

**Chicago Public Schools - Office of Innovation & Incubation
2013-14 Financial & Compliance Performance Report**

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|-----------------------|--------------------------------------|---|-----------|
| School: | Perspectives Charter Schools Network | School ID: | Various |
| Address: | 1530 South State Street-2nd Fl. | Financial Management & Compliance Accountability | H |
| Phone: | 312.604.2200 | Version: | 2012-2017 |
| Grades Served: | 6th-12th | Term of Agreement: | |

Financial Management and Compliance

| Category | Indicator | Performance |
|---------------------|------------------------------|-------------|
| | Change in Net Assets | 1 |
| | Liquidity/Current Ratio | 2 |
| | Net Asset Ratio | 2 |
| | Cash on Hand Ratio (a) | 3 |
| | Loan Delinquency | 4 |
| Financial Condition | Budget | 3 |
| Financial Practices | Annual Audit | 4 |
| Compliance | Legal Compliance | 4 |
| | Budget | 4 |
| | Quarterly Statements | 4 |
| | Audit | 4 |
| Reporting | CPS/State/Federal Compliance | 1 |

(a) The expenses associated with in-kind contributions were used in the calculation that increased the cash on hand ratio. This increased the score from "2" to "3".

Perspectives
FY14

| FY14 Change in Net Assets | | | |
|----------------------------------|-----------------|--------------------|----------|
| FY14 Surplus/(Deficit) | <u>(53,850)</u> | Unbudgeted deficit | <u>1</u> |
| FY14 Budgeted Surplus /(Deficit) | 100,888 | | |

| Current Ratio | | | |
|---------------|-------------------|---------------------|-------------|
| Ratio Range | Performance Score | Current Ratio | <u>1.06</u> |
| | 0 1 | Performance Score | <u>2</u> |
| | 1 2 | | |
| | 1.1 3 | | |
| | 1.3 4 | | |
| | | Current Assets | 3,844,355 |
| | | Current Liabilities | 3,623,041 |

| Net Asset Ratio | | | |
|-----------------|-------------------|-------------------|---------------|
| Ratio Range | Performance Score | Net Asset Ratio | <u>10.69%</u> |
| | 0 1 | Performance Score | <u>2</u> |
| | 0.1 2 | | |
| | 0.2 3 | Total Net Assets | 1,283,412 |
| | 0.3 4 | Total Assets | 12,002,779 |

| Cash on Hand Ratio | | | |
|---|-------------------|--|-------------|
| Ratio Range | Performance Score | Cash on Hand Ratio | <u>1.01</u> |
| | 0 1 | Performance Score | <u>3</u> |
| | 0.75 2 | | |
| | 1 3 | Year-end Cash Balance | 2,225,183 |
| | 3 4 | Est. Monthly Cash Expenses | 2,203,097 |
| | | Total FY Expenses | 30,970,181 |
| (a) The expenses associated with the in-kind contributions (\$2,968,466 and \$176,822) were deducted with the depreciation. This increased the score from "2" to "3". | | Less: Depr. and Amort. & Contrib. Good Expense (a) | (4,533,015) |
| | | Est. Total Cash Expenses | 26,437,166 |
| | | Est. Monthly Cash Expenses (/12) | 2,203,097 |

| Loan Delinquency | |
|------------------|----------------------------|
| No late payments | Performance Score <u>4</u> |

| FY15 Budget | |
|---|----------------------------|
| Appears to be a realistic budget with mostly reasonable assumptions | Performance Score <u>3</u> |

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| FY14 Annual Audit | |
|---|-------------|
| Audit Opinion: | Unqualified |
| Significant Deficiencies / Material Weakness: | None |
| | 4 |

| Compliance | |
|-------------------|------|
| Findings: | None |
| | 4 |

| Reporting - Timeliness or not Submitted | |
|--|---|
| FY14 Budget | 4 |
| FY14 Quarterly Statements | 4 |
| FY14 Audit | 4 |
| CPS/Fed/State Compliance | 1 |

Version H: Financial Management and Compliance Rating Matrix for the 2013-2014 Performance Report

Financial Condition and Budget:

| Indicator | +4 | +3 | +2 | +1 |
|-------------------------|---|--|---|---|
| Change in Net Assets | Increase in net assets in line with or greater than budgeted surplus | Increase in net assets less than budgeted surplus or realizing a balanced budget | Decrease in net assets in line with or less than budgeted deficit | Unbudgeted decrease in net assets or decrease in net assets greater than budgeted deficit |
| Liquidity/Current Ratio | 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 |
| Cash-on-hand Ratio | Cash/avg. monthly expenses greater or equal to 3.0 | Cash/avg. monthly expenses greater or equal to 1.0 but less than 3.0 | Cash/avg. monthly expenses greater or equal to 0.75 but less than 1.0 | Cash/avg. monthly expenses less than .75 |
| 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 budget with reasonable assumptions and revisions allowed through the end of October | Realistic budget with mostly reasonable assumptions and revisions allowed through the end of October | Realistic budget without assumptions and needs to be resubmitted | Unrealistic budget with unreasonable assumptions and needs to be resubmitted |

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 I & I | Budget is submitted with significant delay or submitted late without prior notification to and acknowledgement by I & I | 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 I & I | Audit is submitted with significant delay or submitted late without prior notification to and acknowledgement by I & I | 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 |