

Citizens Leadership Academy Southeast

Application for Community School Proposal



August 31, 2018



BREAKTHROUGH SCHOOLS



**Citizens Leadership Academy Southeast Community School Proposal
August 31, 2018**

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Section 1 – Applicant Information

1. **Type of Application:** This application is for Citizens Leadership Academy Southeast, a replication of the founding Citizens Leadership Academy located at 9711 Lamont Ave. Cleveland, OH 44106.

2. **Full Legal Name of Applicant:** Megan Marie Johnston

3. **Lead Applicant Contact Information:**

Name: Megan Johnston
Mailing Street Address: 3615 Superior Ave. Ste. 4403A
City, State: Zip: Cleveland, OH 44114
Office Phone #: [REDACTED]
Cell Phone #: [REDACTED]
Email Address: [REDACTED]

4. **Additional Applicant Contact Information:**

Name: Shelly Saltzman
Mailing Street Address: 9711 Lamont Ave.
City, State: Zip: Cleveland, OH 44106
Office Phone #: [REDACTED]
Cell Phone #: [REDACTED]
Email Address: [REDACTED]

5. **Are all applicant(s) at least 18 years or older (Not-For-Profit Corporation Law Section 1702):** Yes

6. On additional sheets, provide background information for each applicant. Include whether he or she is a teacher, parent, school administrator, and/or community resident, and if he or she would be a member of the community school's governing authority. Required background information includes, at a minimum, the applicant's educational and employment history; curriculum vitae or resumes are preferred.

Please refer to Attachment 1A (Lead Applicant) and 1B (Additional Applicant)]

Section 2 – Executive Summary

Citizens Leadership Academy Southeast (CLAS) will mark the second replication of Citizens Leadership Academy, who first opened its doors to middle school students in 2011. Like the other CLA schools, CLAS will uphold the highest of expectations and is committed to achieving outstanding student outcomes.

CLAS is needed in our city for a number of reasons:

1. Since Citizens Academy was founded in 1999, parents from our original elementary school expressed their strong desire for a high quality middle school. This is what led us to open the first CLA campus in Cleveland (near University Circle/Hough), and the results speak for themselves. Because of local support – charter and district, as well as philanthropic -- we are now able to provide this much needed middle school to students and families of Citizens Academy Southeast, in a completely different part of town (Lee-Harvard).
2. The students of our original school services -- primarily low-income families on the east side of Cleveland and the surrounding inner-ring suburbs – need more high quality middle school options. More than 70% of CAS K-5 students are low-income, and 98% are African American. CLAS will work to serve this same student demographic and provide an additional much needed middle school option to families.
3. Children in Cleveland and the inner-ring suburbs need to enter high school prepared to excel. We want to ensure our students enter the many high-performing high schools available in our region -- district, parochial, independent, and charter – and opening another middle school will allow us to prepare more students for high-quality high school educations. We fully expect, especially as part of the Cleveland Plan, that CMSD will continue to innovate and improve its growing network of effective and excellent high schools, and we hope to play our part by helping students be ready to excel in high school – as well as in college and beyond.

There are a number of reasons why our program will produce dramatic, excellent student outcomes:

- Citizens Leadership Academy Southeast is the middle school extension of Citizens Academy Southeast, the proven, highly effective charter K-5 model which has been delivering excellent results for its students for years. Continuity, innovation, and exchange between CAS & CLAS will help inform outstanding student instruction at both schools, mutually improving each other's programs as well as providing parents with an outstanding K-8 continuum. Based on many of the principles guiding success at CAS, especially including building a strong, virtue-centered college-prep school culture, we expect to build on CAS's success and bring that type of excellence to our new middle school.

- Our model is led by our experienced proven educator Shelly Saltzman, who has over 30 years of middle school education experience
- Our school incorporates Expeditionary Learning, a nationally recognized program which will bring a wealth of experience, knowledge, and proven best practice to our new middle school.
- The CLAS board will have the same board members as CLA and CLAE, to ensure the leadership best practices are shared among our model. We will also have parent representation on our board, which brings an added element of engagement and perspective to our Governing Authority.
- Our schools are part of an exciting network of schools – the Breakthrough Charter Schools –collectively committed to always pushing each other to constantly improve our school and programs.
- Along with our partner schools, we are firmly committed to four guiding principles which, through experience and validated by best practice research, we know are essential to delivering an excellent educational experience for children:
 - We put children’s needs first, in every single decision we make
 - We hold everyone to the highest expectations, from our kindergartners to our board chair
 - We share a never give up attitude, no matter what it takes
 - We believe in our students, and know that every child can learn and excel

Our leadership structure, which includes a strong, empowered school building leader, supported by a non-profit CMO dedicated to delivering excellence for its students, will result in a high-performing school – not only academically, but operationally, fiscally, and legally. Our structure, discussed in detail throughout our application, is defined by:

- Strong, empowered leadership at the school building level.
- Strong accountability at the school building level, where the school building leader is held accountable by its school board, as well as coached, mentored, supported, and held accountable by the CLA model leader responsible for working with all of our CLA model schools.
- Strong operational and fiscal support, provided by our Model Operations Leader, Treasurer, Breakthrough’s Chief Operating Officer, as well as the other members of the Breakthrough support team who are responsible for ensuring our school is run in operationally, fiscally, and legally sound ways.
- Remarkable fundraising and advocacy support, provided by Breakthrough, who has an outstanding track record for delivering the financial and policy support required to fund and support high quality schools like ours will be.

Our financial plan is designed to support our school’s success. By combining the financial experience we have opening and running our other CLA model schools and the academic experience Shelly Saltzman brings to CLA, along with the professional operational, financial, and legal expertise provided by Breakthrough, we feel confident we have established a plan that will allow us to put our students’ needs first and deliver a first-rate educational option for children

in Cleveland. Breakthrough's fundraising capacity will support our financial plan, but Breakthrough's ability to provide improved services at decreased costs (by creating cost synergies across our small network of schools) will especially allow us to create a fiscally sound, sustainable, compliant, and operationally and academically successful school.

Section 3 – Student Enrollment Plan

		Number of Students				
Grades	Ages	Year 1 2019-20	Year 2 2020-21	Year 3 2021-22	Year 4 2022-23	Year 5 2023-24
6	11-12	75	75	75	75	75
7	12-13	-	75	75	75	75
8	13-14	-	-	75	75	75
Total Students		75	150	225	225	225
# of classes per grade		4	4	4	4	4
Avg. # of students per class		18-19	18-19	18-19	18-19	18-19

Citizen Leadership’s mission is to prepare middle school scholars to lead in academics and in service and civic engagement in high school, college, and beyond. The grades and ages served and target grade and class sizes are not only aligned with this mission and the CL education model, but also with the role CLA Southeast will play in partnering with Citizens Academy Southeast to provide students and families with a high-quality K-8 experience in the same school facility.

2018-19 is the first year that CAS has 5th grade students, and CLAS will open and grow with those students as the majority of its founding student cohort. While the size of the current CAS 4th and 5th grade cohorts of 50-60 students (a legacy of the school’s own start-up size) will require CLAS to recruit some additional 6th grade students for the 2019-20 and 2020-21 school years, CAS has consistently been full to its 75-student target in younger cohorts and we have every reason to expect similar enrollment once those students reach 6th grade and the campus reaches steady state. In addition, we have a proof point of what matriculation from 5th grade to 6th grade can look like when the elementary and middle schools share the same building - this past year, 85% of Citizens Academy East 5th graders became Citizens Leadership Academy East 6th graders.

Finally, while we know some level of student attrition is unavoidable, all Citizens Leadership Academy schools work hard to lose as few students as possible. Our year-over-year student attrition rate was 15% for the 2016-17 School Year, which was among the lowest attrition rates in the Breakthrough network and in line with national charter school benchmarks. We know that the most important way to avoid attrition is to make sure that all of our students love school. At a more tactical level, we focus on making sure every family is known through regular calls and conferences, actively problem-solving for transportation and other issues that make it hard for students to get to our schools, and never letting a student withdraw without having the family speak with at least the principal and the model education leader. When attrition does occur, we continue to backfill seats throughout the year up to our target enrollment.

Section 4 – Simultaneous Submissions to Other Sponsoring Entity

At this time, Citizens Leadership Academy Southeast is only applying to the Cleveland Metropolitan School District for sponsorship.

Section 5 – Sponsor Status of Other Schools in School Model

Name of School	Name of Sponsor	Date school opened	Date current contract expires
Citizens Leadership Academy	Cleveland Metropolitan School District	August 2011	6/30/2019
Citizens Leadership Academy East	Thomas B. Fordham Foundation	August 2017	6/30/2022

Section 6 – Affiliated Organization Information

Name of the affiliated organization:

Breakthrough Charter Schools

Proof of the legal status of the affiliated organization (e.g., not-for-profit Corporation, university, corporation, etc.) and whether or not the organization has authority to do business in Ohio:

Please see attachment 6A.

If applicable, proof of tax-exempt status under Internal Revenue Code section 501(c)(3):

Please see attachment 6B.

Letter of intent or commitment from a representative of the affiliated organization indicating that the organization will be involved in the community school and the terms and extent of its involvement:

Please see attachment 6C.

Name of a contact person for the affiliated organization, along with the person's address, phone number, facsimile number (if applicable), and e-mail address:

Alan Rosskamm
CEO
Breakthrough Charter Schools
3615 Superior Avenue, Suite 4403A
Cleveland, Ohio 44114

Description of the nature and purpose of the proposed school's relationship with the affiliated organization:

Similar to the other Citizens Leadership schools in the Breakthrough Network, Citizens Leadership Academy Southeast intends to sign a Network Collaboration Agreement with Breakthrough Charter Schools.

For each 12 month period beginning on July 1 of each year during the term of the agreement, the School will pay BCS a service fee equal to \$1,600 per student. The number of students is determined based on the FTE enrollment calculated and paid monthly by ODE. The Service Fee is considered to be fair reimbursement from the school to BCS for services rendered that replace services that the School would otherwise need to pay for, either by outsourcing the services or hiring staff to perform the services.

Description of how the governing authority will oversee and/or manage the relationship with the affiliated organization to ensure the school posts strong evidence of success.

As stated above, Citizens Leadership Academy Southeast will enter into a Network Collaboration Agreement with Breakthrough Charter Schools. However, the CLAS Board is responsible for ensuring Breakthrough delivers the services, both non-academic and academic, stated in the agreement. Breakthrough's CEO and COO will attend CLAS Board Meetings, and the CLAS Board Chair will be a voting member of the Breakthrough Board of Directors. Ultimately, the CLAS Board is responsible for ensuring the school is legally sound, fiscally sound, and delivering student outcomes. Breakthrough supports us in ensuring we deliver these excellent results for our children and families.

Section 7 - Capacity to Replicate

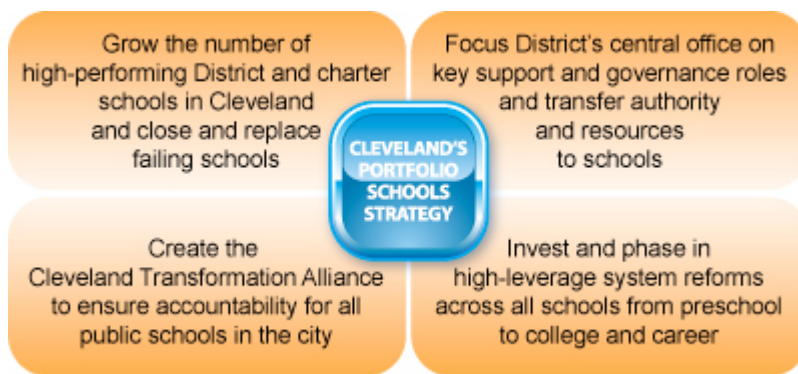
Breakthrough Schools Network “Greenlighting” Lead Indicators for Replication			
	Category	Indicator	Status
1	Leadership	Principal must be selected at least 9 months before opening and there must be no vacant principal roles in the model. Director of Operations must be selected at least 6 months before opening.	In process
2	Performance	All schools in the model must outperform the local district on ELA and Math on state exams.	Yes
3	Facilities/ location	A site requiring significant construction must be secured (not purchased) 18-24 months prior to opening. Other sites must be secured (not purchased) at least 12 months prior to opening.	Complete
4	Demand	Evidence that families want us and data that suggest full enrollment is likely (family intent-to-enroll signatures and demographic/population evidence).	CAS is fully enrolled
5	Finance	All mature schools in the model must be on track for sustainability on public \$\$, and the new school has a clear path to financial sustainability and a funding source/commitment to cover the first three years of operating loss.	BCS Reorg in process
6	Approval	The BCS board, FOB board, and applicable model board must vote to approve opening	Strong support

As seen in the table above, the Breakthrough Charter Schools network has specific criteria for determining when a Breakthrough model has the capacity to replicate. The top indicator is having the leadership team in place. Breakthrough supports the hiring of a School Leader Resident (SLR) to start at least nine months ahead of opening. That person, who will become the founding principal of the new school, has the first half of the nine months to focus on shadowing the leaders in the existing schools and learning the educational model. While we have not hired the principal, we are actively interviewing candidates and should have someone in place by November which is the greenlighting deadline. There is already internal interest in the Director of Operations position and two strong Directors of Operations at the two existing CLA schools who can easily mentor the incoming director. Second, CLA outperformed CMSD on state tests in 2016-17 and since CLAE had comparable scores to CLA in 2017-18, we believe that when report cards are published in September, both CL schools will outperform the district. Third, Breakthrough and Friends of Breakthrough has invested over \$8 million in renovations on the Charles Eliot building where CLAS will be located; CAS just moved into this renovated school this August. Fourth, in terms of demand, CAS is full with a waiting list in some grades. Fifth, while neither CLA nor CLAE are currently financially sustainable without support from Friends of Breakthrough, Breakthrough is working on an organizational redesign that

promises to improve sustainability at both schools. Finally, there is strong support for opening a middle school for the Citizens Academy Southeast elementary.

Partners in the Plan

Citizens Leadership Academy Southeast and Breakthrough Charter Schools are proud partners with the Cleveland Metropolitan School District in pursuit of Cleveland’s Portfolio Schools Strategy (see image below). Breakthrough CEO Alan Rosskamm is a member of the Cleveland Transformation Alliance, and CLAS would mark the 9th school to be sponsored by CMSD. By adding another high quality middle school to the southeast side of town – and by partnering with CAS for elementary education – CLAS can offer a seamless K-8 experience. We are also exploring our options of adding a pre-school on the Citizens Southeast campus and hope to make that a reality as soon as the 19-20 school year. We are currently in conversations with several high-quality pre-school providers.



Source: <http://www.clevelandmetroschools.org/Page/532>

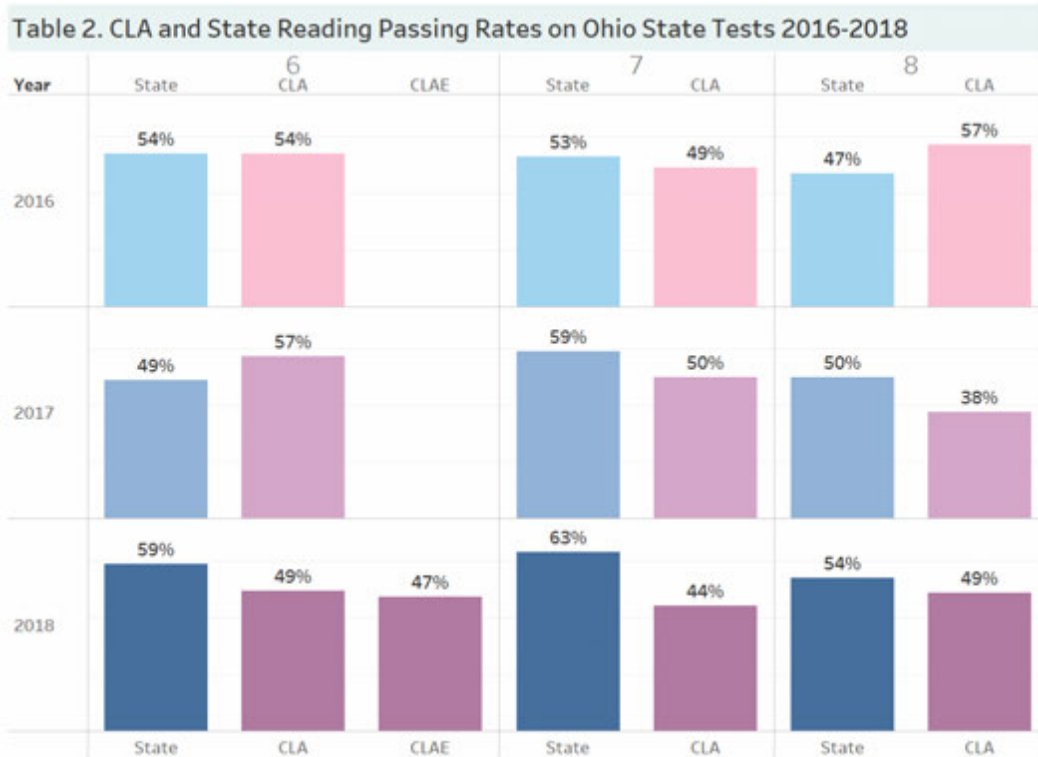
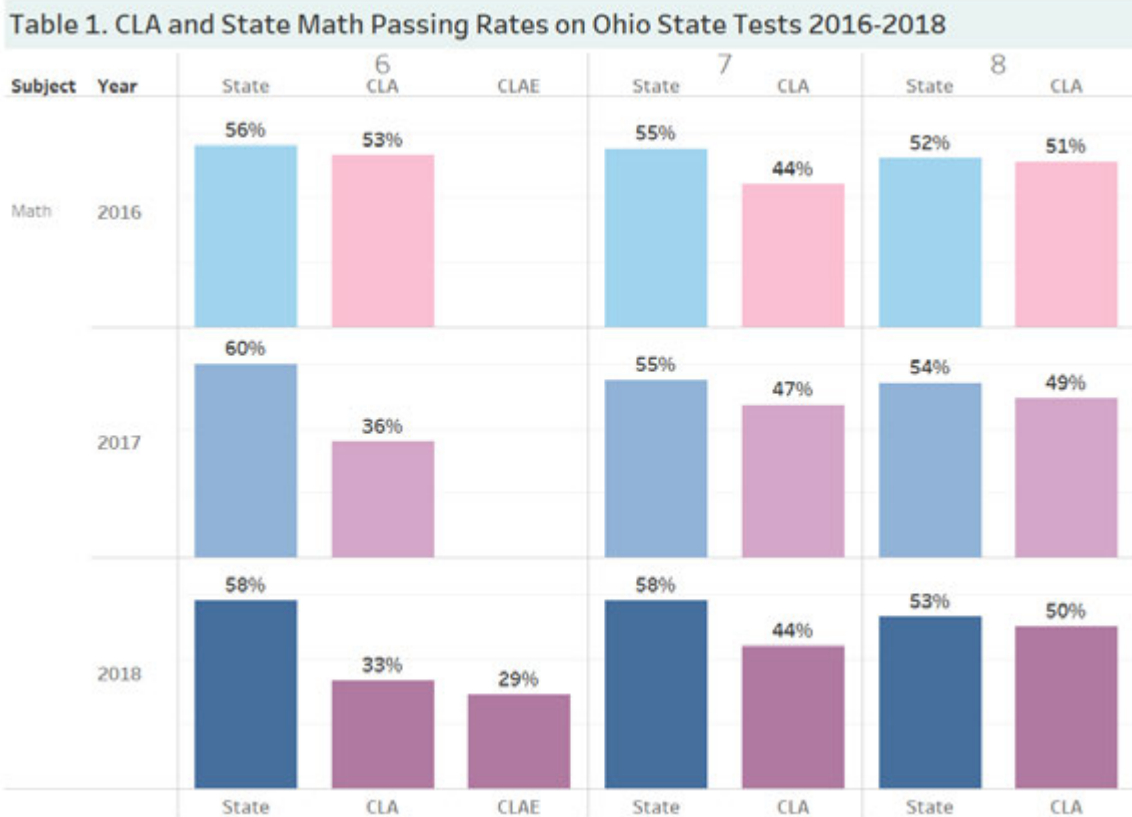
CLA’s Strong Academic Track Record

Citizens Leadership Academy has accomplished substantial academic success since it opened in 2011. Students have achieved high levels of success on both state and nationally normed assessments (NWEA) and even in the past year with falling test scores statewide on AIR, CLA maintained near or above state average passing rates. CLA has also earned A’s the last three years on their value-added performance on the state test. In addition, CLA schools are high performing relative to middle schools in close proximity and schools with similar student populations. These data suggest that CLA is prepared to educate all children that enter their doors.

State Testing Data

Tables 1 and 2 below illustrate CLA passing rates on state tests over the last three years relative to the state average. Table 3 compares CLA’s passing rates on state tests. From these graphs, two conclusions are warranted. First, gaps in passing rates between CLA and the State average have shrunk in grades 6 and 7, in both Math and ELA, with equal passing rates in reading in 2016 and only a 3 percent difference in Math in 2016. This suggests that even as State tests have increased in difficulty over the last three years (as evidenced by falling state passing rates), CLA has continued to raise the bar for what it expects from its students. Second, eighth grade performance reflects a culmination of three years of high academic expectations at

CLA with eighth grade passing rates at CLA far exceeding state averages in 2014, 2015, and 2016 for Reading and in 2014 and 2015 for Math.



CLA has earned an “A” in value-added in 2015, 2016 and 2017, up from an F in 2014. The value-added gain index is a measure of the amount of student growth shown on tests from year-to-year. In 2017, CLA’s value-added performance was the second highest in K-8 schools in Cleveland city schools.

Table 3 provides further comparison of CLA with five nearby schools that serve students in grades 6 through 8. Three of the four neighborhood schools received “F”’s on their value-added ratings in 2017 and one received a “C”. For all schools, those ratings were a decrease from 2015, whereas CLA’s value-added ratings improved to an A. In addition, CLA was the only school in the area that also improved their value-added ratings to A for both Students with Disabilities and the Lowest Performing 20%. While CLA performance index (PI) ratings are consistent with neighborhood schools with an F, CLA’s PI score is actually 14 points higher than the next highest PI score in this cluster of schools. More information about CLA’s performance relative to neighborhood schools can be found [here](#).

Table 3. CLA PI and Value-add rating compared to nearby middle schools

School	PI/Rating			Value-added Rating		
	2014-2015	2015-2016	2016-2017	2014-2015	2015-2016	2016-2017
CLA	81/D	78/F	76/F	A	A	A
Daniel Morgan	62/D	42/D	54/F	D	F	F
Mary B. Bethune	66/D	59/F	62/F	A	C	C
Mary B. Martin	50/F	39/F	42/F	B	F	F
Wade Park	64/D	47/F	47/F	A	F	F

NWEA MAP Data

On NWEA Measures of Academic Progress, CLA students grow more each year. As Table 4 illustrates, median student growth percentile data have continuously improved since 2015 with over 50% of students making a year’s worth of growth in Reading in 2017 compared to a median growth percentile of 37 in 2015 and a 20 point increase in Math from 2015 to 2017. Achievement performance on MAP has been inconsistent but as an expeditionary learning model, CLA academic leaders recognize and continuously seek to address the challenges of implementing a strong math curriculum in a pedagogical structure that favors humanities.

