



Charter Schools Institute
The State University of New York

Subsequent Renewal Report

Icahn Charter School 1

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The final version of Institute renewal reports should be broadly shared by the school with the entire school community. The reports will be posted on the Institute’s website at: www.newyorkcharters.org/pubsReportsRenewals.htm.

REPORT INTRODUCTION

This report is the primary means by which the Charter Schools Institute (the “Institute”) transmits to the Board of Trustees of the State University of New York (the “SUNY Trustees”) its findings and recommendations regarding a school’s Application for Renewal, and more broadly, details the merits of a school’s case for renewal. This report has been created and issued pursuant to the *Practices, Policies and Procedures for the Renewal of Charter Schools Authorized by the State University Board of Trustees* (the “SUNY Renewal Practices”).¹

Information about the SUNY renewal process and an overview of the requirements for renewal under the New York Charter Schools Act of 1998 (as amended, the “Act”) are available on the Institute’s website at: www.newyorkcharters.org/schoolsRenewOverview.htm.

RECOMMENDATION AND EXECUTIVE SUMMARY

Recommendation

Full-Term Renewal

The Institute recommends that the State University Trustees approve the Application for Subsequent Renewal of the Icahn Charter School 1 and renew its charter for a period of five years with authority to provide instruction to students in Kindergarten through 8th grade with a maximum enrollment of 324 students, and consistent with the other terms set forth in its Application for Subsequent Renewal.

The Institute further recommends that the SUNY Trustees continue to allow the waiver of the Trustees’ 40 percent rule, which is a charter provision that prohibits more than 40 percent of a charter school board from being affiliated with any single entity, in this case, the not-for-profit Foundation for a Greater Opportunity.

Background and Required Findings

According to the SUNY Renewal Practices:

In subsequent renewal reviews, and in contrast to initial renewal reviews, the State University Trustees evaluate the strength and effectiveness of a school’s academic program almost exclusively by the degree to which the school has succeeded in meeting its academic Accountability Plan goals during the Accountability Period. This approach is consistent with the greater time that a school has been in operation and a concomitant increase in the quantity and quality of student achievement data that the school has generated. It is also consistent with the Act’s purpose of moving from a rules-based to an outcome-based system of accountability in which schools are held accountable for meeting measurable student achievement results.

¹ The *Practices, Policies and Procedures for the Renewal of Charter Schools Authorized by the State University Board of Trustees* (revised September 15, 2009) are <http://www.newyorkcharters.org/documents/renewalPractices.doc>.

Icahn Charter School 1 (“Icahn Charter School”) has applied for a subsequent, Full-Term Renewal of five years. In its tenth year of operation, and having previously been awarded a Full-Term Renewal, the SUNY Renewal Practices provide only two possible renewal outcomes for Icahn Charter School: Full-Term Renewal or Non-Renewal. In order to earn a Full-Term Renewal, Icahn Charter School must demonstrate that it has met the criteria for such a renewal as described in the SUNY Renewal Practices. Specifically, the school must demonstrate that it, “has met or come close to meeting its academic Accountability Plan goals during the Accountability Period,” or it must face non-renewal. Based on the Institute’s review of the evidence that it gathered and that Icahn Charter School has provided including, but not limited to, the school’s Application for Renewal, evaluation visits conducted during the charter period, a renewal evaluation visit conducted during the final year of the charter period, and the school’s record of academic performance as determined by the extent to which it has met its academic Accountability Plan goals, the Institute finds that the school has “met or come close to meeting its academic Accountability Plan goals during the Accountability Period.”²

Based on all the evidence submitted, the Institute makes the following findings required by the Act. The Icahn Charter School 1, as described in its Application for Subsequent Renewal, meets the requirements of the Act and all other applicable laws, rules and regulations. The school has demonstrated the ability to operate in an educationally and fiscally sound manner in the next charter period. Finally, given the programs it will offer, its structure and its purpose, approving the school to operate for another five years is likely to improve student learning and achievement and materially further the purposes set out in Education Law subdivision 2850(2).

Therefore, in accordance with the standard for Subsequent Renewal found in the SUNY Renewal Practices, the Institute recommends that the SUNY Trustees approve the Icahn Charter School’s Application for Charter Renewal and renew the charter for a full-term of five years.

Consideration of School District Comments

In accordance with the Act, the Institute notified the school district in which the charter school is located regarding the school’s application for renewal. As of the date of this report, no comments were received from the district in response.

Summary Discussion

Academic Success

Icahn Charter School has consistently met its key Accountability Plan goals of English language arts and mathematics, meeting all measures for both goals each year, with the exception of the respective growth measures, which are unlikely to be met because of the large proportion of students scoring at the proficient level. In addition, the school has consistently met its science and social studies goals during the Accountability Period. According to the state’s No Child Left Behind (“NCLB”) accountability system, the school is deemed to be in good standing.

Based on an evaluation of the five measures in its Accountability Plan, the school has consistently met its English language arts goal throughout the Accountability Period. The school exceeded the 75 percent target for absolute proficiency every year during the Accountability Period and showed steady improvement. The school has consistently exceeded the Annual Measurable Objective

² SUNY Renewal Practices, Full-Term Renewal standard (9).

(AMO) set by the state and outperformed its local community school district every year. In comparison to demographically similar schools state-wide, the school has performed better than expected and met its target each year. The school has also shown overall year-to-year cohort growth in the two previous years, but with a slight decline in the most recent year.

Icahn Charter School has met its mathematics goal throughout the Accountability Period, consistently exceeding the absolute target by a wide margin. The school has exceeded the AMO and outperformed its local community school district by a wide margin each year. In comparison to demographically similar schools state-wide, the school has performed better than expected each year, and consistently met its target. With respect to year-to-year student growth, the school as a whole exceeded its cohort growth target in the most recent year.

The school has a system to gather assessment and evaluation data and uses it to improve instructional effectiveness and student learning. Icahn Charter School regularly administers useful diagnostic, formative and summative assessments that are aligned to its curriculum. Further, the school effectively uses assessment results to improve student performance through the adjustment of classroom instruction as well as to identify students for remediation and enrichment. A wide variety of communication methods have been implemented to inform parents and the overall school community about individual student and overall school performance.

The school has a clearly defined curriculum and has effectively used it throughout the charter period to prepare students to meet state performance standards. Icahn Charter School's comprehensive curriculum, based on E.D. Hirsch's Core Knowledge, is aligned to state learning standards and performance indicators. Teachers at the school are sufficiently supported in what to teach and when to teach it, including having access to a robust amount of instructional materials to use as they implement their lessons.

Icahn Charter School offers a wide array of supports for its teachers, provided by members of the leadership team and external consultants. Instructional leaders have also established and maintained an environment of very high expectations for student achievement and teacher performance. Notably, a professional culture focused on student outcomes has been evident across the school, including school leadership, the school board, instructional staff, and the Icahn network. These efforts resulted in quality instruction being observed throughout the school at the time of the renewal inspection visit.

Throughout Icahn Charter School's existence, including the current charter period, the school has effectively implemented a data-driven Targeted Assistance Program that is demonstrably effective in helping students who are struggling academically. While Icahn Charter School enrolls a low percentage of students with disabilities and English language learners, it has clear procedures in place for identifying these student populations and meeting their needs.

Icahn Charter School has continued to maintain an exceptionally safe and orderly environment where learning is valued, promoted, and clearly evident. At the time of the renewal inspection visit, teachers implemented a variety of effective classroom management techniques with routines and procedures that allow them to successfully deliver lessons. A school-wide discipline system has been in place and consistently applied. The school has experienced an extremely low number of student suspensions.

The school's professional development program assists teachers in meeting student academic needs and school goals by addressing overall instructional priorities as well as general shortcomings in teachers' pedagogical skills and content knowledge. The professional development program provides teachers with a variety of options that address both areas of interest as well as deficiencies identified by school leaders.

Organizational Effectiveness and Viability

Icahn Charter School has been faithful to its mission and has implemented the key design elements contained in its renewal charter in pursuit of that mission, including focusing on the Core Knowledge curriculum and providing academic support through the Targeted Assistance Program. The school has also employed a director of assessment to manage the school's overall student assessment program and provide teachers with related support, as well as a staff developer to assist teachers in improving their instructional practices.

Based on limited data, families appear to be satisfied with the school. The school utilizes an annual parent satisfaction survey as a key method to ensure strong parental input and collaboration. A survey response rate above 90 percent has been reported by the school for each year of the current charter period. In 2009-10, 94 percent of respondents rated the school as either "excellent" or "good" on each of the 15 items included in the survey. In addition, the school has experienced a very high student retention rate, also demonstrating that parents are satisfied with the school such that they consistently re-enroll their child.

