



Office of Charter Schools

Dr. Robert H. Faulkner Academy

2017-18 Charter Renewal Application

November 6, 2017

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INTRODUCTION

According to Indiana law, a charter school is established to provide innovative and autonomous programs that: 1) serve the different learning styles and needs of public school students; 2) offer public school students appropriate and innovative choices; 3) provide varied opportunities for professional educators; 4) allow public schools freedom and flexibility in exchange for exceptional levels of accountability; and 5) provide parents, students, community members, and local entities with an expanded opportunity for involvement in the public school system (IC 20-24-2-1). As an authorizer of charter schools, Ball State University is responsible for ensuring that its charter schools demonstrate that they are achieving academic, financial, and organizational outcomes.

Merit-based renewal decisions will be based on an analysis of a comprehensive body of objective evidence defined by the Performance Frameworks and gauged under standards developed under national principles and standards for quality authorizing. Renewals will be granted to each charter school that can demonstrate that it has achieved ongoing and continuous performance standards as stipulated in the Performance Frameworks (developed by OCS), and has been faithful to the terms of the contract and applicable laws.

The renewal process serves three purposes. First, it forms OCS' decision on whether to renew a school's contract by providing evidence of school performance in relation to the academic, financial, and organizational performance standards set out in the school's charter and in the Performance Frameworks. Second, the process through the renewal application provides the school a meaningful opportunity to present additional evidence regarding its performance. Third, it provides the school with an opportunity to outline – based on its past performance – a deliberate plan for sustaining success, addressing areas requiring improvement, and ensuring ongoing viability of the school.

RENEWAL TIMELINE

Release of Renewal Application	April 28, 2017
Renewal Orientation: Meetings with School Leaders and Board Members	May – August 2017
Letter of Intent to Renew due to OCS on or before	October 1, 2017
Renewal Application Due to OCS	October 1, 2017
Onsite School Visits.....	June – December 2017
Renewal Decisions.....	On or before January 15, 2018

RENEWAL DECISION OVERVIEW

The OCS intends to conduct a rigorous, transparent renewal decision process that leads to merit-based decisions consistent with national principles and standards for quality authorizing. In the OCS's process to make changes to its accountability framework and to align its processes with national principles and standards for quality authorizing, the Performance Frameworks and the OCS's Policy for School Assessment and Intervention will both be used to determine a school's eligibility for a charter renewal. The OCS will base its renewal decisions on the existing record of school performance including, but not limited to, the school's written response to the Renewal Narrative of the Charter Renewal Application and any additional performance data provided by the school.

The first stage of the process involves the OCS sharing with each school that is up for renewal the schools' data as evaluated through the Performance Frameworks. Additional data is gathered through site visits, desk audits, and the CSAPPHIRE database.

The second stage requires the school to prepare and submit the Charter Renewal Application. The Renewal Application provides schools an opportunity to present the school's existing record of performance and to outline plans for the school's next charter term. Within the Charter Renewal Application, schools will have an opportunity to comment on the data and provide factual corrections and/or supplement the record with information and data to explain academic results and demonstrate other academic measures that may provide evidence of the school's academic success and/or improvement (*e.g.*, individual student growth data, legacy/cohort group data, summer remediation and/or additional IREAD scores, etc.). The school's plans for the next charter term may affect the length of the renewal term/extension and may shape the development of a new charter contract.

The third stage is an evaluation of the data collected in the first stage and the second stage by the staff and contractors of OCS; and the determination by the Executive Director of OCS as to whether to extend or renew the school's charter and the duration of the renewal or extension.

2017-18 CHARTER RENEWAL APPLICATION – INSTRUCTIONS AND CSAPPHIRE SUBMISSIONS

INSTRUCTIONS:

The OCS will provide a Charter Renewal Application template to each school up for renewal. A school's Charter Renewal Application will have some data charts pre-filled by the OCS with the school's data; however, the school should fill in any empty boxes, as applicable. Charter Renewal Applications must be submitted to OCS **electronically through CSAPPHIRE no later than October 1, 2017.**

FORMAT FOR SUBMISSIONS:

- ☐ The Renewal Narrative should not exceed 25 pages, excluding attachments.
- ☐ Attachments to the Renewal Narrative (excluding the required CSAPPHIRE submissions and updates listed below) should not exceed 25 pages and should be **clearly** referenced in the Renewal Narrative.
- ☐ Any attachment should provide information that a) meaningfully augments the body of evidence that OCS has already collected on the school's performance, or b) illustrates or supports plans or strategies for the next charter term that would be material to the charter contract for the renewal term (*e.g.*, revised student handbook provisions, updated professional development plan, etc.).

CSAPPHIRE SUBMISSIONS AND UPDATES:

The following documents will be reviewed and verified by the OCS remotely through CSAPPHIRE during the renewal process. In order to make the process more efficient, please review and/or upload the school's *most current* version of each of the following documents. If any of these documents was submitted previously, please just be certain that the version in CSAPPHIRE is the most current version.

School Documents

Please review and verify the following in CSAPPHIRE are the most current version. If such document listed below is not in CSAPPHIRE, please upload the required document. These documents can be found under the "Plans and Policies" folder unless otherwise indicated.

- X Curriculum and Instructional Methods
- X General Descriptions of Responsibilities of Teachers and Staff
- X Methods of Promoting Parent and Community Involvement Practices
- X Methods of Pupil Assessments
- X Organizational Chart (updated administrative organizational chart)
- X School Calendar (current school year) (**annual folder titled "School Calendar"**)
- X Staffing Matrix
- n/a Supplemental Programs (Information on Current Student Clubs, Organizations, and Other
- n/a Extracurricular Activities Offered (including athletic teams))

Current School Plans and Policies

Please review and verify the following "Plans and Policies" in CSAPPHIRE are the most current versions. If such document listed below is not in CSAPPHIRE, please upload the required document.

- X Conflict of Interest Policy
- X Criminal Background Check Policy

- X Deposit of Funds Policy
- X Discipline Policy
- X Elementary School Reading Plan
- n/a Fundraising Policy and Guidelines
- n/a Graduation Requirements, including diploma types offered (if applicable)
- X Medication Policy
- X Performance Evaluation Plan for Administrators and Teachers
- X Personnel Plan, including Methods of Selection, Retention and Compensation of Employees
- X Policy and Procedures for ELL Students
- X Policy and Procedures for Special Education
- X Professional Development Methods
- X Promotion/Retention Policy
- X School Admission Policy
- X School Safety and Emergency Preparedness Plan
- X Social Media Policy
- X Staff Handbook
- X Student Handbook
- X Student Health Screening Policy
- X Student Records Policy
- X Teacher and Staff Compensation and Benefits Plans
- n/a Transportation Policy (if applicable)

Corporate Documents

Please review and verify the following documents in CSAPPHIRE are the most current versions. If such document listed below is not in CSAPPHIRE, please upload the required document.

- X Articles of Incorporation (and any Amendments thereto)
- X Any Fictitious Name Registrations filed with the Indiana Secretary of State
- X Board By-Laws
- X Board Member List (including Current Contact Information)
- X Calendar of Board Meetings
- n/a EMO Agreement (together with all Amendments thereto, if applicable)

Financials and Budgets

Please review and verify the following documents in CSAPPHIRE are the most current versions. If such document listed below is not in CSAPPHIRE, please upload the required document.

- X School's Budgets for 2016-17 and 2017-18
- X School's Audit (if not conducted by Fitzgerald Isaac) for the school years ended 6/30/2016 and 6/30/2017

Board – Agenda and Minutes

Please review and verify the following documents in CSAPPHIRE are the most current versions. If such document listed below is not in CSAPPHIRE, please upload the required document.

- X Board Minutes approving School's Budgets for 2016-17 and 2017-18 (2017-2018 will be uploaded after they are approved on November 9, 2017).

Insurance

Please review and verify the following documents in CSAPPHIRE are the most current versions. If such document listed below is not in CSAPPHIRE, please upload the required document.

- X Certificate of Liability Insurance
- X Evidence of Property Insurance

Facility Documents

Please review and verify the following documents in CSAPPHIRE are the most current versions. If such document listed below is not in CSAPPHIRE, please upload the required document.

- X Lease Agreement(s) or Deed(s) for All Occupied Facilities
- ☐ Certificate of Occupancy issued by the Indiana Department of Health (upload in the AM)

RENEWAL NARRATIVE

I. Enrollment and Demographic Overview

A. Provide the enrollment and demographic information for the current school year.

2017-18 ENROLLMENT & DEMOGRAPHIC INFORMATION		
	#	%
Total Enrollment	83	
# of Students on Waiting List	0	
Gender		
Male	46	55
Female	37	44
Ethnicity/Race		
White	35	42
Black	26	31
Hispanic	5	.06
Asian	0	0
Native American	1	.01
Other	16	19
Special Populations		
Students with IEPs	8	.09
English Language Learners	0	0
Homeless Students	0	0
Eligible for Free and Reduced Lunch	70	40

B. Provide enrollment information for length of current charter contract (ADM count).

	2013-14	2014-15	2015-16	2016-17	2017-18
Total Student Enrollment	189	150	129	120	83

C. Provide the student attendance information for the length of the charter contract.

	Year 1	Year 2	Year 2	Year 4	Year 5
Grade	2013-14	2014-15	2015-16	2016-17	2017-18
K	96.5	94.5	94.3	94.8	
1	97.9	96.6	96.6	96	
2	98.3	96.7	95.8	96.3	
3	98.9	97.1	96	95.7	
4	98.0	97.7	97	96.8	
5	98.2	98.7	98	97.3	
6	97.8	96.9	96.3	95.9	
All Grades	97.8	96.9	96.3	96.0	

- D. Provide the number and percentage of students eligible for special education by eligibility category for the length of the current charter contract based on the previous December 1 count.**

	Year 1		Year 2		Year 3		Year 4		Year 5	
	2013-14		2014-15		2015-16		2016-17		2017-18	
	#	%	#	%	#	%	#	%	#	%
Autism Spectrum Disorder										
Blind or Low Vision										
Cognitive Disability										
Deaf or Hard of Hearing										
Deaf-Blind										
Development Delay (early childhood)										
Emotional Disability										
Language or Speech Impairment	12	.005	6	.04	5	0.38	8	.066		
Multiple Disabilities										
Orthopedic Impairment										
Specific Learning Disability	5	.026	6	.04	2	.015	4	.033		
Traumatic Brain Injury										

- E. Provide the number and percentage of ELL students for length of the current charter contract.**

ELL STUDENT POPULATION CHART									
Year 1		Year 2		Year 3		Year 4		Year 5	
2013-14		2014-15		2015-16		2016-17		2017-18	
#	%	#	%	#	%	#	%	#	%
3	.015	3	.02	3	.023	3	.025	0	0

- F. Provide the number and percentage of homeless students for the length of the previous charter contract.**

HOMELESS STUDENT POPULATION									
Year 1		Year 2		Year 3		Year 4		Year 5	
2013-14		2014-15		2015-16		2016-17		2017-18	
#	%	#	%	#	%	#	%	#	%
0	0	0	0	0	0	0	0	0	0

- G. Provide the number and percentage of High Ability students for length of current charter contract.**

HIGH ABILITY STUDENTS									
Year 1		Year 2		Year 3		Year 4		Year 5	
2013-14		2014-15		2015-16		2016-17		2017-18	
#	%	#	%	#	%	#	%	#	%
0	0	0	0	0	0	0	0	0	0

II. Executive Summary

Provide a brief description of the school, including an overview of the mission and vision, educational program, community and local partnerships, and the school's leadership and governance. The following sections will be entered into AdvancEd Assist.

Description of the school (6000 character limit)

- a. Describe the school's size, community/communities, location, and changes it has experienced in the last three years. Include demographic information about the students, staff, and community at large.
- b. What unique features and challenges are associated with the community/communities the school serves?

School's Purpose (6000 character limit)

- a. Provide the school's purpose statement and ancillary content such as mission, vision, values, and/or beliefs. Describe how the school embodies its purpose through its program offerings and expectations for students.
 - i. Address why the school was founded? What educational need were the founders seeking to address in your community?
 - ii. Describe any changes to the school's mission or substantial revisions to the educational program as described in the current charter that the school proposes to make for the next charter term. Discuss any associated challenges or risks.
 - iii. Describe any substantial modifications pertaining to the educational program that the school intends to request should it be renewed for an additional charter term.

Notable Achievements and Areas of Improvement (6000 character limit)

- a. Describe the school's notable achievements and areas of improvement in the last three years.
- b. Describe areas for improvement that the school is striving to achieve in the next three years.
- c. Note: consider both student and teacher recognition or achievements (e.g. teacher of the year awards, special certifications)

Additional Information (6000 character limit)

III. Self-Assessment

The following self-assessments will be completed in AdvancEd Assist.

- a. Purpose and Direction
- b. Governance and Leadership
- c. Teaching and Assessing for Learning

- d. Resources and Support System
- e. Using Results for Continuous Improvement

IV. Student Performance Diagnostic

The chart below provides an overview of the school's academic performance for length of charter contract. This snapshot of academic data provides information to assist schools in the process of completing Sections II and III of the Renewal Application.

Renewal recommendations will be based on all evidence of school performance in the record, including but not limited to the school's responses in this part. For your convenience, please reference appropriately the sections from the **Academic Performance Framework:**

<http://goo.gl/s8HZwH>.

The following information will be entered into the Student Performance Diagnostic in AdvancEd Assist.

- a. Student Performance Data Document
 - This document provides schools an opportunity to supplement the record of performance by submitting evidence that informs the school's performance in relation to OCS's Accountability Framework. Responses should reference the indicators and measures from the Accountability Performance Frameworks to which the information applies (*e.g.*, 2.1 Student Progress Over Time, 2.4 Post-Secondary Readiness).
 - Responses may include, but are not limited to, information about interim assessments or progress reports; evidence of performance on school-or mission-specific goals; and evidence of progress for any areas in which the school has not previously met or is not currently meeting the performance standard.
- b. Areas of Notable Achievement

Which area(s) are above the expected levels of performance?

 - Describe the area(s) that show a positive trend in performance
 - Which area(s) indicate the overall highest performance?
 - Which subgroup(s) show a trend toward increasing performance?
 - Between which subgroups is the achievement gap closing?
 - Which of the above reported findings are consistent with findings from other data sources?
- c. Areas in Need of Improvement
 - Which area(s) are below the expected levels of performance?
 - Describe the area(s) that show a negative trend in performance.
 - Which area(s) indicate the overall lowest performance?
 - Which subgroup(s) show a trend toward decreasing performance?
 - Between which subgroups is the achievement gap becoming greater?
 - Which of the above reported findings are consistent with findings from other data sources?

V. Stakeholder Assessment (recommended)

The following information will be entered into the Stakeholder Assessment Diagnostic in AdvancEd Assist.

- a. Areas of Notable Achievement
 - Which area(s) indicate the overall highest level of satisfaction or approval?
 - Which area(s) show a trend toward increasing stakeholder satisfaction or approval?
 - Which of the above reported findings are consistent with findings from other stakeholder feedback sources?
- b. Areas in Need of Improvement
 - Which area(s) indicate the overall lowest level of satisfaction or approval?
 - Which area(s) show a trend toward decreasing stakeholder satisfaction or approval?
 - What are the implications for these stakeholder perceptions?
 - Which of the above reported findings are consistent with findings from other stakeholder feedback sources?

VI. Organizational Performance

The OCS will review and verify the organizational documents submitted through CSAPPHIRE during the renewal process (see above for the specific list of required CSAPPHIRE submissions and updates). It is important for each school to upload the school's most recent version of each of the required documents in order for the OCS to make appropriate decisions related to Organizational Performance.

Along with the required CSAPPHIRE submissions, provide any organizational related evidence, supplemental data, or contextual information. Submissions may include evidence of current compliance in areas for which the school was found previously to be non-compliant or other updates relevant to previous school findings. Please reference appropriately the sections of the Organizational Performance Framework <http://goo.gl/0QvmDa>.

The following information will be entered into the Organizational Performance Diagnostic in AdvancEd Assist. **Responses required for Renewal Application:**

- Provide a reflection of the school's governance and organizational performance over the past charter term. Describe any anticipated changes to the governance and management of the school, including but not limited to board composition, board member roles, member recruitment, committee structure, and/or amendments to by-laws.
- Please specify whether the board intends to contract or terminate a contract with an education service provider (ESP), educational management organization (EMO), or charter management organization (CMO), and describe the nature of that contractual relationship.