	Spring 2015	Spring 2016	Spring 2017
Achievement			
Math	47	51	38
Reading	43	53	43
Growth			
Math	46	59	66
Reading	37	59	52

CLA compared to schools in CLAS neighborhood

In addition to nearby neighborhood comparisons as a measure of relative strength to serving the community in which it is located, Table 5 illustrates how Citizens Leadership Academy performed relative to the schools in the CLAS neighborhood. This table highlights that CLA academic strengths are poised to serve these communities as well and will only build upon the incoming strengths of students from CAS that feed into CLAS.

School	2017 PI Score
Whitney Young <i>Gifted & Talented</i>	88.3
Citizens Academy Southeast <i>Elementary</i>	78.9
Citizens Leadership Academy <i>Middle</i>	75.7
Chapelside Academy	52.7
Charles W Eliot + New CAS Site	50.4
Miles	49.6
Adlai Stevenson	49.3
Charles Dickens	48.0
Andrew J Rickoff	47.1
Harvard Avenue Performance Academy	45.9
Robert H Jamison	44.6
Nathan Hale	43.9

Section 8 Performance Rationale for Replication

Please refer to Attachment 8A, the Existing School Data Workbook.

Please refer to Attachment 8B, for minutes from the 2017-2018 School Governing Authority meetings.

Please refer to Attachment 8C, for the four most recent quarterly financial statements and most recent annual financial audit.

As stated elsewhere in this application, CLA has outperformed CMSD and the schools in its Hough neighborhood in terms of Performance Index (PI). Its PI is also favorable to that of others in its cohort of similar schools throughout the state, as indicated in the CMSD annual report about the school. While its Performance Index has trended slightly downward over the past few years, its Value Added has improved considerably. Also, CLA was a Momentum Award winner for strong value added in the overall, special education, and lowest 20% sub-categories. As a benchmark within Breakthrough, CLA had far lower Value Added than the Prep middle schools - known for their strong value added -- in 2014-15 and surpassed them during the following two school years. Students entering CLA have trended down in grade-level achievement (percent of students at grade level) and the emphasis has been on academic growth. For the 2018-19 EL Education work plan, that emphasis has shifted to pushing academic achievement as well as growth, and several initiatives and accountability strategies are being put into place to that effect.

The first Citizens Leadership replication, CLAE, performed similarly to the flagship school on both NWEA MAP tests and Ohio AIR tests as mentioned earlier. CLAE had the highest attendance percentage in the Breakthrough network, one of the lowest student attrition percentages, and high teacher retention. This seems to underline that the CL model support in terms of curriculum and assessment development and instructional coaching as well as school culture is effective. The CL schools have a joint Leadership Team that spends significant time reviewing NWEA, MAP and Ohio AIR data in order to make adjustments in terms of initiatives and accountability for academics and culture in the 4-year EL Education work plan. In terms of fiscal and human resources, the CL model structure supports all model schools through the model academic leaders and the model operations leader. The joint boards include members of the founding board with deep experience in terms of securing the financial support and human capital needed to maximize success from both academic achievement and school culture perspectives. In fact, the increase in FTEs in the model staff is a modification supported by the joint boards to meet the demands of multiple schools and to provide consistency in supporting multiple schools.

Neither CLA nor CLAE have been issued any reports, notices, or findings of legal or contractual noncompliance or other deficiencies as to the school or its operator.

Section 9 – Rationale for Transferring Sponsorship to CMSD

This section is not applicable for Citizens Leadership Academy Southeast.

Section 10 – School Calendar

BASIC FACTS ABOUT SCHOOL DAY AND SCHOOL HOURS AT CITIZENS LEADERSHIP:

School day start/end time:	7:45 a.m. - 3:30 p.m. Monday – Thursday 7:45 a.m. - 1 p.m. Friday
Hours in school day:	7 hours and 45 minutes Monday – Thursday 5 hours and 15 minutes Friday
Number of instructional minutes (core instruction) per day:	435 Monday – Thursday 285 Friday
Number of instructional school days per year:	175

Below is the 2018-2019 Citizens Leadership school calendar. The 2019-2020 calendar will look nearly identical:



2018-2019 CLA School Calendar

August 2018

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

8 - 9 – Home Visits/ Meet and Greets
13 – First Day of School

February 2019

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

13 – Student-Led Conferences (1 p.m. Dismissal)
14 – Student-Led Conferences (PD Day)
15-18 – Presidents Day (No School)

September 2018

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

3 – Labor Day (No School)
12 – Curriculum Night, 5:30 p.m.

March 2019

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

1 – Trimester 2 Ends
8 – PD Day (No School)
8 – Winter Report Cards Mailed
25-29 – Spring Break (No School)

October 2018

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

4 – Student-Led Conferences (1 p.m. Dismissal)
5 – Student-Led Conferences (PD Day)
8 – Discoverers Day (No School)
26 – PD Day (No School)

April 2019

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

1 – PD Day (No School)
15-18 – English NGAs
19 – No School

November 2018

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

2 – Trimester 1 Ends
6 – Election Day (PD Day)
9 – Fall Report Cards Mailed
21-23 – Thanksgiving Break

May 2019

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

30-4 – Math NGAs
6-9 – Science NGAs
27 – Memorial Day (No School)
30 – Last Day of School
31 – Graduation (No School)

December 2018

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

7 – PD Day
20 – Celebration of Learning
24-4 – Winter Break (No School)

June 2019

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

3 – Report Cards Mailed
10-27 – Summer School

January 2019

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

1-4 – Winter Break (No School)
7 – PD Day (No School)
21 – MLK Day (Optional Day of Service)

Notes

School Day: Mon-Thurs 7:45-3:30, Friday 7:45-1		
Students who arrive after 7:45 will be considered tardy.		
Progress reports will be sent home every two weeks.		
Celebration of Learning will take place Dec. 20 and at the end of May.		
Important CLA Dates	Staff Only	CLA Closed

Citizens Leadership Academy Southeast (CLAS) General Daily Class Schedule, M-Th

Time	Sixth	Seventh	Eighth	Minutes
7:15 – 7:45 am	Breakfast	Breakfast	Breakfast	30
7:45 – 8:15 am	Morning Crew (advisory class)	Morning Crew	Morning Crew	30
8:15 – 9:35	Core Academic Class #1*	Specials	Core Academic Class #1*	80
9:35 – 10:55	Specials*	Core Academic Class #1	Core Academic Class #2	80
10:55 – 12:15	Core Academic Class #2	Core Academic Class #2	Specials	80
12:15 – 12:45	Lunch	Core Academic Class #3	Core Academic Class #3	30
12:45 - 1:15	Core Academic Class #3	Lunch	Core Academic Class #3	30
1:15 – 2:05	Core Academic Class #3	Core Academic Class #3	Lunch (30) Core Academic Class #3 (20)	50
2:05 – 3:25	Core Academic Class #4	Core Academic Class #4	Core Academic Class #4	80
3:25 – 3:45	Afternoon Crew	Afternoon Crew	Afternoon Crew	20
3:45 – 4:45	After-School Sports and Enrichment	After-School Sports and Enrichment	After-School Sports and Enrichment	60
3:45 – 4:45	Tutoring	Tutoring	Tutoring	60

KEY:

Core Academic Classes = Math, English/Language Arts, Science, and Social Studies

Specials = Physical Education (2 x/week), Outdoor Leadership (1 x/week, and
Arts (Visual and Rotating Performing) (1 x/week)

CLAS Friday Class Schedule

Time	Sixth	Seventh	Eighth	Minutes
7:15 – 7:45	Breakfast	Breakfast	Breakfast	30
7:45 – 8:00	Friday AM Crew	Friday AM Crew	Friday AM Crew	15
8 – 8:50	Community Meeting	Core Class 1	Core Class 1	50
8:50 – 9:40	Core Class 1	Community Meeting	Core Class 2	50
9:40 – 10:30	Core Class 2	Core Class 2	Community Meeting	50
10:30 – 11:20	Core Class 3	Core Class 3	Core Class 3	50
11:20 – 11:50	Lunch	Core Class 4	Core Class 4	30
11:50 – 12:10	Core Class 4	Lunch	Core Class 4	20
12:10 – 12:20	Core Class 4	Lunch	Crew	10
12:20 – 12:40	Core Class 4	Core Class 4	Lunch	20
12:40 – 12:50	Crew	Crew	Lunch	10
12:50 – 1:00	Friday Dismissal	Friday Dismissal	Friday Dismissal	10

Section 11 - Academic Program

Citizens Leadership Academy Southeast (CLAS) is the second replication of Citizens Leadership Academy (CLA), which opened in August 2011 and is in its eighth year of operation. A first replication, Citizens Leadership Academy East (CLAE) opened in 2017. All Citizens Leadership middle schools share the same mission: to prepare their middle school scholars to lead in academics and in service and civic engagement in high school, college, and beyond. The Citizens Leadership schools strive to prepare their students to excel on state tests, but moreover, we strive to provide students with the critical thinking skills and habits of leadership to advocate for themselves and for others, to examine issues critically, and to think beyond their own individuality and focus on making a difference in their communities: their schools, their neighborhoods, their country, and their global community.

Citizens Leadership's vision is two part: to add EL Education to the mix of educational models for middle school students (grades 6 through 8) in the Cleveland area, and to provide a middle school for Citizens Academy graduates that aligns with the educational model, mission, and vision of Citizens Academy elementary schools. Citizens Leadership Academy Southeast provides such a next step for fifth grade graduates from Citizens Academy Southeast (CAS). At full capacity, CAS will have 75 fifth graders in three homerooms, and they will matriculate to the middle school that will be housed on the second floor of their school building. Citizens Academy elementary schools focus on seven virtues that promote academic excellence and responsible citizenship. Citizens Leadership builds upon that foundation and focuses on cultivating leadership skills: self-reliance, self-advocacy, compassion, and collaboration.

Citizens Leadership was founded eight years ago specifically to specialize in middle school education. As Thomas Armstrong writes in *The Best Schools: How Human Development Research Should Inform Educational Practice* (ASCD 2006), middle schools are “needed to provide students in early adolescence with an environment that can help them negotiate the impact of puberty on their intellectual, social, and emotional lives...Practices at the best schools honor the developmental uniqueness of young adolescents, including the provision of a safe school environment, student-initiated learning, student roles in decision making, and strong adult roles” (113).

A chief goal for Citizens Leadership is to provide a strong middle school experience for the graduates of Citizens Academy and other early adolescents in the Cleveland Metropolitan School District and surrounding suburbs. It is irrefutably argued that young adolescents (ages 11 – 14) undergo dramatic and unique changes in all realms of their development. Strong middle schools take this turbulence in the cognitive, social, emotional, and physical realms and build a school culture, middle school pedagogy, schedule, curricular and instructional model and support system with the needs of the adolescents at the core. Middle schools that don't work are ones that do not have the essential constructs of a strong middle school education. As Armstrong explains:

One of the biggest problems with the recent abandonment of middle schools by school districts around the country is that the entire middle school philosophy is being rejected in reaction to poorly planned middle school experiments that simply didn't work out. When one looks at these failed middle schools, it becomes apparent that most of them failed because they did not reflect the features of good middle schools in the first place. They were often overcrowded, unsafe, impersonal places that called themselves middle schools simply because they served students

in the middle (118). In developing its school constructs, Citizens Leadership considered each of these categories in light of the unique development needs of young adolescents.

Equally important as our middle school orientation, CLAS will be run as an EL Education school. EL Education, formerly known as Expeditionary Learning, is a national network of schools – public district, public charter, independent, and parochial – that aspire to prepare students for their adult life through “an overarching vision of increasing student engagement and elevating and expanding student achievement through driving student educational excellence in three core areas: mastery of knowledge and skills, character, and high-quality work” (EL Education website). EL schools push students to demonstrate mastery of Common Core skills in each discipline, apply that knowledge and skill to meaningful tasks, and to think critically and communicate clearly. EL Education schools are grounded in a multi-faceted approach to self-advocacy, community building, and social justice locally, nationally, and globally. One of the cornerstones of an EL school is “crew,” an advisory community that meets daily to discuss classroom and school culture as well as current issues at the local, national, and global levels.

Instead of “units,” EL schools like CLA have “expeditions” or “case studies” that begin with building background knowledge and assuring mastery of skills on a strand(s) of state standards, but then apply those skills to an engaging project that has an authentic component or real-world application. The audience for the culminating product goes beyond a student’s teacher, but often includes a service, or a publication that will be read by experts, or a proposal for a local, national, or global concern. A final product goes through a rigorous revision process. As students progress through a case study, they conduct research in the community, and they work with community experts at the school and at universities, businesses, government offices, and social service agencies. All this was very compelling to us when we selected Expeditionary Learning as our educational platform, and has become even more compelling as EL Education has solidified its mission, vision, and approach over the past few years. Of particular note is the fact that EL Education was selected to write the New York State English Language Arts curriculum (Engage New York), which is now being used widely beyond the network of 152 EL Education schools. EL Education has implemented a credentialing program in which CLA is enrolled, and that program requires us to develop a four-year work plan that anchors our academics and school culture.

Citizens Leadership Academy schools approach the development of a positive school community where everyone feels safe, engaged, and part of something bigger than oneself from a variety of anchors, and these anchors work together synergistically to produce an engaged community where individuals are known and appreciated. These anchors include the EL Education core principles, the concept and implementation of crew, CLA Habits of Leadership, CLA norms, positive recognition, and the CLA progressive discipline system.

Citizens Leadership Academy schools are EL Education schools and as such are grounded in the EL Education core principles: the primacy of self-discovery, the having of wonderful ideas, the responsibility of learning, empathy and caring, success and failure, collaboration and competition, diversity and inclusion, and the natural world. Appreciation for these core principles is anchored in an advisory group called “crew” where emphasis is placed on understanding one’s role as an individual in a community of individuals. The sense of community and the importance of community are foundations of the school’s culture and climate. Crew is a valued part of the day with a specific curriculum, 30 minutes each morning and 20 minutes each afternoon (Monday through Thursday and a shorter time on Friday) to build community and to reflect about the community within each classroom, the grade level, the school, the neighborhood, city, state, nation, and global community. Crew is based on

Responsive Classroom and its middle school version -- Developmental Designs. All faculty are trained on the crew protocols and their rationale.

In addition to crew, the second anchor of maintaining a strong school culture is that CLA schools are also grounded in Habits of Leadership: self-discipline, collaboration, compassion, integrity, and active citizenship. CLAS crews will study each of these habits during crew, but equally important, Citizens Leadership scholars will have learning targets about these habits in each class and be graded on those habits during each class. So for each class, there is an academic or content goal, and there is also a habits goal. A summative habits grade accounts for 25% of a student's overall grade in each subject, each trimester. Each day in each class, students have a mastery learning target and a habits learning target, and that target is reviewed and reflected upon.

CLA school norms comprise the third anchor: Be Respectful, Be Responsible, Be Safe. Although they are simple, they are woven into student life daily, and the subtext with each of the norms is more critical than the norms themselves. CLA students know that at CLA, "Be Respectful" means to "treat others the way you want to be treated," "Be Responsible" means to "do what you need to do now in order to do what you want to do later," and "Be Safe," means "protect the investment that is yourself."

Positive recognition is the next CLA anchor. CLA recognizes students in each grade level for a variety of reasons: responsible citizenship, strong academic improvement, helping the CLA community thrive, etc. Recognition occurs on a regular basis at CLA community meetings, in crew, etc. Recognized students also appear on the CLA website or Facebook page as well as on bulletin boards in the building.

The final anchor is CLA's discipline system. For the first seven years, CLA had a typical progressive discipline system with detentions and suspension, but in addition to consequences, conversation was always an important component and restorative conversations were the goal so that those who committed infractions could also learn and reintegrate well once they returned to the community. After a year of research and a summer of intense planning, Citizens Leadership schools have begun a Restorative Practices discipline system where the emphasis is not on what rules have been broken and what punishment will be doled out, but rather on what harm has been done and what can the person who did the harm do to repair the community. Restorative circles with participation by students, deans, teachers, and families have taken the place of detentions. Suspensions will continue to be part of the Restorative Practice Process, but there will be a logical consequence (community service or research on the type of harm done) in addition to the separation from the community. The model is excited to launch a discipline system that aligns so well with the focus on community building and fostering Habits of Leadership.

The Citizens Leadership educational model works on a number of levels to promote academic achievement. CLA, the flagship school, has been a Momentum Award winner for two consecutive years because the academic growth (as measured by Value Added) of our students was the third highest in Cleveland. Our Performance Index (PI) continues to be higher than that of neighboring schools and was the second highest in the statewide comparative cohort of schools of similar size and student demographics as reported in our CMSD annual report. About 20 percent of CLA grads attend highly-selective high schools, another 40 percent attend selective high schools, and another 20 percent attend recommended high schools -- all signs of the strength of the academic program and the holistic middle school culture.

As an EL Education School, Citizens Leadership grounds its annual plans for the EL three dimensions of learning (mastery of knowledge and skills, character, and high quality work) in a four-year work plan for educational excellence. The plan addresses concrete next steps in each realm for students, teachers, coaches, and the EL Education support team. In 2014, the Value Added was low so the work plan described benchmarks for teaching and learning and school culture to improve academic growth of students at levels of the learning continuum. The next year, the school was a Momentum winner. The EL Work Plan is foundational and enables the school to assess its efficacy and regroup when and where improvement is indicated.

Another foundation of Citizens Leadership schools is its belief in instructional coaching as a primary lever for promoting strong teaching and data-driven decision making. The CL schools each have a STEM instructional coach and a Humanities instructional coach. These educators meet twice weekly with each teacher on their caseload (six to eight teachers); once to preview the curriculum for the following week and to review the current exit ticket and assessment data, and a second time to debrief that week's observation. Teachers are filmed at least twice each month and the coach and the teacher review key segments of the film together. All teacher instructional goals are linked to the teaching rubric.

Before CLA replicated for the first time, curriculum began to be developed at the model level. The Citizens Leadership schools get some of their curricular modules from EL Education (ELA and social studies modules and from Eureka math which is closely aligned with EL Education), but as case studies change and evolve, the curriculum is revised and updated. The Citizens Leadership model now has a STEM curriculum director and a Humanities curriculum director who analyze and revise past lessons based on academic results as well as on evolving case studies. The model curriculum directors coach the instructional coaches on how to guide the teachers to the next level of rigor and effectiveness. The emphasis for the teachers is lesson internalization, lesson implementation, and differentiation; this is what is discussed between the instructional coach and the teacher each week.

With a strongly-vetted curriculum, a culture of coaching, and a work plan that lives throughout the school year in three distinct dimensions, the Citizens Leadership model provides a roadmap to success for its replications, and that has been proven by CLA East which just completed its first year. CLA East's sixth graders performed very similarly to CLA sixth graders on both NWEA MAP testing and on Ohio AIR tests. The school, in its first year, had the highest score of the five sixth grades in the Breakthrough network on the AIR test for reading and the second highest score in academic growth in reading on the NWEA MAP test in reading. The replication school had a 96% attendance rate and only suspended 7 students during the 2017-18 school year. While there is room for improvement in its math instruction and its high quality products, due to the strong foundation provided by the EL Education Work Plan, CLA East was able to have a strong first year.

As indicated elsewhere in this application, the overwhelming majority of students at CLAS are projected to be matriculating from Citizens Academy Southeast, the elementary school that is housed on the first floor of the building. Students who attend CAS are primarily from the Lee-Harvard and Lee-Seville neighborhoods. Like CLA and CLAE, they are 97% African American; unlike the two other CL schools, they come from a higher socioeconomic level with a child poverty rate that is only 25% (Lee-Harvard) to 34% (Lee-Seville). The crime rate and gang activity in these neighborhoods is, however, significant. With all that said, the focus on middle school needs, building relationships, Habits of Leadership, crew and the crew curriculum, and

the other components that provide a focus on the whole child should provide the same positive school culture and academic achievement of CLA and CLAE. The students at CAS have demonstrated strong academic achievement in elementary school: CAS outperformed the Breakthrough average on both the Ohio AIR English and the Ohio AIR Math tests last spring. All of this points to a school that is primed to succeed as a replication.

Not only do we expect an equally strong replication in CLAS, we assume that as we improve the structure and continue with our EL Education Work Plan, we'll provide stronger guidelines and support for CLAS, ensuring success in terms of academic achievement and the evolution of a middle school where the needs of this unique population of young adolescents are met with a sense of urgency and a sense of compassion.

Section 12 – School Academic, Organizational, and Financial Goals

As a CMSD sponsored school, CLAS will adhere to the academic, organizational and financial performance frameworks. In addition to the goals and standards that our sponsor uses to hold us accountable for success, we have developed several other ways to ensure success in the name of our mission and vision.

As mentioned in a previous section of this application, a part of the EL Education network and as an EL school on the path to be a credentialed EL school, Citizens Leadership schools develop a four-year work plan with their EL school designer. As explained on the EL Education website, EL Education work plans outline the critical actions a school will undertake in a year’s time to improve teaching and learning. They show the relationship between actions taken by the adults in the building and the expected outcomes for students. These actions are aligned with data-driven, inspiring goals informed by whole-faculty input and chosen by leadership teams, with support from EL school designers. A work plan names the specific elements of the EL design that a school is “biting off” for the year; it connects these priorities to a coherent vision of how these changes will impact the achievement and engagement of students. To ground the work of the coming year, completion of the work plan begins after a school has analyzed how it has ‘performed’ to date (in student achievement and in its implementation of the model) to help determine what targets to set for the coming year.

The work plan covers four years, with incremental goals for each consecutive year. Goals are in three critical areas: mastery of knowledge and skills, character, and high quality work. Goals are also multi-year and are then broken down into annual performance benchmarks working backward from the ultimate goal. The synergy of the work toward these goals guide the school toward excellence in education, in the CLA case - middle school education, versus simply student achievement on state tests.

For CLAS, the EL work plan will actually be created by the full faculty during the Summer Institute in August 2019; however, at this point a draft work plan template is based upon the data of past Citizen Leadership Academy students and Citizens Leadership Academy East students who have a similar profile as the CLAS students, and based on the EL model development for Citizens Leadership schools. CLAS is actually at an advantage as a replication school with a solid “playbook” from our flagship school, and for first-year replication from CLA East.