Icahn Charter School has established a well-functioning organizational structure with staff, systems, and procedures that allow the school to carry out its academic program. Day-to-day operations are competently managed by a mixture of school and network staff; the priorities of the school's leadership are clearly aligned to the school's mission and Accountability Plan goals. The school's organizational structure supports distinct lines of accountability with clearly defined roles and responsibilities. In addition, the school has been successful in attracting, and in particular retaining, a significant number of quality personnel throughout the school.

The Icahn Charter School board of trustees has worked effectively to oversee the educational program and achieve the school's mission. The composition of the board, which also serves as the board for Icahn Charter Schools 2, 3, 4 and 5 (all authorized by the SUNY Trustees), includes individuals with a diverse set of skills. The board believes that it is well represented in critical areas including management, business, education, real estate and financial expertise, and as such, they have no current plans to increase the board's membership. At the time the school was granted an Initial Full-Term Renewal, it was granted a waiver such that more than 40 percent of the school's board may be affiliated with the Foundation for a Greater Opportunity, an organization that, *inter alia*, helps provide facilities for charter and district schools. The affiliation has not caused any undue conflicts and those that do exist are handled appropriately. The board has visited the school on multiple occasions and they receive detailed reports from the school leader and superintendent on student achievement, legal compliance, and fiscal accountability.

The school board holds school leaders and the superintendent of the Icahn charter school network accountable for measurable student performance results. The board conducts annual evaluations of the school's principal with the assistance and guidance from the superintendent. The school board receives regular reports at each board meeting from school leaders on academic performance, finance, staff updates, enrollment, discipline issues, and any other areas of concern. In the future, the

school board seeks to formalize its succession planning in the event that there is leadership turnover at the school or superintendent level. The school board has generally abided by its by-laws and has held its meetings in accordance with the Open Meetings Law.

The board of trustees has generally avoided creating conflicts of interest, and where conflicts exist, the board has managed those conflicts in a clear and transparent manner through recusal. In most material respects, the school board has implemented adequate policies and procedures to ensure the effective governance and oversight of the school. At the time of the renewal visit, some school policies had not yet been formalized, but due to the school's small size, it has been able to respond to issues as they arise in a manner that is consistent with its charter and all applicable laws and regulations. While the school has adopted a comprehensive complaint policy, there have been no formal complaints brought to the board during the charter period.

Based on the evidence available at the time of the renewal inspection visit and throughout the current charter term, in most material respect, with minor exceptions Icahn Charter School has been in general and substantial compliance with the terms of its charter, bylaws, applicable state and federal law, rules and regulations throughout the term of its charter. The school's bylaws and code of ethics need to incorporate additional language as required by the recent amendments to the Charter Schools Act which will occur through a request for amendment process. The school board has also made appropriate use of outside legal counsel as needed.

Fiscal Soundness

Icahn Charter School has operated pursuant to a long-range financial plan over the course of the charter period that has included the development of realistic budgets that are monitored and adjusted when appropriate. Budget variances are routinely analyzed by both the Icahn charter schools' superintendent and school-based personnel and discussed with the principal and school board on a regular basis or when necessary. The school has consistently taken a strategic look at spending trends and staffing needs in the development of the school's budget(s). In addition, actual expenses have been equal to or less than actual revenue.

The school has established written fiscal policies, procedures and controls related to external and internal compliance for cash disbursements, cash receipts, bank reconciliations, payroll, fixed assets, grants/contributions, and the preparation of financial statements. Transactions have been accurately recorded and appropriately documented in accordance with leadership's direction. The school's Fiscal Year (FY) 2009-10 audit report of internal controls—related to financial reporting and compliance with laws, regulations and grants—disclosed no material weaknesses, or instances of non-compliance. The lack of other deficiencies in the reports provides some, but not absolute, assurance that the school has maintained adequate internal controls and procedures.

The school has complied with financial reporting requirements during the charter period. Budget, quarterly and annual financial statement audit reports were filed in a timely, accurate and complete manner. Each of the school's annual financial audits indicate that the reports were conducted in accordance with generally accepted accounting principles and received an unqualified opinion, indicating that, in the auditor's opinion, the school's financial statements and notes fairly represent, in all material respects, the school's financial position, changes in net assets, and cash flows. The school board reviews and approves various monthly and quarterly reports along with the annual financial audit report.

The school has maintained adequate financial resources to ensure stable operations and has monitored and successfully managed cash flow. The school completed the FY 2009-10 school year in stable financial condition slightly increasing the school's cash reserves while maintaining total net assets, most of which are attributed to the facility the school owns.

As illustrated by the school's Fiscal Dashboard, which appears as an appendix to this report,³ Icahn Charter School has averaged a "fiscally strong" financial-responsibility-composite-score over the current charter term indicating a consistent level of fiscal stability. The composite score assists in measuring the financial health of a school using a blended score that measures the school's performances on key financial indicators which allows a school's sources of financial strength to offset areas of financial weakness. In addition, the school has averaged a "medium risk/good" working-capital-ratio which indicates it has generally had enough short term assets to cover immediate liabilities/short-term debt. Further, the school has averaged a "low risk/excellent" rating debt-to-asset ratio, primarily a result of the school maintaining no short or long term debt. The school has also averaged a "medium risk/good" months-of-cash ratio, demonstrating it has had more than the suggested three months of annual expenses in reserves. The school has no major investments and all cash is left in savings and/or money market accounts to ensure the school has sufficient cash available to pay current bills and other payables that are shortly due.

The school has averaged 87 percent of all expenses being allocated to educational program services over the current charter term. The school also saw revenue exceed expenses per student every year over the charter period, indicating the school has followed through with an effective operational plan on a year-to-year basis.

Based on all of the foregoing the school has demonstrated fiscal soundness over the course of its charter term.

Plans for the Next Charter Period

The school has provided all of the key structural elements for a renewal charter and they are deemed to be reasonable, feasible and achievable. The school would maintain its current mission statement for the term of the renewal charter as follows:

Icahn Charter School I, using the Core Knowledge curriculum developed by E.D. Hirsch, will provide its students with a rigorous academic program offered in an extended day/year setting. Students will graduate armed with the skills and knowledge to participate successfully in the most rigorous academic environments, and will have a sense of personal and community responsibility.

The school would continue providing instruction to students in kindergarten through 8th grade. Projected enrollment in each of the five years within the proposed charter period would be 324 students and the school would offer 192 days of instruction each year. The school day would last from 8:30 a.m. to 4:00 p.m.

³ The Institute's Fiscal Dashboard, which provides a detailed financial analysis of each school authorized by the SUNY Trustees, is available at: <http://www.newyorkcharters.org/FiscalDashboard.htm>. A memo explaining the metrics used within the dashboard is also available at that web address.

The school does not propose to make significant changes to its educational program and would continue to enhance programs already in place. Proposed key design elements for the next charter period would include the following: continued implementation of the Core Knowledge curriculum; intensive targeted intervention programs for struggling students; enrichment programs, including extended school day and summer camp; strong school culture; parental involvement; commitment to serving students with disabilities; fiscal stability; collection and systematic use of student performance data; and extensive professional development for staff.

The school would maintain its current organizational structure that places the principal as the chief school official, assisted by a cadre of secondary leaders, including a director of operations, staff developer, and director of assessment. Members of the current board of trustees expressed an interest to continue their service to the school, as well as providing oversight of Icahn Charter Schools 2, 3, 4, and 5. The school board would maintain its existing committee structure to carry out its responsibilities. In addition, the school board would maintain its institutional partnership with the Foundation for a Greater Opportunity. Finally, the school intends on remaining in its current facility, the elementary program located at 1525 Brook Avenue and the middle school program located 1506 Brook Avenue in the Bronx.

Icahn Charter School has presented a reasonable and appropriate fiscal plan for the term of the next charter that is likely achievable. The school has taken a strong strategic and conservative approach in budgeting and planning for the next charter period. Due to state deficit problems, and the uncertainty of per-pupil funding, the school has developed a working budget that uses the 2009-10 funding levels as a starting point increasing each year by two percent. The plan projects a minor operating and cash flow surplus in each year, contingent on the school continuing to meet enrollment goals which it has demonstrated the ability to meet. These surpluses will further strengthen the school's fiscal stability. Long-range fiscal projections are more susceptible to error than those for a single year. Such projections are subject to revision due to changes in local conditions, objectives, laws and state funding. The school will be required to continually develop and adopt annual budgets based on known per pupil amounts for the districts from which it draws enrollment.

