

**Portfolio Office - Chicago Public Schools
2010-11 Financial & Compliance Performance Report**

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|-----------------------|-----------------------------------|--|-----------|
| School: | L.E.A.R.N. Charter School Network | School ID: | Various |
| Address: | 1132 South Homan Avenue | Financial Management & Compliance Accountability Version: | G |
| Phone: | 773.826.6330 | Term of Agreement: | 2011-2016 |
| Grades Served: | PreK-8th | Student Enrollment: | 1361 |

School

Mission: The mission of LEARN Charter School Network is to provide children with the academic foundation and ambition to earn a college degree.

| Financial Management and Compliance | | |
|--|------------------------------|--------------------|
| Category | Indicator | Performance |
| | Change in Net Assets | 4 |
| | Liquidity/Current Ratio | 4 |
| | Net Asset Ratio | 4 |
| | Loan Delinquency | 4 |
| Financial Condition | Budget | 4 |
| Financial Practices | Annual Audit | 4 |
| Compliance | Legal Compliance | 4 |
| | Budget | 4 |
| | Quarterly Statements | 2 |
| | Audit | 4 |
| Reporting | CPS/State/Federal Compliance | 3 |

Version G: Financial Management and Compliance Rating Matrix for 2010-2011 Performance Report

Financial Condition and Budget:

| Indicator | +4 | +3 | +2 | +1 |
|----------------------|---|---|---|---|
| Change in Net Assets | Increase in net assets for prior year greater than 5% of total revenues | Increase in net assets for prior year less than 5% of total revenues | Decrease in net assets for prior year less than 5% of total revenues | Decrease in net assets for prior year greater than 5% of total revenues |
| Liquidity | Current ratio is greater than or equal to 1.3 | Current ratio is less than 1.3 but greater than or equal to 1.1 | Current ratio is less than 1.1 but greater than or equal to 1.0 | Current ratio is less than 1.0 |
| Net Asset Ratio | Net assets are greater than or equal to 30% of total assets | Net assets are greater than or equal to 20% of total assets but less than 30% | Net assets are greater than or equal to 10% of total assets but less than 20% | Net assets are less than 10% of total assets |
| Loan Delinquency | No late payments in last twelve months, or no outstanding debt | One late payment in last twelve months | Two or three late payments in last twelve months | More than three late payments in last twelve months |
| Budget | Realistic and surplus budget, reasonable assumptions | Realistic and balanced budget, reasonable assumptions | Deficit budget w/ reasonable plan for mitigation | Unrealistic and deficit budget with no reasonable plan for mitigation |

Financial Controls:

| Indicator | +4 | +3 | +2 | +1 |
|--------------|---|---|---|---|
| Annual Audit | Unqualified opinion, no material weaknesses or significant deficiencies | Unqualified opinion; one significant deficiency noted, but school will address within 12 months | Unqualified opinion, with two noted significant deficiencies. | Unqualified opinion, with a noted material weakness or three or more significant deficiencies; or a qualified opinion |

Compliance:

| Indicator | +4 | +3 | +2 | +1 |
|------------------|---|---|--|---|
| Legal Compliance | Auditor report on compliance reflects no findings | Auditor report on compliance reflects one finding | Auditor report on compliance reflects two findings | Auditor report on compliance reflects three or more findings; and/or audit states that corrections have not been made for prior year finding(s) |

Reporting:

| Indicator | +4 | +3 | +2 | +1 |
|---|--|--|---|--|
| Budget | Budget is submitted on a timely basis | Budget is submitted with one delay but with prior notification to and acknowledgement by ONS | Budget is submitted with significant delay or submitted late without prior notification to and acknowledgement by ONS | Budget is submitted with significant delay for second year in a row, or not submitted at all |
| Quarterly Statements | Quarterly statements are submitted on a timely basis | Quarterly statements are submitted late one time | Quarterly statements are submitted late two times | Quarterly statements are submitted late three or more times, or not submitted at all |
| Audit | Audit is submitted on a timely basis | Audit is submitted with one delay but with prior notification to and acknowledgement by ONS | Audit is submitted with significant delay or submitted late without prior notification to and acknowledgement by ONS | Audit is submitted with significant delay for second year in a row, or not submitted at all |
| CPS/State/Fed Compliance Document Submissions | Timely submittal of all required documents | Late submittal of up to two required documents | Late submittal of three required documents | Late submittal of more than three required documents |