The following table outlines several other ways that CLAS will strive for success:

Indicator	Measure	Metric	Target
Academic Goals			
Proficiency in reading	NWEA-MAP test in reading	The percentage of students meeting the nationally-normed growth projection from fall to spring	2020: 50% of students will meet their growth projections in reading 2021: 55% of students will meet their growth projections in reading 2022: 60% of students will meet their growth

			projections in reading 2023: 65% of students will meet their growth projections in reading
Proficiency in reading	NWEA-MAP test in reading	The percentage of students at the 50th percentile or above in achievement on the nationally-normed assessment by the spring	2020: 40% of the students will be at the 50th percentile or above in reading achievement 2021: 45% of the students will be at the 50th percentile or above in reading achievement 2022: 50% of the students will be at the 50th percentile or above in reading achievement 2023: 55% of the students will be at the 50th percentile or above in reading achievement
Proficiency in mathematics	NWEA-MAP test in math	The percentage of students meeting the nationally-normed growth projection from fall to spring	2020: 50% of students will meet their growth projections in math 2021: 55% of students will meet their growth projections in math 2022: 60% of students will meet their growth projections in math 2023: 65% of students will meet their growth projections in math
Proficiency in mathematics	NWEA-MAP test in math	The percentage of students at the 50th percentile or above in achievement on the nationally-normed assessment by the spring	2020: 30% of the students will be at the 50th percentile or above in math achievement 2021: 35% of the students will be at the 50th percentile or above in math achievement 2022: 40% of the students will be at the 50th percentile or above in math achievement 2023: 45% of the students will be at the 50th percentile or above in math achievement
Proficiency in science and social studies	Student Learning Objectives (SLO) assessments in science and social studies	The percentage of students meeting their spring growth targets on the assessments based on state content standards	2020: 50% of students will meet their growth projections in science and social studies 2021: 55% of students will meet their growth projections in science and social studies 2022: 60% of students

			will meet their growth projections in science and social studies 2023: 65% of students will meet their growth projections in science and social studies.
Organizational Goals			
Student and family satisfaction	Student retention	The percentage of students retained by the school October to October	Starting in 2019-20, student attrition will not exceed 15%
Faculty satisfaction and success	Faculty retention	The percentage of teachers retained by the school October to October	75% of the faculty will be retained for three of the four years from 2020 to 2024
Leader satisfaction and success	Leader retention	The percentage of school leaders (principal, deans, instructional coaches) retained by the school October to October	75% of the leadership will be retained for three of the four years from 2020 to 2024
Operational effectiveness	Breakthrough Schools internal Front Office, Food Service, and Safety audits	Overall audit scores	Starting in 2019-2020, the school will achieve an overall score of "meets" or "exceeds" on all internal audits

For more information, please refer to Attachment 12A, EL Work Plan.

Section 13 - Professional Development

Professional development is highly valued at Citizens Leadership schools. We devote three hours each week to professional development and 11 full days during the school year. This is in addition to the three weeks of Summer Institute for new faculty and the two weeks for returning faculty. Being a part of the EL Education network costs approximately \$1,200 per faculty member.

New faculty begin their career at Citizens Leadership with an immersion into EL Education through a week-long institute with school leaders and the EL Education school designer. During the remainder of the Summer Institute, conducted by the model's Leadership Team (model education leader, principals, deans, curriculum directors, instructional coaches, and special education director), the group reviews the purpose and protocols for crew (advisory), school culture protocols, classroom management strategies, assessment cycle, and teacher coaching and evaluation.

During the school year, teachers glean professional development through weekly observation and coaching and lesson filming; through full-faculty and differentiated professional development sessions; and through participation in professional development at EL Education conferences, institutes, and site seminars as well as relevant PD in Ohio and elsewhere.

Coaching cycles include submission of lesson implementation plans (LIPS) for feedback on the teacher's grasp of how to assure mastery of the learning target through maximizing student engagement as well as observation of lessons, and debriefing on observations and goal setting for instructional plans and data assessment. Teacher prep time is scheduled so vertical teams can meet several times each week. During the Friday PD sessions after the students dismiss, time is devoted to grade-level planning, whole-school initiatives, and differentiated professional development and practice sessions.

Special education faculty and specialist faculty (physical education, outdoor leadership, art) participate in EL Education professional development institutes and conferences, as well as in Ohio Department of Education PD as relevant. The deans and school counselor also participate in EL Education conferences and institutes. The model's school leaders participate in an EL Education Midwest Region leadership conference. Various factions of and individuals within the faculty and staff participate in collaborative initiatives sponsored by Breakthrough Schools.

The Citizens Leadership EL Education Work Plan (attached in Section 12) has a Professional Development section that assesses the PD focus for each year in terms of effectiveness in promoting student academic growth, high-quality work, and school culture.

Section 14 - Racial and Socioeconomic Composition

The majority of students who attend Citizens Leadership Academy Southeast are expected to matriculate from Citizens Academy Southeast. As a result, we expect the student population to look very similar to the current student population at Citizens Academy Southeast. Based on students served in 2017-18, we make the following estimates:

Total students we plan to serve	225	
	#	%
Cleveland resident	160	70%
Male	115	51%
Female	110	49%
African American	>220	>98%
Eligible for free or reduced lunch		70%
Special Education	20	8%
Limited English Proficiency	2	1%
Homeless	2	1%

Citizens Leadership Academy Southeast will be located in the Lee-Harvard neighborhood, close to the border with Lee-Seville, and the population of students we expect to serve is very reflective of those neighborhoods. According to the Cleveland City Planning Commission's 2014 Neighborhood Fact Sheets, those neighborhoods have the following demographics.

	Lee-Harvard	Lee-Seville
% African American	97%	97%
% of households with income that falls within free and reduced lunch qualification levels	60-70%*	60-70%*

**Assumes avg. household size = ~4*

Since its founding as Northeast Ohio's first Expeditionary Learning school, Citizens Leadership Academy has provided a high-quality education to a student population that is similarly high-need. CLA has consistently served a student population that is ~98% African American and 70-

80% low income and in its first year of operation CLAE served a student population that was 97% African American and 93% low income.

EL Education has demonstrated success in similar urban middle schools, and CLA's students have significantly outperformed the middle school students of every district and public charter school in our neighborhood on state assessments. In particular, CLA's focus on individualized instruction, building critical thinking skills, and making learning relevant through real world experience have produced impressive results for its students, preparing them to succeed in Cleveland's best high schools and beyond. We fully expect Citizens Leadership Academy Southeast will have similar academic success with a similar student population.

Section 15 - Special Student Populations

Citizens Leadership schools strive to fulfill their obligations under the Individuals with Educational Disabilities Act (IDEA) through their adoption of the Ohio Model Policies and Procedures. Our schools recognize that about 15 to 20 percent of each of our student populations has an individualized education plan (IEP) for a cognitive challenge, or a 504 Plan for a medical challenge so we have a certified intervention specialist at each grade level. Our intervention team works with our general education team to ascertain that any and all accommodations are made for each child, that the family is informed about the plan's implementation at school, that IEP and 504 annual meetings are held, that IEP plans are updated as the child meets his or her IEP goals, and that all of the policies of the IDEA B are implemented at the school level.

Students are admitted to Citizen Leadership schools without knowledge of their special student status, but once they are admitted, families are asked to disclose that status so that Citizens Leadership can obtain records from previous schools, remain compliant, and most importantly, prepare for the learning challenges of each special needs student. In addition to the school intervention team, CL schools contract with psychologists for testing purposes, social workers to support students with emotional and social or trauma-induced issues, speech and language pathologists, and occupational therapists and physical therapists, as needed.

As stated above, after admitting students, CL asks for records regarding IEPs and 504 Plans. Once these are received, the students are put on the intervention specialists' caseloads. There is at least one intervention specialist per grade. Intervention specialists work with the accommodations and IEP goals, and push-in and pull-out to make certain those accommodations are met and the students work the required minutes on the IEP goals.

If a student demonstrates a learning or other challenge, that student goes through the Response to Intervention (RTI) Process: after three weeks of observation, a teacher or parent can complete a referral request to the RTI team. After assessing the situation, the RTI team will recommend an intervention that will be followed for 4 to 6 weeks. If the intervention is not successful, a second intervention may be tried for a second 4 to 6 weeks. If this second intervention is also unsuccessful, the student will be recommended for special education eligibility, and an ETR evaluation ensues within 45 days. Once the ETR is completed, an IEP or a 504 Plan may be created within 30 days and then followed. A student may graduate from his or her IEP when he or she meets all the IEP goals. The ETR is conducted by a consulting psychologist with input from family, teachers, and intervention specialists; occupational therapists and physical therapists are consulted as needed.

The CL intervention specialists are responsible for progress monitoring. The Citizens Leadership Model Special Education Director oversees the compliance issues associated with this progress monitoring and ascertains that all compliance deadlines and details are met. The school budgets for one interventionist per grade, an additional interventionist for students who are alternatively assessed, and the model special education director. The principal also serves as a monitor for the accuracy and timeliness of the process. Finally, the Breakthrough State and Federal Reporting team serves as a check and balance with regard to compliance submission on the state level.

The intervention specialists push-in and pull-out of classrooms. When they push-in, they support students with the lessons being facilitated by the general education teachers. They

may facilitate small groups, help students with directions and focus, or work with individual students on a particular assignment or set of directions. The intervention team works with the general education teachers to make appropriate accommodations in terms of assignment and assessment length and complexity. The intervention specialists also have pull-out time to implement intervention programs to bring students with cognitive disabilities up to grade level and to devote time to work the required minutes/week with students on their IEP goals. The model special education director coaches the intervention specialists at each CL school and collaborates with the principal to evaluate the intervention specialists. That evaluation includes a monitoring of time spent with each student and the progress made by each student on their goals.

The EL Education model also provides guidance for meeting the needs of special education students. To date, the CL schools have not had English language learners (ELL) but EL Education provides guidance on how to build knowledge through content-rich nonfiction and respecting and integrating the ELL's background knowledge and culture into the instruction. EL Education emphasizes social-emotional learning (SEL) and strategies to support challenges through attention to SEL: using breaks, calm space, self-monitoring checklists, practice of response techniques, etc. The EL Education modules and the Eureka Math modules provide outlines for accommodations for students with learning challenges; CLA uses those accommodations.

Citizens Leadership schools support homeless students according to the McKinney Vento Homeless Assistance Act requirements. Our school counselor is the point person for homeless students and also for students in crisis. She works with outside social workers and other medical crisis teams, as needed.

As charter schools in Ohio, Citizens Leadership schools do not have an official program for gifted and talented students; however, CL schools do have an honors track for math and English in eighth grade, and enrichment opportunities for students at all three grades. Teachers differentiate in terms of text complexity, written response expectations, and research opportunities. Flexible grouping, literature circles, and blended learning help support this differentiation.

Beyond all of the above Special Education program description, it is important to underline the Citizens Leadership track record with special education. As a Momentum Award recipient for two years for having high Value Added (academic growth) CLA's special education student population also earned an "A" in academic growth. Whereas some Breakthrough schools have lower populations of students with IEP's than neighboring schools, Citizens Leadership middle schools have between 15% and 20% students with IEP's. Even at the Citizens East Campus where the student population of students with IEP's is fairly low in the elementary school, it is almost double in the middle school. Families trust CL middle schools to provide a supportive, nurturing, and academically rigorous environment where all children thrive.

Section 16 – High School Graduation Requirements

Citizens Leadership Academy Southeast will serve students in grades 6-8; therefore, this section is not applicable.

Section 17 – Business Plan, Organizational Chart, and Staffing Plan

Citizens Leadership Academy Southeast will be led by a strong team, including:

- **Principal:** the principal reports on all school matters to the school board and is coached, mentored and held accountable by the Model Education Leader. He/she is responsible for the teaching and learning as well as the school culture, as well as oversees all faculty which includes teachers, intervention specialists (1 per grade), and instructional coaches (one at the inception of the school and two when it is fully built out with three grades). In the initial year, the founding principal will serve as the dean, but a dean will be added with the seventh grade addition. The principal will also make all personnel decisions with the guidance of the model education leader (MEL) who oversees the principals at all CLA schools.
- **Instructional Coaches:** Work with the principal to support and coach teachers in ongoing instruction and professional development. CLAS will have both a STEM and Humanities IC when it is fully enrolled.
- **Director of Operations:** Oversees all of the daily school operational functions related to facilities management, food service, enrollment, purchasing, vendor management, etc. The Director of Operations reports to the model operations leader (MOL).

In addition to the team above, CL schools in their first year contain (4) core teachers (math, English, social studies and science), (1) intervention specialist, (1) physical education and outdoor leadership teacher, and (1) part-time art teacher. This staff will support an initial budgeted enrollment of 75 sixth graders. In addition to the school-based staff, CL academic model staff consists of the model education leader who oversees all academics and school culture in all CL schools, a director of special education who oversees and coaches the intervention specialists at each school and evaluates them with the support of the principal, and two curriculum directors -- STEM and Humanities -- who are responsible for adopting, writing, revising, and disseminating curriculum and assessments, and for coaching the instructional coaches at each school.

The financial management of the school, school operations, facilities needs and legal compliance will be overseen and managed by the CL model operations leader (MOL) who will also oversee the director of operations. The CLAS director of operations will manage daily operations, payroll, accounts payable, and compliance for CLAS. He or she will also begin to supervise the front-office staff. Both the MOL and the MEL dual report to the CL board chair and respectively to the COO and CEO of Breakthrough Schools.

The Citizens Leadership Academy Southeast principal and model education leader will recruit all staff for the new middle school with support from the Breakthrough Human Capital Team. Breakthrough Human Capital recruits through an online presence on the Breakthrough website and outreach to local and national colleges and universities, Teach for America, and post-graduate programs. With support from the Breakthrough Human Capital team, we attend college fairs, post on multiple websites and host internal job fairs.

CLA Southeast's faculty will use a performance-based pay system. Teachers will be evaluated using a modified OTES system from the Ohio Department of Education. Operations staff will be evaluated on goals approved by their supervisor and in coordination with the model operations leader. Unsatisfactory staff performance will be addressed using a progressive disciplinary

system with considerations for immediate termination with cause. Both the progressive disciplinary system and causes for termination are included in the staff handbook.

The administration at CLA Southeast understands that when staff turnover occurs, the culture within the school is weakened and institutional knowledge disappears. In addition to weekly check-ins with staff and regular professional development to support the teachers, the administration administers teacher satisfaction surveys from EL Education during the middle of the year and at the end of a school year. CLA Southeast will also participate in the Breakthrough Individual Leadership Development (BILD) program. This program identifies staff members across all Breakthrough Schools (including CLAS) who have the ability and drive to step into leadership positions and provides them additional training and professional development opportunities. When there are openings in the leadership team, we will first look to the BILD program to fill those positions.

As reflected in the attached org chart, the Model Education Leader and the Model Operations Leader are dual reports to both Breakthrough Schools and to the CLA Southeast Board of Directors.

In addition to the operations work done by the MOL, checks and balances in operations, finance, and compliance will be made by the Breakthrough support team. State compliance data will be inputted by the front-office staff or the intervention specialist, and it will be overseen by the MOL, the principal, the special education director, and the Breakthrough team.

Please refer to the CLAS org chart, Attachment 17A.

Section 18 - School Leadership

The qualities and characteristics required of our school leadership team to run a Citizens Leadership school successfully include a commitment to the following:

- Put children's needs first, in every single decision we make
- Hold everyone to the highest expectations, from our youngest students to our staff to our board chair
- Share a never give up attitude, no matter what it takes
- Believe in our students, and know that every child can learn and excel

Specifically, our school leaders will demonstrate the following qualities, required to successfully lead our school and allow us to live up to our own expectations for school, staff, and most importantly student success:

- Passion for the vision and mission of our school
- 5+ Years education experience (preferably 3+ years teaching in an urban environment)
- Master's Degree in education / education-related field preferred
- Experience coaching teachers in varied instructional strategies
- Demonstrated success as a multi-tasker, team player, and collaborator
- Experience in implementing performance management and assessment systems, including benchmark systems for teachers & students alike
- Strong communication, organizational, and interpersonal skills
- Self-motivated with the ability to meet deadlines and work independently
- Commitment to diversity and inclusion
- Ability to enforce high standards and manage conflict with firmness and compassion

While we have not yet hired a School Leader resident, we have interviewed several highly qualified candidates and continue to accept applications. Our goal is to have the leader in place by November.

Please refer to Attachment 18A, School Leader Resident job description.

Section 19 - Parent and Community Engagement

The plan from the day Citizens Academy Southeast elementary school opened in 2015-16 was to provide students and families with a K-8 option, by pairing the school with a future Citizens Leadership Academy Southeast middle school. CAS opened in the Whitney Young school annex through a short-term lease with CMSD, and Breakthrough has collaborated with the district since then to identify a permanent home in the Lee-Harvard neighborhood capable of housing both schools.

Demand for CAS has always been high, and the school has met its enrollment target every year since it opened. Prospective and current families have been consistently told that the plan is to provide their students with a high-quality K-8 educational experience, and the ability to open a new middle school was a key piece of communications over the past few months regarding the move to the new facility. Opening Citizens Leadership Academy Southeast fulfills this promise.

How the school will continue to engage parents and the community in supporting the school's academic and overall success:

All schools in the Citizens Leadership model value relationships with parents. Citizens Leadership Academy Southeast parent engagement will begin prior to the first day of school. Prior to enrolling, each prospective student and family will be provided with a personal tour at the existing Citizens Leadership Academy location with the founding principal for Citizens Leadership Academy Southeast, or attend an information session with the principal, current students, alumni, and current families. Then, parents and/or guardians will attend a family orientation after enrolling their children and prior to the start of the school year. It is important that the academic and behavioral messages that a child receives are consistent between the school staff and the parents. During orientation, parents will review the expectations and structure of our schools. They will be introduced to the *CLAS Family and Student Handbook* and will have ample time to ask any questions so expectations are clear for all involved. This will minimize potential miscommunications and will help to ensure a culture of high expectations.

CLAS crew leaders will visit each new family during the week before school starts or have the families engage in a "Before School Conference" before school starts. Home visits and before-school conferences have been an anchor at CLA; by visiting in a family's home or by visiting with the family at school and getting to know a little more about the family dynamic and culture, teachers are better prepared to support their students and parents feel more comfortable reaching out to families. It is at this visit that crew leaders get the preference for reaching parents or guardians during the day and the evening and over the weekend -- which parents can take calls at work, which parents prefer texts, which parents prefer weekend communication, etc.

After the initial indoctrination, parent engagement will be comprised of the typical parent engagement strategies: teacher and administrative phone calls, progress reports and report cards, and newsletters/robo calls/texts/website updates. Moreover, at CLAS, parents and/or guardians and families will be required to participate in at least one of several annual community engagement initiatives. Below is a summary of the more typical and then the more robust forms of CLAS parent and community involvement:

- **Family Communication:** Frequent contact will come in several forms: teacher phone calls, administration phone calls, student-led conferences, attendance at the two

Celebration of Learning programs at the end of each semester, progress reports and report cards, electronic newsletters, and robo-calls.

- **Teacher Phone Calls:** Teachers will call parents bi-monthly to update them on their students' academic and behavioral progress. Along with the bi-monthly scheduled phone calls, teachers will also phone and text parents as issues arrive and as positive growth or accomplishments occur. Phone calls will consist of positive reflections of the students' progress, areas of concern, and growth and suggestions shared by both teacher and parent on plans for moving the student forward.
- **Administration Phone Calls:** The founding principal will have regular communication with parents regarding school events, student attendance, student achievement, and behavior. In accordance to the Family and Student Handbook, families will be contacted when a student reaches a milestone within any given category.
- **Progress Reports and Report Cards:** Parents will receive progress reports every two weeks and report cards at the conclusion of each trimester. These reports will contain the students' grades as well as narrative descriptions of areas of strength and challenge. Parents will be required to attend student-led conferences midway through each trimester so families can be part of the support plan to maximize learning during the second half of the trimester. At the student-led conference, each student will present his or her own progress and areas of growth to their parents. The teacher (usually the crew leader) will be a facilitator who can answer any follow-up questions the parents may have.
- **Parent/Guardian/Family Involvement in Community Events:** The Lee-Harvard neighborhood has a strong heritage of community with events such as the Ward 1 Festival, The Rubie Ball, and Jazz for Harvard. The Lee-Harvard area also has one of the first community development corporations in the city of Cleveland. Such community involvement, pride, and political activism is what has kept this community thriving over the years. Citizens Leadership Academy Southeast will partner with these and other community initiatives to promote positive and healthy relationship within the neighborhood, and we will involve parents and families as appropriate.

In addition, Citizens Leadership Academy Southeast will host several events in which the school plans to have representatives from local business and organizations. Events will include Family Health Awareness and Community Action Days.

- **Family Health Awareness:** Students and their families will participate in a month-long series of events promoting the importance of family health. Events will range from panel discussions about community issues to free health screenings for students and their families as well as the local community.
- **Community Action Days:** Students and their families will be required to participate in one of three events scheduled in each of the school's trimesters. These events will be created to bring awareness to issues that school-aged students residing in the Lee-Harvard and Lee-Seville neighborhoods are facing while allowing our students to build their civic engagement muscles. As a result of these events, the neighborhood will grow stronger, students and their families will grow stronger, and students will learn valuable skills and receive the reward of knowing their work did a great deed for their community.
- **Working with Parents on Student Support and Problem Solving:** The parent engagement initiatives described above should produce an engaged parent community, but CLAS will also be prepared to address parent concerns. The first touchstone for any concerns parents may have is their child's crew leader who can touch base with other grade-level teachers. As stated above, crew leaders get preferences for communication

and use that preference for the bi-monthly calls home, etc., but parents also get contact preferences from teachers so they can call, text, or email as needed. If a parent has a concern about a specific teacher, the principal becomes involved in resolving that issue. If parents disagree about a discipline consequence, etc., a meeting is held to address the issue. *The Student and Family Handbook* has a formal grievance procedure involving the board of directors, also.

Please refer to Attachment 19A for the completed “Parent and Community Engagement – New Schools” form.

Section 20 – Governing Authority

An engaged, productive and ethical board is essential for governance and sustainability. The board seeks to provide a balanced blend of expertise and skills to ensure knowledge that spans the many functions of school governance. Consideration is given to board candidate backgrounds such as: nonprofit governance, finance, legal, academic, real estate, fundraising, and other specialty experience to ensure breadth of knowledge and experience. We also seek to round out the board with one parent representative, once CLAS begins enrolling students.

The Board works closely with the school leader in support of the school’s mission and goals recognizing that the board’s role isn’t day to day management and operations of the school. School leadership values the expertise that the board provides and seeks counsel individually and collectively as needed and through the regularly scheduled board meetings. Being part of the Breakthrough network allows board members to participate on network wide committees (e.g., marketing, data and finance) to help advance the goals of the individual schools, models and network in support of Cleveland’s kids. In addition, annually the CLAS board will evaluate the support services provided Breakthrough as a way to ensure that CLAS and all the schools get the best level of service possible.