It should be noted that the 2010-11 per-pupil rate for the school's primary district, New York City, is 8.7 percent higher than the 2009-10 rate. The school has chosen to use the 2009-10 per pupil amount as a starting point for budgeting purposes due to the uncertainty about whether or not the 2010-11 per pupil rate will stand or be reduced. Using the 2009-10 rate, the school has already demonstrated projected surpluses during the next charter term and if the 2010-11 rate remains it will only strengthen the school fiscally. Using this conservative method while budgeting will help the school generate additional revenue and continue to remain fiscally stable.

To the extent that Icahn Charter School has achieved its key academic goals, continues to implement an educational program that supports achieving those goals, operates an effective and viable organization, and is fiscally sound, its plans to continue to implement the educational program as proposed during the next charter period are reasonable, feasible and achievable.

SCHOOL OVERVIEW

Opening Information

| | |
|---|----------------|
| Date Initial Charter Approved by SUNY Trustees | January 2001 |
| Date Initial Charter Approved by Board of Regents | March 2001 |
| School Opening Date | September 2001 |

Location

| School Year(s) | Location(s) | Grades | District |
|---------------------|----------------------------------|--------|-----------|
| 2001- 02 to Present | 1525 Brook Ave., Bronx, NY 10437 | K-4 | NYC CSD 9 |
| 2008- 09 to Present | 1506 Brook Ave., Bronx, NY 10437 | 5-8 | NYC CSD 9 |

Partner Organizations

| | Partner Name | Partner Type | Dates of Service |
|---------|--|--------------|------------------|
| Current | The Foundation for a Greater Opportunity | Non-Profit | 2001 - Present |

Current Mission Statement

Icahn Charter School 1, using the Core Knowledge curriculum developed by E. D. Hirsch, will provide its students with a rigorous academic program offered in an extended day/year setting. Students will graduate armed with the skills and knowledge to participate successfully in the most rigorous academic environments, and will have a sense of personal and community responsibility.

Current Key Design Elements

| |
|--|
| <ul style="list-style-type: none"> • Curriculum based on the Core Knowledge Sequence. |
| <ul style="list-style-type: none"> • A robust remediation program including a Saturday Academy, and after school program, targeted assistance for students at-risk of academic failure, and a mentor program. |
| <ul style="list-style-type: none"> • Enrichment opportunities including an extended school day and summer camp. |
| <ul style="list-style-type: none"> • A school culture focused on the enjoyment of hard work, the promotion of good character and respect for learning. |
| <ul style="list-style-type: none"> • Encouraging parental involvement through a parent teacher association and the placement of one parent on the school board, as well as strongly encouraging parents to enter into a contract with the school each year. |
| <ul style="list-style-type: none"> • A commitment to providing the bulk of special education and related services to our students at our school facility. |
| <ul style="list-style-type: none"> • A commitment to fiscal stability through budgeting conservatively and provide a surplus year after year. |
| <ul style="list-style-type: none"> • Effectively using data by employing a Director of Assessment, who collects and organizes student performance data, and facilitates its use in instructional decision making among teachers |
| <ul style="list-style-type: none"> • A robust professional development system including a full time staff developer, who works with staff members and the Director of Assessment to ensure that support for high student performance is maximized and a relationship with the Institute for Literacy Studies and Mathematics Studies at Lehman College. |

School Characteristics

| School Year | Original Chartered Enrollment | Revised Charter Enrollment | Actual Enrollment ⁴ | Original Chartered Grades | Actual Grades | Days of Instruction |
|-------------|-------------------------------|----------------------------|--------------------------------|---------------------------|---------------|---------------------|
| 2001-02 | 108 | 108 | 105 | K-2 | K-2 | 209 |
| 2002-03 | 144 | 144 | 143 | K-3 | K-3 | 209 |
| 2003-04 | 180 | 180 | 180 | K-4 | K-4 | 192 |
| 2004-05 | 180 | 216 | 216 | K-4 | K-5 | 190 |
| 2005-06 | 180 | 252 | 252 | K-4 | K-6 | 189 |
| 2006-07 | 288 | N/A | 280 | K-7 | K-7 | 192 |
| 2007-08 | 324 | N/A | 317 | K-8 | K-8 | 188 |
| 2008-09 | 324 | N/A | 314 | K-8 | K-8 | 190 |
| 2009-10 | 324 | N/A | 328 | K-8 | K-8 | 190 |
| 2010-11 | 324 | N/A | 338 | K-8 | K-8 | 188 |

Student Demographics

| | 2007-08 ⁵ | | 2008-09 ⁶ | | 2009-10 | |
|---|------------------------------|-------------------------------|------------------------------|-------------------------------|---|--|
| | Percent of School Enrollment | Percent of NYCSD 9 Enrollment | Percent of School Enrollment | Percent of NYCSD 9 Enrollment | Percent of School Enrollment ⁷ | Percent of NYCSD 9 Enrollment ⁸ |
| Race/Ethnicity | | | | | | |
| American Indian or Alaska Native | 0 | 1 | 0 | 0 | 0 | N/A |
| Black or African American | 58 | 34 | 53 | 34 | 53 | N/A |
| Hispanic | 42 | 63 | 47 | 64 | 45 | N/A |
| Asian, Native Hawaiian, or Pacific Islander | 0 | 2 | 0 | 1 | 0 | N/A |
| White | 0 | 1 | 0 | 1 | 1 | N/A |
| Multiracial | 0 | N/A | 0 | 0 | 1 | N/A |
| Special Populations | | | | | | |
| Students with Disabilities ⁹ | 4.8 | N/A | 5 | N/A | 5.4 | N/A |
| Limited English Proficient | 1 | 24 | 3 | 24 | 4 | N/A |
| Free/Reduced Lunch | | | | | | |
| Eligible for Free Lunch | 67 | 82 | 64 | 83 | 72 | N/A |
| Eligible for Reduced-Price Lunch | 19 | 7 | 16 | 6 | N/A | N/A |

⁴ Source: SUNY Charter School Institute's Official Enrollment Binder. (Figures may differ slightly from New York State Report Cards, depending on date of data collection.)

⁵ Source: 2007-08 School Report Cards, New York State Education Department.

⁶ Source: 2008-09 School Report Cards, New York State Education Department.

⁷ Source: 2009-10 demographic and Limited English Proficient percentages based on BEDS reports submitted at the beginning of the school year. Percent Eligible for Free Lunch is based on schools' BEDS data as reported by SED; percent Eligible for Reduced Price Lunch provided by the school.

⁸ Aggregated district data not yet available for 2009-10.

⁹ New York State Education Department does not report special education data. School data is school-reported from charter renewal applications. District data from NYSED Special Education School District Data Profile.

Current Board of Trustees¹⁰

| Board Member Name | Position/Committees |
|--------------------|---|
| Carl C. Icahn | Chairman |
| Gail Golden | President |
| Julie Goodyear | Secretary |
| Seymour Fliegel | Member |
| Karen Mandelbaum | Member |
| Robert Sancho | Member |
| Edward J. Shanahan | Member |
| Robin Williams | Parent – Guardian Association President |

School Leader(s)

| School Year | School Leader(s) Name and Title |
|--------------------|---|
| 2001-02 to 2006-07 | Jeffrey Litt, Principal/Daniel Garcia, Principal (October 2007) |
| 2007-08 to Present | Daniel Garcia, Principal |

School Visit History

| School Year | Visit Type | Evaluator (Institute/External) | Date |
|-------------|--------------------|--------------------------------|-----------------------|
| 2001-02 | First Year | Institute | May 29, 2002 |
| 2002-03 | Second Year | Institute | May 19, 2003 |
| 2003-04 | Third Year | External | February 24-25, 2004 |
| 2004-05 | None | N/A | N/A |
| 2005-06 | Initial Renewal | Institute | September 27-28, 2005 |
| 2006-07 | None | N/A | N/A |
| 2007-08 | None | N/A | N/A |
| 2008-09 | Eighth Year | Institute | April 23, 2009 |
| 2010-11 | Subsequent Renewal | Institute | October 28, 2010 |

¹⁰ Source: School renewal application and Institute board information.

