

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

|                       |                      |  |           |
|-----------------------|----------------------|--|-----------|
| <b>School:</b>        | Urban Prep Academies | <b>School ID:</b>  | Various   |
| <b>Address:</b>       | 420 N. Wabash        | <b>Financial Management &amp; Compliance Accountability Version:</b> | H         |
| <b>Phone:</b>         | 312-276-0259         | <b>Term of Agreement:</b>  | 2010-2015 |
| <b>Grades Served:</b> | 9th -12th            |  |           |

**Financial Management and Compliance**

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

(a) Scores are based on Urban Prep's June 30, 2014 audited financial statements that include all three of their charter schools.

Urban Prep Academies  
FY14

| <b>FY 14 Change in Net Assets</b> |           |  |          |
|-----------------------------------|-----------|--|----------|
| FY14 Surplus/(Deficit)            | 48,120    | Increase in net assets is less than budgeted surplus | <b>3</b> |
| FY14 Budgeted Surplus /(Deficit)  | 1,687,450 |  |          |

| <b>Current Ratio</b> |                   |                          |             |
|----------------------|-------------------|--------------------------|-------------|
| Ratio Range          | Performance Score | <b>Current Ratio</b>     | <b>2.46</b> |
|                      | 0 1               | <b>Performance Score</b> | <b>4</b>    |
|                      | 1 2               |                          |             |
|                      | 1.1 3             |                          |             |
|                      | 1.3 4             |                          |             |
|                      |                   | Current Assets           | 1,598,586   |
|                      |                   | Current Liabilities      | 648,921     |

| <b>Net Asset Ratio</b> |                   |                          |               |
|------------------------|-------------------|--------------------------|---------------|
| Ratio Range            | Performance Score | <b>Net Asset Ratio</b>   | <b>68.11%</b> |
|                        | 0 1               | <b>Performance Score</b> | <b>4</b>      |
|                        | 0.1 2             |                          |               |
|                        | 0.2 3             | Total Net Assets         | 1,385,980     |
|                        | 0.3 4             | Total Assets             | 2,034,901     |

| <b>Cash on Hand Ratio</b> |                   |                                     |             |
|---------------------------|-------------------|-------------------------------------|-------------|
| Ratio Range               | Performance Score | <b>Cash on Hand Ratio</b>           | <b>0.07</b> |
|                           | 0 1               | <b>Performance Score</b>            | <b>1</b>    |
|                           | 0.75 2            | Year-end Cash Balance               | 101,082     |
|                           | 1 3               | Est. Monthly Cash Expenses          | 1,354,573   |
|                           | 3 4               | Total FY Expenses                   | 16,466,068  |
|                           |                   | Less: Depreciation and Amortization | (211,190)   |
|                           |                   | Est. Total Cash Expenses            | 16,254,878  |
|                           |                   | Est. Monthly Cash Expenses (/12)    | 1,354,573   |

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

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

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

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

| Reporting - Timeliness or not Submitted |  |   |
|---|--|---|
| FY14 Budget                             | Late   | 3 |
| FY14 Quarterly Statements               |  | 4 |
| FY14 Audit                              | Late - Was submitted with significant delay (45 days or more)  | 2 |
| CPS/Fed/State Compliance                | Late- Schedule of Board Meetings, List of Board Members, Certificate of Liability Insurance, Fiscal Handbook or Statement, School Staff List, Previous SY Annual Charter School Report | 1 |

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

**Financial Condition and Budget:**

| <b>Indicator</b>        | <b>+4</b>   | <b>+3</b>  | <b>+2</b>   | <b>+1</b>   |
|-------------------------|---|--|---|---|
| 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:**

| <b>Indicator</b> | <b>+4</b>   | <b>+3</b>   | <b>+2</b>   | <b>+1</b>   |
|------------------|---|---|---|---|
| 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:**

| <b>Indicator</b> | <b>+4</b>   | <b>+3</b>   | <b>+2</b>  | <b>+1</b>   |
|------------------|---|---|--|---|
| 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:**

| <b>Indicator</b>                              | <b>+4</b>  | <b>+3</b>  | <b>+2</b>   | <b>+1</b>  |
|---|--|--|---|--|
| 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   |