Regular reporting and meetings compliant with the Ohio "sunshine laws" enable the board to effectively govern the school. Academic, marketing, enrollment, fundraising, operational, and legal matters are brought to each meeting for purposes of information, discussion, and approval as warranted. At each meeting, operating metrics as well as monthly financials are provided as set forth in the Finance Policies and Procedures as adopted by the board.

All of the CLAS board members have prior community board experience and are affiliated with another community school board (CLA and CLAE).

Name	Position on Governing Authority	Committee affiliations, if applicable	Voting member? Y or N	Number of community school governing authorities on which currently serving	Does CMSD already have a “Request for Information” form for this proposed member?
Kevin Alin	Director	CL Model Executive Committee	Y	2	Y (8/2018)
Mordecai Cargill	Director		Y	2	Y (8/2018)
Amonica Davis	Director	BCS HR Committee; CL Model Executive Committee	Y	2	Y (8/2018)
Lolita Hines	Director		Y	2	Y (2/2018)

Arthur Lundberg	Director	CL Model Finance Committee	Y	2	Y (8/2018)
Reggie Novak	Treasurer	BCS and CL Model Finance Committee; CL Model Executive Committee	Y	2	Y (8/2018)
Yolanda Saunders-Polk	Secretary		Y	2	Y (8/2018)
Cynthia Tancer	President	CL Model Finance Committee, CL Model Executive Committee and BCS Board	Y	2	Y (8/2018)

Please refer to Attachment 20A for Board of Director resumes.

Please refer to Attachment 20B for Governing Authority Disclosure forms.

Section 21 – Budget and Budget Narrative

Under Citizens Leadership Academy Model leadership, CLAS will exercise responsible financial management, with the support of Breakthrough Charter Schools and Friends of Breakthrough. Fiscal responsibility in our decision-making has been a hallmark of our model, and will continue to be as we move forward. Specific financial assumptions are included in the financial forecasts excel spreadsheet included with this application.

Historic operating revenues and expenses from existing Breakthrough Schools, and Citizens Leadership Model data in particular, was utilized to support the estimates for budgeting and forecasting state and federal revenue and all expenses. Particular attention was given to the estimates for personnel, facilities, and fundraising as follows:

Personnel Expense

The single largest expense for the school is personnel. Ensuring comprehensive student and family support, and streamlined administration, including academic leadership, business operations, and a strong faculty is critical. Our educational model demands small class sizes, with an average of 18 students per class.

The Citizens Leadership Model, in conjunction with Breakthrough Schools, has a Compensation Plan which was used in determining all salaries (based on number of years of service and education level).

STRS and SERS is accounted for at 14%, as well as other required and employer-offered benefits: Workers Comp, Medicare, Life Insurance, Long and Short Term Disability, etc. The assumption for elected benefits for the purpose of this initial budget is that all employees will elect medical, dental, and vision benefits as individual policies. We know this not to be the case, as some will not require benefits and some will need children and/or family coverage. The total benefit percentage assumed is 25% of total salaries.

The fee paid to BCS in exchange for services is \$1,600 per student. Other contracted services were based on expenses at other Citizens Leadership Model schools.

Facilities Expense

Facility costs have been estimated based on the anticipated rent schedule (refer to Section 24 Facilities for more information). Janitorial services, building repairs and maintenance, and trash removal are all covered by Breakthrough Charter Schools as part of the \$1,600 per student fee referenced above. CLAS will be responsible costs associated with pest control, landscape, and snow removal services, as well as utilities. Commercial insurance coverage will be obtained by adding CLAS to the existing insurance policies as indicated in Section 23.

Fundraising

Successful fundraising is critical to the success and survival of any public charter school as a result of a revenue gap (the “GAP”) based on the lack of equitable public funding. The 5-year

budget and forecast include funding beyond state and federal support from Friends of Breakthrough, whose sole purpose is to advocate and raise funds for all network schools and which provides rent coverage and a formula-based per student instructional subsidy that will change each year based on the maturity of the school.

Please refer to Attachment 21A for detailed one and five year budget projections, in the CMSD provided template.

Please refer to Attachment 21B for a letter from Friends of Breakthrough that outlines a detailed plan for CLAS financial support.

Section 22 – Fiscal Soundness

The Board of Directors of Citizens Leadership Academy Southeast will review and adopt fiscal policies that include but are not limited to the following:

- Provision of a fiscal officer
- Establishment of finance and audit committees
- Authorization of approved school staff for all school expenditures
- General accounting objectives
- Accrual methodology of accounting
- Establishment of a chart of accounts consistent with USAS
- Use of funds based on applicable law
- Policy on property obtained with federal Title I grants
- Required monthly financial statements to be reviewed
- Annual audit requirement
- Periodic filing of taxes as required by law
- Sponsor financial reporting
- Required preparation of annual report
- State reporting as required by law
- Budget adoption and semi-annual five-year projections as required by ODE
- Use of grants and contributions
- Fundraising and solicitation of contributions
- Cash and asset management
- Capitalization of assets
- Asset inventory
- Insurance coverage requirements
- Collection of revenues and accounts receivable
- Cash receipts
- Payment of invoices and accounts payable
- Payroll system and deductions
- Policy on independent contractors
- Purchasing philosophy and approval requirements
- Gifts policy

The policies comply in full with—and, in most cases, exceed—the Ohio auditor of state requirements, as well as Ohio Revised Code Section 3314.

The CLAS board and school leadership are responsible for monitoring the effectiveness of established policies and procedures as well as the adherence by staff to these policies and procedures. Fiscal responsibility and adherence with policies are included in the Principal and the operational staff (Model Operations Leader and Director of Operations) job responsibilities and performance evaluations. The operations staff and Principal are familiar with the budgeting process and work closely with the Treasurer to review financials to ensure the yearly budget forecast is on target.

CLAS contracts with Breakthrough Charter Schools to provide numerous back office services to support the education in the building as detailed in our collaboration agreement. Those responsibilities include accounts payable processing, payroll processing, monthly forecasting and budget development. By providing the schools with guidance and best practices BCS can

increase the effectiveness of the network and decrease costs where applicable. In addition, to ensure the financial strength of the school, model and network Breakthrough and CLAS's leadership team will meet annually to go over the 5 year forecast and make structural adjustments as necessary. In return for these services, CLAS will pay Breakthrough a management fee. CLAS will contract with Mangen and Associates (financial management firm) to provide treasurer services. The advocacy and fundraising arm of the network is Friends of Breakthrough Schools, who provide this service to the BCS schools via a Memorandum of Understanding. This funder will work with CLAS to decrease the existing financial gap between traditional district schools and charter schools decreases.

Additional internal controls CLAS will adopt include the following:

- Access to the Ohio Auditor of State: Annual Community School Training is provided to the school's Director of Operations and board members.
- Established operational procedures and processes to ensure school staff comply with the board-adopted policies. Submission processes, deadlines, forms, and approval authority are outlined for internal use by the school and are available upon request.
- Semi-monthly meetings with staff responsible for executing fiscal policies and procedures to address questions and specific needs within the school. Monthly meetings with the governing authority finance chair and Treasurer to check-in with fiscal goals, identify new priorities and review monthly forecasting.

Please refer to Attachment 22A for more detail on the CLAS Fiscal Policies.

Section 23 – Insurance

The school's approach to minimizing liability includes the provision of ample insurance coverage to protect the school, its staff, and its Directors. Insurance, however, minimizes only financial liability. Establishment of formal policies and procedures to address required and appropriate action on behalf of the Board and school leadership coupled with a knowledgeable, trained staff with regards to risk management, school operations, and state law is necessary and in place. At the start of each school year and during the on-boarding of new employees on an ongoing basis, an emphasis on awareness, risk management, policy and procedure is included. Each employee is required to sign acknowledgement of school policies with regard to staff, programs, student, and health and safety policies.

Citizens Leadership Academy Southeast will obtain the following minimum coverage:

- Commercial General Liability policy that expressly covers Corporal Punishment Liability and Athletic Participation Medical Liability;
- Commercial general liability insurance with limits of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate;
- Automobile liability insurance of one million dollars (\$1,000,000);
- Employee dishonesty insurance with limits of five hundred thousand dollars (\$500,000);
And
- Educators' legal liability insurance (which shall include coverage of trustees and officers of Community School) with limits of one million dollars (\$1,000,000) for each claim and two million dollars (\$2,000,000) aggregate.

To ensure competitive pricing for our school, coverage proposals will be sought annually through our insurance broker The O'Neill Group. CMSD will be listed as an additional named insured on each of these insurance policies.

Section 24 – Facilities

In 2017, Friends of Breakthrough Schools purchased the former Cleveland Metropolitan School District Charles Eliot school (located at 15700 Lotus Drive, Cleveland, OH 44128) for \$600,000. The building was purchased to house elementary school Citizens Academy Southeast (grades K-5) on the first floor, and the future Citizens Leadership Academy Southeast (grades 6-8) on the second floor.

Shortly after purchase, Friends of Breakthrough engaged architectural firm Van Auken Akins and general contractor Turner Construction to renovate the facility. Renovations were completed during the summer of 2018, and Citizens Academy Southeast relocated from Whitney Young for the start of the 18-19 school year. Now that construction is complete, Citizens Leadership Academy Southeast (CLAS) will have a seamless opening on the second floor at the start of the 2019-2020 school year.

As mentioned above, Friends of Breakthrough owns the building and will lease the space directly to Citizens Leadership Academy Southeast at an approximate cost of \$11 per square foot, per year. In year one, it is estimated that the school will occupy roughly 10,000 SF; as the school grows to full enrollment, the occupied square footage will be approximately 20,000 in year three. CLAS will almost exclusively occupy the second floor in its entirety (with the exception of CAS 5th grade). The first floor cafeteria, kitchen and gymnasium will be shared by both schools, and auditorium will be shared space for the entire Breakthrough network.

The relationship between CLAS and Breakthrough Charter Schools stems from the Network Collaboration Agreement. CLAS will contract with Breakthrough Charter Schools for services, and the Breakthrough network receives fundraising and advocacy services for its network of schools via a Memorandum of Understanding between Breakthrough Charter Schools and Friends of Breakthrough, which was created to provide those services .

While Friends of Breakthrough owns the building and leases it to the school, the school is responsible for directly purchasing the equipment, furniture, instructional materials and other supplies needed to operate. Friends of Breakthrough provides the building wiring, internet access and technical infrastructure, but the school itself will purchase the computers and other digital devices used by staff and students. Printers and copiers are leased, and the school will pay for services received.

The following is a summary of anticipated key lease terms/provisions:

Location: 15700 Lotus Dr. Cleveland, OH 44128

Term: Ten years (7/1/19 – 6/30/29)

Landlord: Friends of Breakthrough Schools, DBA FOB Real Estate III, Inc.

Tenant: Citizens Leadership Academy Southeast

Total rentable building square footage: 84,240 for two schools
Citizens Leadership Academy Southeast (CLAS) and Citizens Academy Southeast (CAS)

Total annual building rent: \$11 per SF, or \$926,640

Based on estimated enrollment, rent and all other shared expenses shall be allocated on a **1/3 (Citizens Leadership Academy Southeast) / 2/3 (Citizens Academy Southeast)** basis.

Recognizing that CLAS will not be fully enrolled until the 2021-2022 school year, their portion of the annual rent shall be due at the reduced rate of:

- \$102,960 in year one (2019-2020)
- \$205,920 in year 2 (2020-2021)
- \$308,880 in year 3 (2021-2022) and thereafter

Repairs and Maintenance: FOB as Landlord is responsible for all repairs, maintenance (including janitorial) and capital expenditures. Tenant is responsible for landscape and snow removal.

Utilities: During the Term of the Lease, Tenant shall obtain and pay for all sewer, water, electric, heat, telecommunications and internet services, cable and other utility services furnished to or consumed on the Leased Premises.

Please refer to Attachment 24A for a building floor plan.

Section 25 – Timeline

Please see below for a timeline that outlines the steps we will take to open Citizens Leadership Academy Southeast in August 2019:

Facilities	Develop options for facility consideration	CEO	N	05-18		
Human Capital	Select School Leader Resident & begin development program	Model Education Leader	N	10-18		Interviewing candidates
Entity Creation	Establish regular Planning Team meeting schedule	BCS Ops	N	10-18	Not started	
Compliance	Umbrella, etc. Insurance	CIO	Y	10-18	Not started	
Facilities	Secure New Facility (Contract/Lease, Inspections, Etc.); obtain proof of ownership or a lease	BCS Ops	Y	10-18		Lease drafted
Insurance	Commercial/Educator Coverage	CIO	Y	10-18	Not started	
Entity Creation	Establish board of directors (5 members minimum)	BCS Ops	Y	10-18		CLA model Directors plus CLAS parent
Entity Creation	Code of Regulations ratified	BCS Ops	Y	10-18	Not started	
Entity Creation	Draft Articles of Incorporation	BCS Ops	Y	10-18	Not started	
Entity Creation	File Incorporation with Secretary of State	BCS Ops	Y	10-18	Not started	
Marketing & Recruitment	Formalize Relationships within Target Neighborhood (High Schools, Churches, Hospitals, City Council, etc.)	Student Recruitment	N	10-18		Leverage CAS existing relationships
Marketing & Recruitment	Assess service area demographic data / needs assessment	Marketing	N	10-18		
Finance	Develop Planning Year Budget	Treasurer	Y	11-18		
Finance	Develop Year 1 and 5 Year Budget	Treasurer	Y	11-18		

	Projection					
Marketing & Recruitment	Establish admissions procedures & data collection, including documentation of student waitlist	Model Operations Leader	Y	11-18	Completed	
Technology	Determine Equipment Needs/Costs	CIO	Y	12-18	Completed	
Academic	Create plan and procedures for administering the achievement tests and diagnostic assessments	Model Education Leader	N	12-18	Completed	CLA model wide
Compliance	A school calendar and class schedules exist and provisions have been made for them to be available to every student and every family; identify first day of school	Model Education/Model Operations Leader	Y	12-18	In Process	Board will vote in 2019
Technology	Include new school in E-Rate Application(s)	CIO	Y	12-18	In Process	Include in RFP and in form 471
Entity Creation	Obtain Employer ID number with IRS; Copies of IRS Confirmation materials	BCS Ops	Y	01-19	Not started	
Entity Creation	Initiate 501c3 Application (IRS Form 1023)	BCS Ops	Y	01-19	Not started	
Academic	A permanent Principal has been officially named.	Model Education Leader	Y	01-19	In Process	Interviewing candidates
Academic	The school is prepared to provide instruction in each approved grade and only in such grades	Model Education Leader	N	01-19	Completed	CLA Model serves grades 6 - 8
Entity Creation	Name School	Model Education Leader	Y	01-19	Completed	Citizens Leadership Academy Southeast
Entity Creation	Management contract has been approved (BCS)	CEO	Y	01-19	Not started	
Facilities	FOB/BCS to approve capital investment;	BCS Ops	Y	02-19	Not started	

	School to approve any school costs					
Marketing & Recruitment	Ensure enrollment application is accessible for families with all relevant forms (whether print or online)	Student Recruitment	N	02-19	Completed	School Mint and paper forms
Marketing & Recruitment	Register Domain	Marketing	N	02-19	Not started	
Marketing & Recruitment	Website Development	Marketing	N	02-19	Not started	
Marketing & Recruitment	Parent Information Session Schedules	Student Recruitment	N	02-19	Completed	Network schedule confirmed; will add separate as necessary
Marketing & Recruitment	Branding/Logo	Marketing	N	02-19	Completed	
Marketing & Recruitment	Market School to Parents/Community	Student Recruitment	N	02-19	In process	Ongoing
Marketing & Recruitment	Design and install external signs	Marketing	N	02-19	Not started	
Facilities	Obtain valid food permit	School Ops	N	02-19	Not started	
Entity Creation	Follow-up with Sponsor regarding Sponsorship Contract to the Office of Community Schools for compliance review	BCS Ops	N	02-19	Not started	
Facilities	A signed lease is in place for the facility	BCS Ops	Y	03-19	In Process	Network draft
Entity Creation	Approve preliminary Sponsor Contract	BCS Ops	Y	03-19	Not started	
Marketing & Recruitment	Business Cards	Marketing	N	03-19	Not started	
Entity Creation	Coordinate with Sponsor to submit Sponsorship Agreement and other documents (W-9, Vendor Information Form, OEDS-R Administrator Form) to ODE	BCS Ops	N	04-19	Not started	
Entity Creation	Work with ITC to establish an SSID	Reporting	N	04-19	Not started	

System Setup	Identify specifics to school model for SIS	CIO	N	04-19	Not started	
System Setup	Select Gradebook Module/Design	CIO	N	04-19	Not started	
Technology	Signed Right of Entry to ISP from landlord to set up internet	CIO	N	04-19	N/A	Must have signed ROE to get internet for school start (N/A since FOB owns bldg.)
Academic	Curriculum design completed	Principal	N	05-19	Completed	CLA model wide
Compliance	File for State BWC Coverage (post policy publicly)	Treasurer	N	05-19	Not started	
Compliance	Work with ITC to set up data collection and FFE account	Reporting	N	05-19	Not started	
Compliance	Apply for access to the EMIS System	Reporting	N	05-19	Not started	
Compliance	Treasurer to secure bond for school	Treasurer	N	05-19	Not started	
Compliance	Initial set up in OEDS	Reporting	N	05-19	Not started	
Entity Creation	Establish DUNS Number	Treasurer	N	05-19	Not started	
Entity Creation	Obtain an IRN Number from ODE	BCS Ops	N	05-19	Not started	
Finance	Open Local DDA	Treasurer	Y	05-19	Not started	
Finance	Authorize BCS Signers	Treasurer	Y	05-19	Not started	
Finance	Set up SERS and STRS accounts with State	Treasurer	Y	05-19	Not started	
Finance	Approve Year One Budget	Treasurer	Y	05-19	Not started	
Finance	Board Approval to pick up a portion of STRS/SERS	Treasurer	Y	05-19	Not started	
Finance	Approve 5 Year Budget Projection	Treasurer	Y	05-19	Not started	
Finance	Set Up EFT for ODE Funds with Ohio Shared Services	Treasurer	N	05-19	Not started	
Finance	Establish Online Banking	Treasurer	N	05-19	Not started	
Finance	Resolve how school will have access to cash prior to start	Treasurer	N	05-19	Not started	

	up/petty cash account?					
Finance	Determine/Assign Authorized Expense Approvers (2)	Model Operations Leader	Y	05-19	Not started	
Finance	Set up Quick Books or other Fiscal Software	Treasurer	N	05-19	Not started	
Finance	Finance Policies	Treasurer	Y	05-19	In Process	CLA model wide
Governance	Staff Manual	Model Operations Leader	Y	05-19	In Process	CLA model wide
Governance	Student/Family Manual	Model Operations Leader	Y	05-19	In Process	CLA model wide
Governance	Board adopts required legal policies	Model Operations Leader	Y	05-19	Not started	
Governance	Board Training & Sunshine Laws	Model Operations Leader	N	05-19	Not started	
Governance	Establish Board Meeting Schedule	Model Operations Leader	Y	05-19	Not started	
Governance	Establish Finance Committee	Model Operations Leader	Y	05-19	Completed	Same as CLA
Governance	Establish Governance Committee	Model Operations Leader	Y	05-19	Not started	
Human Capital	Finalize Staff Roles Needed	Model Education Leader	N	05-19	Completed	
Human Capital	Create New Hire Packets	Human Capital	N	05-19	Completed	
Marketing & Recruitment	Estimate Enrollment for ODE	Model Operations Leader	N	05-19	Not started	
Finance	File for State Unemployment	Treasurer	Y	05-19	Not started	
Finance	Provide W-9 for all Vendors	Treasurer	N	05-19	Not started	
Operations	Purchase & Tag Furniture	School Ops	Y	05-19	Not started	
Operations	Prepare options for vendors: Food service, janitorial, security, facilities, technology	BCS Ops	Y	05-19	Not started	

System Setup	Establish ITC (Information Technology Center) on ODE Safe account	Reporting	N	05-19	Not started	
Technology	Purchase/lease PCs, copiers, printers	School Ops	Y	05-19	Not started	
Technology	Purchase & tag Technology Equipment (classroom)	School Ops	Y	05-19	Not started	
Technology	Purchase, Tag and Install Technology Equipment (infrastructure)	CIO	N	05-19	Not started	
Operations	Purchase needed instructional materials	School Ops	Y	06-19	Not started	
Compliance	Nursing vendor selected	COO	Y	06-19	Not started	
Compliance	SpEd vendor selected	COO	Y	06-19	Not started	
Compliance	Establish Medicaid ID for school and add to HBS agreement for billing	Treasurer	Y	06-19	Not started	
Compliance	Speech & Hearing vendor selected	COO	Y	06-19	Not started	
Compliance	Establish roles in OEDS: EMIS Coordinator, Treasurer, Superintendent, etc and input all essential school information	School Ops	N	06-19	Not started	
Compliance	School Safety Manual	School Ops	N	06-19	Not started	
Compliance	Report School Calendar	Reporting	Y	06-19	Not started	
Compliance	Complete Entity Profile in EMIS	Reporting	N	06-19	Not started	
Facilities	Written plans in place for fire drills and emergency evacuation, including school emergency management plans	School Ops	N	06-19	Not started	
Finance	Request Credit Cards (2) for Leaders	Treasurer	Y	06-19	Not started	

Finance	Set up new Employees in Payroll	Treasurer	N	06-19	Not started	
Finance	A payroll system (UltiPro) has been established, and, if offered, properly allows employees to consent to 24 pays payroll	Treasurer	N	06-19	Completed	
Finance	Provide Chart of Accounts	Treasurer	N	06-19	Completed	
Operations	Food Service program training	School Ops	N	06-19	Not started	
Operations	Develop plan for internal signage (room numbers, etc.)	School Ops	N	06-19	Not started	
Operations	Purchase office supplies	School Ops	Y	06-19	Not started	
System Setup	Establish School in new SIS	Reporting	N	06-19	Not started	
System Setup	Enter New Student Data into SIS	Reporting	N	06-19	Not started	
System Setup	Identify/submit all system users/access levels	School Ops	N	06-19	Not started	
Technology	Establish email accounts	Technology	N	06-19	Not started	
System Setup	IEP Anywhere Server Set-up	Reporting	N	06-19	Not started	
Human Capital	Background checks and fingerprinting for all employees	Human Capital	N	07-19	Not started	
Operations	Supplies have been distributed to classrooms at every grade level	School Ops	N	07-19	Not started	
Compliance	Provisions have been made for a child find system and serving students with special needs; provide authorizer with a copy that demonstrates capacity to supply services	Principal	Y	07-19	Not started	
Compliance	Provisions have been made for student immunizations	Principal	N	07-19	Not started	