ACADEMIC ATTAINMENT AND IMPROVEMENT

Background

At the beginning of the charter period the school developed and adopted an Accountability Plan that set academic goals in the key subjects of English language arts and mathematics, as well as science and social studies. The plan also included an NCLB goal. For each goal in the Accountability Plan specific outcome measures define the level of performance necessary to meet that goal. Furthermore, the Institute has established a set of required outcome measures that include the following three types: 1) the absolute level of student performance on state examinations; 2) the comparative level of student performance on state examinations; and 3) the growth in student learning according to year-to-year comparisons of grade level cohorts. The following table shows the outcome measures currently required by the Institute in each subject area goal, as well as for the NCLB goal. Schools may have also elected to include additional optional goals and measures in their Accountability Plan.

| Summary of Required Goals and Outcome Measures in Elementary/Middle School (K-8) Accountability Plans | | | | | |
|--|--|--|---|---|--|
| GOAL | Required Outcome Measures | | | | |
| | Absolute¹¹ | | Comparative | | Growth¹ |
| | 75 percent at or above Level 3 on state exam | Performance Index (PI) meets Annual Measurable Objective (AMO) | Percent proficient greater than that of local school district | School exceeds predicted level of performance compared to similar public schools by small Effect Size | Grade-level cohorts reduce by half the gap between prior year's percent at or above Level 3 and 75 percent |
| English Language Arts | ◆ | ◆ | ◆ | ◆ | ◆ |
| Mathematics | ◆ | ◆ | ◆ | ◆ | ◆ |
| Science | ◆ | | ◆ | | |
| Social Studies | ◆ | | ◆ | | |
| NCLB | School is deemed in "Good Standing" under state's NCLB accountability system | | | | |

The most important criterion for renewal is academic success, which is demonstrated in large part by meeting or coming close to meeting the goals in a school's Accountability Plan. The Institute determines the outcome of a goal by evaluating the multiple measures associated with that goal.

¹¹ Note: In 2009-10, the State Education Department (SED) raised its achievement standard, by increasing the scaled score cut off for proficiency or Level 3 performance on the English language arts and mathematics exams. In order to maintain a consistent standard for determining meeting the absolute and growth measures, the Institute asked schools to report 2009-10 results on these measures using a 650 scaled score cut-off, as SED had used a 650 cut-off in the previous few years.

SED has itself refined the cut score for its own NCLB accountability system. While following the same principle of maintaining year-to-year consistency in cut scores, the state has also taken into account when the two exams were administered in 2010 compared to previous years. As the exams were administered later in the year, students had more learning opportunities prior to the exam. As such, SED set the cut scores slightly higher than 650 in each grade. For the purpose of evaluating the goals' three absolute and growth measures, the Institute has adapted SED's "time-adjusted" cut-offs.

In the presentation of English language arts and mathematics results below, we use the "time-adjusted" cut-offs for 2009-10 and include in a footnote what the results would have been using the 650 cut-off.

The following presentation indicates the outcome of each of the school’s goals, as well as an analysis of the respective measures for each goal during the Accountability Period.¹² Italicized text indicates goals or measures as written in the school’s Accountability Plan; bold numbers appearing in the tables are the critical values for determining if a measure was achieved in a given year. Aside from required Accountability Plan measures, the following also presents the results of optional measures that the school may have included in its plan.

English Language Arts

Accountability Plan Goal: All students at Icahn Charter School will become proficient readers of the English language.

Outcome: Icahn Charter School has met its English language arts goal.

Analysis of Accountability Plan Measures:

| | | | | |
|--|---------------------------------|---------------------------------|---------------------------------|--|
| Absolute Measure: <i>By the 2009-10 school year, 75% of Icahn 1 Charter School students who have been enrolled at the school for at least two years will score at or above a Level 3¹³ on the New York State English Language Arts assessment.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Grade | 2006-07 (Tested: 149) | 2007-08 (Tested: 192) | 2008-09 (Tested: 190) | 2009-10¹⁴ (Tested: 198) |
| 3 | 80.6 | 84.8 | 93.5 | 90.9 |
| 4 | 90.9 | 89.2 | 88.6 | 96.9 |
| 5 | 78.6 | 100.0 | 100.0 | 94.1 |
| 6 | 88.5 | 87.1 | 100.0 | 97.2 |
| 7 | 74.2 | 92.9 | 100.0 | 97.1 |
| 8 | - | 57.1 | 79.3 | 82.1 |
| All | 82.6 | 84.4 | 93.7 | 93.4 |

Icahn Charter School has consistently exceeded the absolute performance target of 75 percent of students performing at or above Level 3 on the state’s English language arts exam during the Accountability Period. In 2009-10 it met the absolute measure using the historical proficiency scale score equivalent of 650, as well as the State’s determined time adjusted cut scores which are slightly higher.

| | | | | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Absolute Measure: <i>Each year, the school’s aggregate Performance Index on the State ELA exam will meet its Annual Measurable Objective set forth in the State’s No Child Left Behind (NCLB) accountability system.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Index | 2006-07 (Tested: 168) | 2007-08 (Tested: 202) | 2008-09 (Tested: 200) | 2009-10 (Tested: 215) |
| PI | 181 | 185 | 200 | 193 |
| AMO | 122 | 133 | 144 | 155 |

¹² Because the renewal decision is made in the last year of a Charter Period, the Accountability Period ends in the next to last year of the Charter Period. For initial renewals, the Accountability Period is the first four years of the Charter Period. For subsequent renewals, the Accountability Period includes the last year of the previous Charter Period through the next to last year of the current Charter Period.

¹³ In 2009-10, this is based upon the state determined “time adjusted cut scores” instead of Level 3 cut scores as in previous years.

¹⁴ If using the 650 scale score cutoff as used in previous years, 96.1% of Icahn 1 students would be considered proficient in English Language Arts in 2009-10.

Icahn Charter School has surpassed the English language arts Annual Measurable Objective (AMO) established by the state’s NCLB accountability system during each year of its Accountability Period. The school’s Performance Index increased each year from 2006-07 to 2008-09, with only a slight decrease in 2009-10 as a result of the raised standards.

| | | | | |
|---|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Comparative Measure: <i>Each year, the percent of students who are enrolled in at least their second year and performing at or above Level 3 on the State ELA exam in each tested grade will be greater than that of their peers in New York City CSD 9.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Comparison | 2006-07 (Grade 3-7) | 2007-08 (Grades 3-8) | 2008-09 (Grades 3-8) | 2009-10 (Grades 3-8) |
| School | 82.6 | 84.4 | 93.7 | 62.6 |
| District | 35.9 | 38.5 | 52.2 | 25.4 |

Icahn Charter School has consistently outperformed its local school district on the state’s English Language Arts exam and widened the gap in performance in recent years. In the most recent year, the school outperformed the local school district by over 35 percentage points.

| | | | | |
|--|--|---|---|---|
| Comparative Measure: <i>Each year, the school will exceed its expected level of performance on the State ELA exam by at least a small Effect Size (performing higher than expected to small degree) according to a regression analysis controlling for students eligible for free lunch among all public schools in New York State.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Index | 2006-07 (Grade 3-7) (Tested: 168) | 2007-08 (Grades 3-8) (Tested: 202) | 2008-09 (Grades 3-8) (Tested: 200) | 2009-10 (Grades 3-8) (Tested: 215) |
| Predicted | 44.1 | 56.0 | 72.3 | 37.1 |
| Actual | 80.8 | 85.2 | 94.0 | 62.3 |
| Effect Size | 2.39 | 2.00 | 2.24 | 1.64 |

In comparison to demographically similar school statewide, Icahn Charter School has exceeded its predicted performance. The school has exceeded its effect size target to a large degree every year during the Accountability Period.

| | | | | |
|--|--|--|---|--|
| Growth Measure: <i>Each year, each grade-level cohort of students will reduce by one-half the gap between the percent at or above Level 3 on the previous year’s State English Language exam and 75 percent at or above Level 3¹⁵ on the current year’s State English language arts exam. If a grade-level cohort exceeds 75 percent at or above Level 3 in the previous year, the cohort is expected to show at least some increase in the current year</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Percent Level 3 & 4 | 2006-07 (Grades 4-7) (N= 122) | 2007-08 (Grades 4-8) (N= 161) | 2008-09 (Grade 4-8) (N= 157) | 2009-10¹⁶ (Grade 4-8) (N= 165) |
| Baseline | 83.6 | 81.4 | 91.7 | 97.0 |
| Target | 83.7 | 81.5 | 91.8 | 91.1 |
| Actual | 83.6 | 84.5 | 93.6 | 93.9 |
| Cohorts Made Target | (2 of 4) | (4 of 5) | (4 of 5) | (1 of 5) |

¹⁵ 2009-10 results are based on the state determined “time adjusted cut score” instead of Level 3 cut scores as in previous years.
¹⁶ If using the 650 scale score cutoff as used in previous years, three out of five cohorts would have achieved the requisite gains.

Icahn Charter School showed overall growth the two previous years, with four of five cohorts meeting their individual targets. School performance overall declined in the most recent year with only one of five cohorts meeting its individual growth target.