If applicable, please provide evidence illustrating an effective working relationship with an ESP, and describe the ESP's roles and responsibilities in relation to the school's management and governing board; describe how the governing board holds the operator accountable for specific academic, operational or financial outcomes from the agreed upon contract.

Please describe any anticipated changes to service contract or provider over the next charter term, including, but not limited to, intentions to terminate your contractual relationship with your management organization. If terminating, describe in detail the plans for carrying out the primary operational and educational activities for which the service provider had been responsible.

- Describe the current condition of the school's facility, and its capacity to serve students. Discuss any anticipated changes in facilities needs and/or location, which includes any changes to lease terms and/or building plan. If the facility is leased, how does the board oversee the terms of the lease agreement?
- If any organizational deficiencies or findings were noted in any of the annual independent audits, prior notices of deficiencies, onsite reviews, or prior renewal letter, please note such deficiencies and how they were remedied.
- Describe the plan for providing transportation to students to attend the school, including transportation to extra-curricular activities, if applicable.

VII. Financial Performance

The OCS will review and verify the financial documents submitted through CSAPPHIRE during the renewal process (see above for the specific list of required CSAPPHIRE submissions and updates). It is important for each school to upload the school's most recent version of each of the required documents in order for the OCS to make appropriate decisions related to Financial Performance. Please reference appropriately the sections of the Financial Performance Framework <http://goo.gl/vSOezX>.

Financial Assurance: With respect to financial performance, provide an assurance and any evidence, that the school is current in meeting its liabilities including, but not limited to, lease/mortgage, payroll taxes, debt service payments, and employee benefits.

Three-year Financial Projections: Complete a three-year projected budget for the campus and network level (if applicable). The budget detail should make clear the assumptions on which the school bases its key revenue and expenditure projections. The three year projected budget should include the Board of Directors' review and attached minutes. If there is intent to add to or change facilities, this should be included in the budget projection as well as new lease terms and/or building plans under Organizational Plans. Specific documents reviewed during the renewal process will include:

1. Current Board approved budget with minutes. (Sapphire)
2. Prior year's Board approved budget with minutes. (Sapphire)
3. Current facility/school lease term and conditions. (Sapphire)
4. Applicable insurance policies, such as employee health insurance, facility insurance, liability, and their respective renewal dates (Sapphire for facility insurance, liability)
(Leona will send employee health insurance information to me to upload)
5. Current accrual-based audits (Sapphire)
6. Enrollment plan for the next three years (e.g., grade level and projected student enrollment). Identify how the school plans to sustain its enrollment and what plan(s) the school has to continue to recruit students.
7. Charter agreement (Sapphire)
8. Documentation of other contracted services, including cost and scope of services (e.g. food service, marketing, legal, accounting).
9. Form 9 (Sapphire)

The following information will be entered into the Financial Performance Diagnostic in AdvancEd Assist.

Responses required for Renewal Application:

- In what ways does the board assure that financial resources provide adequate support for the school's overall program and to improve student achievement? Please reflect on the allocation, challenges, trends and any shifts in resources directed toward Student Academic Achievement, Student Instructional Support, Overhead and Operational, and Nonoperational (See Form 9).
(Board to complete on November 9, 2017)
- If any financial deficiencies or findings were noted in any of the annual independent audits, prior notices of deficiencies, onsite reviews, or prior renewal letter, please note such deficiencies and how they were remedied. N/A

FINANCIAL PERFORMANCE FRAMEWORK BALL STATE UNIVERSITY			Meets
			Does Not Meet
			Falls Far Below
1. NEAR TERM INDICATORS			
1.a.	Current Ratio (Working Capital Ratio)	Current Assets divided by Current Liabilities	
1.b.	Cash to Current Liabilities	Cash divided by Current Liabilities	
1.c.	Unrestricted Days Cash	Unrestricted Cash divided by ((Total Expenses-Depreciation Expenses)/365)	
1.d.	Enrollment Variance	Actual Enrollment divided by Enrollment Projection in Charter School Board-Approved Budget	
1.e.	Default		
2. SUSTAINABILITY INDICATORS			
2.a.	Total Margin	Net Income divided by Total Revenue and Aggregated Total Margin: Total 3 Year Net Income divided by Total 3 Year Revenues	
2.b.	Debt to Asset Ratio	Total Liabilities divided by Total Assets	
2.c.	Cash Flow	Multi-Year Cash Flow = (Year 3 Total Cash)-(Year 1 Total Cash); One-Year Cash Flow = (Year 2 Total Cash)-(Year 1 Total Cash)	
2.d.	Debt Service Coverage Ratio	(Net Income + Depreciation + Interest Expense)/(Annual Principal, Interest, and Lease Payments)	

Financial Performance Framework – Data Points	
Current Assets	
Current Liabilities	
Cash	
Unrestricted Cash	
Total Expenses	
Depreciation Expenses	
Enrollment Projection in Charter School Board-Approved Budget	
Actual Enrollment	
Default	
Net Income	
Total Revenue	
Aggregated Total Margin	
Total 3 Year Net Income	
Total 3 Year Revenues	
Total Liabilities	
Total Assets	
Year 1 Total Cash	
Year 2 Total Cash	
Year 3 Total Cash	
Depreciation	
Interest	
Interest Expense	
Annual Principal, Interest, and Lease Payments	

School Data Summary Document

	A-F	Data Results Under Intervention/ Assessment Policy	NWEA % meeting reading growth target	NWEA % meeting LA growth target	NWEA % meeting math growth target	ISTEP % Passing Math	ISTEP % Passing ELA	ISTEP % Passing Math & ELA
--	------------	---	---	--	--	-------------------------------------	------------------------------------	---

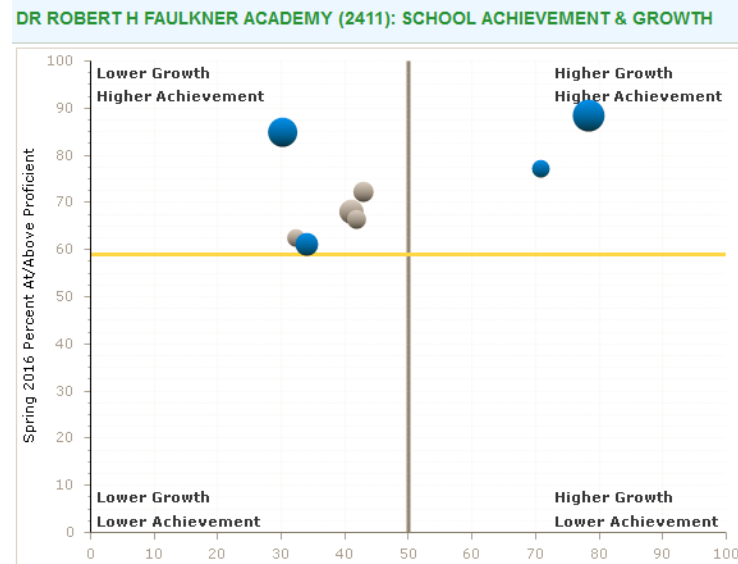
Dr. Robert H. Faulkner Academy
Marion, IN
In Operation since 2008 (9 years)
Independent School
Grade Range: K-6

Total Student Enrollment								
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
168	191	159	186	194	189	150	129	120

2016-17 Enrollment & Demographic Information		
	#	%
Total Enrollment	120	
Ethnicity/Race		
White	44	36.7%
Black	41	34.2%
Hispanic	11	9.2%
Asian	0	0%
American Indian	0	0%
Multiracial	24	20.0%
Native Hawaiiin or Other Pacific Islander	0	0%
Special Populations		
Students with IEPs	12	10.0%
English Language Learners	0	0%
Eligible for Free and Reduced Lunch	36	30%

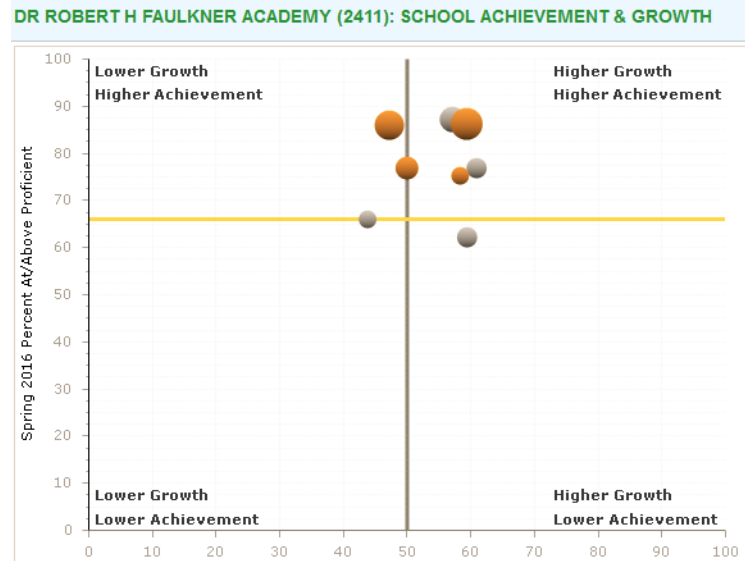
SY 2012-13	A	Exceeds Standard	51.4%	51.6%	49%	88.8%	86.6%	78.4%
SY 2013-14	B	Meets Standard	45.6%	40.9%	43.9%	84.9%	86.0%	78.5%
SY 2014-15	B	Meets Standard	19.4%	25.6%	19.6%	61.1%	76.7%	48.6%
SY 2015-16	A	Exceeds Standard	40.5%	52.6%	34.2%	75.8%	75%	64.3%

Math Growth	Year	# Tested	Pass %	Median Growth %
2013: High growth, high achievement	Spring 2013	98	88.8	78.0
2014: Low growth, high achievement	Spring 2015	93	84.9	30.0
2015: Low growth, high achievement	Spring 2015	72	61.1	34.0
2016: High growth, high achievement	Spring 2016	56	76.8	71.0



ELA Growth	Year	# Tested	Pass %	Median Growth %
2013: High growth, high achievement	Spring 2013	97	86.6	59.0
2014: Low growth, high achievement	Spring 2015	93	86.0	47.0

2015: Medium growth, high achievement	Spring 2015	73	76.7	50.0
2016: High growth, high achievement	Spring 2016	56	75.0	58.5



School Year	Total Students	# Pass IREAD	% Pass IREAD	% ELL	% F/R Lunch
2012-13	35	35	100%	0	100%
2013-14	17	17	100%	0	100%
2014-15	21	21	100%	0	100%
2015-16	15	14	93.3%	0	90.9%

DR. ROBERT H. FAULKNER ACADEMY

7/24/17
11:50:50

FORM - 9 TRANSMITTAL EDIT

BDD55
PAGE 1

CORP NUMBR	SECTION	ACCOUNT NUMBER	AMOUNT
9795	RECEIPTS	100 1741	125.00
9795	RECEIPTS	100 3111	381,271.00
9795	RECEIPTS	800 1611	3,305.78
9795	RECEIPTS	800 4291	32,616.00
9795	RECEIPTS	800 4292	11,819.59
9795	RECEIPTS	4180 4514	30,708.38
9795	RECEIPTS	5270 4223	6,025.69
9795	RECEIPTS	6846 4990	1,582.56
	RECEIPTS	**** TOTALS ****	467,454.00
9795	EXPENDITURES	100 11050 110	21,115.92
9795	EXPENDITURES	100 11050 212	1,649.15
9795	EXPENDITURES	100 11050 222	4,888.66
9795	EXPENDITURES	100 11100 110	56,293.93
9795	EXPENDITURES	100 11100 120	43,360.25
9795	EXPENDITURES	100 11100 211	2,989.08
9795	EXPENDITURES	100 11100 212	4,345.04
9795	EXPENDITURES	100 11100 222	19,934.56
9795	EXPENDITURES	100 11100 230	2,808.78
9795	EXPENDITURES	100 11100 290	1,160.88
9795	EXPENDITURES	100 11100 311	4,325.00
9795	EXPENDITURES	100 11100 611	44.21
9795	EXPENDITURES	100 22130 580	103.59
9795	EXPENDITURES	100 22360 430	1,170.00
9795	EXPENDITURES	100 22360 744	4,138.98
9795	EXPENDITURES	100 23220 540	228.74
9795	EXPENDITURES	100 24100 110	42,716.66
9795	EXPENDITURES	100 24100 120	17,416.74
9795	EXPENDITURES	100 24100 211	1,317.47
9795	EXPENDITURES	100 24100 212	3,265.34
9795	EXPENDITURES	100 24100 222	5,804.84
9795	EXPENDITURES	100 24100 290	1,281.50
9795	EXPENDITURES	100 24100 531	2,831.42
9795	EXPENDITURES	100 24100 532	598.34
9795	EXPENDITURES	100 24100 550	263.01
9795	EXPENDITURES	100 24100 611	2,228.73
9795	EXPENDITURES	100 24100 810	194.00
9795	EXPENDITURES	100 25110 319	12,252.72
9795	EXPENDITURES	100 25150 316	12,904.78
9795	EXPENDITURES	100 25160 319	15,104.00
9795	EXPENDITURES	100 25195 871	357.68
9795	EXPENDITURES	100 26200 120	17,870.62
9795	EXPENDITURES	100 26200 211	1,316.12
9795	EXPENDITURES	100 26200 222	6,690.97
9795	EXPENDITURES	100 26200 411	1,939.66
9795	EXPENDITURES	100 26200 412	1,807.95
9795	EXPENDITURES	100 26200 430	86.30
9795	EXPENDITURES	100 26200 611	3,542.84
9795	EXPENDITURES	100 26200 621	7,738.52
9795	EXPENDITURES	100 26200 622	2,184.27
9795	EXPENDITURES	100 26400 430	3,018.00

DR. ROBERT H. FAULKNER ACADEMY

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FORM - 9 TRANSMITTAL EDIT

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PAGE 2

CORP NUMBR	SECTION	ACCOUNT NUMBER	AMOUNT
9795	EXPENDITURES	100 26600 533	785.40
9795	EXPENDITURES	100 31200 120	11,859.11
9795	EXPENDITURES	100 31200 211	1,344.16
9795	EXPENDITURES	100 31200 222	2,477.56
9795	EXPENDITURES	100 31200 290	896.50
9795	EXPENDITURES	100 31400 614	7,995.24
9795	EXPENDITURES	100 45500 440	6,193.15
9795	EXPENDITURES	100 46000 747	721.24
9795	EXPENDITURES	800 31200 120	6,572.66
9795	EXPENDITURES	800 31400 614	41,168.71
9795	EXPENDITURES	3750 11050 110	1,484.00
9795	EXPENDITURES	3750 11100 110	2,968.55
9795	EXPENDITURES	3951 45500 440	60,000.00
9795	EXPENDITURES	4180 11050 110	880.00
9795	EXPENDITURES	4180 11050 212	77.43
9795	EXPENDITURES	4180 11100 110	8,904.00
9795	EXPENDITURES	4180 11100 120	12,118.07
9795	EXPENDITURES	4180 11100 211	1,134.20
9795	EXPENDITURES	4180 11100 212	730.57
9795	EXPENDITURES	5270 11100 120	2,992.50
9795	EXPENDITURES	5270 11100 211	228.93
9795	EXPENDITURES	5270 12610 319	2,268.00
	EXPENDITURES	**** TOTALS ****	478,712.45
9795	BEG CASH BALANCE	100	253,169.37
9795	BEG CASH BALANCE	100	3,375.00
9795	BEG CASH BALANCE	100	1,500.00
9795	BEG CASH BALANCE	2990	750.00
9795	BEG CASH BALANCE	3750	4,452.55
9795	BEG CASH BALANCE	3951	60,000.00
9795	BEG CASH BALANCE	4180	7,364.34
9795	BEG CASH BALANCE	5270	2,417.94
9795	BEG CASH BALANCE	6846	1,582.56
	BEG CASH BALANCE	**** TOTALS ****	305,132.08
9795	END CASH BALANCE	100	294,005.54
9795	END CASH BALANCE	100	1,500.00
9795	END CASH BALANCE	2990	750.00
9795	END CASH BALANCE	4180	500.23
9795	END CASH BALANCE	5270	1,881.68
	END CASH BALANCE	**** TOTALS ****	293,873.63

DR. ROBERT H. FAULKNER ACADEMY

7/24/17
11:50:50F O R M - 9 T R A N S M I T T A L E D I TBDD55/FAULKNER
PAGE 3

FUND	BEGINNING CASH BALANCE	RECEIPTS	EXPENDITURES	RECEIPT EXCEPTIONS	EXPEND EXCEPTIONS	ENDING CASH BALANCE
0100	251,294.37	381,396.00	337,184.83	.00	.00	295,505.54
0800	.00	47,741.37	47,741.37	.00	.00	.00
2990	750.00	.00	.00	.00	.00	750.00
3750	4,452.55	.00	4,452.55	.00	.00	.00
3951	60,000.00	.00	60,000.00	.00	.00	.00
4180	7,364.34	30,708.38	23,844.27	.00	.00	500.23
5270	2,417.94	6,025.69	5,489.43	.00	.00	1,881.68
6846	1,582.56	1,582.56	.00	.00	.00	.00
TOTAL	305,132.08	467,454.00	478,712.45	.00	.00	293,873.63

DR. ROBERT H. FAULKNER ACADEMY, INC.