Compliance	Complete Opening Assurances for sponsor site visit	School Ops	N	07-19	Not started	
Marketing & Recruitment	Ensure 25 students have been enrolled	School Ops	N	07-19	Not started	
Entity Creation	Ensure Sponsor submits Opening Assurances Letter to Ohio Department of Education Office of Community Schools verifying school is ready to open.	BCS Ops	N	07-19	Not started	
Facilities	Space is accessible to all students (including handicapped students), clean, and well-lit. If building is not required to be handicap accessible, procedures for reasonable accommodation of such persons are in place.	BCS Ops	N	07-19	Completed	
Facilities	A final certificate of occupancy (or equivalent) is on file, as well as any other appropriate certificates of inspection or permits.	BCS Ops	N	07-19	Completed	
Facilities	Space is safe and secure; entrance and egress from the school's space is adequately controlled; evacuation map and tornado maps posted	Security	N	07-19	Not started	
Facilities	A satisfactory health and safety inspection (or school environmental health and safety inspection form)	School Ops	N	07-19	Not started	
Facilities	Fire Marshal/Extinguisher /Life Safety inspection	School Ops	N	07-19	Not started	

	preparation					
Facilities	Purchase Library Holdings	School Ops	Y	07-19	N/A	
Finance	School fiscal officer in compliance with section 3314.011 of the Revised Code	Treasurer	Y	07-19	Not started	
Human Capital	Recruit staff; fill leadership, teacher and staff roles; ensure all teachers are licensed	Principal	N	07-19	In Process	
Human Capital	Post FLSA Standards Poster Publicly	School Ops	N	07-19	Not started	
Insurance	Certificates of insurance are on file, meeting at least the minimum levels required by applicable statute and including a provision to provide notice to Sponsor of any material change, non-renewal or termination of the policy. (Property & Casualty Insurance)	CFO	Y	07-19	Not started	
Security	Set up Raptor Visitor Management System	Security	N	07-19	Not started	
System Setup	Provide Staff Training on SIS	CIO	N	07-19	Not started	
System Setup	Ensure individual responsible for databases has received the necessary training, knowledge, and resources to properly use and submit information to all databases maintained by the department for the collection of education data, including EMIS and ODDEX	Reporting	N	07-19	Not started	
System Setup	Establish Homerooms in SIS	Reporting	N	07-19	Not started	School needs to populate

						Google docs with this, then Carisa will populate PowerSchool rosters.
System Setup	Establish Courses & Schedule in SIS	Reporting	N	07-19	Not started	
Technology	Phones/Fax setup	CIO	N	07-19	Not started	
Compliance	Verify status in ODE updated from "Under Construction"	School Ops	N	08-19	Not started	
Compliance	Free Reduced Lunch Process	School Ops	N	08-19	Not started	
Compliance	Appropriate provisions have been made for transportation of students if any are to be provided.	Model Operations Leader	N	08-19	N/A	
Compliance	Student health records have been separated from academic records and are in locked storage in the office of the school nurse.	School Ops	N	08-19	Not started	
Compliance	Race/Ethnicity Verification Requirement (Title)	Reporting	N	08-19	Not started	
Compliance	A preliminary count of students with special needs is available.	Principal	N	08-19	Not started	
Compliance	Student records have been received or requested.	Principal	N	08-19	Not started	
Compliance	Student roster is available to teachers.	Principal	N	08-19	Not started	
Compliance	Student academic, attendance, discipline, and testing records have been stored in locked cabinets.	Principal	N	08-19	Not started	
Compliance	Submit student data for July Foundation payment	Reporting	N	08-19	Not started	
Compliance	Create Student Files (3)	School Ops	N	08-19	Not started	

Human Capital	New Employee Orientation	Principal	N	08-19	Not started	
Human Capital	Set up new employees for benefits, etc.	Human Capital	Y	08-19	Not started	
Human Capital	Create Employee Files	Human Capital	N	08-19	Not started	
Operations	Food service audit with ODE	School Ops	N	09-19	Not started	As soon as possible after school starts
Operations	Set up weather alerts	School Ops	N	10-19	Not started	

Appendix A

**Application to CMSD for a Community School
Transmittal Cover Page**

1. Type of Application: *New School, Replication of Existing School Model, or Transfer of Sponsorship*

Replication of Citizens Leadership Academy

2. Name of School:

Citizens Leadership Academy Southeast

2. Location of the School: *(Provide an address if available. If not available, please provide the general area of the city for the desired location of the school.)*

15700 Lotus Dr. Cleveland, OH 44128

3. Enrollment:

Contract Year	Grades Served	Total Enrollment
Year 1	6	75
Year 2	6 - 7	150
Year 3	6 - 8	225
Year 4	6 - 8	225
Year 5	6 - 8	225

4. Desired School Opening Date: August 12, 2019

5. Name of Community Partner and/or Education Service Provider, if Applicable:

Breakthrough Charter Schools

6. Names of Other Existing Schools in School Model, if Applicable:

Citizens Leadership Academy, Citizens Leadership Academy East

7. Lead Applicant Contact Information:

Name: Megan Johnston

Mailing Street Address: 3615 Superior Ave.

City: Cleveland

State: OH

Zip: 44114

Home Phone #: [REDACTED]

Cell Phone #: [REDACTED]

Fax #: [REDACTED]

Email Address: [REDACTED]

Lead Applicant Public / Media Contact Name: Megan Johnston

Lead Applicant Public / Media Contact Number: [REDACTED]

Signature of Lead Applicant: [REDACTED]

Date: 8-31-18

Attachments 1A & 1B (applicant member resumes)

Attachment 6A



DATE: 01/18/2012	DOCUMENT ID 201201701351	DESCRIPTION DOMESTIC/AMENDMENT TO ARTICLES (AMD)	FILING 50.00	EXPED .00	PENALTY	CERT .00	COPY .00
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Receipt

This is not a bill. Please do not remit payment.

BREAKTHROUGH CHARTER SCHOOLS
9711 LAMONT AVE
CLEVELAND, OH 44106

STATE OF OHIO CERTIFICATE

Ohio Secretary of State, Jon Husted

1830067

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

BREAKTHROUGH CHARTER SCHOOLS

and, that said business records show the filing and recording of:

Document(s)

DOMESTIC/AMENDMENT TO ARTICLES

Document No(s):

201201701351



United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of
the Secretary of State at Columbus,
Ohio this 11th day of January,
A.D. 2012.



Ohio Secretary of State



Prescribed by:

The Ohio Secretary of State
Central Ohio: (614) 466-3910
Toll Free: 1-877-SOS-FILE (1-877-767-3453)

www.sos.state.oh.us
e-mail: busserv@sos.state.oh.us

Expedite this Form: (Select One)	
Mail Form to one of the following:	
<input type="radio"/> Yes	PO Box 1390 Columbus, OH 43216 *** Requires an additional fee of \$100 ***
<input checked="" type="radio"/> No	PO Box 1329 Columbus, OH 43216

Certificate of Amendment by Shareholders or Members
(Domestic)
Filing Fee \$50.00

2012 JAN 11 AM 8:37

(CHECK ONLY ONE (1) BOX)

(1) Domestic for Profit <input type="checkbox"/> Amended (122-AMAP)	PLEASE READ INSTRUCTIONS	(2) Domestic Nonprofit <input type="checkbox"/> Amended (126-AMAN)	<input checked="" type="checkbox"/> Amendment (128-AMD)
	<input type="checkbox"/> Amendment (125-AMDS)		

Complete the general information in this section for the box checked above.

Name of Corporation Breakthrough Charter Schools

Charter Number 1830067

Name of Officer Alan Rosskamm

Title CEO

Please check if additional provisions attached.

The above named Ohio corporation, does hereby certify that:

A meeting of the shareholders directors (*nonprofit only*)

members was duly called and held on _____ (Date)

at which meeting a quorum was present in person or by proxy, based upon the quorum present, an affirmative vote was cast which entitled them to exercise _____ % as the voting power of the corporation.

In a writing signed by all of the shareholders directors (*nonprofit amended articles only*)

members who would be entitled to the notice of a meeting or such other proportion not less than a majority as the articles of regulations or bylaws permit.

Clause applies if amended box is checked.

Resolved, that the following amended articles of incorporations be and the same are hereby adopted to supercede and take the place of the existing articles of incorporation and all amendments thereto.

All of the following information must be completed if an amended box is checked. If an amendment box is checked, complete the areas that apply.

FIRST: The name of the corporation is: _____

SECOND: The place in the State of Ohio where its principal office is located is in the City of: _____
 _____ (city, village or township) _____ (county)

THIRD: The purposes of the corporation are as follows:
 See Attached.

FOURTH: The number of shares which the corporation is authorized to have outstanding is: _____
 (Does not apply to box (2))

REQUIRED
 Must be authenticated
 (signed) by an authorized
 representative
 (See Instructions)



Authorized Representative

Alan Rosskamm
 (Print Name)

1-5-12

Date

 Authorized Representative

Authorized Representative

 (Print Name)

 Date

Date

ARTICLES OF INCORPORATION
FOR
BREAKTHROUGH CHARTER SCHOOLS

(Additional Provisions)

ARTICLE THIRD
PURPOSES

Breakthrough Charter Schools (the "Corporation") is organized and will be operated exclusively for educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue law) ("Code"). The Corporation will act exclusively as a supporting organization, as such term is defined by Code Section 509 (a)(3), of certain public and private Ohio schools that qualify as organizations exempt from Federal income tax by reason of being described in Code Section 501(c)(3) and as public charities by reason of being described in Code Section 509(a)(1) or (2), including but not limited to, Citizens' Academy, Citizens Leadership Academy, The Intergenerational School, Entrepreneurship Preparatory School, and Village Preparatory School (collectively, the "Supported Schools"). Specifically, the Corporation's purposes may include:

- (1) providing the Supported Schools with the personnel, equipment, supplies, facilities, fiscal services, administrative services and technical assistance needed to support their educational mission;
- (2) undertaking any other activity that will advance the efficient and effective operation of the Supported Schools;
- (3) making distributions to the Supported Schools;
- (4) soliciting, receiving, holding and applying funds, gifts, bequests and endowments or the process thereof to any of the purposes herein described; and
- (5) engaging in any other lawful activity that may be conducted by an Ohio nonprofit public benefit corporation that qualifies as exempt from Federal income tax by reason of being described in Code Section 501(c)(3) and as a public charity by reason of being described in Code Section 509(a)(3).

ARTICLE SIXTH
RESTRICTIONS

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for

services rendered and to make payments and distributions in furtherance of the purposes set forth in Article THIRD hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles to the contrary, the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or not permitted to be carried on by a supporting organization, as such term is defined by Code Section 509(a)(3).

ARTICLE SEVENTH DISSOLUTION

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, distribute all of the assets (or proceeds from the sale thereof) of the Corporation exclusively in furtherance of the purposes of the Corporation to one or more entities organized and operated exclusively for educational and/or charitable purposes which qualify as exempt organizations under Code Section 501(c)(3) (or the corresponding provision of any future United States Internal Revenue law) including without limitation one or more of the Supported Schools. Any such assets not disposed of in accordance with the foregoing shall be disposed of by the Court of Common Pleas of the county in which the principal office of the Corporation is then located exclusively for such purposes or to such organization or organizations which are organized and operated exclusively for such purposes, as said court shall determine.

Attachment 6B

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: FEB 01 2013

BREAKTHROUGH CHARTER SCHOOLS
1415 EAST 36TH ST
CLEVELAND, OH 44114-4116

Employer Identification Number:
27-0362848
DLN:
302289066
Contact Person:
ANDREA SPECK ID# 95044
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
509(a)(3)
Form 990 Required:
Yes
Effective Date of Exemption:
January 15, 2009
Contribution Deductibility:
Yes
Addendum Applies:
Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Specifically, we have determined that you are a Type I supporting organization under section 509(a)(3). A Type I supporting organization is operated, supervised, or controlled by one or more publicly supported organizations.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

BREAKTHROUGH CHARTER SCHOOLS

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in black ink that reads "Holly O. Paz". The signature is written in a cursive style with a large, looped "H" and "P".

Holly O. Paz
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PC

Letter 947 (DO/CG)

Attachment 6C

BREAKTHROUGH SCHOOLS



August 22, 2018

To Whom It May Concern:

I am the CEO of Breakthrough Charter Schools and it has been my privilege and purpose to guide the formation of this charter school network since 2010, first by supporting the desire for collaboration among the initial four high-performing charter schools: Citizens Academy, The Intergenerational School, Entrepreneurship Preparatory School and Village Preparatory School; and second, by creating the business plan and professional team needed to help each of these schools replicate and thereby serve more of Cleveland's students.

It continues to be Breakthrough's mission to support the work of multiple schools (Citizens Leadership Academy Southeast will be our 12th school) and to assure their excellence in the delivery of educational outcomes and fiscal management. It is also Breakthrough's aim to share its practices with the Cleveland Metropolitan School District and the broader community and to serve as a true partner in improving educational opportunities for Cleveland's children.

Generally speaking, Breakthrough agrees to manage a broad array of functions for its member schools (in exchange for a service fee), including Finance and Accounting, Human Resources, Facilities Management, Information Technology, Staff Recruitment, Student Recruitment, Data Analysis, and Procurement. The work of the Breakthrough organization is evaluated annually by each school and school board. Goals for the Breakthrough management organization are set with input from the boards and leadership of the schools, as well as the board and leadership of Breakthrough. Breakthrough engages in collaborative discussion around progress on goals monthly.

Citizens Leadership Academy Southeast will be the second replication of the founding Citizens Leadership Academy, and the third school within the CLA model. Breakthrough supports the opening of CLAS and is committed to continuing to be a partner in innovation with the Cleveland Metropolitan School District and Mayor Jackson, supporting the Cleveland Plan and maintaining high expectations of all stakeholders.

Breakthrough is pleased to support the outstanding work of Citizens Leadership Academy Southeast.

Sincerely,

Alan Rosskamm

CEO, Breakthrough Charter Schools

3615 Superior Avenue, Suite 4403A • Cleveland, OH 44114
Phone: (216) 456-2086 • Fax: (216) 391-4770

Attachment 8A

School Information				Leading Indicators												Growth						Performance Index			3rd Grade Reading Percent Proficient			High School Graduation Rate		
School Name	Year School Opened	CMO	Model	Attendance Rate				October 1st Enrollment				May 1st Enrollment				1 Year Value Added Measure			3 Year Value Added Measure			2014-15	2015-16	2016-17	2014-15	2015-16	2016-2017	2014-15	2015-16	2016-2017
				2013-14	2014-15	2015-16	2016-17	2013-14	2014-15	2015-16	2016-17	2013-14	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17									
CLA	2011-2012	BCS	CLA	95.9	93.8	95.5	94.3	285	276	260	280	278	261	251	256	2.7	9.4	10.53				80.5	77.8	75.7	NA	NA	NA	NA	NA	NA
CLAE	2017-2018	BCS	CLA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA												

Attachment 8B



Citizens Leadership

ACADEMY

Board Meeting Minutes

July 17, 2017

On July 17th, 2017 the Board of Directors (the “Board”) of Citizens Leadership Academy (CLA) and Citizens Leadership Academy East (CLAE) convened its regularly scheduled board meeting at 4:30 pm. The following directors were present:

Tracey Benson

Reggie Novak

Cynthia Tancer

Amonica Davis

Kevin Alin

Also invited by the Board to participate and present for all or part of the meeting was Rico Franklin CLAE Principal, Davis Karousis, Model Operations Leader, Sydney Gruhin, CLA Principal, Matt Rado, Representing CMSD, Rosemary Weltman, BCS Board member, Tyler Thornton, BCS Chief Operating Officer, Doug Mangen of Mangen and Associates and Kelly O’Dale, BCS Accountant and Miles Caunin of the Fordham Foundation.

Ms. Tancer presided over the meeting and Mr. Karousis acted as secretary and recorded the minutes.

Ms. Davis made a motion to approve the CLAE new board member resolution, which was seconded by Mr. Alin.

Ms. Tancer requested the board consider a proposal to approve the consent agenda distributed in advance of the meeting, Upon a motion made by Mr. Novak and seconded by Mr. Alin, the Board upon motions duly made and seconded, adopted the following resolutions, as more particularly set forth in the resolutions attached to these minutes:

- Resolution to approve the June Minutes
- Resolution to approve CLA Model student and family handbook
- Resolution to approve updated Ethics and Conflicts Policy (Policy 114)
- Resolution to approve updated Admissions and Lottery Standards Policy (241)
- Resolution to approve updated Student Assessment and Academic Prevention/Intervention Services Policy (Policy 242)
- Resolution to approve Calamity Day Make-Up Policy (Policy 254)
- Resolution to approve Return to Play Policy (Policy 285)
- Resolution to approve Care of Students with Diabetes Policy (Policy 402.1)
- Resolution to approve Free and Reduced-Price Meals Policy (Policy 452)
- Resolution to approve CLAE's Student Policies (200 Level Policies)
 - Resolution to approve CLAE's Staff Handbook (3000 Level Policies)
 - Resolution to approve CLAE's Miscellaneous Policies (400 Level Policies)

Finances

Doug Mangen updated the board on financial matters and the delay of releasing CLA financial information. Mr. Mangen is working with Mr. Karousis to look at revenue discrepancies and share with the board prior to the August 8th board meeting date.

Ms. Davis made a motion to approve the CLA school year expenses resolution, which was seconded by Ms. Hines.

Mr. Alin made a motion to approve the CLAE school year expenses, which was seconded by Ms. Davis.

Ms. Davis made a motion to approve the CLA and CLAE's food service contract for 2017-2018 school year, which was seconded by Mr. Novak.

Prior to approving the resolution to approve IT desktop services billback, the Board asked questions around the unique situation of BCS insourcing a service without reaching out to the schools and board prior. The board also asked for clarification on the specifics of the change. After the discussion, Ms. Davis made a motion to approve the IT desktop services billback expense which was seconded by Mr. Novak

Head of School Report/CLAE/Academics Report & Operations

Mr. Karousis informed the board that they must sign the D&O Insurance document as presented to protect themselves from conflicts arising from a CLA model board.

Ms. Saltzman reflected on leadership and CLAE team and is happy with the collaboration between the two models. Following up from the previous meeting, Ms. Saltzman informed the board the Network is revisiting the faculty compensation package to determine next steps with the TIF grant expiring. She also updated the board on the important upcoming dates for staff and student first days. Updated the dates of new/returning and students.

Mr. Caucin updated the board on the timeline for the CLAE sponsorship decision. The Cleveland Transformation Alliance has a meeting August 7th to determine if Fordham receives their approval as a sponsor in Cleveland. Mr. Caucin shared that Fordham is working closely with the CTA and is fully confident and expects to get approval.

Ms. Thornton updated the board regarding CLAE's construction. She informed the board the current lack of a site permit does not allow the water pipe to the sprinklers to be installed but the permit is expected this week. We are also still on for the July 28th final determination date.


Mr. Rado updated the CLA board regarding two corrective action items which must be addressed due to last year's sponsor compliance evaluation.

Academic Update— Mrs. Gruhin shared with the board the preliminary student scores for the 2016-2017 school year. The board discussed concerns and highlighted positives.

Ms. Saltzman and the CLA/CLAE team shared the enrollment numbers. Mr. Alin shared some partners the CLA model could begin reaching out to. The CLA/CLAE team shared the referral program for parents and front office staff. Breakthrough shared that most schools are slightly behind compared to last year.

Public Comment:

Next Meeting: August 8th, 2017


Cynthia Tancer



Citizens Leadership

ACADEMY

Board Meeting Agenda August 8, 2017

On August 8th, 2017 the Boards of Directors (the “Boards”) of Citizens Leadership Academy (CLA) and Citizens Leadership Academy East (CLAE) convened their regularly scheduled and jointly held board meetings. The following directors of each of the CLA and CLAE Boards were present:

CLA

Cynthia Tancer

Art Lundberg

Reggie Novak

Kevin Alin

Amonica Davis

Yolanda Polk-Saunders

CLAE

Cynthia Tancer

Art Lundberg

Reggie Novak

Kevin Alin

Amonica Davis

Yolanda Polk-Saunders

Ebony Jones

Also invited by the Boards to participate, and present for all or part of the meetings, were: Shelly Saltzman, Model Education Leader and School Founder; Ricardo Franklin CLAE Principal; Rosemary Weltman, BCS Board member; Theda Sampson of the Fordham Foundation; Davis Karousis, Citizens Leadership Academy Model Operations Leader; and Shannon Thornton, CLAE Director of Curriculum and Instruction.

Ms. Tancer presided over the meetings and Davis Karousis acted as secretary and recorded the minutes. Meetings were called order at 4:50 p.m. after a quorum was present. Prior to the meetings being called to order, matters of general discussion among those present occurred as noted below.

Guest Speaker

Shannon Thornton, the Director of Curriculum and Instruction at CLAE, was our guest. She introduced herself and shared her teaching and administrative experience. She is excited to be on board and looking forward to working with Mr. Franklin.

New CLAE Board Member

Ebony Jones, the new CLAE parent board representative, was welcomed to the CLAE Board. She spoke of her familiarity with Citizens Academy East, and is excited to have a high quality middle school in the same building.

BCS Update

Alan Rosskamm was asked to speak regarding the CLAE sponsorship resolution and was pleased the Transformation Alliance voted to approve Fordham's Cleveland Charter School application.

Head of School Report

Ms. Saltzman reported on both campuses and how replication has not caused CLA operations to miss a beat. She also shared that enrollment at both schools is low and they are working on contingency plans for enrollment shortfalls.

Principal Report

Rico Franklin noted he is pleased with his staff, and is feeling comfortable even though the CLEA staff was not allowed in the building until August 4th.

Construction Update

Davis Karousis shared that the temporary certificate of occupancy is expected to be received Friday. If there is any delay, he will immediately inform the CLEA Board and Fordham to discuss contingency plans.

Once the meetings were officially called to order, Ms. Tancer requested the Boards to consider a proposal to approve the consent agenda distributed in advance of the meeting, upon a motion duly made by Mr. Alin and seconded by Mr. Novak, the Boards, and adopted the following resolutions, as more particularly set forth in the resolutions attached to these minutes:

Resolutions to approve the July meeting minutes

Resolutions to approve the following board policy updates:

- Policy 3002 – Definitions
- Policy 3063 – Staff Dating Policy

- Policy 3095 – Recording Work Time
- Policy 3102.1 – Teaching/School Year Employees
- Policy 3102.2 – Year-Round Employees
- Policy 3102.3 – All Employees
- Policy 3106.1 – Jury Duty Leave
- Policy 3106.2 – Military Leaving
- Policy 3106.3 – Voting Leave
- Policy 3106.4 – Witness and Crime Victim Leave
- Policy 3106.5 – First Responder Leave
- Policy 3107.7 – Personal Leave

Finances

After presentation and discussion, the CLA Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.