Optional Measures:

| | | | | | | |
|---|------|-------|-------|--------|--------|-------------------------------|
| Each year, the percent of students performing at or above Level 3 on the State ELA exam in each tested grade will be greater than that of the following similar schools: CS: 4, 42,55, MS 313,339 | | | | | | |
| 2009-2010 NYS ELA Percent Level 3 or Higher By All Students* | | | | | | |
| School | CS 4 | CS 42 | CS 55 | MS 313 | MS 339 | ICAHN CHARTER SCHOOL 1 |
| Grade 3 | 32.5 | 23.3 | 15.0 | | | 72 |
| Grade 4 | 33.3 | 47.9 | 20.2 | | | 61 |
| Grade 5 | 18.2 | 27.6 | 18.9 | | | 50 |
| Grade 6 | 8.7 | | | 20.0 | 14.4 | 61 |
| Grade 7 | 17.2 | | | 9.4 | 14.7 | 100 |
| Grade 8 | 47.5 | | | 29.8 | 12.6 | 79 |
| Total | 26.2 | 32.9 | 18.0 | 19.7 | 13.9 | 71 |

Icahn 1 met its optional comparative measure, outperformance all comparison school by a minimum of 28 percentage points.

Mathematics

Accountability Plan Goal: All Icahn Charter School students will demonstrate steady progress in the understanding and application of mathematical skills and concepts.

Outcome: Icahn Charter School has met its mathematics goal.

Analysis of Accountability Plan Measures:

| | | | | |
|--|--------------------|----------------|----------------|-----------------------------|
| Absolute Measure: <i>By the 2009-10 school year, 75% of Icahn 1 Charter School students who have been enrolled at the school for at least two years will score at or above a Level 3¹⁷ on the New York State Mathematics assessment.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Grade | 2006-07 | 2007-08 | 2008-09 | 2009-10¹⁸ |
| | (Tested: 148) | (Tested: 192) | (Tested: 189) | (Tested: 199) |
| 3 | 100.0 | 100.0 | 100.0 | 100.0 |
| 4 | 93.9 | 97.3 | 94.1 | 100.0 |
| 5 | 100.0 | 100.0 | 100.0 | 100.0 |
| 6 | 100.0 | 100.0 | 100.0 | 97.3 |
| 7 | 96.8 | 100.0 | 100.0 | 100.0 |
| 8 | - | 88.6 | 100.0 | 100.0 |
| All | 98.0 | 97.4 | 98.9 | 99.5 |

¹⁷ In 2009-10, this is based upon the State’s determined “time adjusted cut scores” instead of Level 3 cut scores as in previous years.

¹⁸ If using the 650 scale score cutoff as used in previous years, 100% of Icahn 1 students would be considered proficient in mathematics in 2009-10.

Icahn Charter School has consistently exceeded the absolute performance target of 75 percent of students performing at or above Level 3 on the state’s mathematics exam by a wide margin during the Accountability Period. In 2009-10 the school met the absolute measure using the historical proficiency scale score equivalent of 650, as well as the state determined time adjusted cut scores which are slightly higher.

| | | | | |
|---|---------------------------------|---------------------------------|---------------------------------|--------------------------------|
| Absolute Measure: <i>Each year, the school’s aggregate Performance Index on the State Mathematics exam will meet its Annual Measurable Objective set forth in the State’s No Child Left Behind (NCLB) accountability system.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Index | 2006-07 (Tested: 167) | 2007-08 (Tested: 206) | 2008-08 (Tested: 199) | 2009-10 (Tested: 21) |
| PI | 198 | 198 | 199 | 199 |
| AMO | 86 | 102 | 119 | 119 |

Icahn Charter School has surpassed the mathematics Annual Measurable Objective (AMO) established by the state’s NCLB accountability system during each year of its Accountability Period.

| | | | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Comparative Measure: <i>Each year, the percent of students who are enrolled in at least their second year and performing at or above Level 3 on the State Mathematics exam in each tested grade will be greater than that of their peers in New York City CSD 9.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Comparison | 2006-07 (Grades 3-7) | 2007-08 (Grades 3-8) | 2008-09 (Grades 3-8) | 2009-10 (Grades 3-8) |
| School | 98.0 | 97.4 | 98.9 | 87.4 |
| District | 52.2 | 61.4 | 72.0 | 36.4 |

Icahn Charter School has consistently outperformed its local school district on the state mathematics exam by a wide margin, more than 50 percentage points in the most recent year.

| | | | | |
|--|--|---|---|---|
| Comparative Measure: <i>Each year, the school will exceed its expected level of performance on the State Mathematics exam by at least a small Effect Size (performing higher than expected to small degree) according to a regression analysis controlling for students eligible for free lunch among all public schools in New York State.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Index | 2006-07 (Grade 3-7) (Tested: 167) | 2007-08 (Grades 3-8) (Tested: 206) | 2008-09 (Grades 2-8) (Tested: 199) | 2009-10 (Grades 3-8) (Tested: 215) |
| Predicted | 60.1 | 71.6 | 81.0 | 47.0 |
| Actual | 97.6 | 97.6 | 99.0 | 87.0 |
| Effect Size | 1.95 | 1.64 | 1.35 | 2.02 |

In comparison to demographically similar schools, Icahn1 has performed better than expected on the state mathematics examination and exceeded its Effect Size target to a large degree each year.

Growth Measure: Each year, each grade-level cohort of students will reduce by one-half the gap between the percent at or above Level 3 on the previous year's State Mathematics exam and 75 percent at or above Level 3¹⁹ on the current year's State mathematics exam. If a grade-level cohort exceeds 75 percent at or above Level 3 in the previous year, the cohort is expected to show at least some increase in the current year

| Results (in percents) | | | | |
|-----------------------|-------------------------------------|------------------------------------|------------------------------------|--|
| Percent Level 3 & 4 | School Year | | | |
| | 2006-07 (Grades 4-7) (N= 122) | 2007-08 (Grade 4-8) (N= 161) | 2008-09 (Grade 4-8) (N= 160) | 2009-10 ²⁰ (Grade 4-8) (N= 165) |
| Baseline | 97.5 | 98.1 | 99.4 | 98.8 |
| Target | 97.6 | 98.2 | 99.5 | 98.9 |
| Actual | 97.5 | 96.9 | 98.8 | 99.4 |
| Cohorts Made Target | (2 of 4) | (3 of 5) | (4 of 5) | (4 of 5) |

Icahn Charter School's overall performance increased in the most recent year, with four of five cohorts meeting their individual targets. In previous years, overall performance declined slightly each year but an increasing number of cohorts met their individual targets each year.

Optional Measures:

Each year, the percent of students performing at or above Level 3 on the State Mathematics exam in each tested grade will be greater than that of the following similar school: CS: 4, 42, 55 MS: 313, 339

2009-2010 NYS Math Percent Level 3 or higher by all Students

| School | CS 4 | CS 42 | CS 55 | MS 313 | MS 339 | ICAHN CHARTER SCHOOL 1 |
|---------|------|-------|-------|--------|--------|------------------------|
| Grade 3 | 45.0 | 29.6 | 24.8 | | | 81.2 |
| Grade 4 | 56.4 | 52.6 | 42.9 | | | 89.7 |
| Grade 5 | 48.5 | 36.2 | 43.7 | | | 72.9 |
| Grade 6 | 26.1 | | | 22.1 | 26.3 | 82.5 |
| Grade 7 | 41.4 | | | 35.9 | 11.3 | 97.2 |
| Grade 8 | 40.0 | | | 35.7 | 20.2 | 100.0 |
| Total | 42.9 | 39.4 | 37.1 | 31.2 | 19.2 | 87.2 |

Icahn1 met its optional comparative measure in mathematics, outperforming its identified comparison school by a minimum of 45 percentage points.

Science

Accountability Plan Goal: Students at Icahn Charter School will demonstrate competency in understanding and application of scientific reasoning.

Outcome: The school met its science goal.

¹⁹ 2009-10 results are based on the state determined "time adjusted cut score" instead of Level 3 cut scores as in previous years.
²⁰ If using the 650 scale score cutoff as used in previous years, the school as a whole would still have achieved the target, and all five cohorts would have met their individual targets.

Analysis of Accountability Plan Measures:

| | | | | |
|---|--------------------------------|--------------------------------|--------------------------------|-------------------------------|
| Absolute Measure: <i>By the 2008-09 school year, 75% of Icahn 1 students who are enrolled in at least their second year will score proficient (i.e. at level three) or better on the New York State Science examination.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Grade | 2006-07 (Tested: 29) | 2007-08 (Tested: 93) | 2008-09 (Tested: 65) | 2009-10 (Tested: 7) |
| 4 | 91 | 97 | 100 | 97 |
| 8 | - | 89 | 77 | 100 |

Icahn Charter School has consistently exceeded the absolute target of 75 percent proficiency on the state science exam throughout the Accountability Period. Students in both the 4th and 8th grades have surpassed the target, with an overall proficiency rate of 98.5 in the most recent year.

| | | | | |
|--|-----------------------------|---------------------------------|---------------------------------|---------------------------------|
| Comparative Measure: <i>On the New York State Science assessment, a greater percentage of Icahn 1 Charter School students who have been enrolled at the school for two or more years will score at proficient and advanced levels than will their peers in New York City Community School District 9.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Comparison | 2006-07 (Grade 4) | 2007-08 (Grades 4, 8) | 2008-09 (Grades 4, 8) | 2009-10 (Grades 4, 8) |
| School | 91 | 87 | 94.5 | 98.5 |
| District | 59 | 45.5 | 51 | NA |

While district comparison data for the 2009-10 school year is yet unavailable, Icahn Charter School’s 98.5 percent proficient rate far exceeds the district’s performance in the previous year. Additionally, the school has far outperformed the district in all other years.

