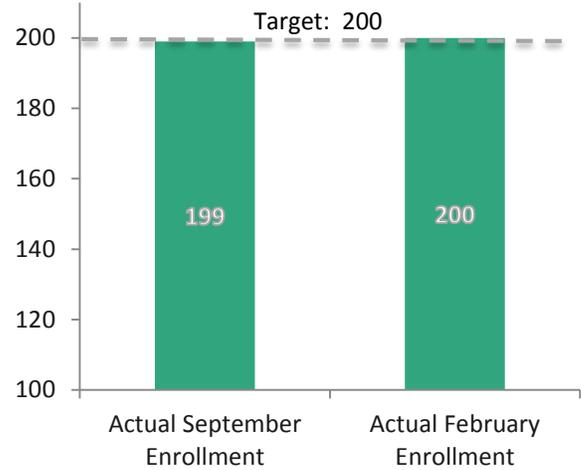
The school had 53 percent more current assets than current liabilities (those due in the next 12 months) and thus **met standard** for this sub-indicator.

Christel House DORS South ended the year with 60 days of cash on hand. This means that if payments to the school had stopped or been delayed post June 30, 2015, the school would have been able to operate for 60 more days. Based on this data, the school **met standard** for this indicator.

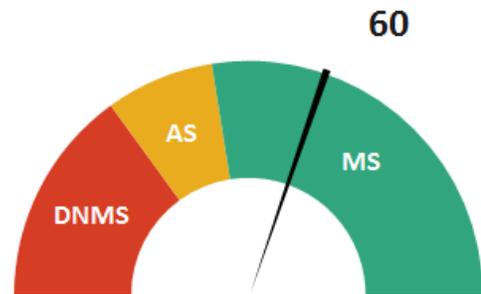
Finally, the school has no long term debt, so by default Christel House DORS South **met standard** for debt default sub-indicator.

By meeting standard on all five sub indicators, Christel House DORS South received a rating of **Exceeds Standard** for Core Question 2.1 in fiscal year 2015.

### Enrollment Variance Ratio



### Days Cash on Hand



2.2. Long-term Health: Does the organization demonstrate long-term financial health?								
Indicator Targets	Does not meet standard	The school does not meet standard on any of the 3 sub-indicators <b>OR</b> meets standard on 1 sub-indicator but does not meet standard on the remaining 2.						
	Approaching standard	The school meets standard on 2 of the sub-indicators while not meeting on the third, <b>OR</b> approaches standard on all 3 sub-indicators.						
	Meets standard	The school meets standard on 2 of the sub-indicators and approaches standard on the third.						
	Exceeds standard	The school meets standard for all 3 sub-indicators.						
School Rating	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
	ES	ES	MS					
Sub-	Sub-	Sub-indicator targets				Result	Rating	
Aggregate Three-Year Net Income	DNMS	Aggregate 3-year net income is negative.				\$15,833 (aggregate) -\$412,994 (current)	AS	
	AS	Aggregate 3-year net income is positive, but most recent year is						
	MS	Aggregate three year net income is positive, and most recent year is positive.						
Debt to Asset Ratio	DNMS	Debt to Asset ratio equals or exceeds .95				.56	MS	
	AS	Debt to Asset ratio is between .9 - .95						
	MS	Debt to Asset ratio is less than or equal to .9						
Debt Service Coverage (DSC) Ratio	DNMS	DSC ratio is less than or equal to 1.05				N/A	MS	
	AS	DSC ratio is between 1.05-1.2						
	MS	DSC ratio equals or exceeds 1.2						

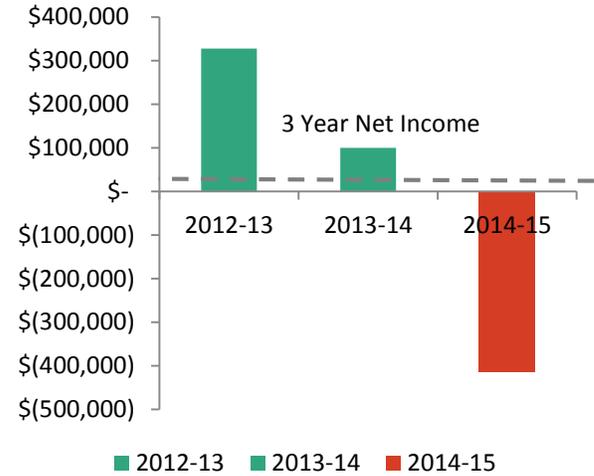
Christel House DORS South received a rating of **Meets Standard** for Core Question 2.2 for the 2014-15 school year. The school **approached standard** for the net income sub-indicator. While the school had a positive three year aggregate net income of **\$15,833**, the school had a current year net income of **-\$412,994**.

The school **met standard** on the debt to asset ratio sub-indicator. The school had a ratio of **.56** meaning that its total assets exceeded its total debts.

Additionally, by default, Christel House DORS South **met standard** for the sub-indicator regarding debt service coverage ratio because the school has no long term debt.

Because Christel House DORS South **met standard** on two sub-indicators and approached standard on the third, the school received a rating of **Meets Standard** for Core Question 2.2 for the 2014-15 school year.

### Three-Year Net Income



2.3. Does the organization demonstrate it has adequate financial management and systems?								
Indicator Targets	Does not meet standard		The school does not meet standard on 1 of the sub-indicators.					
	Approaching standard		The school meets standards on 1 sub-indicator, but approaches standard for the remaining sub-indicator.					
	Meets standard		The school meets standard on both sub-indicators.					
School Rating	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
	MS	DNMS	DNMS					
Sub-indicator Ratings	Sub-indicator	Sub-indicator targets					Rating	
	Financial Audit	DNMS	The school receives an audit with multiple significant deficiencies, materials weakness, or has an ongoing concern.				MS	
		AS	The school receives a clean audit opinion with few significant deficiencies noted, but no material weaknesses.					
		MS	The school receives a clean audit opinion.					
	Financial Reporting Requirements	DNMS	The school fails to satisfy financial reporting requirements.				DNMS	
		MS	The school satisfies all financial reporting requirements.					

Christel House DORS South received a rating of **Does Not Meet Standard** for Core Question 2.3 for the 2014-15 school year.

The school **met standard** for its annual accrual based audit because its auditor, Crowe Horwath, did not identify material weaknesses or significant deficiencies within the financial controls of the school. Moreover, the audit was handed into the State Board of Accounts before the November 30<sup>th</sup> deadline.

However, Christel House DORS South only submitted 38% of its other financial documents into OEI in a timely manner. Therefore, the school **did not meet standard** for this sub-indicator.

By meeting standard on one sub-indicator and not meeting standard on the other, Christel House DORS South received a rating of **Does Not Meet Standard** for Core Question 2.3 for the 2014-2015 school year.