Resolutions to approve salaries for CLA staff, motion made by Ms. Davis and seconded by Ms. Polk-Saunders

Sponsor Update

Ms. Sampson shared her thoughts on the CLAE team. She also shared with the CLAE Board the typical relationship between Fordham and school boards: there are clear expectations for the board, but Fordham will be a resource and partner for the schools so they can be successful. Fordham will be sharing those expectations with our board members at a later date.

Public Comment: None

Ms. Tancer closed the meeting at 5:10 p.m.


Cynthia Tancer, Board Chair



Citizens Leadership
ACADEMY



Citizens Leadership
ACADEMY EAST

CL Model September Board Meeting Minutes Resolution – October 16, 2017

Resolved, the Board of Directors hereby approves the September 2017 board meeting minutes for Citizens Leadership Academy and Citizens Leadership Academy East as presented on this date.



Cynthia Tancer



Citizens Leadership

ACADEMY

Board Meeting Agenda September 11, 2017

On September 11, 2017 the Boards of Directors (the "Boards") of Citizens Leadership Academy (CLA) and Citizens Leadership Academy East (CLAE) convened their regularly scheduled and jointly held board meetings. The following directors of each of the CLA and CLAE Boards were present:

CLA

Cynthia Tancer

Art Lundberg

Reggie Novak

Amonica Davis

Yolanda Polk-Saunders

Kevin Alin

CLAE

Cynthia Tancer

Art Lundberg

Reggie Novak

Amonica Davis

Yolanda Polk-Saunders

Ebony Jones

Kevin Alin

Also invited by the Boards to participate, and present for all or part of the meetings, were: Shelly Saltzman, Model Education Leader and School Founder; Sydney Gruhin, CLA Principal; Ricardo Franklin, CLAE Principal; Rosemary Weltman, BCS Board member; Katherine Mullon of the Fordham Foundation; Stephanie Klupinski of the Cleveland Metropolitan School District; Davis Karousis, BSC Model Operations Leader (CLA); Douglas Mangan, Model Treasurer (CLA); Alan Rosskamm, Breakthrough Charter Schools Chief Executive Officer; Erica Clayton, Citizens Leadership Academy Associate

Dean of Students; and Rita Selhug and Karen Solomon, Breakthrough Bash Representatives.

Ms. Tancer presided over the meetings and Davis Karousis acted as secretary and recorded the minutes. Meetings were called order at 4:30 p.m. after a quorum was present.

Guest Speaker

Rita Selhug and Karen Solomon presented information regarding the 2017 Breakthrough Bash. They commented on how successful the Breakthrough Bash has been historically and noted changes for this year, including additional tables for reservation.

Erica Clayton expressed her excitement to be joining the CLA team from the Prep Model excited to provide a different level of support for the CLA school and looks forward to continuing working with the Citizens Leadership Academy administrative team.

Consent Agenda Items

Ms. Tancer requested the Boards to consider a proposal to approve the consent agenda distributed in advance of the meeting. The Boards asked the consent agenda be separated out, and comments on the August meeting minutes were considered. After discussion a discussion on proposed changes to meeting minutes, and upon a motion duly made by Mr. Alin and seconded by Mrs. Polk-Saunders, the Boards, approved the proposed changes to the minutes that are reflected in the resolution attached to these minutes. . After presentation and discussion, the Boards, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

Resolution to authorize the schools within the Citizens Leadership model to exceed testing limitations in Policy 242(motion made by Ms. Davis and seconded by Mr. Alin).

General Resolutions

After presentation and discussion, the CLA Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

Resolution to approve revised CMSD organizational and financial framework and contract, motion made by Mr. Novak and seconded by Mr. Alin

After presentation and discussion, including length of terms, concerns for members rolling off the Boards, the Boards, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

Revisions to Board Composition of CLA and CLAE for 2018; and Confirmation of Board, Classes and Terms, motioned by Mr. Davis and seconded by Mr. Alin

Finances

Mr. Novak lead a conversation regarding the CLA's FY17 end of year financials using the memo Mr. Karousis prepared for the CLA Board. Mr. Novak shared details of the three large deficits incurred by CLA in FY17. The CLA Board expressed concerns with the timeliness of the budget-to-actual reports, lack of effective tools and tracking devises that were supposed to come from BSC.. . Action plans were two-fold. a) Ensure "checks and balances" and proper systems are implemented, and b) develop a proposal for approval by the Board to submit to BCS finance committee to restore some the depleted reserves.

After presentation and discussion, the CLA Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes

Resolutions to approve CLA FY17 preliminary June financials, motion made by Mr. Davis and seconded by Mr. Novak

Mr. Karousis shared a snapshot of CLAE budget, and lead a discussion around historical trends and why CLAE was had originally estimated 83 FTEs (75 budgeted FTEs) to build our reserves. Mr. Rosskamm supported continuing supporting the CSP grant to provide supplies for CLAE. Further discussion would occur at the October finance meeting in preparation of a possible revised budget based on current enrollment of about 55 students.

After presentation and discussion, the Boards, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

Resolution to approve model salary adjustments, motion made by Mr. Alin and seconded by Ms. Polk-Saunders

Updates/Discussion:

CLA Principal Update

Ms. Gruhin shared CLA's early 2016-2017 test score results. CLA's Value Added is projected to be an A, and its Performance index scores are projected to be a D. CLA's metrics were not met, but its expectation is the state average and its scores are similar. CLA experienced high value added scores for a second year in a row, but also experienced continued failures in performance index on the specific tests.

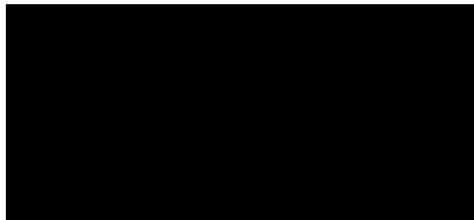
Mr. Franklin expressed his excitement over how the new school's culture has been growing every day. The students have begun preliminary testing. Mr. Franklin expressed concern with CLEA low enrollment numbers and has been in the community sharing information regarding the school.

BCS Update

Alan Rosskamm shared his K12 quality plan with the Boards. The focus is to work with CMSD to prioritize school closing and new school construction to benefit both sides.

Public Comment: None

Ms. Tancer closed the meeting at 6:40 p.m.





Consent Agenda Resolution – November 13, 2017

Resolved, the Board of Directors hereby approves the following resolutions a part of a consent agenda:

Resolution to approve Citizens Leadership Model October board meeting minutes

Resolution to approve Fiscal Year 18 Fundraisers

Resolved, Citizens Leadership Academy Board of Directors approves the following fundraisers for the 2017-2018 school year:

- Otis Spunkmeyer Cookie Dough in October and November for 8th Grade Junior Prom funds
- Kalahari fundraiser in April or May to support PAC activities
- World's Finest Chocolate fundraiser from December to January for cheerleading and yearbook club
- CLA Movie Night fundraiser to support PAC activities
- Old Fashion Candy fundraiser in November and December for 8th Grade Junior Prom funds
- Chipotle fundraiser to support PAC activities
- Winter school dance concessions fundraiser to support PAC activities
- United Skates fundraiser in January to support PAC activities
- Spring school dance concessions fundraiser to support PAC activities

Resolution to approve the following changes to the CLA and CLAE student and staff handbook

Resolved, Citizens Leadership Academy and Citizens Leadership Academy East's Board of Directors approves the following resolutions:

- Policy 131 – Meetings/Executive Sessions
- Policy 204.13 - College Credit Plus - Advanced Standing Program
- Policy 204.15 – Use of Drones
- Policy 223 - Title 1 Services
- Policy 242 -Student Assessment and Academic Prevention/Intervention Services
- Policy 245 – Promotion and Retention Policy
- Policy 247 - Credit Flexibility Policy
- Policy 252 - Missing and Absent Children
- Policy 269- Use of Tobacco and Other Stimulants on School Premises
- Policy 285 - Return to Play
- Policy 286 - Athletics Policy
- Policy 3005.2 - Definition of Harassment
- Policy 402 - Use of Medications Policy
- Policy 430 – AED and CPR Training
- Policy 131 – Meetings/Executive Sessions

Cynthia Tancer, Board Chair



Citizens Leadership

ACADEMY

Board Meeting Minutes

October 16, 2017

On October 16, 2017 the Boards of Directors (the “Boards”) of Citizens Leadership Academy (CLA) and Citizens Leadership Academy East (CLAE) convened their regularly scheduled and jointly held board meetings. The following directors of each of the CLA and CLAE Boards were present:

CLA

Cynthia Tancer

Art Lundberg

Reggie Novak

Amonica Davis

Lolita Hines

Kevin Alin

CLAE

Cynthia Tancer

Art Lundberg

Reggie Novak

Amonica Davis

Lolita Hines

Kevin Alin

Ebony Jones

Also invited by the Boards to participate, and present for all or part of the meetings, were: Sydney Gruhin, CLA Principal; Ricardo Franklin, CLAE Principal; Shannon Thornton, CLAE Director of Curriculum and Instruction; Rosemary Weltman, BCS Board member; Theda Sampson of the Fordham Foundation; Stephanie Klupinski of the Cleveland Metropolitan School District; Davis Karousis, BCS Model Operations Leader (CLA); Douglas Mangen, Model Treasurer (CLA); Alan Rosskamm, Breakthrough Charter

Schools Chief Executive Officer; Tyler Thornton, Breakthrough Charter Schools Chief Operating Officer; Jill Gray, CLA Counselor

Ms. Tancer presided over the meetings and Davis Karousis acted as secretary and recorded the minutes. Meetings were called order at 4:40 p.m. after a quorum was present.

Guest Speaker:

Jill Gray presented information regarding CLA's high school placement program. She commented on the CLA mentoring program and its successes in preparing CLA students for the high quality high schools in the area. She also commented on the success of the Breakthrough High School fair and CLA's particularly high student attendance at the event.

Consent Agenda

The Boards asked that the matters in the consent agenda be separated out and treated as part of the General Resolutions.

General Resolutions

After presentation and discussion on each of the matters set forth below, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Approved revised September Minutes (motion made by Mr. Novak and seconded by Ms. Davis)
- Approved CLA and CLAE out of state travel (motion made by Ms. Davis and seconded by Mr. Alin)
- Approved Citizens Leadership (CL) Model Calendar Change (motion made by Ms. Hines and seconded by Mr. Alin)
- Approved Insurance Coverage package for CLA and CLE (motion made by Mr. Lundberg and seconded by Ms. Hines)

New Board Member

At the request of Ms. Tancer, Mr. Alin shared his experiences with Mr. Cargill and how excited he was to recommend that he be considered for election to the Boards. After presentation and discussion on Mr. Cargill's qualifications and background, the Boards, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

- Approved Board Composition; Election of new Director
- Confirmation of Board, Classes and Terms (motioned by Mr. Novak and seconded by Ms. Hines)

Finances

At the request of Ms. Tancer and Mr. Novak (CLA Board Treasurer), Mr. Mangen led a conversation regarding CLA's financials through September. Mr. Mangen pointed out that based on current budget projections that cash balances would have to be managed very carefully, and that Mr. Karousis is working on monthly projections that would be shared at the November meeting.

After further presentation and discussion, the CLA Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

Resolution to approve CLA Financials from August through September (motion made by Ms. Davis and seconded by Mr. Alin)

Mr. Mangen led a conversation regarding CLAE's financials through September 2017. Mr. Mangen pointed out that cash flow will be an issue at CLAE also, but primarily because of low enrollment. Mr. Mangen also shared first year federal grant expectations for CLAE.

After presentation and discussion, the CLAE Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

Resolution to approve CLAE financials from August through September 2017 (motion made by Ms. Hines and seconded by Mr. Novak)

Mr. Mangen lead a conversation about the purpose of CLA and CLAE's 5 year forecasts for ODE submission and its steps to approval. Also included in the presentation and discussion were draft 5-year budgets that were substantially complete. Mr. Karousis will work on the 5-year forecasts and include Ms. Saltzman in the discussion prior to sharing with Mr. Novak, Mr. Mangen, Ms. Tancer and Mr. Lundberg.

After presentation and discussion, the Boards, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

- Approved authorizing Ms. Tancer to approve CLA's 5 year budget forecast and the FY18 budget matrix for state submission (motion made by Ms. Davis and seconded Ms. Hines)
- Approved authorizing Ms. Tancer to approve CLAE's 5 year budget forecast and the FY18 budget matrix for state submission (motion made by Ms. Hines and seconded by Ms. Davis)

After presentation and discussion of other relevant finance matters, each Board (as applicable), upon motions duly made and seconded, adopted the following resolution attached to these minutes.

- Approved new CLA staff salaries (motion made by Mr. Alin and seconded by Mr. Novak)
- Approved bonus payout to CLA from TIFF and general funds (motion made by Ms. Hines and seconded by Mr. Lundberg)
- Approved modifications to STRS/SERS for CLAE (motion made by Mr. Novak and seconded by Mr. Alin)

Mr. Novak led a discussion to address enrollment shortfalls and the unexpected depletion of CLA's reserves that were caused in part from insufficient budgeting and planning tools being in place. Mr. Novak shared the proposal with the Boards to receive input and insight to the proposal. The consensus approach was for CLA and BCS to work toward a mutually supportable proposal for the BCS and FOB Finance Committee and Boards to consider. Ms. Tancer reiterated this is a work-in-process, but needs serious consideration by the Boards.

Updates/Discussion

CLA Principal Update

Ms. Gruhin will share CLA marketing language with the board at November's board meeting.

CLAE Principal Update

Mr. Franklin detailed the work to support CLAE students at or below grade level at CLAE. Mr. Franklin is excited to see the student's reactions with how the new building is bringing out the best in his students.

Board Recruitment Update

Ms. Tancer shared with the boards how new board member recruitment is progressing.

BCS Update:

Mr. Rosskamm updated the board on the high school fair results and his excitement to see so many students focusing on the next steps of their development.

Sponsor Update:

Ms. Sampson shared the auditing next steps for CLAE and asked to be included in all ODE audit requests so the Fordham Foundation can be on site to assist.

Public Comment:

None

Executive Session –

Ms. Tancer moved to go into executive session to discuss a personnel situation and staffing considerations and assignments applicable to both CLA and CLAE. Motion made by Mr. Lundberg and seconded by Mr. Alin. The CLA and CLAE board members present entered executive session at 6:30 p.m. The CLA and CLAE board left executive session at 7:00 p.m.

Ms. Tancer closed the meeting at 7:01 p.m.

Next Meeting: November 13, 2017 at CLAE



Cynthia Tancer, Board Chair



Citizens Leadership
ACADEMY EAST



Citizens Leadership
ACADEMY EAST

**Board Meetings
November 13, 2017**

On November 13, 2017, the Boards of Directors (the “Boards”) of Citizens Leadership Academy (CLA) and Citizens Leadership Academy East (CLAE) convened their regularly scheduled and jointly held board meetings. These meetings were held at the CLAE School. The following directors of each of the CLA and CLAE Boards were present:

CLA

Amonica Davis
Yolanda Saunders-Polk
Kevin Alin
Lolita Hines
Tracey Benson

CLAE

Amonica Davis
Yolanda Saunders-Polk
Kevin Alin
Lolita Hines
Ebony Jones

Also invited by the Boards to participate, and present for all or part of the meetings, were: Sydney Gruhin (CLA Principal), Ricardo Franklin (CLAE Principal), Davis Karousis (Breakthrough Charter Schools (“BCS”) Model Operations Leader for CLA Model), Katheryn Mullen Upton of the Fordham Foundation, Matt Rado representing the Cleveland Metropolitan School District, Douglas Mangen (Model Treasurer for CLA Model), Alan Roskamm (BCS Chief Executive Officer), Nora Gannon-Slater (BCS Director of Data and Performance Analytics), Daunte Perryman (CLAE Student) and Daunaya Perryman (CLAE Student).

Ms. Davis presided over the meetings, and Mr. Karousis acted as secretary and recorded the minutes. Meetings were called to order at 5:11 p.m. after a quorum for each Board was present.

Guest Speaker

Daunte and Daunaya Perryman, 6th grade students at CLAE, presented their impressions of CLAE and the benefits they've been provided by the school. They reflected on the academic programming, school culture and successes they've had while attending CLAE.

Head of School Update

Ms. Saltzman discussed the strategic plan and the network priorities identified by the leadership team. She shared the timeline for completion of the plan and looks forward to discussing it more at a later date.

CLA Principal Update

Ms. Gruhin shared with the board her Trimester 1 academic reflections with information comparing honor roll, perfect attendance and CLA's habits of leadership data focusing on new 6th, 7th and 8th graders. She also shared a classroom observation clip to provide the Boards more insight on the teacher evaluation process.

CLAE Principal Update

Mr. Franklin followed up his discussion regarding CLAE's failure to thrive list and the successes made with students who were able to improve their grades and remove themselves from the list.

Student Recruitment Update

Ms. Saltzman provided enrollment updates for CLA and CLAE. CLA is considering keeping enrollment open through Winter Break, and CLAE is considering keeping CLAE's enrollment open for the entire year.

Operating Metrics

Ms. Gannon-Slater shared the new “Schoolzilla” platform with the Boards by sharing various handouts, and highlighted strengths of the Citizens Leadership Model.

BCS Update

Mr. Rosskamm echoed Ms. Saltzman’s strategic planning remarks, and was thrilled to report a high level of positive collaboration during the entire process.

Sponsor Update

Mr. Rado updated the CLA Board on CLA’s Fall Site Visit. Mr. Rado reported the process went smoothly and CLA’s student records, special education records and Ohio Department of Education compliance requirements were exemplary. Mr. Rado also informed the CLA Board the classroom visits went without an issue and a formal report will be provided to the CLA Board at a later date.

Consent Agenda

Ms. Davis asked if any member of the Boards wants to remove any item in the Consent Agenda for further discussion. Hearing no such requests, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Approved November Consent Agenda (motion made by Mr. Alin and seconded by Ms. Hines)

Formation of Executive Committees

After presentation and discussion on the matter set forth below, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Authorized the Formation of an Executive Committee (motion made by Ms. Hines and seconded by Ms. Saunders-Polk)

Finances

Mr. Karousis led a discussion regarding the need for CLAE to access additional funding from FOB, which would be evidenced by a promissory note that will only be repaid if sufficient funds are available. Mr. Karousis stated the additional funds should provide CLAE the support necessary to operate through the end of the fiscal year, and potentially provide some very modest cash reserves. Mr. Alin was concerned that no members of the Citizens Leadership Model finance committee were present, and advised that the resolution be amended before considered. The CLAE Board, upon a motion duly made and seconded, adopted an amended resolution attached to these minutes relating to the following:

- Authorized CLAE to borrow funds from FOB, and for Cynthia Tancer to sign the CLAE promissory note (motion made by Mr. Alin and seconded by Ms. Saunders-Polk) after further consultation with the CLAE Board

At the request of Ms. Davis, Mr. Mangen led a discussion regarding CLAE's financials for October 2017. Mr. Mangen pointed out that based on current budget projections that cash balances would have to be managed very carefully, and that Mr. Karousis is working on monthly projections that would be shared at the December meeting.

After further presentation and discussion, the CLAE Board, upon a motion duly made and seconded, adopted the resolution attached to these minutes relating to the following:

- Approved Fiscal Y-T-D CLAE Financials through October 2017 (motion made by Mr. Alin and seconded by Ms. Hines)

Mr. Mangen next led a conversation regarding CLAE's financials for October 2017. Mr. Mangen pointed out that cash flow continues to be an issue at CLAE also, but primarily because of the low enrollment. After presentation and discussion, the CLAE Board, upon a motion duly made and seconded, adopted the resolution attached to these minutes relating to the following:

- Approved Fiscal Y-T-D CLAE financials for October 2017 (motion made by Ms. Hines and seconded by Mr. Alin)

After presentation and discussion of other relevant finance matters the appropriate respective Board, upon motions duly made and seconded, adopted resolutions attached to these minutes relating to the following:

- Approved CLAE CSP purchases over \$5,000 (motion made by Ms. Hines and seconded Ms. Saunders-Polk)

- Approved the new CLAE staff salary (motion made by Mr. Alin and seconded by Ms. Hines)
- Approved the 2018 CLA and CLAE benefits renewal (motion made by Ms. Hines and seconded by Ms. Saunders-Polk)

Public Comment

None.

Ms. Davis adjourned the meeting at 6:30 p.m.

Next Meeting: December 11, 2017 at CLA





Citizens Leadership
ACADEMY EAST



Citizens Leadership
ACADEMY EAST

**Board Meetings
October 16, 2017**

On October 16, 2017, the Boards of Directors (the “Boards”) of Citizens Leadership Academy (CLA) and Citizens Leadership Academy East (CLAE) convened their regularly scheduled and jointly held board meetings. These meetings were held at the CLA School. The following directors of each of the CLA and CLAE Boards were present:

CLA

Cynthia Tancer
Art Lundberg
Reggie Novak
Amonica Davis
Lolita Hines
Kevin Alin

CLAE

Cynthia Tancer
Art Lundberg
Reggie Novak
Amonica Davis
Lolita Hines
Kevin Alin
Ebony Jones

Also invited by the Boards to participate, and present for all or part of the meetings, were: Sydney Gruhin (CLA Principal), Ricardo Franklin (CLAE Principal), Shannon Thornton (CLAE Director of Curriculum and Instruction), Rosemary Weltman (Breakthrough Charter Schools (“BCS”) Board member, Theda Sampson of the Fordham Foundation, Stephanie Klupinski of the Cleveland Metropolitan School District, Davis Karousis (BCS Model Operations Leader for CLA Model), Douglas Mangen (Model Treasurer for CLA



Board Meetings December 11, 2017

On December 11, 2017, the Boards of Directors (the “Boards”) of Citizens Leadership Academy (CLA) and Citizens Leadership Academy East (CLAE) convened their regularly scheduled and jointly held board meetings. These meetings were held at the CLA School. The following directors of each of the CLA and CLAE Boards were present:

CLA

Cynthia Tancer

Art Lundberg

Yolanda Saunders-Polk

Kevin Alin

Lolita Hines

CLAE

Cynthia Tancer

Art Lundberg

Yolanda Saunders-Polk

Kevin Alin

Lolita Hines

Ebony Jones

Also invited by the Boards to participate, and present for all or part of the meetings, were: Sydney Gruhin (CLA Principal), Ricardo Franklin (CLAE Principal), Miles Caunin of the Fordham Foundation, Matt Rado of the Cleveland Metropolitan School District, Douglas Mangen (Model Treasurer for CLA Model), Alan Rosskamm (“Breakthrough Charter Schools (“BCS”) Chief Executive Officer), and Tyler Thornton (BCS Chief Operating Officer).

Ms. Tancer presided over the meetings, and Mr. Lundberg acted as secretary and recorded the minutes. Meetings were called to order at 5:04 p.m. after a quorum for each Board was present. Prior to Ms. Tancer calling the meetings to formal order, Mr. Franklin and Ms. Saltzman provided update to those members of the Boards that were present. No matters presented were for the purpose of considering a matter for any Board to vote on.