Social Studies

Accountability Plan Goal: All Icahn Charter School students will demonstrate a thorough understanding of social studies and the impact of history on modern day.

Outcome: The school met its social studies goal.

Analysis of Accountability Plan Measures:

| | | | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Absolute Measure: <i>By the 2008-09 school year, 75% of Icahn 1 Charter School students who have been enrolled at the school for two or more years will score proficient (i.e. at level three) or better on the New York State Social Studies examination.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Grade | 2006-07 (Tested: 24) | 2007-08 (Tested: 59) | 2008-09 (Tested: 61) | 2009-10 (Tested: 64) |
| 5 | 100 | 96 | 100 | 94 |
| 8 | - | 90 | 96 | 100 |

Icahn Charter School has consistently exceeded the absolute target of 75 percent proficiency during the Accountability Period. Both tested grade levels have far exceeded this target each year, with 97 percent of students achieving proficiency in the most recent year.

| | | | | |
|---|-----------------------------|---------------------------------|---------------------------------|---------------------------------|
| Comparative Measure: <i>On the New York State Social Studies assessment, a greater percentage of Icahn 1 Charter School students who have been enrolled at the school for two or more years will score at proficient and advanced levels than will their peers in New York City CSD 9.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Comparison | 2006-07 (Grade 5) | 2007-08 (Grades 5, 8) | 2008-09 (Grades 5, 8) | 2009-10 (Grades 5, 8) |
| School | 100 | 96 | 98 | 97 |
| District | 22 | 33 | 38 | N/A |

While district comparison data for the 2009-10 school year is yet unavailable, Icahn 1’s 97 percent proficient rate far exceeds the district’s performance in each of the three previous years. Additionally, the school exceeded the district’s performance by 60 percentage points in 2008-09.

NCLB

In addition to meeting its specific subject area goals, the school is expected under No Child Left Behind to made adequate yearly progress towards enabling all students to score at the proficient level on the state English language arts and mathematics exams. In holding charter schools to the same standards as other public schools, the state issues an annual school accountability report that indicates the school’s status each year.

Accountability Plan Goal: Under the state’s NCLB accountability system, the school’s Accountability Status will be “Good Standing” each year.

Outcome: The school met the goal. Icahn Charter School was deemed to be in good standing in each of the four years of the Accountability Period.

| | | | | |
|---|--------------------|----------------|----------------|----------------|
| Absolute Measure: <i>Under the state’s NCLB accountability system, the school’s Accountability Status will be “Good Standing” each year.</i> | | | | |
| Results | | | | |
| | School Year | | | |
| Status | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
| Good Standing | Yes | Yes | Yes | Yes |

Analysis of Additional Evidence

Icahn Charter School received a letter grade of "B" on its 2009-10 New York City Department of Education (DOE) Progress Report. According to the DOE, overall Progress Report scores are based on school performance in three categories: School Environment, Student Performance and Student Progress, with the greatest emphasis placed on Student Progress. Schools can also earn extra points by achieving exemplary outcomes for high-need students. To raise the bar for schools and increase stability in grades, the overall cut scores were determined for 2009-10 based on a pre-determined scoring distribution: 25 percent A, 35 percent B, 25 percent C, 10 percent D, and 5 percent F.

The school received a “B” based on the composite score of three categories as discussed above. The school received an “A” in school environment, which measures factors other than student achievement. In Student Performance the school received an “A”, reflecting their strong overall performance. In Student Growth the school received a “B”, based on the decline in ELA scores from the previous year.