FINANCIAL STATEMENTS
Together with Independent Auditors' Report

For the Years Ended June 30, 2016 and 2015



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Independent Auditors' Report

The Board of Directors
Dr. Robert H. Faulkner Academy, Inc.
1111 West 2nd Street
Marion, IN 46952

Report on the Financial Statements

We have audited the accompanying financial statements of Dr. Robert H. Faulkner Academy, Inc., which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and change in net assets, functional expenses, 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. Those standards require that we plan and perform the audits 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dr. Robert H. Faulkner Academy, Inc. as of June 30, 2016 and 2015 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.

DONOVAN

A handwritten signature in dark ink, appearing to read "DONOVAN", is written over a light green rectangular background.

September 6, 2016
Indianapolis, Indiana

DR. ROBERT H. FAULKNER ACADEMY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 361,427	\$ 349,870
Grants receivable	16,178	20,602
Prepaid expenses	<u>9,292</u>	<u>9,898</u>
<i>Total current assets</i>	<u>386,897</u>	<u>380,370</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	369,589	364,857
Textbooks	194,752	114,473
Leasehold improvements	24,341	24,341
Less: accumulated depreciation	<u>(489,281)</u>	<u>(468,486)</u>
<i>Property and equipment, net</i>	<u>99,401</u>	<u>35,185</u>
TOTAL ASSETS	<u><u>\$ 486,298</u></u>	<u><u>\$ 415,555</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 154,309	\$ 50,854
Refundable advances	<u>4,453</u>	<u>924</u>
<i>Total current liabilities</i>	158,762	51,778
UNRESTRICTED NET ASSETS	<u>327,536</u>	<u>363,777</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 486,298</u></u>	<u><u>\$ 415,555</u></u>

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUE AND SUPPORT		
State education support	\$ 824,660	\$ 985,114
Grant revenue	247,825	189,559
Student fees	10,829	13,756
Other income	<u>696</u>	<u>-</u>
<i>Total revenue and support</i>	<u>1,084,010</u>	<u>1,188,429</u>
EXPENSES		
Program services	838,116	893,671
Management and general	<u>282,135</u>	<u>344,534</u>
<i>Total expenses</i>	<u>1,120,251</u>	<u>1,238,205</u>
CHANGE IN NET ASSETS	(36,241)	(49,776)
NET ASSETS, BEGINNING OF YEAR	<u>363,777</u>	<u>413,553</u>
NET ASSETS, END OF YEAR	<u><u>\$ 327,536</u></u>	<u><u>\$ 363,777</u></u>

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2016 and 2015

	2016			2015		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
FUNCTIONAL EXPENSES						
Salaries and wages	\$ 422,679	\$ 138,729	\$ 561,408	\$ 452,363	\$ 148,656	\$ 601,019
Employee benefits	119,549	25,978	145,527	127,892	38,624	166,516
Staff development	11,221	-	11,221	4,381	50	4,431
Professional services	25,283	61,698	86,981	39,319	91,475	130,794
Repairs and maintenance	17,307	-	17,307	13,817	-	13,817
Authorizer oversight fee	-	18,965	18,965	-	19,732	19,732
Administrative service fee	-	16,493	16,493	-	19,702	19,702
Food costs	67,300	-	67,300	64,379	-	64,379
Equipment	10,792	-	10,792	12,454	-	12,454
Classroom, kitchen and office supplies	11,748	10,101	21,849	13,281	6,082	19,363
Occupancy	122,239	-	122,239	124,950	-	124,950
Depreciation	26,652	-	26,652	28,077	-	28,077
Insurance	-	137	137	-	15,486	15,486
Other	3,346	10,034	13,380	12,758	4,727	17,485
	<u>\$ 838,116</u>	<u>\$ 282,135</u>	<u>\$ 1,120,251</u>	<u>\$ 893,671</u>	<u>\$ 344,534</u>	<u>\$ 1,238,205</u>
<i>Total functional expenses</i>						

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (36,241)	\$ (49,776)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	26,652	28,077
Loss on disposal of fixed assets	531	-
Changes in certain assets and liabilities:		
Grants receivable	4,424	24,075
Prepaid expenses	606	3,434
Accounts payable and accrued expenses	45,678	(51,494)
Refundable advances	<u>3,529</u>	<u>924</u>
<i>Net cash provided by (used in) operating activities</i>	45,179	(44,760)
INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(33,622)</u>	<u>-</u>
CHANGE IN CASH	11,557	(44,760)
CASH, BEGINNING OF YEAR	<u>349,870</u>	<u>394,630</u>
CASH, END OF YEAR	<u><u>\$ 361,427</u></u>	<u><u>\$ 349,870</u></u>
SUPPLEMENTAL INFORMATION		
Purchases of property and equipment financed through accounts payable	<u><u>\$ 57,777</u></u>	<u><u>\$ -</u></u>

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – Dr. Robert H. Faulkner Academy, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24 and is sponsored by Ball State University. The School has contracted The Leona Group, LLC to provide management and administrative services.

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition – Revenues generally come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by other public schools in the same geographic area. Funding from the State of Indiana is based on enrollment, and is paid in monthly installments in July through June coinciding with the academic school year. Revenue is recognized in the year in which educational services are rendered.

A portion of the School's revenue is the product of cost reimbursement grants. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred.

Grants Receivable – Grants receivable relate primarily to activities funded under federal grants and legislation enacted by the State of Indiana. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

Taxes on Income – Dr. Robert H. Faulkner Academy, Inc. has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the School would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2016 and 2015, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require the School to recognize a tax liability only if it is more likely than not 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 liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. Tax years ending after 2012 are open to audit for both federal and state purposes.

DR. ROBERT H. FAULKNER ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property and Equipment – Purchases of assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and equipment purchases with a unit cost of less than \$1,000 are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

Furniture and equipment	3 to 4 years
Textbooks	4 years
Leasehold improvements	5 years

Subsequent Events – The School evaluated subsequent events through September 6, 2016, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

Reclassifications – Certain figures for 2015 that were previously reported have been reclassified for comparative purposes.

NOTE 2 – LEASES

The School leases its school facility as well as certain items of office equipment under operating leases for terms from four to five years. Expense under operating leases for the years ended June 30, 2016 and 2015 was \$107,216 and \$105,873, respectively. Future minimum lease obligations for noncancelable operating leases with initial lease terms in excess of one year are as follows for the years ending June 30:

2017	\$ 106,794
2018	106,794
2019	3,596

NOTE 3 – RETIREMENT PLANS

All School personnel are employees of The Leona Group, LLC, which provides management services to the School. School personnel are eligible to participate in The Leona Group, LLC Section 401(k) Plan. Under the plan, the School matches employee contributions dollar for dollar up to 6% of base compensation. Substantially all full-time employees are eligible to participate. Retirement plan expense was \$6,727 and \$7,021 for the years ended June 30, 2016 and 2015, respectively.

DR. ROBERT H. FAULKNER ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2016 and 2015

NOTE 4 – COMMITMENTS

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 to Ball State University an annual administrative fee equal to 3% of state tuition support received. Expense under this charter agreement was \$18,965 and \$19,732 for the years ended June 30, 2016 and 2015, respectively. The charter remains in effect until June 30, 2018, and is renewable thereafter by mutual consent.

The School has contracted with The Leona Group, LLC to provide on-going consulting services with regard to school administration and management, training, and grant writing. Under the terms of the agreement, the School has agreed to pay an amount equal to 2% of state education support revenue, as defined, for these services. Such fees for the years ended June 30, 2016 and 2015 were \$16,493 and \$19,702, respectively. Additionally, the School has also contracted with The Leona Group, LLC to provide employee leasing services. Under the terms of the agreement, the School has agreed to pay an amount equal to 4% of state education support revenues, as defined, for this service. Such fees for the years ended June 30, 2016 and 2015 were \$32,986 and \$39,405, respectively.

NOTE 5 – RISKS AND UNCERTAINTIES

The School provides educational instruction services to families residing in Grant and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2016 and 2015, substantially all of the receivable balance was due from the State of Indiana. Cash deposits are maintained at STAR Financial Bank and are insured up to the FDIC insurance limit.

NOTE 6 – FUNCTIONAL EXPENSE REPORTING

The costs of providing the educational activities have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated between program and management services.

DR. ROBERT H. FAULKNER ACADEMY, INC.
OTHER REPORT
For the Year Ended June 30, 2016

The report presented herein was prepared in addition to another official report prepared for the School as listed below:

Supplemental Audit Report of Dr. Robert H. Faulkner Academy, Inc.

The Supplemental Audit 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*.

SUPPLEMENTAL AUDIT REPORT
OF
DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
July 1, 2015 to June 30, 2016



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DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
School Officials
July 1, 2015 to June 30, 2016

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Jeanne Goble	07/01/15 – 06/30/16
School Director	Janice Adams	07/01/15 – 06/30/16
School Treasurer	Arthur Faulkner	07/01/15 – 06/30/16



The Board of Directors
Dr. Robert H. Faulkner Academy, Inc.

We have audited the consolidated financial statements of Dr. Robert H. Faulkner Academy, Inc. (the "School") as of and for the year ended June 30, 2016 and have issued our report thereon dated September 6, 2016. As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.

DONOVAN

A handwritten signature in dark ink that reads 'Donovan' in a cursive script.

Indianapolis, Indiana
September 6, 2016

DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
Audit Results and Comments
July 1, 2015 to June 30, 2016

PAYROLL POLICIES AND COMPLIANCE

We selected a sample of fifteen employees from the 2016 fiscal year with which to test the process for calculating, accumulating and recording payroll expense. From this sample, the School could not produce contracts for three employees that agreed to the amounts they were compensated. One of these errors related to the contract for the School Leader, for whom contracts are not executed every year. The other two errors related to employees who had pay rate changes mid-year which were approved by resolution of the Board of Directors, but not documented in signed contracts.

All compensation and benefits paid to employees must be included in the labor contract or salary schedule unless otherwise authorized by statute. Compensation must be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
Exit Conference
July 1, 2015 to June 30, 2016

The contents of this report were discussed on September 6, 2016 with Mrs. Jeanne Goble (President of Board of Directors), Mrs. Kelli Dilley (Office Manager). The Official Response has been made a part of this report and may be found on page 5.



DR. ROBERT H. FAULKNER ACADEMY

"Stop • Think • Achieve"

September 1, 2016

Donovan CPAs/Advisors
9245 N. Meridian Street, Suite 302
Indianapolis, IN 46260

RE: Official Response

Dr. Robert H. Faulkner Academy's response to the audit result is:

- *Payroll Policies and Compliance:*

Dr. Robert H. Faulkner Academy will secure updated contracts for each employee whenever a change in pay or status occurs. Dr. Robert H. Faulkner Academy will also require Leona Group to provide a School Leader contract during each contract cycle.

Please see the attached documents.

Thank you for assisting with our audit.

Sincerely,

Kelli D. Dilley

Kelli Dilley
Office Manager

FINANCIAL ASSURANCE STATEMENT
School Year 2017-2018

With respect to financial performance, Dr. Robert H. Faulkner Academy is providing an assurance and any evidence, that the school is current in meeting its liabilities including, but not limited to, lease/mortgage, payroll taxes, debt service payments, and employee benefits.

Please review the current SBOA Audit and Financial Report

Dr. Robert H. Faulkner Academy

School Name

Jeanne Goble

School Board President

Kelli Dilley

Office Manager

November 6, 2017

Date

DR. ROBERT H. FAULKNER ACADEMY, INC.

FINANCIAL STATEMENTS
Together with Independent Auditors' Report

For the Years Ended June 30, 2016 and 2015



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Independent Auditors' Report

The Board of Directors
Dr. Robert H. Faulkner Academy, Inc.
1111 West 2nd Street
Marion, IN 46952

Report on the Financial Statements

We have audited the accompanying financial statements of Dr. Robert H. Faulkner Academy, Inc., which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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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. Those standards require that we plan and perform the audits 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dr. Robert H. Faulkner Academy, Inc. as of June 30, 2016 and 2015 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.

DONOVAN

A handwritten signature in dark ink, appearing to read "DONOVAN", is written over a light green rectangular background.

September 6, 2016
Indianapolis, Indiana

DR. ROBERT H. FAULKNER ACADEMY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 361,427	\$ 349,870
Grants receivable	16,178	20,602
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Furniture and equipment	369,589	364,857
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Leasehold improvements	24,341	24,341
Less: accumulated depreciation	<u>(489,281)</u>	<u>(468,486)</u>
<i>Property and equipment, net</i>	<u>99,401</u>	<u>35,185</u>
TOTAL ASSETS	<u><u>\$ 486,298</u></u>	<u><u>\$ 415,555</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 154,309	\$ 50,854
Refundable advances	<u>4,453</u>	<u>924</u>
<i>Total current liabilities</i>	158,762	51,778
UNRESTRICTED NET ASSETS	<u>327,536</u>	<u>363,777</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 486,298</u></u>	<u><u>\$ 415,555</u></u>

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUE AND SUPPORT		
State education support	\$ 824,660	\$ 985,114
Grant revenue	247,825	189,559
Student fees	10,829	13,756
Other income	<u>696</u>	<u>-</u>
<i>Total revenue and support</i>	<u>1,084,010</u>	<u>1,188,429</u>
EXPENSES		
Program services	838,116	893,671
Management and general	<u>282,135</u>	<u>344,534</u>
<i>Total expenses</i>	<u>1,120,251</u>	<u>1,238,205</u>
CHANGE IN NET ASSETS	(36,241)	(49,776)
NET ASSETS, BEGINNING OF YEAR	<u>363,777</u>	<u>413,553</u>
NET ASSETS, END OF YEAR	<u><u>\$ 327,536</u></u>	<u><u>\$ 363,777</u></u>

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2016 and 2015

	2016			2015		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
FUNCTIONAL EXPENSES						
Salaries and wages	\$ 422,679	\$ 138,729	\$ 561,408	\$ 452,363	\$ 148,656	\$ 601,019
Employee benefits	119,549	25,978	145,527	127,892	38,624	166,516
Staff development	11,221	-	11,221	4,381	50	4,431
Professional services	25,283	61,698	86,981	39,319	91,475	130,794
Repairs and maintenance	17,307	-	17,307	13,817	-	13,817
Authorizer oversight fee	-	18,965	18,965	-	19,732	19,732
Administrative service fee	-	16,493	16,493	-	19,702	19,702
Food costs	67,300	-	67,300	64,379	-	64,379
Equipment	10,792	-	10,792	12,454	-	12,454
Classroom, kitchen and office supplies	11,748	10,101	21,849	13,281	6,082	19,363
Occupancy	122,239	-	122,239	124,950	-	124,950
Depreciation	26,652	-	26,652	28,077	-	28,077
Insurance	-	137	137	-	15,486	15,486
Other	3,346	10,034	13,380	12,758	4,727	17,485
	<u>\$ 838,116</u>	<u>\$ 282,135</u>	<u>\$ 1,120,251</u>	<u>\$ 893,671</u>	<u>\$ 344,534</u>	<u>\$ 1,238,205</u>
<i>Total functional expenses</i>						

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (36,241)	\$ (49,776)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	26,652	28,077
Loss on disposal of fixed assets	531	-
Changes in certain assets and liabilities:		
Grants receivable	4,424	24,075
Prepaid expenses	606	3,434
Accounts payable and accrued expenses	45,678	(51,494)
Refundable advances	<u>3,529</u>	<u>924</u>
<i>Net cash provided by (used in) operating activities</i>	45,179	(44,760)
INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(33,622)</u>	<u>-</u>
CHANGE IN CASH	11,557	(44,760)
CASH, BEGINNING OF YEAR	<u>349,870</u>	<u>394,630</u>
CASH, END OF YEAR	<u><u>\$ 361,427</u></u>	<u><u>\$ 349,870</u></u>
SUPPLEMENTAL INFORMATION		
Purchases of property and equipment financed through accounts payable	<u><u>\$ 57,777</u></u>	<u><u>\$ -</u></u>

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – Dr. Robert H. Faulkner Academy, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24 and is sponsored by Ball State University. The School has contracted The Leona Group, LLC to provide management and administrative services.