Head of School Update

Ms. Saltzman's discussion on this matter occurred prior to when the meetings were called to order. It was consistent with her written report distributed to the Boards in advance of the meetings.

CLA and CLAE Principal Update

Ms. Gruhin and Mr. Franklin each provided her and his respective update prior to the commencement of the formal meeting.

Consent Agenda

Ms. Tancer asked if any member of the Boards wanted to remove any item on the Consent Agenda for further discussion. Hearing no such requests, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Approved December Consent Agenda (motion made by Ms. Hines and seconded by Ms. Saunders-Polk)

Finances

After presentation and discussion of various finance matters requiring action (including E-Rate Service Bid, the need to revise the CLAE Budget and need to approve a salary for new CLAE staff person) the appropriate respective Boards, upon motions duly made and seconded, adopted resolutions attached to these minutes relating to the following:

- Authorized review of E-Rate Services Bid (motion made by Mr. Alin and seconded Ms. Hines)
- Approved revised CLAE Budget for fiscal 2018 (motion made by Ms. Hines and seconded by Mr. Alin)
- Approved a new CLAE staff salary (motion made by Ms. Saunders-Polk and seconded by Mr. Alin)

Ms. Tancer mentioned that CLA is reviewing the CLA forecast to test past assumptions and evaluate sustainability under that current budgeting guidance from BCS and FOB, and that such information would be shared with the CLA Board when it was completed.

Operating Metrics

Ms. Gruhin provided an overview of the Operating Metrics.

BCS Update

Mr. Rosskamm informed the Boards about the parent surveys underway, overall changes in enrollment (which were steady), and key new hire updates (including the search for the new BCS CFO).

Sponsor Update

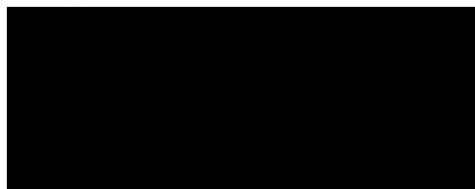
Mr. Rado and Mr. Caunin updated CLA Board, and the CLEA Boards, respectively, touching on the various past and scheduled site-visits, special education issues and other compliance issues, and noting where the sponsors could be a value-add to the Schools.

Public Comment

None.

Ms. Tancer adjourned the meeting at 6:11 p.m.

Next Meeting: February 12, 2018 at CLAE





Citizens Leadership
ACADEMY



Citizens Leadership
ACADEMY EAST

Consent Agenda Resolution – March 12, 2018

Resolved, the Board of Directors hereby approves the following resolutions a part of a consent agenda:

Resolution to approve Citizens Leadership Model February board meeting minutes

Resolution to reapprove CLA policy 264.1 – Anti-Harassment, Intimidation and Bullying Policy

Resolution to approve and accept CLA's FY17 Audit



Cynthia Tancer, Board Chair



Citizens Leadership
ACADEMY



Citizens Leadership
ACADEMY EAST

Board Meetings
February 12, 2018

On February 12, 2018, the Boards of Directors (the “Boards”) of Citizens Leadership Academy (“CLA”) and Citizens Leadership Academy East (“CLAE”) convened their regularly scheduled and jointly held board meetings. These meetings were held at the CLAE School. The following directors of each of the CLA and CLAE Boards were present:

CLA

Cynthia Tancer
Art Lundberg
Yolanda Saunders-Polk
Kevin Alin
Lolita Hines
Reggie Novak
Amonica Davis
Mordecai Cargill

CLAE

Cynthia Tancer
Art Lundberg
Yolanda Saunders-Polk
Kevin Alin
Lolita Hines
Reggie Novak
Amonica Davis
Mordecai Cargill
Ebony Jones

Also invited by the Boards to participate, and present for all or part of the meetings were: Sydney Gruhin (CLA Principal), Ricardo Franklin (CLAE Principal), Theda Sampson of the Fordham Foundation, Matt Rado of the Cleveland Metropolitan School District, Shelly Saltzman (Citizens Leadership Model Education Leader), Davis Karousis (Citizens Leadership Model Operations Leader), Alan Rosskamm (Breakthrough Charter

Schools (“BCS”) Chief Executive Officer), Tyler Thornton (BCS Chief Operating Officer) and Cory Hylton (BCS Manager of Purchasing).

Ms. Tancer presided over the meetings, and Mr. Karousis acted as secretary and recorded the minutes. Meetings were called to order at 4:35 p.m. after a quorum for each Board was present.

Consent Agenda

Ms. Tancer asked if any member of the Boards wanted to remove any item on the Consent Agenda for further discussion. Hearing no such requests, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Approved February Consent Agenda (motion made by Mr. Alin and seconded by Ms. Hines)

General Resolutions

After presentation and discussion on each of the matters set forth below, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Approved Resolution to approve the Change to Network 403b plan (motion made by Mr. Novak and seconded by Ms. Saunders-Polk)
- Approved Resolution to approve Additional Broker for 403b plan (motion made by Mr. Novak and seconded by Ms. Saunders-Polk)

Internet Safety Discussion

Ms. Tancer invited Mr. Hylton to briefly present CLA and CLAE’s internet safety policies which mirror those of all the network schools. Mr. Hylton’s presentation was informative and appreciated by the Boards.

Finances

At the request of Ms. Tancer, Mr. Novak led a conversation regarding CLA's financials through December. Mr. Novak emphasized the theme that based on current budget projections that cash balances would have to be managed very carefully, and that Mr. Karousis is working on monthly projections that would be shared at the March meeting. Mr. Karousis also explained why the budget-to-actuals in CLA and CLAE's financial information appeared to vary more than expected, and that was expected to resolve itself in January financial report after CLA completed its invoicing process to CLAE for some shared services.

The CLA Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

- Resolution to approve CLA Financials through December 31, 2017 (motion made by Ms. Davis and seconded by Mr. Alin)

The CLAE Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

- Resolution to approve CLAE Financials through December 31, 2017 (motion made by Ms. Davis and seconded by Mr. Alin)

Ms. Tancer requested Mr. Karousis to present his findings relating to considering alternatives to the staffing and enrollment assumptions used by the Citizens Leadership Academy Model. Mr. Karousis introduced the ideal staffing model for the Citizens Leadership schools and the benefits and difficulties to reach those staffing goals. During the presentation, the CLA Board members raised concerns, including the size of the projected deficit using this model, the importance of keeping the Citizens Leadership Academy Model class sizes small and the additional decrease in revenue resulting in the end of the TIF grant. The Boards asked for various additional assumptions to be incorporated and shared at the March board meeting.

Head of School Update

Ms. Saltzman's discussion was consistent with her written report distributed to the Boards in advance of the meetings. Additionally, she commented on the CLA and CLAE family surveys, and actions taken to address the concerns raised in each.

CLA and CLAE Principal Update

Ms. Gruhin and Mr. Franklin each spoke about their respective schools NWEA/MAP data. They are both excited to have the data to begin aligning the instruction in the building with the end of year Ohio State Assessments.

CLASE Expansion Discussion

Ms. Tancer asked Mr. Rosskamm to provide information to the Boards regarding a proposed CLA Model expansion to the Charles Elliot building and Citizens Academy Southeast. He shared the positives of opening a third CLA Model School including the strength of enrollment, neighborhood need and the opportunity to open in a new space. Mr. Rosskamm requested the decision to open a third CLA school be decided soon for enrollment purposes. The Boards, Ms. Saltzman and Mr. Karousis expressed their concerns about adding a third school, which are highlighted in the greenlighting document shared prior to the meeting, and asked for additional information to better inform their decision from BCS, and noted some of this decision would be impacted in connection with the financial sustainability exercise as well. The Boards also acknowledged that this is a potential opportunity to pursue growth for their model and the network so the decision should carefully considered.

BCS Update

None.

Sponsor Update

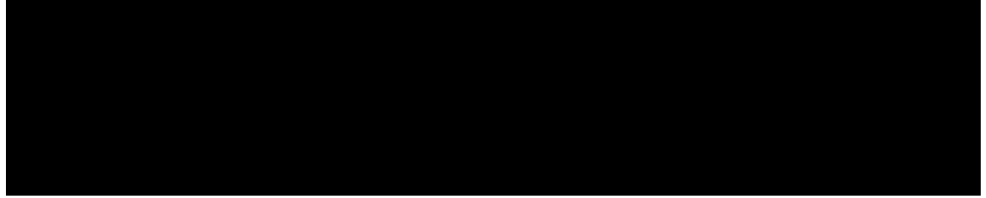
Mr. Rado and Ms. Sampson updated the CLA Board and the CLEA Boards, respectively, touching on the various past and scheduled site-visits, special education issues and other compliance issues, and noting where the sponsors could be a value-add to the Schools. Mr. Rado shared the CLA 2016-2017 annual report. He noted CLA is on pace for sponsor renewal in 2019.

Public Comment

None.

Ms. Tancer adjourned the meeting at 7:00 p.m.

Next Meeting: March 12th at CLA





Citizens Leadership
ACADEMY



Citizens Leadership
ACADEMY EAST

Board Meetings
March 12, 2018

On March 12, 2018, the Boards of Directors (the “Boards”) of Citizens Leadership Academy (“CLA”) and Citizens Leadership Academy East (“CLAE”) convened their regularly scheduled and jointly held board meetings. These meetings were held at the CLA school. The following directors of each of the CLA and CLAE Boards were present:

CLA

Cynthia Tancer
Art Lundberg
Yolanda Saunders-Polk
Kevin Alin
Amonica Davis
Mordecai Cargill
Tracey Benson

CLAE

Cynthia Tancer
Art Lundberg
Yolanda Saunders-Polk
Kevin Alin
Amonica Davis
Mordecai Cargill

Also invited by the Boards to participate, and present for all or part of the meetings were: Sydney Gruhin (CLA Principal), Ricardo Franklin (CLAE Principal), Theda Sampson of the Fordham Foundation, Matt Rado of the Cleveland Metropolitan School District, Shelly Saltzman (Citizens Leadership Model Education Leader), Davis Karousis (Citizens Leadership Model Operations Leader), Alan Rosskamm (Breakthrough Charter Schools (“BCS”) Chief Executive Officer), Tyler Thornton (BCS Chief Operating Officer) and Douglas Mangen (CLA and CLAE Treasurer).

Ms. Tancer presided over the meetings, and Mr. Karousis acted as secretary and recorded the minutes. Meetings were called to order at 4:30 p.m. after a quorum for each Board was present.

Consent Agenda

Ms. Tancer asked if any member of the Boards wanted to remove any item on the Consent Agenda for further discussion. Hearing no such requests, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Approved March Consent Agenda (motion made by Mr. Alin and seconded by Ms. Davis)

Finances

Ms. Tancer requested Mr. Lundberg to present a financial sustainability presentation to the Board that had been developed by members of the CLA model's finance and executive committees, continuing the discussion from February's Board meeting. Mr. Lundberg presented a variety of CL Model structures and the unique difficulties each of them present. To offer financial stability of the Citizens Leadership Model, Mr. Lundberg ended the presentation by proposing several courses of action for the Boards to consider. Mr. Lundberg also noted this sustainability concern is critical to ensure the Citizens Leadership Model's success when considering the proposed Citizens Leadership Academy Southeast campus. Ms. Tancer then asked the Board and guests for comments and questions concerning Mr. Lundberg's presentation.

Mr. Alin noted the unique situation of our schools in the city and how we have the need to balance affordable facilities, inadequate state funding and the Citizens Leadership Model pedagogy when considering these questions.

Mr. Rosskamm stressed the importance of a strong Citizens Academy model and Citizens Leadership Academy model relationship to support enrollment and identifying cost savings measures. Mr. Rosskamm also shared that the financial concerns are not limited to the CL model but are Breakthrough Charter School network concerns and the network

needs to have these important conversations. Mr. Rosskamm suggested the Citizens Academy Model and Citizens Leadership Academy Model boards need to sit down to discuss how they can work together to determine how best to collaborate to achieve cost savings, including a possible merger.

Ms. Sampson noted Fordham has experience in business mergers in education and supported the process in the past, though she noted it is not a simple process and is not a decision to be made lightly. Ms. Sampson expressed willingness to provide any information they had to the Citizens Leadership Model Board if necessary.

Mr. Lundberg reiterated the importance of securing some form of a financial backstop to ensure the success of the Citizens Leadership Academy Model while considering expansion. Mr. Alin also noted time is critical.

Mr. Rosskamm expressed concerns about adding subsidies to any network school unless it is a new school and he is not able to commit to anything at this time. Mr. Rosskamm noted the decision to open Citizens Leadership Academy Southeast is time bound, but did not have a specific date. Ms. Tancer ended the conversation and noted we will need to continue this important discussion in our April 9th meeting.

CLA and CLAE Principal Update

Mr. Franklin and Ms. Gruhin updated the board on Ohio state assessment preparation.

Enrollment Presentation

Mr. Karousis shared the Racial and Ethnic Population review presentation with the Boards. The presentation was informative and appreciated by the Boards.

BCS Update

None.

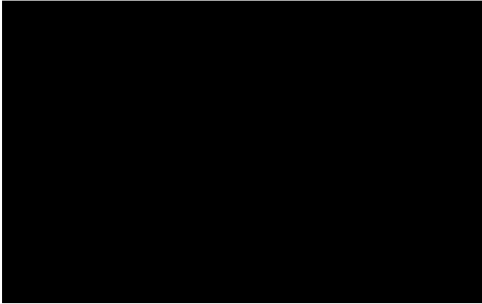
Sponsor Update

Mr. Rado shared with the Citizens Leadership Academy Board the school had an excellent sponsor visit, including a 100% score for the compliance portion and glowing comments from the parent, student and staff focus groups. Ms. Sampson noted the CLAE spring visit will be next month.

Public Comment

Ms. Council, a CLAE parent, was glad the CLAE board was having these conversations.

Ms. Tancer adjourned the meeting at 6:41 p.m.





Citizens Leadership
ACADEMY



Citizens Leadership
ACADEMY EAST

Board Meetings
April 9, 2018

On April 9, 2018, the Boards of Directors (the “Boards”) of Citizens Leadership Academy (“CLA”) and Citizens Leadership Academy East (“CLAE”) convened their regularly scheduled and jointly held board meetings. These meetings were held at the CLAE school. The following directors of each of the CLA and CLAE Boards were present:

CLA

Cynthia Tancer

Art Lundberg

Yolanda Saunders-Polk

Kevin Alin

Reggie Novak

Amonica Davis

Lolita Hines

CLAE

Cynthia Tancer

Art Lundberg

Yolanda Saunders-Polk

Kevin Alin

Reggie Novak

Amonica Davis

Lolita Hines

Ebony Jones

Also invited by the Boards to participate, and present for all or part of the meetings were: Sydney Gruhin (CLA Principal), Ricardo Franklin (CLAE Principal), Theda Sampson of the Fordham Foundation, Matt Rado of the Cleveland Metropolitan School District, Shelly Saltzman (Citizens Leadership Model Education Leader), Davis Karousis (Citizens Leadership Model Operations Leader), Alan Rosskamm (Breakthrough Charter Schools (“BCS”) Chief Executive Officer), Stephanie Wernet (BCS Chief Information Officer) and Douglas Mangen (CLA and CLAE Treasurer).

Ms. Tancer presided over the meetings, and Mr. Karousis acted as secretary and recorded the minutes. Meetings were called to order at 4:30 p.m. after a quorum for each Board was present.

Consent Agenda

Ms. Tancer asked if any member of the Boards wanted to remove any item on the Consent Agenda for further discussion. Hearing no such requests, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Approved April Consent Agenda (motion made by Mr. Alin and seconded by Ms. Davis)

CLA and CLAE Principal Update

Mr. Franklin updated the board on the expedition the students took centered around their Celebration of Learning to Baldwin Wallace University. Ms. Gruhin updated the board on Ohio state assessment preparation and the Verizon grant the school received providing iPads to the staff and students.

Head of School Update

Ms. Saltzman shared her head of school report which highlighted the structural and financial concerns the Citizens Leadership model is facing.

Enrollment Updates

Mr. Karousis shared the current status of CLA and CLAE's enrollment. The board asked to know why families were moving from CA to CLAE rather than follow the traditional path. The board also asked for an update on how many non CA students have enrolled in CLA and CLAE each year. Mr. Karousis will include that information in the next enrollment presentation.

CLASE Expansion Discussion

Ms. Saltzman shared that we are still looking for a leader for a proposed CLAS campus and are preparing ourselves if the board wishes to open the new school. Mr. Lundberg reminded the boards of the financial challenges our model faces and are still unanswered. At this time, there is no decision to open or not open a third Citizens Leadership school.

Financial Update

After further presentation and discussion, the CLA Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

Resolution to approve CLA Financials from August through February (motion made by Ms. Hines and seconded by Ms. Davis)

After further presentation and discussion, the CLAE Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

Resolution to approve CLAE Financials from August through February (motion made by Ms. Novak and seconded by Ms. Hines)

Mr. Karousis shared the April CLA and CLAE budgets to the boards. The CLA board pushed the staff to remember why we're here and focus on supporting our core principles during the budgeting process. The Boards asked to see the non-instructional costs to address the budget gaps first before looking at projected staffing adjustments. Mr. Karousis shared the May meeting will have a budget for both schools that will reflect those guiding principles.

BCS Update

Mr. Rosskamm shared with the boards the fiscal cliff concerns and how the entire Breakthrough Schools network has approached this issue thoughtfully and professionally.

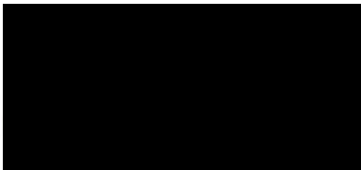
Sponsor Update

Mr. Rado shared with the Citizens Leadership Academy Board the school is up for renewal in 2019 and all metrics show it should be expected to be renewed. Mr. Rado also shared the renewal timeline. Ms. Sampson let the CLAE board know she will investigate the possibility of CLAE becoming a partner school with CMSD to allow the school to receive Cleveland levy funding.

Public Comment

N/A

Ms. Tancer adjourned the meeting at 6:48 p.m.





Citizens Leadership
ACADEMY



Citizens Leadership
ACADEMY EAST

Board Meetings
May 14, 2018

On May 14, 2018, the Boards of Directors (the “Boards”) of Citizens Leadership Academy (“CLA”) and Citizens Leadership Academy East (“CLAE”) convened their regularly scheduled and jointly held board meetings. These meetings were held at the CLA school. The following directors of each of the CLA and CLAE Boards were present:

CLA

Cynthia Tancer
Art Lundberg
Kevin Alin
Reggie Novak
Mordecai Cargill
Lolita Hines

CLAE

Cynthia Tancer
Art Lundberg
Kevin Alin
Reggie Novak
Mordecai Cargill
Lolita Hines
Ebony Jones

Also invited by the Boards to participate, and present for all or part of the meetings were: Sydney Gruhin (CLA Principal), Ricardo Franklin (CLAE Principal), Theda Sampson of the Fordham Foundation, Stephanie Klupinski of the Cleveland Metropolitan School District, Shelly Saltzman (Citizens Leadership Model Education Leader), Davis Karousis (Citizens Leadership Model Operations Leader), Alan Rosskamm (Breakthrough Charter Schools (“BCS”) Chief Executive Officer), Stephanie Wernet (BCS Chief Information Officer), Jelani Dorsey (BCS Recruitment Manager) and Douglas Mangen (CLA and CLAE Treasurer).

Ms. Tancer presided over the meetings, and Mr. Karousis acted as secretary and recorded the minutes. Meetings were called to order at 4:35 p.m. after a quorum for each Board was present.

Consent Agenda

Ms. Tancer asked if any member of the Boards wanted to remove any item on the Consent Agenda for further discussion. Hearing no such requests, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Approved May Consent Agenda (motion made by Mr. Alin and seconded by Ms. Hines)

General Resolution

After presentation and discussion on each of the matters set forth below, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Approved Resolution to approve 2018-2019 CL Model School Calendar (motion made by Ms. Hines and seconded by Mr. Novak)

Head of School Update

Ms. Saltzman shared her head of school report which focused on the CLA and CLAE NWEA standardized assessment statistics from the recent test. We discovered discrepancies between returning students and new students and are working to understand how this data can be used to better support our new students.

CLA and CLAE Principal Update

Mr. Franklin updated the board on the attendance successes at CLAE and the strong scores in math on the NWEA assessments. Ms. Gruhin updated the board on CLA's successful goals tied to the EL Education work plan including: SLO growth, school norm growth, student attendance and student attrition. Citizens Leadership Academy's score

allows the school to move forward towards EL credentialing. Mr. Cargill asked for attrition trends and why students leave CLA. Mr. Karousis will follow up.

Enrollment Updates

Mr. Karousis shared the current status of CLA and CLAE's enrollment. Mr. Karousis noted CLAE was nearly full in 6th grade and thanked the team for their work. CLA's seventh and eighth grades are 90% full and CLAE's seventh grade is 80% full and they are expected to be fully enrolled by the start of the school year. CLA's sixth grade is trending behind at approximately 50% and the CLA sixth grade team is working closely with the BCS enrollment team to close the gap. There was also discussion on the CA to CLA pipeline and how it impacts the CLA budget especially since CA is planning for smaller grades going forward.

CLASE Expansion Discussion

Ms. Saltzman shared that we are still looking for a leader for a proposed CLAS campus and are preparing ourselves if the board wishes to open the new school. Ms. Saltzman shared concerns with recruitment and how the various schools in the new proposed neighborhood will impact enrollment at a theoretical third CLA school; particularly due to the difficulty of enrolling at the current schools. Mr. Rosskamm noted Citizens Academy Southeast has the strongest enrollment of their model and gets stronger each year. Mr. Lundberg reminded the board that operating 3 schools can provide solutions to our budget issues but we still have two schools with unique issues which have not been solved at this time. Mr. Rosskamm recommended CLA's board open this school and is confident it would have full enrollment in year three. He also noted financial support to support a growing school could be provided in addition to the regular new school grants. Mr. Alin raised concerns with the lack of information in this process, including the fundraising need for the current two schools and a theoretical third school to provide a strong and stable foundation. Mr. Rosskamm suggested that a financial ask may be appropriate to support this initiative. The board agreed to explore that further. At this time, there is no decision to open or not open a third Citizens Leadership school but Ms. Tancer agreed to put the decision on the June board meeting agenda.

Financial Update

After further presentation and discussion, the CLA Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

- Resolution to approve CLA's 5-Year Forecast (motion made by Ms. Hines and seconded by Mr. Alin)

After further presentation and discussion, the CLAE Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

- Resolution to approve CLAE's 5-Year Forecast (motion made by Ms. Hines and seconded by Mr. Lundberg)

BCS Update

None

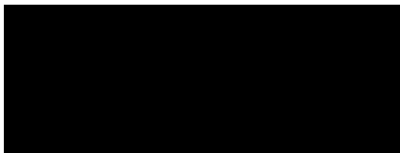
Sponsor Update

None

Public Comment

None

Ms. Tancer adjourned the meeting at 6:35p.m.