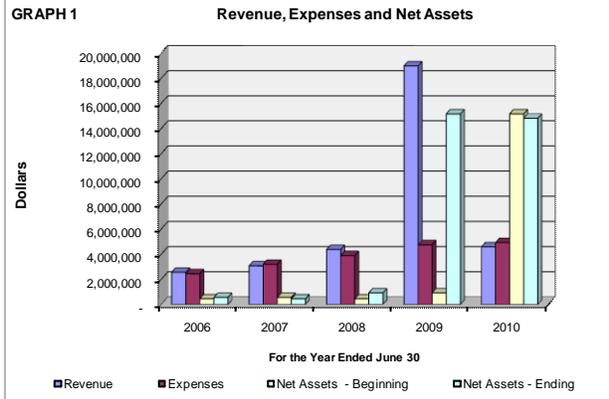
APPENDIX: FISCAL DASHBOARD

Icahn 1

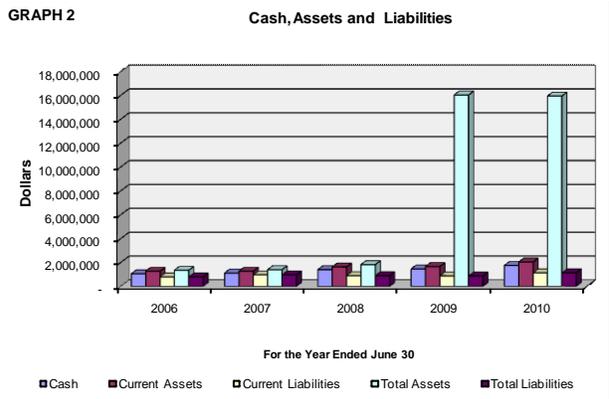
| SCHOOL INFORMATION | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| FINANCIAL POSITION | | | | | | |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash and Cash Equivalents - GRAPH 2 | 1,057,293 | 1,118,979 | 1,406,074 | 1,465,101 | 1,753,150 | - |
| Grants and Contracts Receivable | 184,223 | 132,857 | 191,466 | 153,136 | 82,085 | - |
| Accounts Receivable | - | - | - | - | 6,719 | - |
| Prepaid Expenses | 33,218 | - | 31,118 | 48,205 | 112,725 | - |
| Contributions and Other Receivables | - | 22,923 | - | - | 88,657 | - |
| Total Current Assets - GRAPH 2 | 1,274,734 | 1,274,759 | 1,628,658 | 1,666,442 | 2,043,336 | - |
| Property, Building and Equipment, net | 75,121 | 126,442 | 191,115 | 14,370,286 | 13,901,080 | - |
| Other Assets | - | - | - | - | - | - |
| Total Assets - GRAPH 2 | 1,349,855 | 1,401,201 | 1,819,773 | 16,036,728 | 15,944,416 | - |
| Liabilities and Net Assets | | | | | | |
| Current Liabilities | | | | | | |
| Accounts Payable and Accrued Expenses | 416,215 | 491,807 | 758,710 | 695,964 | 143,137 | - |
| Accrued Payroll and Benefits | - | - | - | - | 700,580 | - |
| Deferred Revenue | 376,891 | 474,165 | 141,944 | 150,385 | 213,108 | - |
| Current Maturities of Long-Term Debt | - | - | - | - | - | - |
| Short Term Debt - Bonds, Notes Payable | - | - | - | - | - | - |
| Other | - | - | - | 35,275 | 77,996 | - |
| Total Current Liabilities - GRAPH 2 | 793,106 | 965,972 | 900,654 | 881,624 | 1,134,821 | - |
| L-T Debt and Notes Payable, net current maturities | - | - | - | - | - | - |
| Total Liabilities - GRAPH 2 | 793,106 | 965,972 | 900,654 | 881,624 | 1,134,821 | - |
| Net Assets | | | | | | |
| Unrestricted | 532,836 | 422,926 | 916,066 | 959,142 | 1,103,149 | - |
| Temporarily restricted | 23,913 | 12,303 | 3,053 | 14,195,962 | 13,706,446 | - |
| Total Net Assets | 556,749 | 435,229 | 919,119 | 15,155,104 | 14,809,595 | - |
| Total Liabilities and Net Assets | 1,349,855 | 1,401,201 | 1,819,773 | 16,036,728 | 15,944,416 | - |
| ACTIVITIES | | | | | | |
| Operating Revenue | | | | | | |
| Resident Student Enrollment | 2,169,206 | 2,736,898 | 3,818,703 | 3,898,598 | 4,021,186 | - |
| Students with Disabilities | 10,171 | 10,815 | 16,770 | 29,916 | 6,840 | - |
| Grants and Contracts | | | | | | |
| State and local | - | - | - | - | 25,656 | - |
| Federal - Title and IDEA | - | - | - | - | 379,068 | - |
| Federal - Other | - | - | - | - | - | - |
| Other | - | - | - | - | 55,958 | - |
| Food Service/Child Nutrition Program | - | - | - | - | - | - |
| Total Operating Revenue | 2,179,377 | 2,747,713 | 3,835,473 | 3,928,514 | 4,488,708 | - |
| Expenses | | | | | | |
| Regular Education | 2,146,190 | 2,819,938 | 3,427,317 | 4,022,102 | 4,103,217 | - |
| SPED | 11,764 | 13,084 | 4,407 | 24,628 | 22,555 | - |
| Regular Education & SPED (combined) | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total Program Services | 2,157,954 | 2,833,022 | 3,431,724 | 4,046,730 | 4,125,772 | - |
| Management and General | 278,337 | 354,445 | 453,316 | 695,185 | 797,139 | - |
| Fundraising | - | - | - | - | - | - |
| Total Expenses - GRAPH 1 / GRAPH 4 | 2,436,291 | 3,187,467 | 3,885,040 | 4,741,915 | 4,922,911 | - |
| Surplus / (Deficit) From School Operations | (256,914) | (439,754) | (49,567) | (813,401) | (434,203) | - |
| Support and Other Revenue | | | | | | |
| Contributions | 360,928 | 272,913 | 466,974 | 15,028,343 | 78,849 | - |
| Fundraising | - | - | - | - | - | - |
| Miscellaneous Income | 11,716 | 45,321 | 66,483 | 21,043 | 9,845 | - |
| Net assets released from restriction | - | - | - | - | - | - |
| Total Support and Other Revenue | 372,644 | 318,234 | 533,457 | 15,049,386 | 88,694 | - |
| Total Unrestricted Revenue | 2,606,265 | 3,077,557 | 4,378,180 | 4,784,991 | 5,066,918 | - |
| Total Temporarily Restricted Revenue | (54,244) | (11,610) | (9,250) | 14,192,909 | (489,516) | - |
| Total Revenue - GRAPH 1 | 2,552,021 | 3,065,947 | 4,368,930 | 18,977,900 | 4,577,402 | - |
| Change in Net Assets | 115,730 | (121,520) | 483,890 | 14,235,985 | (345,509) | - |
| Net Assets - Beginning of Year - GRAPH 1 | 441,019 | 556,749 | 435,229 | 919,119 | 15,155,104 | 15,155,104 |
| Prior Year Adjustment(s) | - | - | - | - | - | - |
| Net Assets - End of Year - GRAPH 1 | 556,749 | 435,229 | 919,119 | 15,155,104 | 14,809,595 | 15,155,104 |
| Functional Expense Breakdown | | | | | | |
| Personnel Service | | | | | | |
| Administrative Staff Personnel | - | - | - | - | 348,116 | - |
| Instructional Personnel | - | - | - | - | 2,134,074 | - |
| Non-Instructional Personnel | - | - | - | - | 391,902 | - |
| Personnel Services (Combined) | 1,579,253 | 2,087,455 | 2,648,429 | 2,833,694 | - | - |
| Total Salaries and Staff | 1,579,253 | 2,087,455 | 2,648,429 | 2,833,694 | 2,874,092 | - |
| Fringe Benefits & Payroll Taxes | 345,914 | 442,017 | 507,059 | 543,720 | 461,867 | - |
| Retirement | - | - | - | - | 112,907 | - |
| Management Company Fees | - | - | - | - | - | - |
| Building and Land Rent / Lease | 50,000 | 62,000 | 50,000 | 50,000 | 50,000 | - |
| Staff Development | 66,030 | 88,375 | 112,825 | 100,778 | 177,057 | - |
| Professional Fees, Consultant & Purchased Services | 75,072 | 82,894 | 72,552 | 41,374 | 67,772 | - |
| Marketing / Recruitment | 2,182 | 3,647 | - | - | 986 | - |
| Student Supplies, Materials & Services | 109,199 | 159,897 | 185,359 | 192,775 | 189,995 | - |
| Depreciation | 64,353 | 66,749 | 95,106 | 607,102 | 599,266 | - |
| Other | 144,288 | 194,433 | 213,710 | 372,472 | 388,968 | - |
| Total Expenses | 2,436,291 | 3,187,467 | 3,885,040 | 4,741,915 | 4,922,911 | - |
| ENROLLMENT | | | | | | |
| Chartered Enroll | 180 | 288 | 324 | 324 | 324 | 324 |
| Revised Enroll | 252 | - | - | - | - | - |
| Actual Enroll - GRAPH 4 | 252 | 280 | 317 | 314 | 328 | 338 |
| Chartered Grades | K-4 | K-7 | K-8 | K-8 | K-8 | K-8 |
| Revised Grades | K-6 | - | - | - | - | - |
| Actual Grades | K-6 | K-7 | - | - | K-8 | - |

SCHOOL ANALYSIS

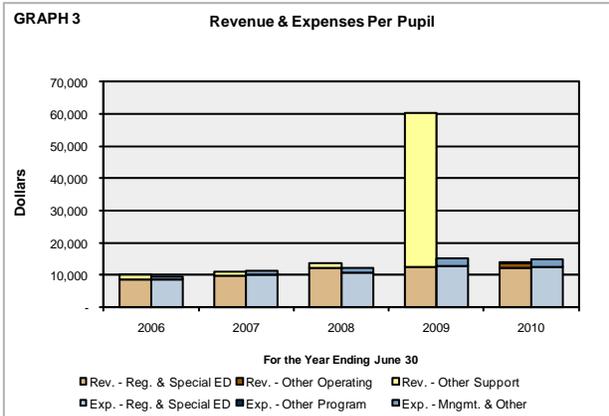
| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 * | |
|--|-----------------|-------------------|-----------------|-----------------|-----------------|-----------|---|
| Primary School District | NYC | | | | | | |
| Per Pupil Funding | 9,084 | 10,196 | 11,023 | 12,443 | 12,443 | 12,443 | |
| Increase over prior year | 5.8% | 12.2% | 8.1% | 12.9% | 0.0% | 0.0% | |
| PER STUDENT BREAKDOWN | | | | | | | Average - 5 Yrs. OR Charter Term |
| Revenue | | | | | | | 11,351 |
| Operating | 8,648 | 9,813 | 12,099 | 12,511 | 13,685 | - | 10,499 |
| Other Revenue and Support | 1,479 | 1,137 | 1,683 | 47,928 | 270 | - | 21,851 |
| TOTAL - GRAPH 3 | 10,127 | 10,950 | 13,782 | 60,439 | 13,955 | - | |
| Expenses | | | | | | | 10,995 |
| Program Services | 8,563 | 10,118 | 10,826 | 12,888 | 12,579 | - | 1,689 |
| Management and General, Fundraising | 1,105 | 1,266 | 1,430 | 2,214 | 2,430 | - | 12,684 |
| TOTAL - GRAPH 3 | 9,668 | 11,384 | 12,256 | 15,102 | 15,009 | - | 87.0% |
| % of Program Services | 88.6% | 88.9% | 88.3% | 85.3% | 83.8% | - | 13.0% |
| % of Management and Other | 11.4% | 11.1% | 11.7% | 14.7% | 16.2% | - | 72.3% |
| % of Revenue Exceeding Expenses - GRAPH 5 | 4.8% | -3.8% | 12.5% | 300.2% | -7.0% | - | |
| Student to Faculty Ratio | | | | | | 10.93 | - |
| Faculty to Admin Ratio | | | | | | 16.1 | - |
| Financial Responsibility Composite Scores - GRAPH 6 | | | | | | | 2.1 |
| Score | 2.4 | 1.1 | 2.6 | 2.5 | 1.8 | - | 2.1 |
| Fiscally Strong 1.5 - 3.0 / Fiscally Adequate 1.0 - 1.4 / Fiscally Needs Monitoring -1.0 - 0.9 | Fiscally Strong | Fiscally Adequate | Fiscally Strong | Fiscally Strong | Fiscally Strong | N/A | Fiscally Strong |
| Working Capital - GRAPH 7 | | | | | | | 642,350 |
| Net Working Capital | 481,628 | 308,787 | 728,004 | 784,818 | 908,515 | - | 15.9% |
| As % of Unrestricted Revenue | 18.5% | 10.0% | 16.6% | 16.4% | 17.9% | - | 1.7 |
| Working Capital (Current) Ratio Score | 1.6 | 1.3 | 1.8 | 1.9 | 1.8 | - | MEDIUM |
| Risk (Low > 3.0 / Medium 1.4 - 2.9 / High < 1.4) | MEDIUM | HIGH | MEDIUM | MEDIUM | MEDIUM | N/A | N/A |
| Rating (Excellent > 3.0 / Good 1.4 - 2.9 / Poor < 1.4) | Good | Poor | Good | Good | Good | N/A | Good |
| Quick (Acid Test) Ratio | | | | | | | 1.6 |
| Score | 1.6 | 1.3 | 1.8 | 1.8 | 1.7 | - | MEDIUM |
| Risk (Low > 2.5 / Medium 1.0 - 2.4 / High < 1.0) | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | N/A | Good |
| Rating (Excellent > 2.5 / Good 1.0 - 2.4 / Poor < 1.0) | Good | Good | Good | Good | Good | N/A | Good |
| Debt to Asset Ratio - GRAPH 7 | | | | | | | 0.4 |
| Score | 0.6 | 0.7 | 0.5 | 0.1 | 0.1 | - | LOW |
| Risk (Low < 0.50 / Medium 0.51 - .95 / High > 1.0) | MEDIUM | MEDIUM | MEDIUM | LOW | LOW | N/A | Excellent |
| Rating (Excellent > 0.50 / Good 0.51 - .95 / Poor > 1.0) | Good | Good | Good | Excellent | Excellent | N/A | Excellent |
| Months of Cash - GRAPH 8 | | | | | | | 4.3 |
| Score | 5.2 | 4.2 | 4.3 | 3.7 | 4.3 | - | MEDIUM |
| Risk (Low > 6 mo. / Medium 3 - 6 mo. / High < 3 mo.) | MEDIUM | MEDIUM | MEDIUM | MEDIUM | MEDIUM | N/A | Good |
| Rating (Excellent > 6 mo. / Good 3 - 6 mo. / Poor < 3 mo.) | Good | Good | Good | Good | Good | N/A | Good |