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition – Revenues generally come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by other public schools in the same geographic area. Funding from the State of Indiana is based on enrollment, and is paid in monthly installments in July through June coinciding with the academic school year. Revenue is recognized in the year in which educational services are rendered.

A portion of the School's revenue is the product of cost reimbursement grants. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred.

Grants Receivable – Grants receivable relate primarily to activities funded under federal grants and legislation enacted by the State of Indiana. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

Taxes on Income – Dr. Robert H. Faulkner Academy, Inc. has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the School would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2016 and 2015, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require the School to recognize a tax liability only if it is more likely than not 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 liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. Tax years ending after 2012 are open to audit for both federal and state purposes.

DR. ROBERT H. FAULKNER ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property and Equipment – Purchases of assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and equipment purchases with a unit cost of less than \$1,000 are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

Furniture and equipment	3 to 4 years
Textbooks	4 years
Leasehold improvements	5 years

Subsequent Events – The School evaluated subsequent events through September 6, 2016, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

Reclassifications – Certain figures for 2015 that were previously reported have been reclassified for comparative purposes.

NOTE 2 – LEASES

The School leases its school facility as well as certain items of office equipment under operating leases for terms from four to five years. Expense under operating leases for the years ended June 30, 2016 and 2015 was \$107,216 and \$105,873, respectively. Future minimum lease obligations for noncancelable operating leases with initial lease terms in excess of one year are as follows for the years ending June 30:

2017	\$ 106,794
2018	106,794
2019	3,596

NOTE 3 – RETIREMENT PLANS

All School personnel are employees of The Leona Group, LLC, which provides management services to the School. School personnel are eligible to participate in The Leona Group, LLC Section 401(k) Plan. Under the plan, the School matches employee contributions dollar for dollar up to 6% of base compensation. Substantially all full-time employees are eligible to participate. Retirement plan expense was \$6,727 and \$7,021 for the years ended June 30, 2016 and 2015, respectively.

DR. ROBERT H. FAULKNER ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2016 and 2015

NOTE 4 – COMMITMENTS

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 to Ball State University an annual administrative fee equal to 3% of state tuition support received. Expense under this charter agreement was \$18,965 and \$19,732 for the years ended June 30, 2016 and 2015, respectively. The charter remains in effect until June 30, 2018, and is renewable thereafter by mutual consent.

The School has contracted with The Leona Group, LLC to provide on-going consulting services with regard to school administration and management, training, and grant writing. Under the terms of the agreement, the School has agreed to pay an amount equal to 2% of state education support revenue, as defined, for these services. Such fees for the years ended June 30, 2016 and 2015 were \$16,493 and \$19,702, respectively. Additionally, the School has also contracted with The Leona Group, LLC to provide employee leasing services. Under the terms of the agreement, the School has agreed to pay an amount equal to 4% of state education support revenues, as defined, for this service. Such fees for the years ended June 30, 2016 and 2015 were \$32,986 and \$39,405, respectively.

NOTE 5 – RISKS AND UNCERTAINTIES

The School provides educational instruction services to families residing in Grant and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2016 and 2015, substantially all of the receivable balance was due from the State of Indiana. Cash deposits are maintained at STAR Financial Bank and are insured up to the FDIC insurance limit.

NOTE 6 – FUNCTIONAL EXPENSE REPORTING

The costs of providing the educational activities have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated between program and management services.

DR. ROBERT H. FAULKNER ACADEMY, INC.
OTHER REPORT
For the Year Ended June 30, 2016

The report presented herein was prepared in addition to another official report prepared for the School as listed below:

Supplemental Audit Report of Dr. Robert H. Faulkner Academy, Inc.

The Supplemental Audit 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*.

SUPPLEMENTAL AUDIT REPORT
OF
DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
July 1, 2015 to June 30, 2016



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DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
School Officials
July 1, 2015 to June 30, 2016

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Jeanne Goble	07/01/15 – 06/30/16
School Director	Janice Adams	07/01/15 – 06/30/16
School Treasurer	Arthur Faulkner	07/01/15 – 06/30/16



The Board of Directors
Dr. Robert H. Faulkner Academy, Inc.

We have audited the consolidated financial statements of Dr. Robert H. Faulkner Academy, Inc. (the "School") as of and for the year ended June 30, 2016 and have issued our report thereon dated September 6, 2016. As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.

DONOVAN

A handwritten signature in dark ink that reads 'Donovan' in a cursive script.

Indianapolis, Indiana
September 6, 2016

www.cpadonovan.com

Avon Office | 5151 E. U.S. HWY 36 Avon, IN 46123 | 317.745.6411

Indianapolis Office | 9245 North Meridian Street, Ste. 302 Indianapolis, IN 46260 | 317.844.8300

DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
Audit Results and Comments
July 1, 2015 to June 30, 2016

PAYROLL POLICIES AND COMPLIANCE

We selected a sample of fifteen employees from the 2016 fiscal year with which to test the process for calculating, accumulating and recording payroll expense. From this sample, the School could not produce contracts for three employees that agreed to the amounts they were compensated. One of these errors related to the contract for the School Leader, for whom contracts are not executed every year. The other two errors related to employees who had pay rate changes mid-year which were approved by resolution of the Board of Directors, but not documented in signed contracts.

All compensation and benefits paid to employees must be included in the labor contract or salary schedule unless otherwise authorized by statute. Compensation must be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
Exit Conference
July 1, 2015 to June 30, 2016

The contents of this report were discussed on September 6, 2016 with Mrs. Jeanne Goble (President of Board of Directors), Mrs. Kelli Dilley (Office Manager). The Official Response has been made a part of this report and may be found on page 5.



DR. ROBERT H. FAULKNER ACADEMY

"Stop • Think • Achieve"

September 1, 2016

Donovan CPAs/Advisors
9245 N. Meridian Street, Suite 302
Indianapolis, IN 46260

RE: Official Response

Dr. Robert H. Faulkner Academy's response to the audit result is:

- *Payroll Policies and Compliance:*

Dr. Robert H. Faulkner Academy will secure updated contracts for each employee whenever a change in pay or status occurs. Dr. Robert H. Faulkner Academy will also require Leona Group to provide a School Leader contract during each contract cycle.

Please see the attached documents.

Thank you for assisting with our audit.

Sincerely,

Kelli D. Dilley

Kelli Dilley
Office Manager

CONTRACT RENEWAL AGREEMENT FOR MEAL SERVICES

SECOND ANNUAL RENEWAL

This Renewal Agreement effective July 1, 2017, by and between Preferred Meal Systems, Inc. 5240 St. Charles Road, Berkeley IL 60163 ("Preferred") and Dr. Robert H. Faulkner Academy 1111 W. 2nd, Marion, IN 46952 ("Customer").

WHEREAS, the parties entered into an Agreement dated July 2, 2015 (the "Agreement") whereby Preferred would provide and Customer would pay for a food service program at the Dr. Robert H. Faulkner academy; and

WHEREAS, the current term of the Agreement expires on June 30, 2017; and

WHEREAS, the parties wish to renew the Agreement for one (1) year.

NOW THEREFORE, the parties agree as follows:

1. The parties acknowledge that this is the first annual renewal of this Agreement and is permitted under the rules and regulations of the USDA.
2. The Agreement is hereby renewed for the period commencing July 1, 2017 and ending June 30, 2018.
3. The purchase price for the meals for this renewal period shall be as follows:

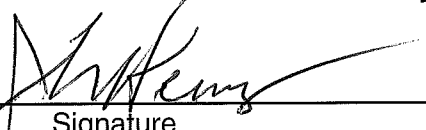
Breakfast	\$1.7013
Lunch	\$3.0329

4. This Agreement may be renewed for additional periods of one (1) year or for such number of years as permitted by the USDA. Such renewal shall be upon the written mutual consent of both parties and the prices per contract renewal will be negotiated at each annual renewal period.

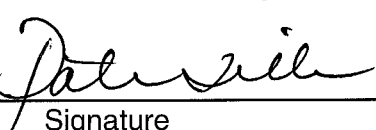
All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first above written.

Dr. Robert H. Faulkner Academy

By: 
Signature
Jimmy L. Henry Director Food Service
Printed Name & Title
6/12/2017
Date

Preferred Meal Systems, Inc.

By: 
Signature
Patrice Tillman, VP/Controller
Printed Name & Title
February 27, 2017
Date

STATE COPY IF REQUIRED

OK

Certificate of Independent Price Determination

Both the School Food Authority and the Offeror shall execute this Certificate of Independent Price Determination.

Preferred Meal Systems, Inc.

Name of Offeror

Dr. Robert H. Faulkner Academy

Name of School Food Authority

(A) By submission of this Offer, the Offeror certifies and in the case of a joint Offer, each party thereto certifies as to its own organization, that in connection with this procurement:

- (1) The prices in this Offer have been arrived at independently without consultation, communication or Agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other Offeror or with any competitor;
- (2) Unless otherwise required by law, the prices which have been quoted in this Offer have not been knowingly disclosed by the Offeror and will not knowingly be disclosed by the Offeror prior to opening in the case of an advertised procurement, or prior to award in the case of a negotiated procurement, directly or indirectly to any other Offeror or to any competitor; and
- (3) No attempt has been made or will be made by the Offeror to induce any person or firm to submit or not to submit, an Offer for the purpose of restricting competition

(B) Each person signing this Offer on behalf of the Offeror certifies that:

- (1) He or she is the person in the Offeror's organization responsible within the organization for the decision as to the prices being Offered herein and has not participated, and will not participate, in any action contrary to (A)(1) through (A)(3) above; or
- (2) He or she is not the person in the Offeror's organization responsible for the decision as to the prices being Offered herein, but that he or she has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated and will not participate, in any act on contrary to (A)(1) through (A)(3) above, and as their agent does hereby so certify; and he or she has not participated, and will not participate, in any action contrary to (A)(1) through (A)(3) above.

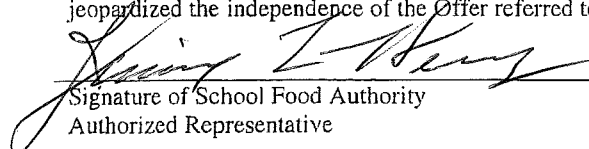
To the best of my knowledge, this Offeror, its affiliates, subsidiaries, officers, directors and employees are not currently under investigation by any governmental agency and have not in the last three years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as follows:


Signature of Offeror's Authorized Representative

VP-Controller
Title

2/27/2017
Date

In accepting this Offer, the SFA certifies that no representative of the SFA has taken any action which may have jeopardized the independence of the Offer referred to above.


Signature of School Food Authority
Authorized Representative

Director Food Service
Title

6/12/17
Date

Note: Accepting a bidder's Offer does not constitute award of the contract.

CERTIFICATION REGARDING
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION
LOWER TIER COVERED TRANACTIONS

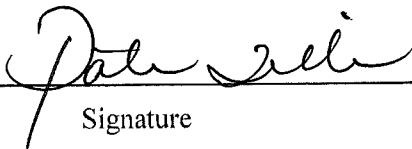
This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211). Copies of the regulations may be obtained by contacting the person to whom this proposal is submitted.

(BEFORE COMPLETING CERTIFICATION, READ ATTACHED INSTRUCTIONS)

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Patrice Tillman VP-Controller

Name and Title of Authorized Representative (please print or type)


Signature

2/27/2017

Date

Name of Company: Preferred Meal Systems, Inc.

Address: 5240 St. Charles Road

Berkeley, IL 60163

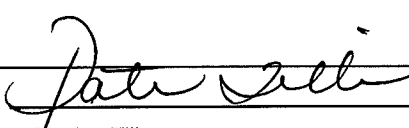
INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and /or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "voluntarily excluded", as used in this clause have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion— Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (202) 786-0688.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

Approved by OMB
0348-0046

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: 4c			5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:		
6. Federal Department/Agency:			7. Federal Program Name/Description: CFDA Number, if applicable: _____		
8. Federal Action Number, if known:			9. Award Amount, if known: \$		
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):			b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature:  Print Name: <u>Patrice Tillman</u> Title: <u>VP-Controller</u> Telephone No.: <u>708-318-2500</u> Date: <u>2/27/2017</u>		
Federal Use Only:					Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

CERTIFICATION REGARDING LOBBYING

Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, "New Restrictions on Lobbying." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant, or cooperative agreement.

LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

NAME OF APPLICANT

Preferred Meal Systems, Inc.

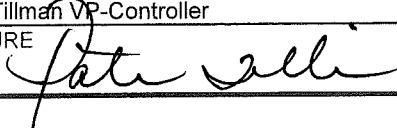
AWARD NUMBER AND/OR PROJECT NAME

Dr. Robert Faulkner Academy

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Patrice Tillman VP-Controller

SIGNATURE



DATE

2/27/2017



CERTIFICATE OF LIABILITY INSURANCE

3/21/2017

DATE (MM/DD/YYYY)

2/20/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies 3280 Peachtree Road NE, Suite #250 Atlanta GA 30305 (404) 460-3600	CONTACT NAME:	
	PHONE (A/C, No, Ext): FAX (A/C, No):	
INSURED Preferred Meal Systems, Inc. 1415356 5240 St. Charles Road Berkeley IL 60163-1341	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Travelers Property Casualty Co of America	
	INSURER B: Sentry Insurance a Mutual Company	
	INSURER C: Sentry Casualty Company	
	INSURER D: Continental Casualty Company	
INSURER E:		
INSURER F:		

COVERAGES**CERTIFICATE NUMBER:** 14159052**REVISION NUMBER:** XXXXXXXX


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	Y	N	660-2C786754-TIL-16	3/1/2017	9/1/2017	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input checked="" type="checkbox"/> Blanket AI CG2015						MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
							\$
B B	AUTOMOBILE LIABILITY	N	N	90-18840-04 (AOS) 90-18840-05 (MA)	3/1/2017 3/1/2017	9/1/2017 9/1/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$ XXXXXXXX
	<input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident) \$ XXXXXXXX
	<input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident) \$ XXXXXXXX
							\$ XXXXXXXX
D	<input checked="" type="checkbox"/> UMBRELLA LIAB	N	N	6012283531	3/1/2017	9/1/2017	EACH OCCURRENCE \$ 25,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB						AGGREGATE \$ 25,000,000
	<input type="checkbox"/> CLAIMS-MADE						\$ XXXXXXXX
	DED RETENTION \$						
B C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N	N/A	90-18840-01 90-18840-02 (Retro)	3/1/2017 3/1/2017	9/1/2017 9/1/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A A	MTC 16-17 Property	N	N	QT6605866B611TIL16 KJ5CMB4H85126516	3/21/2016 9/1/2016	3/21/2017 9/1/2017	Limit: \$100,000/Ded: \$2,500 Limit: \$301,384,067

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The following are shown as additional insureds solely with respect to general liability coverage as evidenced herein as required by written contract:
Washington Food Center Association; Dynamic Builders, Inc.; L. Ramon Bonin; Patty A. Bonin

CERTIFICATE HOLDER**CANCELLATION**

14159052 Dynamic Builders, Inc. 2114 S. Hill Street Los Angeles CA 90007	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

DR. ROBERT H. FAULKNER ACADEMY, INC.

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

For the Years Ended June 30, 2017 and 2016

DRAFT



Donovan
CPAs

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Donovan CPAs

Independent Auditors' Report

The Board of Directors
Dr. Robert H. Faulkner Academy, Inc.
1111 West 2nd Street
Marion, IN 46952

Report on the Financial Statements

We have audited the accompanying financial statements of Dr. Robert H. Faulkner Academy, Inc., which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and change in net assets, functional expenses, 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. Those standards require that we plan and perform the audits 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 Dr. Robert H. Faulkner Academy, Inc. as of June 30, 2017 and 2016 and the changes in its net assets, its functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

DONOVAN

September XX, 2017

Indianapolis, Indiana

DRAFT

DR. ROBERT H. FAULKNER ACADEMY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 293,874	\$ 361,427
Grants receivable	9,966	16,178
Prepaid expenses	<u>9,239</u>	<u>9,292</u>
<i>Total current assets</i>	<u>313,079</u>	<u>386,897</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	369,589	369,589
Textbooks	194,752	194,752
Leasehold improvements	24,341	24,341
Less: accumulated depreciation	<u>(528,564)</u>	<u>(489,281)</u>
<i>Property and equipment, net</i>	<u>60,118</u>	<u>99,401</u>
TOTAL ASSETS	<u><u>\$ 373,197</u></u>	<u><u>\$ 486,298</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 116,012	\$ 154,309
Refundable advances	<u>-</u>	<u>4,453</u>
<i>Total current liabilities</i>	116,012	158,762
UNRESTRICTED NET ASSETS	<u>257,185</u>	<u>327,536</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 373,197</u></u>	<u><u>\$ 486,298</u></u>

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUE AND SUPPORT		
State education support	\$ 783,505	\$ 824,660
Grant revenue	243,369	247,825
Student fees	8,551	10,829
Contributions	2,900	-
Other income	181	696
	<u>1,038,506</u>	<u>1,084,010</u>
<i>Total revenue and support</i>		
EXPENSES		
Program services	830,633	838,116
Management and general	278,224	282,135
	<u>1,108,857</u>	<u>1,120,251</u>
<i>Total expenses</i>		
CHANGE IN NET ASSETS	(70,351)	(36,241)
NET ASSETS, BEGINNING OF YEAR	<u>327,536</u>	<u>363,777</u>
NET ASSETS, END OF YEAR	<u><u>\$ 257,185</u></u>	<u><u>\$ 327,536</u></u>

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2017 and 2016

	2017			2016		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
FUNCTIONAL EXPENSES						
Salaries and wages	\$ 394,435	\$ 140,984	\$ 535,419	\$ 422,679	\$ 138,729	\$ 561,408
Employee benefits	109,932	26,266	136,198	119,549	25,978	145,527
Staff development	8,777	-	8,777	11,221	-	11,221
Professional services	27,923	63,755	91,678	25,283	61,698	86,981
Repairs and maintenance	11,238	-	11,238	17,307	-	17,307
Authorizer oversight fee	-	17,706	17,706	-	18,965	18,965
Administrative service fee	-	15,670	15,670	-	16,493	16,493
Food costs	67,258	-	67,258	67,300	-	67,300
Equipment	10,579	-	10,579	10,792	-	10,792
Classroom, kitchen and office supplies	14,093	7,640	21,733	11,748	10,101	21,849
Occupancy	126,309	-	126,309	122,239	-	122,239
Depreciation	39,283	-	39,283	26,652	-	26,652
Insurance	-	-	-	-	137	137
Other	20,806	6,203	27,009	3,346	10,034	13,380
	<u>20,806</u>	<u>6,203</u>	<u>27,009</u>	<u>3,346</u>	<u>10,034</u>	<u>13,380</u>
<i>Total functional expenses</i>	<u>\$ 830,633</u>	<u>\$ 278,224</u>	<u>\$ 1,108,857</u>	<u>\$ 838,116</u>	<u>\$ 282,135</u>	<u>\$ 1,120,251</u>

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.**STATEMENTS OF CASH FLOWS****For the Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (70,351)	\$ (36,241)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	39,283	26,652
Loss on disposal of property and equipment	-	531
Changes in certain assets and liabilities:		
Grants receivable	6,212	4,424
Prepaid expenses	53	606
Accounts payable and accrued expenses	(38,297)	45,678
Refundable advances	<u>(4,453)</u>	<u>3,529</u>
<i>Net cash provided by (used in) operating activities</i>	(67,553)	45,179
INVESTING ACTIVITIES		
Purchases of property and equipment	<u>-</u>	<u>(33,622)</u>
CHANGE IN CASH	(67,553)	11,557
CASH, BEGINNING OF YEAR	<u>361,427</u>	<u>349,870</u>
CASH, END OF YEAR	<u><u>\$ 293,874</u></u>	<u><u>\$ 361,427</u></u>
SUPPLEMENTAL INFORMATION		
Purchases of property and equipment financed through accounts payable	<u><u>\$ -</u></u>	<u><u>\$ 57,777</u></u>

See independent auditors' report and accompanying notes to the financial statements

DR. ROBERT H. FAULKNER ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – Dr. Robert H. Faulkner Academy, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24 and is sponsored by Ball State University. The School has contracted The Leona Group, LLC to provide management and administrative services.

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition – Revenues generally come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by other public schools in the same geographic area. Funding from the State of Indiana is based on enrollment, and is paid in monthly installments in July through June coinciding with the academic school year. Revenue is recognized in the year in which educational services are rendered.

A portion of the School's revenue is the product of cost reimbursement grants. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred.

Grants Receivable – Grants receivable relate primarily to activities funded under federal grants and legislation enacted by the State of Indiana. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

Taxes on Income – Dr. Robert H. Faulkner Academy, Inc. has received a determination from the U.S. Internal Revenue Service stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the School would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2017 and 2016, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require the School to recognize a tax liability only if it is more likely than not 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 liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. Tax years ending after 2013 are open to audit for both federal and state purposes.

DR. ROBERT H. FAULKNER ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property and Equipment – Purchases of assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and equipment purchases with a unit cost of less than \$1,000 are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

Furniture and equipment	3 to 4 years
Textbooks	4 years
Leasehold improvements	5 years

Subsequent Events – The School evaluated subsequent events through **September XX, 2017**, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

NOTE 2 – LEASES

The School leases its school facility as well as certain items of office equipment under operating leases for terms from four to five years. Expense under operating leases for the years ended June 30, 2017 and 2016 was \$107,307 and \$107,216, respectively. Future minimum lease obligations for noncancelable operating leases with initial lease terms in excess of one year are as follows for the years ending June 30:

2018	\$ 106,794
2019	3,596

NOTE 3 – RETIREMENT PLANS

All School personnel are employees of The Leona Group, LLC, which provides management services to the School. School personnel are eligible to participate in The Leona Group, LLC Section 401(k) Plan. Under the plan, the School matches employee contributions dollar for dollar up to 6% of base compensation. Substantially all full-time employees are eligible to participate. Retirement plan expense was \$7,095 and \$6,727 for the years ended June 30, 2017 and 2016, respectively.

DR. ROBERT H. FAULKNER ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

NOTE 4 – COMMITMENTS

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 to Ball State University an annual administrative fee equal to 3% of state tuition support received. Expense under this charter agreement was \$17,706 and \$18,965 for the years ended June 30, 2017 and 2016, respectively. The charter remains in effect until June 30, 2018, and is renewable thereafter by mutual consent.

The School has contracted with The Leona Group, LLC to provide on-going consulting services with regard to school administration and management, training, and grant writing. Under the terms of the agreement, the School has agreed to pay an amount equal to 2% of state education support revenue, as defined, for these services. Such fees for the years ended June 30, 2017 and 2016 were \$15,670 and \$16,493, respectively. Additionally, the School has also contracted with The Leona Group, LLC to provide employee leasing services. Under the terms of the agreement, the School has agreed to pay an amount equal to 4% of state education support revenues, as defined, for this service. Such fees for the years ended June 30, 2017 and 2016 were \$31,340 and \$32,986, respectively.

NOTE 5 – RISKS AND UNCERTAINTIES

The School provides educational instruction services to families residing in Grant and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2017 and 2016, substantially all of the receivable balance was due from the State of Indiana. Cash deposits are maintained at STAR Financial Bank and are insured up to the FDIC insurance limit.

NOTE 6 – FUNCTIONAL EXPENSE REPORTING

The costs of providing the educational activities have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated between program and management services.

DR. ROBERT H. FAULKNER ACADEMY, INC.

OTHER REPORT

For the Year Ended June 30, 2017

The report presented herein was prepared in addition to another official report prepared for the School as listed below:

Supplemental Audit Report of Dr. Robert H. Faulkner Academy, Inc.

The Supplemental Audit 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*.

DRAFT



The Board of Directors
Dr. Robert H. Faulkner Academy, Inc.

We have audited the financial statements of Dr. Robert H. Faulkner Academy, Inc. as of and for the year ended June 30, 2017, and have issued our report thereon dated September XX, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 14, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Dr. Robert H. Faulkner Academy, Inc. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

www.cpadonovan.com

Westside Office | 5151 E. U.S. HWY 36, Avon, IN 46123 | 317.745.6411

Northside Office | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Dr. Robert H. Faulkner Academy, Inc. is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

We identified no particularly sensitive accounting estimates impacting the financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. There were no such uncorrected misstatements. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The only adjustment made as a result of our audit was to increase expense by \$12,324 to capture the expense subsidized by the state technology grants, and record the subsidy as income. This adjustment had no effect on the reported net assets.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Dr. Robert H. Faulkner Academy, Inc.'s financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which were provided by management in a separate letter dated September XX, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

We draw your attention to the recurring losses of approximately \$70,400 and \$36,200 in the years ended June 30, 2017 and 2016, respectively, as well as the decrease in cash of approximately \$67,600 in the year ended June 30, 2017. The School has sufficient cash to absorb losses at this rate for approximately three and five years. This is not a sustainable strategy in the long term. The School must find ways to increase revenue, decrease expenses, or some combination of both, in order to operate within a balanced budget.

In the normal course of our professional association with Dr. Robert H. Faulkner Academy, Inc., we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Dr. Robert H. Faulkner Academy, Inc.'s auditors.

This report is intended solely for the information and use of the Board of Directors and management of Dr. Robert H. Faulkner Academy, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

DONOVAN

Indianapolis, Indiana
September XX, 2017

SUPPLEMENTAL AUDIT REPORT
OF
DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
July 1, 2016 to June 30, 2017

DRAFT



Donovan
CPAs

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DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
School Officials
July 1, 2016 to June 30, 2017

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Jeanne Goble	07/01/16 – 06/30/17
School Director	Janice Adams	07/01/16 – 06/30/17
School Treasurer	Arthur Faulkner	07/01/16 – 06/30/17

DRAFT



Donovan CPAs

The Board of Directors
Dr. Robert H. Faulkner Academy, Inc.

We have audited the financial statements of Dr. Robert H. Faulkner Academy, Inc. (the “School”) as of and for the year ended June 30, 2017 and have issued our report thereon dated September XX, 2017. As part of our audit, we tested the School’s compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments is one matter where we believe the School was not in compliance with those provisions.

DONOVAN

Indianapolis, Indiana
September XX, 2017

DRAFT

DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
Audit Results and Comments
July 1, 2016 to June 30, 2017

VENDOR DISBURSEMENTS

We selected a sample of 26 cash disbursements recorded throughout the 2016-2017 school year. In this sample, we identified three transactions where the School incurred and paid late fees on the transactions, totaling \$52.18. In addition, we found two disbursement transactions where sales tax was paid, totaling \$30.24.

Employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the charter school. Any penalties, interest, or other charges paid by the charter school may be the personal obligation of the responsible employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
Exit Conference
July 1, 2016 to June 30, 2017

The contents of this report were discussed on September XX, 2017 with Mrs. Jeanne Goble (President of Board of Directors), Mrs. Kelli Dilley (Office Manager). The Official Response has been made a part of this report and may be found on page 5.

DRAFT



Executive Summary

Dr. Robert H Faulkner Academy

Dr Robert H Faulkner Academy

1111 W 2nd St
Marion, IN 46952-3674

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Introduction

Every school has its own story to tell. The context in which teaching and learning takes place influences the processes and procedures by which the school makes decisions around curriculum, instruction, and assessment. The context also impacts the way a school stays faithful to its vision. Many factors contribute to the overall narrative such as an identification of stakeholders, a description of stakeholder engagement, the trends and issues affecting the school, and the kinds of programs and services that a school implements to support student learning.

The purpose of the Executive Summary (ES) is to provide a school with an opportunity to describe in narrative form the strengths and challenges it encounters. By doing so, the public and members of the school community will have a more complete picture of how the school perceives itself and the process of self-reflection for continuous improvement. This summary is structured for the school to reflect on how it provides teaching and learning on a day to day basis.

Description of the School

Describe the school's size, community/communities, location, and changes it has experienced in the last three years. Include demographic information about the students, staff, and community at large. What unique features and challenges are associated with the community/communities the school serves?

Description of School

Dr. Robert H. Faulkner continues to offer a distinctive choice in education for parents and student in Marion, Indiana. Our school population has decreased since our Mid-Cycle Review Report and that will be addressed later. Our current data show that 84% of our students receive free and reduced lunch. The current racial composition of the school is Multiracial 20.0%, Black 31 %, Hispanic 6% and White 42%, Native Americans 1%, and Other 19%. Faulkner Academy believes that every child is gifted and talented. We encourage all students, their families and the community to commit to a cognitive approach to teaching and learning in order to better prepare our children for academic success. A cognitive approach is a learner-centered approach that aims to improve the learner's ability to process information by addressing each learner's situation context, knowledge base and intrinsic motivation for learning. It is our belief that Balanced Literacy, Cognition and Integrated Content continue to provide a solid, coherent foundation for learning allowing flexibility to meet the Indiana State Standards. These three components and the use of school improvement processes based upon the effective school research are implemented daily at Faulkner. We have found when the school has a clear school mission, high expectations for success, instructional leadership, frequent monitoring of student progress, opportunity to learn and student time on task, safe and orderly environment, home-school relations, and students achieve academic excellence or they stay the same. These correlates are the only set of research based characteristics of a school's climate associated with improved, better student learning. Faulkner Academy continues the tradition of excellence through rigor, consistency, fidelity, stamina and Cognitive Guided Instruction.

Faulkner staff is made of individuals that are totally committed to the growth and development of students. Staff works tirelessly often performing more than their job to make sure the school is running successfully. To help student become competent in technological society, the Academy purchased computers to make a 1/1 ratio for students 3 thru 6 grade. The computer lab is open daily for research or projects. Every classroom has at least four or more computers in the classroom available daily.

Three years ago, cursive writing was added and it has been a success. Students enjoy it and the handwriting is amazing.

Monday thru Wednesday, children participate in Arts Academy. Artist from the community provide, art, nutrition, choir, Spanish, chess and exercise to our students. The Academy continues to employ community individuals to share their talents with students.

Faulkner partnered with the Honeywell Foundation Educational Outreach program in Wabash, Indiana eight years ago. Children have had the pleasure to meet artist, list to the orchestra, enjoy opera and Mr. Tap from Chicago along with many other artist.

School's Purpose

Provide the school's purpose statement and ancillary content such as mission, vision, values, and/or beliefs. Describe how the school embodies its purpose through its program offerings and expectations for students.

School Purpose

The mission of Dr. Robert H. Faulkner academy is to provide a choice in education where students learn strategies and knowledge to increase their ability to think critically and analytically in a safe environment (staff simplified for students to embrace and memorize, August 2017). Every child entering the Academy receive an assessment to determine the specific needs and an individualized learning plan to determine their specific needs so that each student special needs are addressed. The Academy utilizes Feuerstein Instrumental Enrichment program to address deficiencies of all students. Teachers and support staff have been trained in FIE and it is implemented daily. The Academy ensures that all eligible students with disabilities are provided with a quality education in the least restrictive environment. The teachers of the Academy work with all students including those with disabilities in the general education environment using the curriculum and adapting it to meet the child's individual needs. Various techniques are used to promote learning; depending on the disability, teaching methods will include individualized instruction, problem-solving assignments and small group work. "What makes Faulkner different"? One of our teachers stated that, "What makes us different is we make relationships". "Just because I'm in upper grade doesn't mean I'm not there for a Kindergartner.

Faulkner Academy believes.....