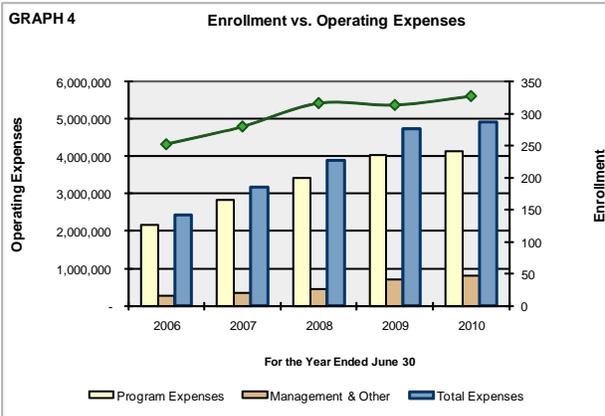
This chart illustrates total revenue and expenses each year and the relationship those subsets have on the increase/decrease of net assets on a year to year basis. Ideally subset 1, revenue, will be taller than subset 2, expenses, and as a result subset 3, net assets - beginning, will increase each year building a more fiscally viable school.



This chart illustrates the relationship between assets and liabilities and to what extent cash reserves makes up current assets. Ideally for each subset, subsets 2 thru 4, (i.e. current assets vs. current liabilities), the column on the left is taller than the immediate column on the right; and, generally speaking, the bigger that gap, the better.



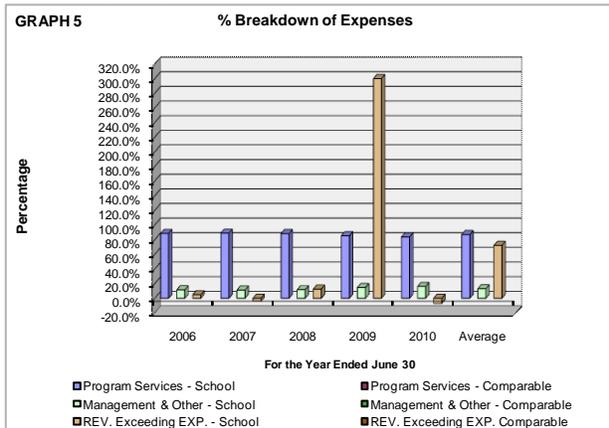
This chart illustrates the breakdown of revenue and expenses on a per pupil basis. Caution should be exercised in making school-by-school comparisons since schools serving different missions or student populations are likely to have substantially different educational cost bases. Comparisons with similar schools with similar dynamics are most valid.



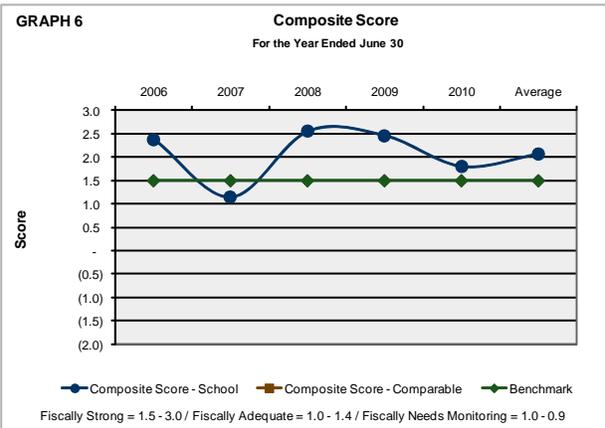
This chart illustrates to what extent the school's operating expenses have followed its student enrollment pattern. A baseline assumption that this data tests is that operating expenses increase with each additional student served. This chart also compares and contrasts growth trends of both, giving insight into what a reasonable expectation might be in terms of economies of scale.

COMPARABLE SCHOOL / REGION:

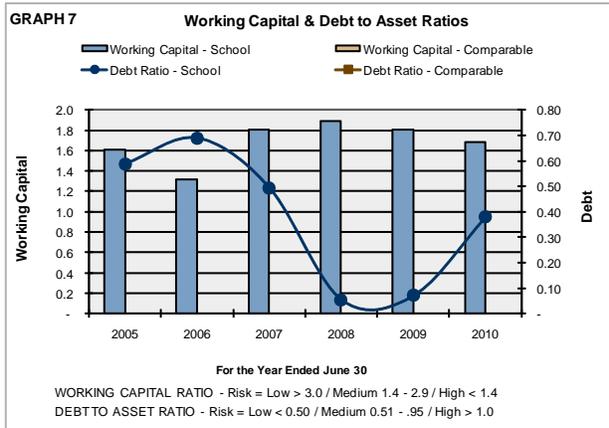
* Average = Average - 5 Yrs. OR Charter Term



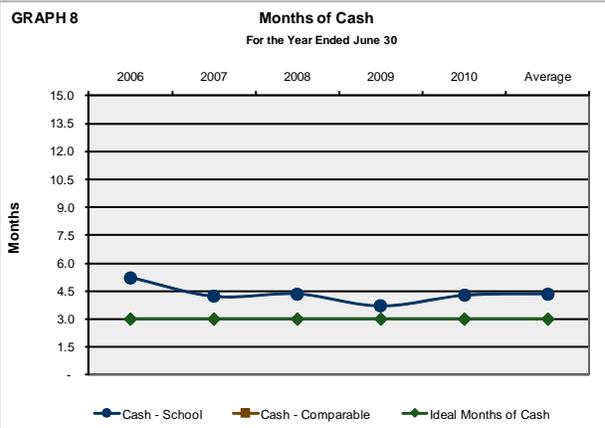
This chart illustrates the percentage expense breakdown between program services and management & others as well as the percentage of revenues exceeding expenses. Ideally the percentage expense for program services will far exceed that of the management & other expense. The percentage of revenues exceeding expenses should not be negative. Similar caution, as mentioned on GRAPH 3, should be used in comparing schools.



This chart illustrates a school's composite score based on the methodology developed by the United States Department of Education (USDOE) to determine whether private not-for-profit colleges and universities are financially strong enough to participate in federal loan programs. These scores can be valid for observing the fiscal trends of a particular school and used as a tool to compare the results of different schools.



This chart illustrates Working Capital and Debt to Asset Ratios. W/C indicates if a school has enough short-term assets to cover its immediate liabilities/short term debt. Debt to Asset indicates what proportion of debt a school has relative to its assets. The measure gives an idea to the leverage of the school along with the potential risks the school faces in terms of its debt-load.



This chart illustrates how many months of cash the school has in reserves. This metric is to measure solvency – the school's ability to pay debts and claims as they come due. This gives some idea of how long a school could continue its ongoing operating costs without tapping into some other, non-cash form of financing in the event that revenues were to cease flowing to the school.