- Every child is gifted and talented.
- A cooperative partnership among the scholar, family school and community is essential for scholar academic growth and development.
- Each scholar's positive sense of self is critical for school achievement and success throughout life.
- All scholars, families and school personnel must be valued and treated with respect.
- A school community should embrace cultural diversity, a spirit of learning and mutual respect for all participants.

Notable Achievements and Areas of Improvement

Describe the school's notable achievements and areas of improvement in the last three years. Additionally, describe areas for improvement that the school is striving to achieve in the next three years.

Notable Achievements and Areas of Improvement

Our achievements are related to relationships. Since 2013 the kindergarten through sixth grade has done well in student performance, accountability and attendance. In 2016, the school had higher passing rates than the state in all sections, mostly notably with a 100 percent passing rate on the fifth-grade social studies test. Faulkner consistently have higher passing rates than the state in key areas from 2013 to 2016. Scores dropped slightly in 2015. Faulkner scores for the State I-Read has not been lower than 90% the last 3 years and 100% 2014-15. I-STEP score have also remained consistent, two "A" the last two years.

A-F Data Results Under Intervention/

Assessment Policy NWEA % meeting reading growth target NWEA % meeting LA growth target NWEA % meeting math growth target ISTEP%
Passing Math ISTEP % Passing ELA ISTEP % Passing Math & ELA

SY 2012-13 A Exceeds Standard 51.4% 51.6% 49% 88.8% 86.6% 78.4%

SY 2013-14 B Meets Standard 45.6% 40.9% 43.9% 84.9% 86.0% 78.5%

SY 2014 -15 B Meets Standard 19.4% 256% 19.6% 61.1% 767% 48.6%

SY 2015-16 A Exceeds Standard 40.5% 52.6% 34.2% 75.8% 75% 64.3%

Improvement:

Math Growth Year # Tested Pass% Median Growth %

2013: High growth, high achievement Spring 2013 98 88.8 78.0

2014: Low growth, high achievement Spring 2015 93 84.9 30.0

2015: Low growth, high achievement Spring 2015 72 61.1 34.0

2016: High growth, high achievement Spring 2016 56 76.8 71.0

Math continues to be an area of improvement for Faulkner. Teachers are using IXL for diagnostic tool to help discover top ways to help students and see the exact item types they are stuck on.

IXL Analytics:

- See every question a student answered in a skill-enabling analysis or one-on-one review.

Executive Summary

Dr. Robert H Faulkner Academy

- Get the full picture of a student's progress with year-long improvement across all topics.
- Reports provide up-to-the-minute analysis on class performance based on chosen standards.
- Track class activity live, with instant updated on who's practicing and who may need attention.

Enrollment & Highly Effective Teachers

Enrollment and employment of highly effective teachers continue to be a concern for the Academy. The Academy is working with The Leona Group Marketing Team to increase enrollment and continue to post on IDOE and the Indiana Employment Web Page. Staff has attended Job Fairs at Ball State University and Purdue University.

To address the concerns with enrollment the Academy has:

- Bulk mailing with information regarding the Academy
- Door to door recruitment
- Weekly ads in the Paper
- Attending First Friday Marion (activity for the community)
- Presentation at churches and other organizations
- Open House Ivy Tech
- General Motor's Booth (Community Day)

These two areas affect the Academy budget which is a major concern and a double edge sword. Without highly effective teachers we can't enroll students and without students we can't employ teachers.

Transportation is also a challenge for the Academy. All students are transported by their parents. The school is in a central location which makes it easily accessible but it is easier to put a child on a bus than bring them to school. The Board is investigating transportation for the school and believes that this might encourage parent to consider and enroll in Faulkner.

Additional Information

Provide any additional information you would like to share with the public and community that were not prompted in the previous sections.

Additional Information

Marion like most small communities is struggling with high employment rates, drugs and education. According to 2017 second quarter statistics from the Indiana Department of Workforce Development, all industries in Grant County are expected to grow by at least nine percent in the next decade. Combined with job growth as well as the fact that a significant portion of the Grant County workforce is 55 or older, about 23 percent, Workforce Development estimates that more than 10,000 jobs will need to be filled by 2017. "The unemployment rate in Grant County and across the state is a record low", stated Mike Hicks, director for the Ball State University Center for Business and Economic Research, which means there are less and less available workers to hire. "Grant County's problem is the available workforce is not desirable." Hick further states that "increasing skills sets and improving education is a major key in creating employment opportunities. When an area has a strong school they not only produce qualified workers, but they also attract households and in turn, business". Although the Academy is the only school in Marion that has an "A" it is difficult to get students or in many instances to retain them. Education historically has not been given top priority for many in Marion; when students enroll in Faulkner they are often 1 or 2 grades behind. The rigor and accountable for both parents and students are more than they are willing to endure and they transfer them to other schools that "are not as hard". We have found when students start at Faulkner in Kindergarten they are most likely to stay. Parents buy into the mission, vision and goals and are willing to make the sacrifice. We are aware that 23% of the county population is functionally illiterate and have developed an open-door policy for all parents or extended family to feel welcome, this is important to Faulkner. On many occasions Faulkner has made available to parent that could not read, a safe place for them to learn to read. One parent stated that the "open-door policy" at Faulkner has made her and her son feel welcome. "It's a village and everyone is taking a part to raise your child. "You're not left out in the dark; you always know what's going on."



Self Assessment

Dr. Robert H Faulkner Academy

Dr Robert H Faulkner Academy

1111 W 2nd St
Marion, IN 46952-3674

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Introduction

AdvancED's Self Assessment (SA) diagnostic is based on the AdvancED Standards of Quality, which serves as the foundation of the accreditation and continuous improvement process. The SA is a valuable tool for collaboratively engaging staff members and stakeholders in purposeful, honest dialogue and reflection to assess the institution's adherence to the Standards, and guide its continuous improvement efforts. The SA includes the institution's self-ratings of and the evidence cited for each of the indicators, comments that explain the indicator's ratings and an overall narrative for each Standard. The results of the SA are reviewed by the External Review Team as one essential component of the preparation process for the institution's External Review.

Standard 1: Purpose and Direction

The school maintains and communicates a purpose and direction that commit to high expectations for learning as well as shared values and beliefs about teaching and learning.

Overall Rating: 2.67

Indicator	Statement or Question	Response	Evidence	Rating
1.1	The school engages in a systematic, inclusive, and comprehensive process to review, revise, and communicate a school purpose for student success.	The school has a process for review, revision, and communication of its purpose. The process has been implemented. The process includes participation by representatives from stakeholder groups. The purpose statement focuses primarily on student success.	•Examples of communications to stakeholders about the school's purpose (i.e. website, newsletters, annual report, student handbook)	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
1.2	The school's leadership and staff commit to a culture that is based on shared values and beliefs about teaching and learning and supports challenging, equitable educational programs and learning experiences for all students that include achievement of learning, thinking, and life skills.	Commitment to shared values and beliefs about teaching and learning is evident in documentation and decision making. This commitment is regularly reflected in communication among leaders and staff. Challenging educational programs and equitable learning experiences are implemented so that all students achieve learning, thinking, and life skills necessary for success. Evidence indicates a commitment to instructional practices that include active student engagement, a focus on depth of understanding, and the application of knowledge and skills. School leadership and staff share high expectations for professional practice.	•The school's statement of purpose	Level 3

Indicator	Statement or Question	Response	Evidence	Rating
1.3	The school's leadership implements a continuous improvement process that provides clear direction for improving conditions that support student learning.	School leaders implement a documented, systematic continuous improvement process for improving student learning and the conditions that support learning. All stakeholder groups are engaged in the process. School personnel maintain a profile with current and comprehensive data on student and school performance. The profile contains analyses of data used to identify goals for the improvement of achievement and instruction that are aligned with the school's purpose. Improvement goals have measurable performance targets. The process includes action planning that identifies measurable objectives, strategies, activities, resources, and timelines for achieving improvement goals. School leaders hold all school personnel accountable for and evaluate the overall quality of the implementation of all interventions and strategies. The process is reviewed and evaluated. Documentation that the process yields improved student achievement and instruction is available and communicated to stakeholders.	•The school data profile	Level 3

Self Assessment

Dr. Robert H Faulkner Academy

Reflect upon your responses to each of the indicators and performance levels by considering and responding to the following questions when drafting your narrative response. Use language from the performance level descriptions to guide your writing. Cite sources of evidence External Review team members may be interested in reviewing.

Dr. Robert H. Faulkner Academy efficiently maintains and communicates a clear purpose and mission statement. It is the belief of the DRHFA that our stakeholder input is vital and their contributions help to make us a better educational system. Specific guidelines and procedures have been implemented to ensure that all stakeholders are included in this ongoing process. DRHFA has systematically developed a mission statement that reflects the system's purpose/vision and focuses on student success in a 21st century school environment. The system displays its purpose/vision statement on the system website and school's mission statements are accessible through various venues such as parent/student handbooks, school website and in the school office.

Standard 2: Governance and Leadership

The school operates under governance and leadership that promote and support student performance and school effectiveness.

Overall Rating: 2.67

Indicator	Statement or Question	Response	Evidence	Rating
2.1	The governing body establishes policies and supports practices that ensure effective administration of the school.	Policies and practices support the school's purpose and direction and the effective operation of the school. Policies and practices promote effective instruction and assessment that produce equitable and challenging learning experiences for all students. There are policies and practices regarding professional growth of all staff. Policies and practices provide requirements, direction for, and oversight of fiscal management.	<ul style="list-style-type: none"> •Student handbooks •Staff handbooks 	Level 3

Indicator	Statement or Question	Response	Evidence	Rating
2.2	The governing body operates responsibly and functions effectively.	The governing body ensures that its decisions and actions are in accordance with defined roles and responsibilities, are ethical, and free of conflict of interest. Governing body members participate in professional development regarding the roles and responsibilities of the governing body and its individual members. The governing body complies with all policies, procedures, laws, and regulations.	<ul style="list-style-type: none"> •Assurances, certifications •Governing body policies on roles and responsibilities, conflict of interest 	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
2.3	The governing body ensures that the school leadership has the autonomy to meet goals for achievement and instruction and to manage day-to-day operations effectively.	The governing body protects, supports, and respects the autonomy of school leadership to accomplish goals for improvement in student learning and instruction and to manage day-to-day operations of the school. The governing body maintains a distinction between its roles and responsibilities and those of school leadership.	<ul style="list-style-type: none"> •Roles and responsibilities of school leadership •Agendas and minutes of meetings 	Level 3

Indicator	Statement or Question	Response	Evidence	Rating
2.4	Leadership and staff foster a culture consistent with the school's purpose and direction.	Leaders and staff align their decisions and actions toward continuous improvement to achieve the school's purpose. They expect all students to be held to high standards in all courses of study. All leaders and staff are collectively accountable for student learning. School leaders support innovation, collaboration, shared leadership, and professional growth. The culture is characterized by collaboration and a sense of community.	<ul style="list-style-type: none"> •Examples of collaboration and shared leadership 	Level 3

Self Assessment

Dr. Robert H Faulkner Academy

Indicator	Statement or Question	Response	Evidence	Rating
2.5	Leadership engages stakeholders effectively in support of the school's purpose and direction.	Leaders sometimes communicate effectively with stakeholder groups, provide opportunities for stakeholders to shape decisions, solicit feedback from stakeholders, work collaboratively on school improvement efforts, and provide some leadership roles for stakeholders. School leaders' efforts result in some stakeholder participation and engagement in the school.	•Communication plan	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
2.6	Leadership and staff supervision and evaluation processes result in improved professional practice and student success.	The focus of the criteria and processes of supervision and evaluation is improving professional practice and improving student success. Supervision and evaluation processes are regularly implemented. The results of the supervision and evaluation processes are used to monitor and effectively adjust professional practice and improve student learning.	•Examples of professional development offerings and plans tied specifically to the results from supervision and evaluation	Level 3

Reflect upon your responses to each of the indicators and performance levels by considering and responding to the following questions when drafting your narrative response. Use language from the performance level descriptions to guide your writing. Cite sources of evidence External Review team members may be interested in reviewing.

Dr. Robert H. Faulkner is committed to shared values and beliefs about the purpose and mission statements and works diligently to communicate these to stakeholders. DRHFA supports in the engagement of communicating our school's purpose for student success. Each school utilizes social media and technological means to inform stakeholders of the school's activities. Each school disseminates information in ways that reach the largest group of stakeholders.

DRHFA needs to continue to develop plans on how to revise and disseminate the mission statement and purpose. All stakeholders need to be involved in consistent discussions about the shared purpose, values, and beliefs of the school system.

Standard 3: Teaching and Assessing for Learning

The school's curriculum, instructional design, and assessment practices guide and ensure teacher effectiveness and student learning.

Overall Rating: 2.67

Indicator	Statement or Question	Response	Evidence	Rating
3.1	The school's curriculum provides equitable and challenging learning experiences that ensure all students have sufficient opportunities to develop learning, thinking, and life skills that lead to success at the next level.	Curriculum and learning experiences in each course/class provide all students with challenging and equitable opportunities to develop learning skills, thinking skills, and life skills. There is some evidence to indicate curriculum and learning experiences prepare students for success at the next level. Like courses/classes have equivalent learning expectations. Some learning activities are individualized for each student in a way that supports achievement of expectations.	<ul style="list-style-type: none"> •Lesson plans •Representative samples of student work across courses •Descriptions of instructional techniques 	Level 3

Indicator	Statement or Question	Response	Evidence	Rating
3.2	Curriculum, instruction, and assessment are monitored and adjusted systematically in response to data from multiple assessments of student learning and an examination of professional practice.	Using data from student assessments and an examination of professional practice, school personnel monitor and adjust curriculum, instruction, and assessment to ensure vertical and horizontal alignment and alignment with the school's goals for achievement and instruction and statement of purpose. There is a process in place to ensure alignment each time curriculum, instruction, and/or assessments are reviewed or revised. The continuous improvement process ensures that vertical and horizontal alignment as well as alignment with the school's purpose are maintained and enhanced in curriculum, instruction, and assessment.	<ul style="list-style-type: none"> •Common assessments •Standards-based report cards •Lesson plans aligned to the curriculum 	Level 3

Indicator	Statement or Question	Response	Evidence	Rating
3.3	Teachers engage students in their learning through instructional strategies that ensure achievement of learning expectations.	Teachers plan and use instructional strategies that require student collaboration, self-reflection, and development of critical thinking skills. Teachers personalize instructional strategies and interventions to address individual learning needs of students when necessary. Teachers use instructional strategies that require students to apply knowledge and skills, integrate content and skills with other disciplines, and use technologies as instructional resources and learning tools.	<ul style="list-style-type: none"> •Professional development focused on these strategies •Authentic assessments •Examples of teacher use of technology as an instructional resource •Student work demonstrating the application of knowledge 	Level 3

Self Assessment

Dr. Robert H Faulkner Academy

Indicator	Statement or Question	Response	Evidence	Rating
3.4	School leaders monitor and support the improvement of instructional practices of teachers to ensure student success.	School leaders monitor instructional practices through supervision and evaluation procedures to ensure that they 1) are aligned with the school's values and beliefs about teaching and learning, 2) are teaching the approved curriculum, 3) are directly engaged with all students in the oversight of their learning, and 4) use content-specific standards of professional practice.	<ul style="list-style-type: none">•Curriculum maps•Documentation of collection of lesson plans and grade books•Peer or mentoring opportunities and interactions	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
3.5	Teachers participate in collaborative learning communities to improve instruction and student learning.	All members of the school staff participate in collaborative learning communities that meet both informally and formally. Collaboration often occurs across grade levels and content areas. Staff members have been trained to implement a formal process that promotes discussion about student learning. Learning from, using, and discussing the results of inquiry practices such as action research, the examination of student work, reflection, study teams, and peer coaching occur regularly among most school personnel. School personnel indicate that collaboration causes improvement results in instructional practice and student performance.	<ul style="list-style-type: none">•Calendar/schedule of learning community meetings•Peer coaching guidelines and procedures	Level 3

Indicator	Statement or Question	Response	Evidence	Rating
3.6	Teachers implement the school's instructional process in support of student learning.	Most teachers use an instructional process that informs students of learning expectations and standards of performance. Exemplars are sometimes provided to guide and inform students. The process may include multiple measures, including formative assessments, to inform the ongoing modification of instruction. The process provides students with feedback about their learning.	<ul style="list-style-type: none">•Examples of learning expectations and standards of performance•Samples of exemplars used to guide and inform student learning	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
3.7	Mentoring, coaching, and induction programs support instructional improvement consistent with the school's values and beliefs about teaching and learning.	School personnel are engaged in mentoring, coaching, and induction programs that are consistent with the school's values and beliefs about teaching, learning, and the conditions that support learning. These programs set expectations for all school personnel and include measures of performance.	<ul style="list-style-type: none">•Professional learning calendar with activities for instructional support of new staff•Descriptions and schedules of mentoring, coaching, and induction programs with references to school beliefs and values about teaching and learning	Level 3

Self Assessment

Dr. Robert H Faulkner Academy

Indicator	Statement or Question	Response	Evidence	Rating
3.8	The school engages families in meaningful ways in their children's education and keeps them informed of their children's learning progress.	Programs that engage families in their children's education are available. School personnel provide information about children's learning.	•Calendar outlining when and how families are provided information on child's progress	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
3.9	The school has a formal structure whereby each student is well known by at least one adult advocate in the school who supports that student's educational experience.	School personnel participate in a structure that gives them long-term interaction with individual students, allowing them to build strong relationships over time with the student. All students may participate in the structure. The structure allows the school employee to gain insight into and serve as an advocate for the student's needs regarding learning skills, thinking skills, and life skills.	•List of students matched to adult advocate	Level 3

Indicator	Statement or Question	Response	Evidence	Rating
3.10	Grading and reporting are based on clearly defined criteria that represent the attainment of content knowledge and skills and are consistent across grade levels and courses.	Teachers use common grading and reporting policies, processes, and procedures based on clearly defined criteria that represent each student's attainment of content knowledge and skills. These policies, processes, and procedures are implemented consistently across grade levels and courses. Stakeholders are aware of the policies, processes, and procedures. The policies, processes, and procedures are regularly evaluated.	•Sample report cards for each grade level and for all courses •Policies, processes, and procedures on grading and reporting	Level 3

Indicator	Statement or Question	Response	Evidence	Rating
3.11	All staff members participate in a continuous program of professional learning.	All staff members participate in a continuous program of professional learning that is aligned with the school's purpose and direction. Professional development is based on an assessment of needs of the school. The program builds capacity among all professional and support staff. The program is systematically evaluated for effectiveness in improving instruction, student learning, and the conditions that support learning.	•Brief explanation of alignment between professional learning and identified needs •Crosswalk between professional learning and school purpose and direction	Level 3

Indicator	Statement or Question	Response	Evidence	Rating
3.12	The school provides and coordinates learning support services to meet the unique learning needs of students.	School personnel use data to identify unique learning needs of special populations of students based on proficiency and/or other learning needs (such as second languages). School personnel are familiar with research related to unique characteristics of learning (such as learning styles, multiple intelligences, personality type indicators) and provide or coordinate related learning support services to students within these special populations.	•List of learning support services and student population served by such services •Data used to identify unique learning needs of students	Level 2

Self Assessment

Dr. Robert H Faulkner Academy

Reflect upon your responses to each of the indicators and performance levels by considering and responding to the following questions when drafting your narrative response. Use language from the performance level descriptions to guide your writing. Cite sources of evidence External Review team members may be interested in reviewing.

Staff members participate in a continuous program of professional learning. The common planning sessions are fluid as they are based upon the individual needs of teachers. Our curriculum, instruction and assessment are monitored and adjusted systematically in response to quarterly data from multiple assessments of student learning and an examination of professional practice as evidenced by planning for differentiated instruction while making the necessary adjustments to the instructional program.

Standard 4: Resources and Support Systems

The school has resources and provides services that support its purpose and direction to ensure success for all students.

Overall Rating: 2.0

Indicator	Statement or Question	Response	Evidence	Rating
4.1	Qualified professional and support staff are sufficient in number to fulfill their roles and responsibilities necessary to support the school's purpose, direction, and the educational program.	Policies, processes, and procedures describe how school leaders are to access, hire, place, and retain qualified professional and support staff. School leaders determine the number of personnel necessary to fill the roles and responsibilities necessary to support the school purpose, educational programs, and continuous improvement. Sustained fiscal resources are available to fund most positions critical to achieve the purpose and direction of the school.	<ul style="list-style-type: none"> •School budgets for the last three years •Documentation of highly qualified staff 	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
4.2	Instructional time, material resources, and fiscal resources are sufficient to support the purpose and direction of the school.	Instructional time, material resources, and fiscal resources are sometimes focused on supporting the purpose and direction of the school. Instructional time is usually protected. School leaders attempt to secure material and fiscal resources to meet the needs of all students. School leaders express a desire to allocate instructional time, material resources, and fiscal resources so that all students have equitable opportunities to attain challenging learning expectations. Efforts toward the continuous improvement of instruction and operations sometimes include achieving the school's purpose and direction.	<ul style="list-style-type: none"> •School schedule •School calendar 	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
4.3	The school maintains facilities, services, and equipment to provide a safe, clean, and healthy environment for all students and staff.	School leaders have some expectations for maintaining safety, cleanliness, and a healthy environment and have shared these definitions and expectations with most stakeholders. Selected school personnel are accountable for maintaining these expectations. Some measures are in place that allow for tracking of these conditions. Personnel work to improve these conditions. Results of improvement efforts are monitored.	<ul style="list-style-type: none"> •Documentation of compliance with local and state inspections requirements •Documentation of emergency procedures such as fire drills, evacuation and other emergency procedures. 	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
4.4	Students and school personnel use a range of media and information resources to support the school's educational programs.	Students and school personnel have access to media and information resources necessary to achieve most of the educational programs of the school. Personnel are available to assist students and school personnel in learning about the tools and locations for finding and retrieving information.	<ul style="list-style-type: none"> •Data on media and information resources available to students and staff 	Level 2

Self Assessment

Dr. Robert H Faulkner Academy

Indicator	Statement or Question	Response	Evidence	Rating
4.5	The technology infrastructure supports the school's teaching, learning, and operational needs.	The technology infrastructure meets the teaching, learning, and operational needs of most stakeholders. School personnel have a technology plan to improve technology services and infrastructure.	•Policies relative to technology use	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
4.6	The school provides support services to meet the physical, social, and emotional needs of the student population being served.	School personnel endeavor to determine the physical, social, and emotional needs of students in the school. School personnel provide or coordinate programs to meet the needs of students when possible. School personnel evaluate all programs. Improvement plans related to these programs are sometimes designed and implemented to meet the needs of students.	•Social classes and services, e.g., bullying, character education	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
4.7	The school provides services that support the counseling, assessment, referral, educational, and career planning needs of all students.	School personnel endeavor to determine the counseling, assessment, referral, educational, and career planning needs of students in the school. School personnel provide or coordinate programs to meet the needs of students when possible. School personnel evaluate all programs. Improvement plans related to these programs are sometimes designed and implemented to meet the needs of students.	•Description of IEP process •Description of referral process	Level 2

Reflect upon your responses to each of the indicators and performance levels by considering and responding to the following questions when drafting your narrative response. Use language from the performance level descriptions to guide your writing. Cite sources of evidence External Review team members may be interested in reviewing.

Dr. Robert H. Faulkner Academy professional and support staff are highly qualified and fulfill their roles and responsibilities to support the school's purpose, direction and educational program. The faculty provides a positive learning environment for all students.

DRHFA provides a wide range of media and information resources with a variety of ways to support the school's educational programs. Resources include CD's, videos, curriculum-based books, research materials, and technology in the instruction of the Common Core Standards.

Standard 5: Using Results for Continuous Improvement

The school implements a comprehensive assessment system that generates a range of data about student learning and school effectiveness and uses the results to guide continuous improvement.

Overall Rating: 2.2

Indicator	Statement or Question	Response	Evidence	Rating
5.1	The school establishes and maintains a clearly defined and comprehensive student assessment system.	School personnel use an assessment system that produces data from multiple assessment measures about student learning and school performance. The system generally provides consistent measurement across classrooms and courses. Some assessments, especially those related to student learning, are proven reliable and bias free. The system is evaluated for effectiveness in improving instruction, student learning, and the conditions that support learning.	<ul style="list-style-type: none"> •Brief description of student assessment system including range of data produced from standardized and local assessments on student learning and school performance •Evidence that assessments are reliable and bias free 	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
5.2	Professional and support staff continuously collect, analyze, and apply learning from a range of data sources, including comparison and trend data about student learning, instruction, program evaluation, and organizational conditions.	Some processes and procedures for collecting, analyzing, and applying learning from data sources are used by professional and support staff. Data sources include limited comparison and trend data about student learning, instruction, the effectiveness of programs, and organizational conditions. School personnel use data to design, implement, and evaluate continuous improvement plans.	<ul style="list-style-type: none"> •Examples of use of data to design, implement, and evaluate continuous improvement plans and apply learning 	Level 2

Indicator	Statement or Question	Response	Evidence	Rating
5.3	Professional and support staff are trained in the evaluation, interpretation, and use of data.	All professional and support staff members are assessed and trained in a rigorous professional development program related to the evaluation, interpretation, and use of data.	<ul style="list-style-type: none"> •Professional learning schedule specific to the use of data •Documentation of attendance and training related to data use 	Level 3

Indicator	Statement or Question	Response	Evidence	Rating
5.4	The school engages in a continuous process to determine verifiable improvement in student learning, including readiness for and success at the next level.	A process exists for analyzing data that determine improvement in student learning, including readiness for and success at the next level. Results indicate mixed levels of improvement, and school personnel sometimes use these results to design, implement, and evaluate the results of continuous improvement action plans related to student learning, including readiness for and success at the next level.	<ul style="list-style-type: none"> •Evidence of student readiness for the next level •Evidence of student growth •Evidence of student success at the next level 	Level 2

Self Assessment

Dr. Robert H Faulkner Academy

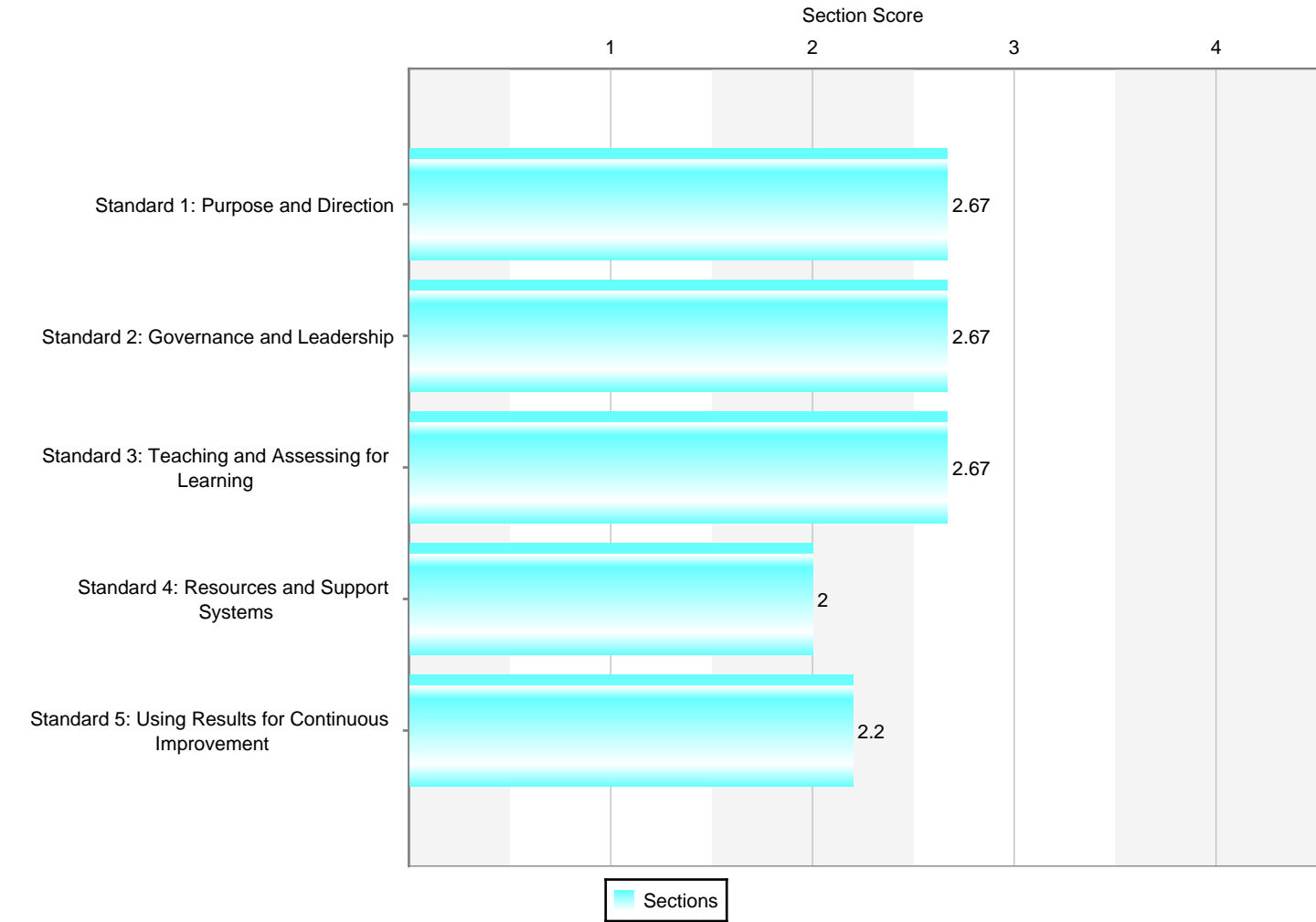
Indicator	Statement or Question	Response	Evidence	Rating
5.5	Leadership monitors and communicates comprehensive information about student learning, conditions that support student learning, and the achievement of school improvement goals to stakeholders.	Leaders monitor information about student learning, conditions that support student learning, and the achievement of school improvement goals. Leaders communicate results to all stakeholder groups.	•Communication plan regarding student learning, conditions that support learning, and achievement of school improvement goals to stakeholders	Level 2

Reflect upon your responses to each of the indicators and performance levels by considering and responding to the following questions when drafting your narrative response. Use language from the performance level descriptions to guide your writing. Cite sources of evidence External Review team members may be interested in reviewing.

Dr. Robert H. Faulkner Academy educators and support staff consistently use systematic processes and procedures for collecting, analyzing, applying learning from multiple data sources and utilizes the results to continue student improvement. Data sources include comparison and trend data that offer a comprehensive representation of student learning, instruction, program effectiveness, and the learning environment. Professional and support staff members are provided training through a professional development program related to the evaluation, interpretation, and use of data.

Report Summary

Scores By Section





Stakeholder Feedback Diagnostic

Dr. Robert H Faulkner Academy

Dr Robert H Faulkner Academy

1111 W 2nd St
Marion, IN 46952-3674

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Introduction

The Stakeholder Feedback Diagnostic is designed to analyze the institution's survey results in terms of areas of achievement and areas that need improvement. Further, the diagnostic is essential to the accreditation and continuous improvement processes in that it provides the institution with a comprehensive view of the aggregate scores of the surveys administered, and the actual total of respondents for each survey type to derive a single score for this diagnostic. The performance level score computed at the completion of the diagnostic is used to broaden and enhance the external review team's understanding of the stakeholder's perceptions of the institution; the diagnostic should be used in the same manner by the institution as it engages in improvement planning.

Stakeholder Feedback Data

Label	Assurance	Response	Comment	Attachment
1.	Did you complete the Stakeholder Feedback Data document offline and upload below?	No	We did not have time to complete the parent stakeholder feedback.	

Evaluative Criteria and Rubrics

Overall Rating: 1.5

	Statement or Question	Response	Rating
1.	Questionnaire Administration	Few or no required AdvancED questionnaires were used by the institution. The minimum response rate was not met (parent questionnaire: less than 20%, student questionnaire(s): less than 40%, staff questionnaire: less than 60%). Questionnaires were administered with no fidelity to the administrative procedures. The participants to whom these questionnaires were administered did not represent the populations served by the institution. Appropriate accommodations were not provided for participants.	Level 1

	Statement or Question	Response	Rating
2.	Stakeholder Feedback Results and Analysis	One or more of the stakeholder questionnaires had an average item value below 3.20 (on a 5.0 scale). Results of stakeholder feedback collected by the institution were indifferently analyzed and presented with little clarity.	Level 2

Areas of Notable Achievement

Which area(s) indicate the overall highest level of satisfaction or approval?

.

Which area(s) show a trend toward increasing stakeholder satisfaction or approval?

.

Which of the above reported findings are consistent with findings from other stakeholder feedback sources?

.

Areas in Need of Improvement

Which area(s) indicate the overall lowest level of satisfaction or approval?

.

Which area(s) show a trend toward decreasing stakeholder satisfaction or approval?

.

What are the implications for these stakeholder perceptions?

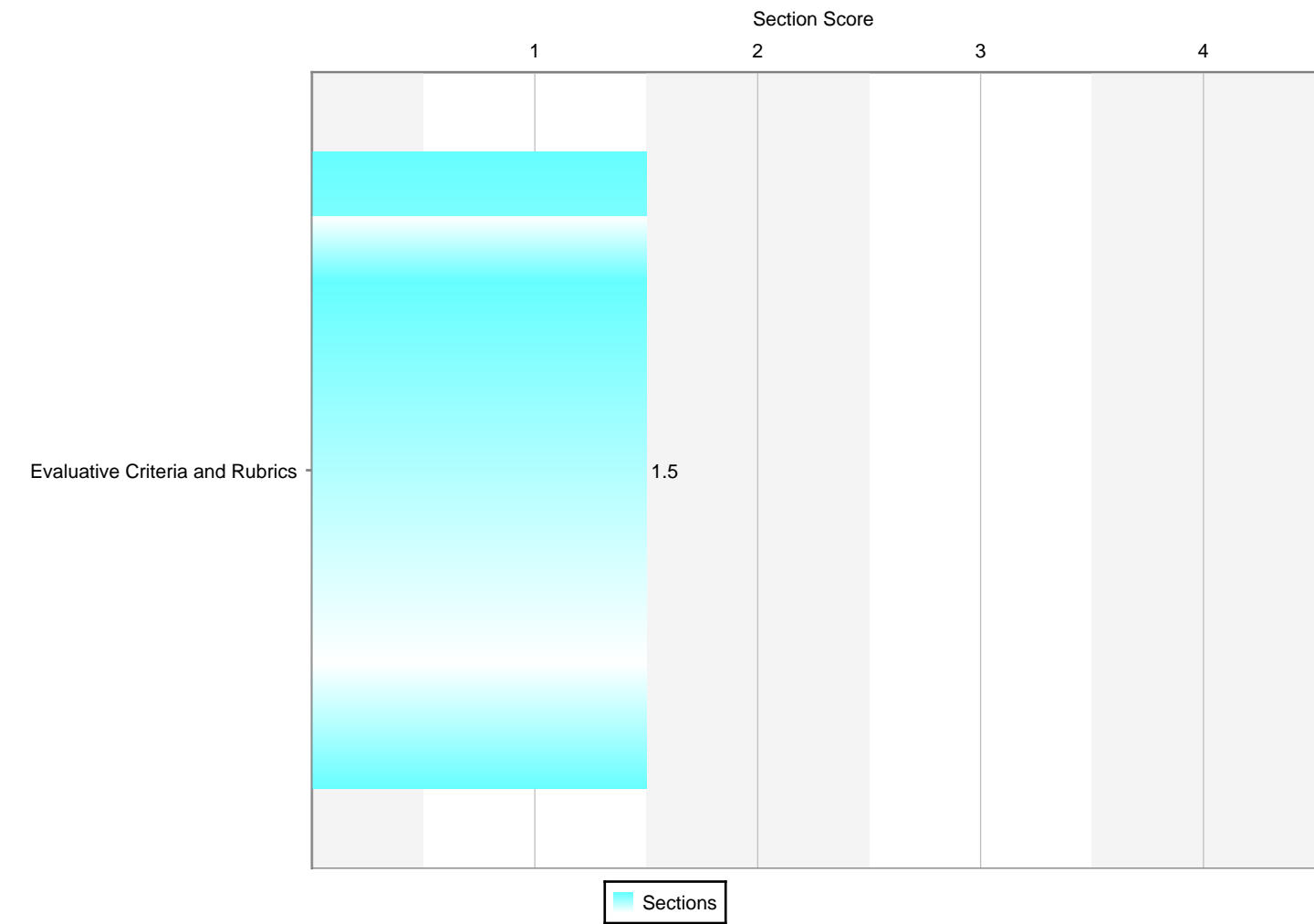
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Which of the above reported findings are consistent with findings from other stakeholder feedback sources?

.

Report Summary

Scores By Section





Student Performance Diagnostic

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Introduction

The Student Performance Diagnostic provides an institution with a process to report summative student assessments. This diagnostic is significant to the accreditation and continuous improvement process as it serves as a resource for schools to view content area assessment results required by the state, district, or other entities, determine the quality and reliability of the given assessments, and show the alignment of the assessments to the school's curriculum. The performance level computed at the completion of the diagnostic is used by the external review team as a comprehensive report to understand fully the institution's assessment program; the diagnostic should be used in the same manner by the institution as it engages in improvement planning.

Student Performance Data

Label	Assurance	Response	Comment	Attachment
1.	Did you complete the Student Performance Data document offline and upload below?	Yes		Student Demographic Data NWEA Data NWEA Data mClass Data IREAD ISTEP Data Summary of Assessments Student Data Document

Evaluative Criteria and Rubrics

Overall Rating: 3.25

	Statement or Question	Response	Rating
1.	Assessment Quality	The array of assessment devices used by the institution to determine students' performances is sufficiently aligned so that valid inferences can be reached regarding students' status with respect to the majority of those curricular aims regarded as high-priority instructional targets. The documentation provided in support of this alignment is relatively persuasive. Most of the assessments used are accompanied by evidence demonstrating that they satisfy accepted technical requirements.	Level 3

	Statement or Question	Response	Rating
2.	Test Administration	All the assessments used by the institution to determine students' performances, whether externally acquired or internally developed, have been administered with complete fidelity to the administrative procedures appropriate for each assessment. In every instance, the students to whom these assessments were administered are accurately representative of the students served by the institution. Appropriate accommodations have been provided for all assessments so that valid inferences can be made about all students' status with respect to all of the institution's targeted curricular outcomes.	Level 4

	Statement or Question	Response	Rating
3.	Quality of Learning	Evidence of student learning promoted by the institution is acceptably analyzed and presented with reasonable clarity. In comparison to institutions functioning in a similar educational context, students' status, improvement, and/or growth evidence indicates that the level of student learning is at or above what would otherwise be expected.	Level 3

	Statement or Question	Response	Rating
4.	Equity of Learning	Evidence of student learning indicates achievement gaps exist among subpopulations of students, and these achievement gaps have noticeably declined.	Level 3

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Which of the above reported findings are consistent with findings from other data sources?

.All reported findings are consistent with the findings of other data sources.

Areas in Need of Improvement

Which area(s) are below the expected levels of performance?

.Math continues to be an area of improvement for Faulkner. Teachers are using IXL for diagnostic tool to help discover top ways to help students and see the exact item types they are stuck on.

IXL Analytics:

- See every question a student answered in a skill-enabling analysis or one-on-one review.
- Get the full picture of a student's progress with year-long improvement across all topics.
- Reports provide up-to-the-minute analysis on class performance based on chosen standards.
- Track class activity live, with instant updated on who's practicing and who may need attention.

Describe the area(s) that show a negative trend in performance.

.Math	Growth	Year	# Tested	Pass%	Median	Growth %
2013:	High growth,	high achievement	Spring 2013	98	88.8	78.0
2014:	Low growth,	high achievement	Spring 2015	93	84.9	30.0
2015:	Low growth,	high achievement	Spring 2015	72	61.1	34.0
2016:	High growth,	high achievement	Spring 2016	56	76.8	71.0

Which area(s) indicate the overall lowest performance?

.Math continues to be the overall lowest performance area.

Which subgroup(s) show a trend toward decreasing performance?

.

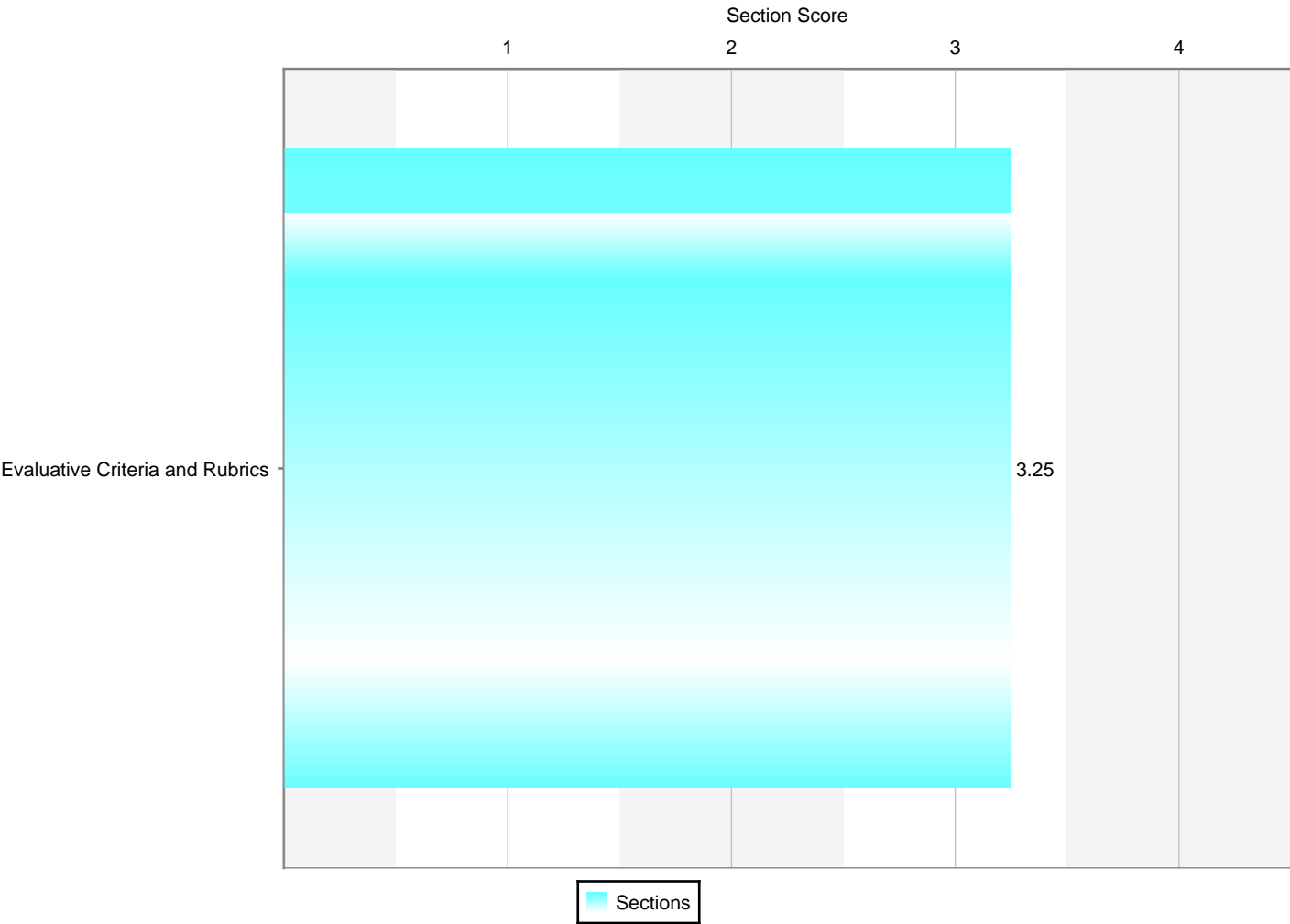
Between which subgroups is the achievement gap becoming greater?

.

Which of the above reported findings are consistent with findings from other data sources?

Report Summary

Scores By Section



Organizational and Financial Performance Diagnostic

Dr. Robert H Faulkner Academy

Dr Robert H Faulkner Academy

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Marion, IN 46952-3674

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DRAFT

Introduction

BSU OCS will review and verify the organizational and financial documents submitted through by schools during the renewal process and evaluate a school's performance using the BSU Organizational and Financial Accountability Frameworks.

DRAFT

Organizational and Financial Strategic Planning-Required Responses

Provide a reflection of the school's governance and organizational performance over the past charter term. Describe any anticipated changes to the governance and management of the school, including but not limited to board composition, board member roles, member recruitment, committee structure, and/or amendments to by-laws.

.

Please specify whether the board intends to contract or terminate a contract with an education service provider (ESP), educational management organization (EMO), or charter management organization (CMO), and describe the nature of that contractual relationship. If no such relationship exists, please respond "Not Applicable."

Not Applicable

If applicable, please provide evidence illustrating an effective working relationship with an ESP, and describe the ESP's roles and responsibilities in relation to the school's management and governing board; describe how the governing board holds the operator accountable for specific academic, operational, or financial outcomes from the agreed upon contract. If no such relationship exists, please respond "Not Applicable."

Not Applicable

If applicable, please describe any anticipated changes to service contract or provider over the next charter term, including, but not limited to, intentions to terminate your contractual relationship with your management organization. If terminating, describe in detail the plans for carrying out the primary operational and educational activities for which the service provider had been responsible. If no such relationship exists, please respond "Not Applicable."

.

Describe the current condition of the school's facility, and its capacity to serve students. Discuss any anticipated changes in facilities needs and/or location, which includes any changes to lease terms and/or building plan. If the facility is leased, how does the board oversee the terms of the lease agreement?

.

If any organizational deficiencies or findings were noted in any of the annual independent audits, prior notices of deficiencies, onsite reviews, or prior renewal letter, please note such deficiencies and how they were remedied.

In what ways does the board assure that financial resources provide adequate support for the school's overall program and to improve student achievement? Please reflect on the allocation, challenges, trends and any shifts in resources directed toward Student Academic Achievement, Student Instructional Support, Overhead and Operational, and Nonoperational (See Form 9).

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Organizational and Financial Strategic Planning-Optional Responses

Discuss how your charter school has avoided creating conflicts of interest where possible and, when necessary what policies has the school utilized to manage those conflicts of interest in a clear and transparent manner. Please address any related parties, including management company, landlord, and other associated non-profits, and overlapping Board members or employees.

How does the board ensure the charter school is meeting its legal obligations to students with special needs and English Language Learners? Please describe the board's role in responding to parent complaints with regards to these populations.

How does the board ensure that admission policies are legally compliant and promote equitable access to diverse student populations? How does the board address parent complaints with regards to admission policies?

How does the board ensure that discipline policies are legally compliant and promote equitable treatment of diverse student populations? How does the board address parent complaints with regards to discipline (e.g. bullying policy, expulsion policy)?

Provide evidence that illustrates how the school creates a professional working climate for all staff. Please describe the board's process for addressing teacher complaints or concerns.

Describe the plan for providing transportation to students to attend the school, including transportation to extra-curricular activities, if applicable.

Describe the charter school's food services program, indicating whether a food contractor is used and whether individuals on site preparing and serving food are employees of the contractor or school.

Please describe the health services offered to students, including medical examinations, dental examinations, vision screenings, mental health screenings, hearing screening, and height/weight measurements. Specify the frequency, grades, service providers, and follow up interventions based on student results or whole-school findings.

How does the school's board oversee the financial management of the school? Specify any relevant officers or committees. Provide evidence that demonstrates how the school operates in a financially sound and publicly accountable manner.

Who is responsible on a daily basis for the oversight and accountability of the school's budget? If there are multiple parties involved (i.e. board treasurer, finance committee, school administrators, management organization, business manager), explain how they work together to ensure a high level of budget oversight.

Describe the school's internal accounting procedures, addressing budget preparation and planning, bank accounts, purchase requests, authorized check signers, competitive bidding, credit/debit cards, and petty cash. Also provide details regarding the use of any accounting software or contracted services to track financial transactions.

Describe the regular review of lease/mortgage agreements, refinancing efforts or considerations, insurance revisions, human resource services, and/or Educational Management Organization contracts.

Describe the school's marketing plan and objectives. What have been successful and unsuccessful marketing strategies throughout the life of the school?

Please analyze and explain any financial challenges or trends that may be significantly different than originally proposed, including how projected and actual enrollment has influenced the school's budget.

DRAFT