Citizens Leadership
ACADEMY



Citizens Leadership
ACADEMY EAST

Board Meetings
June 25, 2018

On June 25, 2018, the Boards of Directors (the “Boards”) of Citizens Leadership Academy (“CLA”) and Citizens Leadership Academy East (“CLAE”) convened their regularly scheduled and jointly held board meetings. These meetings were held at the CLAE school. The following directors of each of the CLA and CLAE Boards were present:

CLA

Cynthia Tancer

Art Lundberg

Kevin Alin

Reggie Novak

Mordecai Cargill

Lolita Hines

Tracey Benson

Amonica Davis

Yolanda Polk-Saunders

CLAE

Cynthia Tancer

Art Lundberg

Kevin Alin

Reggie Novak

Mordecai Cargill

Lolita Hines

Ebony Jones

Amonica Davis

Yolanda Polk-Saunders

Also invited by the Boards to participate, and present for all or part of the meetings were: Sydney Gruhin (CLA Principal), Ricardo Franklin (CLAE Principal), Theda Sampson of the Fordham Foundation, Stephanie Klupinski and Matt Rado of the Cleveland Metropolitan School District, Shelly Saltzman (Citizens Leadership Model Education Leader), Davis Karousis (Citizens Leadership Model Operations Leader), Alan

Rosskamm (Breakthrough Charter Schools (“BCS”) Chief Executive Officer), and Douglas Mangen (CLA and CLAE Treasurer).

Ms. Tancer presided over the meetings, and Mr. Karousis acted as secretary and recorded the minutes. Meetings were called to order at 4:38 p.m. after a quorum for each Board was present.

Consent Agenda

Ms. Tancer asked if any member of the Boards wanted to remove any item on the Consent Agenda for further discussion. Hearing no such requests, the Boards, upon motions duly made and seconded, approved the resolutions attached to these minutes relating to the following:

- Approved June Consent Agenda (motion made by Mr. Alin and seconded by Ms. Hines)

Head of School Update

Ms. Saltzman shared CLA and CLAE’s test scores and noted how CLA has stayed flat with most of our scores this year. Ms. Saltzman has reached out to exterior consultants to discuss our math curriculum and how to strengthen it. Mr. Alin highlighted how important it is for students to be at our school year after year when shown the differences between new students and returning student test scores. The board asked to see the returning versus new student data by grade level at the next board meeting.

CLAS Expansion Discussion

Ms. Tancer talked about the financial ask provided to Mr. Rosskamm and John Zitzner of Friends of Breakthrough Schools and how it was necessary to have a financially stable flagship school when spreading school resources to open a third building. Ms. Tancer recommended a committee to discuss the financial stability in the next six months including any grade band adjustments, class size reconfigurations and other items. Mr. Alin thanked the boards and BCS’s willingness to discuss options as a group. Mr. Lundberg has raised concerns about the lack of enrollment support at our flagship school and would like to have more discussions around that central point.

Mr. Rosskamm noted the enrollment concerns the board is facing and noted that as a three grade school a solution for financial sustainability needs to be created. Ms. Saltzman noted the enrollment pipeline from Citizens Academy to Citizens Leadership Academy is not as strong as we would like, particularly because Citizens Leadership Academy East is so close.

Mr. Lundberg suggested going in front of the BCS finance committee to respond to the Breakthrough Charter Schools ask. Mr. Alin noted the Board is fiscally responsible to the two existing school and without the solid fiscal foundation in place, approving a third school would be difficult. Mr. Cargill highlighted how the new school process has increased has uncovered issues with long term implications and wants to make the correct decision fully informed. Mr. Novak noted the ask has opened up a door for funding with year zero funds that could be used to support the network.

Ms. Tancer thanked the boards for the conversation and noted a special board session will be held July 12th at Citizens Leadership Academy to determine whether or not to open the school.

CLA and CLAE Principal Update

Mr. Franklin and Ms. Gruhin talked about each buildings test scores further and commented the summer leadership retreat provided the teams a chance to dive deep into the scores and develop a plan to improve them the following year.

Enrollment Updates

Mr. Karousis shared the current status of CLA and CLAE's enrollment. Mr. Karousis noted CLAE was full in 6th grade and thanked the team for their work. CLA's sixth grade is trending behind at approximately 50% and the CLA sixth grade team is working closely with the BCS enrollment team to close the gap.

Financial Update

After further presentation and discussion, the CLA Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

- Resolution to approve CLA's FY19 Budget (motion made by Ms. Davis and seconded by Ms. Hines)
- Resolution to approve CLA's FY19 Staff Salaries (motion made by Ms. Hines and seconded by Ms. Davis)

After further presentation and discussion, the CLAE Board, upon motions duly made and seconded, adopted the following resolution, as more particularly set forth in the resolutions attached to these minutes.

- Resolution to approve CLAE's FY19 Budget (motion made by Ms. Hines and seconded by Mr. Novak)
- Resolution to approve CLAE's FY19 Staff Salaries (motion made by Mr. Novak and seconded by Ms. Hines)
- Resolution to approve CLAE's FY18 Staff Salary (motion made by Ms. Hines and seconded by Ms. Davis)

BCS Update

None

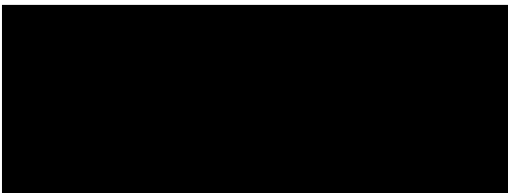
Sponsor Update

Mr. Rado reminded the board of the August 3rd CMSD Charter School meeting which includes sunshine law training.

Public Comment

None

Ms. Tancer adjourned the meeting at 7:02 p.m.



Attachment 8C

Breakthrough Charter Schools: Citizens Leadership Academy Cuyahoga County, Ohio

Audited Financial Statements

For the Fiscal Year Ended
June 30, 2017



Dave Yost • Auditor of State

Board of Trustees
Breakthrough Charter Schools:
Citizens Leadership Academy
9711 Lamont Avenue
Cleveland, Ohio 44106

We have reviewed the *Independent Auditor's Report* of the Breakthrough Charter Schools: Citizens Leadership Academy, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2016 through June 30, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Breakthrough Charter Schools: Citizens Leadership Academy is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 20, 2018

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.ohioauditor.gov

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**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*For the Fiscal Year Ended June 30, 2017
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December 23, 2017

To the Board of Trustees
Breakthrough Charter Schools:
Citizens Leadership Academy
9711 Lamont Avenue
Cleveland, Ohio 44106

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of Breakthrough Charter Schools: Citizens Leadership Academy, Cuyahoga County, Ohio (the School) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Breakthrough Charter Schools: Citizens Leadership Academy, Cuyahoga County, Ohio as of June 30, 2017, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of the School's Proportionate Share of the Net Pension Liability, and Schedules of School Contributions on pages 4-9, 39-40, and 41-42, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2017 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Medina, Ohio

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**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)*

The management's discussion and analysis of Breakthrough Charter Schools: Citizens Leadership Academy's (the "School") financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- In total, net position decreased by \$288,417 or 8 percent from a deficit of \$3,413,395 to a deficit of \$3,701,812.
- The School had operating revenues of \$2,257,574 and operating expenses of \$3,611,383 for fiscal year 2017. The School also had \$1,065,392 in non-operating revenues during fiscal year 2017.
- Enrollment increased from 258 students to 271 students.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School's financial activities. The statement of net position and statement of revenues, expenses and changes in net position provide information about the activities of the School, including all short-term and long-term financial resources and obligations.

Reporting the School Financial Activities

Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows

These documents answer the question, "How did we do financially during 2017?" These statements include all assets, liabilities, deferred outflows/inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)*

These statements report the School's net position and changes in that position. This change in net position is important because it tells the reader that, for the School as a whole, the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 11 and 12 of this report.

The statement of cash flows provides information about how the School finances and is meeting the cash flow needs of its operations. The statement of cash flows can be found on page 13 of this report.

The table below provides a summary of the School's net position for the fiscal years 2017 and 2016:

	2017	2016
ASSETS		
Current Assets	\$ 536,885	\$ 824,044
Capital Assets, Net	128,967	151,429
Total Assets	665,852	975,473
 DEFERRED OUTFLOWS OF RESOURCES		
Pension	926,447	439,618
 LIABILITIES		
Current Liabilities	394,497	516,993
Long-term liabilities:		
Due in more than one year:		
Net Pension Liability	4,782,589	3,907,184
Total Liabilities	5,177,086	4,424,177
 DEFERRED INFLOWS OF RESOURCES		
Pension	117,025	404,309
 NET POSITION		
Investment in Capital Assets	128,967	151,429
Restricted	107,429	106,649
Unrestricted	(3,938,208)	(3,671,473)
Total Net Position	\$ (3,701,812)	(3,413,395)

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)*

The School has adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB 68, the net pension liability equals the School's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)*

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the School is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting and accounts for the change in deferred inflows/outflows and net pension liability.

At June 30, 2017, the School's net position totaled a deficit of \$3,701,812. The decrease in current liabilities is mainly due to the timing of disbursements. Current assets decreased by \$287,159 from 2016 to 2017. The decrease is mainly related to a decrease in pledge receivable. The significant changes in deferred inflows and outflows of resources and net pension liability is solely due to the implementation of GASB 68.

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**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)*

The table below shows the change in net position for the fiscal years 2017 and 2016:

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
State Foundation	\$ 2,235,876	\$ 2,072,123
Extracurricular Activities	656	704
Classroom Materials and Fees	9,353	8,125
Other Operating Revenues	11,689	11,094
Total Operating Revenues	<u>2,257,574</u>	<u>2,092,046</u>
OPERATING EXPENSES		
Salaries and Wages	1,681,122	1,548,326
Fringe Benefits	513,670	308,121
Purchased Services	1,200,664	1,152,949
Materials and Supplies	106,871	90,765
Depreciation	22,462	22,225
Equipment	25,017	63,633
Other	61,577	37,375
Total Operating Expenses	<u>3,611,383</u>	<u>3,223,394</u>
Operating Loss	(1,353,809)	(1,131,348)
NON-OPERATING REVENUES		
Tax Distribution	197,968	198,714
Intergovernmental Revenues	664,399	588,344
Contributions and Donations	203,025	502,155
Total Non-operating Revenues	<u>1,065,392</u>	<u>1,289,213</u>
Change in Net Position	(288,417)	157,865
Net Position - Beginning of Year	<u>(3,413,395)</u>	<u>(3,571,260)</u>
Net Position - End of Year	<u><u>\$ (3,701,812)</u></u>	<u><u>\$ (3,413,395)</u></u>

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)*

The revenue generated by community schools are heavily dependent upon per-pupil allotment given by the State foundation program and federal entitlement programs. Foundation payments, attributed to 67 percent of total operating and non-operating revenues during fiscal year 2017.

State Foundation revenue and total operating expenses increased in fiscal year 2017 due to the increase in enrollment.

Contributions and donations decreased by \$299,130 mainly due to the decrease in contributions from Friends of Breakthrough Schools.

The increase in fringe benefits expense was due to an increase in net pension liability. Below is a comparison of fringe benefits expense without GASB 68.

	<u>2017</u>	<u>2016</u>
Fringe Benefits	412,378	373,530

Capital Assets

At June 30, 2017, the School had \$128,967 invested in leasehold improvements, and equipment net of accumulated depreciation. See Note 8 in the notes to the basic financial statements for more detail on capital assets.

Current Financial Related Activities

The School's fiscal agent relationship is Breakthrough Charter Schools, a Charter Management Organization. During the 2016-2017 fiscal school year, there were 271 students enrolled in the School (includes summer school). The School relies on the State Foundation Funds, State and Federal Sub-Grants and private donors to provide the monies necessary to operate the School.

Contacting the School's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information contact Doug Mangen, Treasurer, 3615 Superior Avenue, Suite 4403A, Cleveland, Ohio 44114 or email doug@mangen1.com.

Basic Financial Statements

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Statement of Net Position
June 30, 2017*

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 104,328
Receivables:	
Intergovernmental	137,584
Pledge	172,598
Other	34,387
Prepaid Items	3,680
Property Taxes Receivable	84,308
Total Current Assets	536,885

Noncurrent Assets:

Capital Assets, Net of Depreciation	128,967
Total Assets	665,852

Deferred Outflows of Resources

Pension	926,447
	926,447

LIABILITIES

Current Liabilities:

Accounts Payable	261,051
Accrued Wages and Benefits	133,446
Total Current Liabilities	394,497

Noncurrent Liabilities:

Net Pension Liability	4,782,589
Total Liabilities	5,177,086

DEFERRED INFLOWS OF RESOURCES

Pension	117,025
	117,025

NET POSITION

Investment in Capital Assets	128,967
Restricted for:	
Locally Funded Programs	107,429
Unrestricted	(3,938,208)
Total Net Position	\$ (3,701,812)

See accompanying notes to the basic financial statements

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2017*

OPERATING REVENUES

State Foundation	\$ 2,235,876
Extracurricular Activities	656
Classroom Materials and Fees	9,353
Other Operating Revenues	11,689
Total Operating Revenues	<u>2,257,574</u>

OPERATING EXPENSES

Salaries and Wages	1,681,122
Fringe Benefits	513,670
Purchased Services	1,200,664
Materials and Supplies	106,871
Depreciation	22,462
Equipment	25,017
Other	61,577
Total Operating Expenses	<u>3,611,383</u>
Operating Loss	<u>(1,353,809)</u>

NON-OPERATING REVENUES

Tax Distribution	197,968
Intergovernmental	664,399
Contributions and Donations	203,025
Total Non-operating Revenues	<u>1,065,392</u>
Change in Net Position	<u>(288,417)</u>

Net Position - Beginning of Year	<u>(3,413,395)</u>
Net Position - End of Year	<u><u>\$ (3,701,812)</u></u>

See accompanying notes to the basic financial statements

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017*

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from State of Ohio	\$ 2,235,876
Cash Received from Other Operations	(11,825)
Cash Payments for Salaries and Wages	(1,669,373)
Cash Payments for Fringe Benefits	(396,999)
Cash Payments for Purchased Services	(1,334,909)
Cash Payments for Materials and Supplies	(106,871)
Cash Payments for Equipment	(25,017)
Cash Payments for Other Expenses	(65,257)
Net Cash Used in Operating Activities	<u>(1,374,375)</u>

CASH FLOWS FROM NONCAPITAL

FINANCING ACTIVITIES

Federal and State Grants	612,867
Tax Distribution	113,660
Contributions and Donations	349,942
Net Cash Provided by Noncapital Financing Activities	<u>1,076,469</u>
Net Decrease in Cash and Cash Equivalents	(297,906)

Cash and Cash Equivalents - Beginning of Year	402,234
Cash and Cash Equivalents - End of Year	<u><u>\$ 104,328</u></u>

**RECONCILIATION OF OPERATING LOSS TO
NET CASH USED IN OPERATING ACTIVITIES**

Operating Loss	\$ (1,353,809)
Adjustments:	
Depreciation	22,462
(Increase) in Assets and Deferred Outflows:	
Pension Receivable	15,379
Other Receivable	(33,523)
Prepaid Items	(3,680)
Deferred Outflows of Resources - Pension	(486,829)
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	(134,245)
Accrued Wages and Benefits	11,749
Net Pension Liability	875,405
Deferred Inflows of Resources - Pension	(287,284)
Net Cash Used in Operating Activities	<u><u>\$ (1,374,375)</u></u>

See accompanying notes to the basic financial statements

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 1 – DESCRIPTION OF THE SCHOOL

Breakthrough Charter Schools: Citizens Leadership Academy (the "School") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code exclusively for educational purposes. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax-exempt status. The School's mission is to prepare its urban middle school students, grades six through eight, to lead in academics, service and civic engagement during high school, college and beyond. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices and all other operations. The School may sue and be sued, acquire facilities as needed and contract for any services necessary for the operation of the School.

The School began operations at the beginning of the 2011-2012 school year. The school was approved for operation under a contract with Cleveland Metropolitan School District (the "Sponsor") for a period of three years commencing July 1, 2011. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. On July 1, 2014, the contract was extended for a five-year period.

The School has contracted with Breakthrough Charter Schools for academic and business services beginning September 23, 2010 for an initial term of five years through June 30, 2015. This agreement was extended for a four-year period beginning July 1, 2015. This agreement is automatically renewed unless prior notice is given.

The School operates under the direction of the Board of Trustees. The Board of Trustees is responsible for carrying out the provisions of the contract, which include but are not limited to, State mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualifications of teachers. The Board of Trustees controls the School's one instructional/support facility staffed by 24 non-certified and 19 certificated full time teaching personnel who provide services to 271 students (includes summer school).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School's significant accounting policies are described below.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation

The School's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

Enterprise reporting focuses on the determination of the change in net position, financial position, and cash flows.

B. Measurement Focus

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows/inflows of resources are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the basic financial statements. The School's basic financial statements are prepared using the accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded upon the accrual basis when the exchange takes place.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. Grants and entitlements received before the eligibility requirements are met are recorded as deferred inflows.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the School, deferred outflows of resources are reported on the statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School, deferred inflows of resources include pension. The deferred inflows of resources related to pension are explained in Note 11.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

D. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Section 5705, unless specifically provided in the contract between the School and its Sponsor. The contract between the School and its Sponsor does prescribe an annual budget requirement in addition to preparing a 5-year forecast, which is to be updated on an annual basis.

E. Cash and Cash Equivalents

All monies received by the School are accounted for by the School's fiscal agent, Breakthrough Charter Schools. All cash is received and deposited by the School. Separate accounts are maintained in the School's name. Monies for the School are maintained in these accounts.

For the purposes of the statement of cash flows and the presentation on the statement of net position, investments with original maturities of three months or less at the time they are purchased by the School are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their acquisition value on the date donated. The School does not have any infrastructure. The School maintains a capitalization threshold at \$5,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the remaining useful life of the related capital assets. Equipment is depreciated over 5-7 years. Leasehold improvements are depreciated over twenty years.

G. Net Position

Net position represents the difference between assets and deferred outflows of resources compared to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

H. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity. For the School, these revenues are payments from the State Foundation Program, extracurricular activities and classroom materials and fees. Also included are other revenues for the reimbursement of salaries and benefits for employee services. Operating expenses are necessary costs incurred to provide goods or services that are the primary activities of the School. All revenues and expenses not meeting this definition are reported as nonoperating.

I. Prepaid Items

Payments made to vendors for services that will benefit fiscal years beyond June 30, 2017 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the fiscal year ended in which services are consumed.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Intergovernmental Revenue

The School currently participates in the State Foundation Basic Aid, Various State Restricted Grants, Teacher Incentive Fund (TIF), Title I, IDEA-B, Title II-A and Nutrition Program. The State Foundation Basic Aid (which includes casino and facilities revenue) is recognized as operating revenue. All of the other grant revenues received from these programs are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

Eligibility includes timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. Amounts recognized under the above named programs for the 2017 fiscal school year totaled \$2,900,275.

K. Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

L. Compensated Absences

Each full time employee is given up to ten paid days per year personal time off (PTO). Employees receive 1 day of personal leave credit for each month of service to be used for personal matters, including vacation, illness or illness in a family. PTO leave not used will not be carried over to the next year. Employees who are terminated or resign are not paid for unused PTO.

M. Contributions and Donations

Non-cash contributions and donations are recorded at their fair market value on the date donated. Contributions and donations recognized for the 2017 fiscal school year totaled \$203,025.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

During the fiscal year, the School implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the School.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the School.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES (Continued)

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the School.

GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. These changes were incorporated in the School's financial statements, however, there was no effect on beginning net position.

NOTE 4 – SPONSORSHIP AND MANAGEMENT AGREEMENTS

The School entered into an agreement with the Cleveland Metropolitan School District for a period of three years commencing July 1, 2011. On July 1, 2014, the contract was extended for a five year period. Sponsorship fees are calculated as 1.5% of the fiscal year 2017 foundation payments received by the School, from the State of Ohio. The total amount due from the School for fiscal year 2017 was \$32,528, of which \$2,339 remained outstanding as of June 30, 2017 and is recorded as a liability. Sponsorship fees are included with professional and technical services within purchased services on the Statement of Revenues, Expenses, and Change in Net Position.

The School entered into an agreement with Breakthrough Charter Schools to provide academic and business services beginning July 1, 2011 for an initial term of five years. This agreement was extended for a four year period. Management fees are calculated as 10% of the fiscal year 2017 foundation payments received by the School from the State of Ohio. The total amount due from the School for the fiscal year ending June 30, 2017 was \$222,268, of which \$19,047 remained outstanding as of June 30, 2017 and is recorded as a liability. Management fees are recorded as professional and technical services within the purchased services expense on the Statement of Revenues, Expenses, and Change in Net Position.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 5 – DEPOSITS

Deposits with Financial Institutions

At June 30, 2017, the carrying amount of all School's deposits was \$104,328. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2017, all of the School's bank balance of \$135,042 was fully insured by FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School. The School has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School to a successful claim by the FDIC.

NOTE 6 – RECEIVABLES

Receivables at June 30, 2017, consisted of intergovernmental receivables arising from grants and entitlements, pledges receivable and other receivable. Intergovernmental receivables are considered collectible in full due to the current year guarantee of federal funds and the stable condition of state programs.

A summary of the principal items of receivables follows:

	<u>Receivables</u>
Intergovernmental - Federal and State Grants:	
Title I	\$ 47,397
IDEA B	10,301
Food Service	1,900
TIF	<u>77,986</u>
Total Intergovernmental - Federal and State Grants	137,584
Pledges Receivable	172,598
Other Receivable	<u>34,387</u>
Total Receivables	<u><u>\$ 344,569</u></u>

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 7 – TAX DISTRIBUTION

The Breakthrough network of schools participate in a partnership with the Cleveland Municipal School District (CMSD) for a property tax levy of 1 mill based on the assessed real property value within the CMSD. The levy is for four years and was passed in November 2012 and started collection in January 2013. On November 8, 2016 this levy was renewed for an additional four years.

NOTE 8 – CAPITAL ASSETS

A summary of the School’s capital assets at June 30, 2017, follows:

	Balance <u>6/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2017</u>
Capital Assets:				
Leasehold Improvements	\$ 210,630	\$ -	\$ -	\$ 210,630
Equipment	7,475	-	-	7,475
<i>Total Capital Assets</i>	<u>218,105</u>	<u>-</u>	<u>-</u>	<u>218,105</u>
Less Accumulated Depreciation:				
Leasehold Improvements	(63,472)	(21,394)	-	(84,866)
Equipment	(3,204)	(1,068)	-	(4,272)
<i>Total Accumulated Depreciation</i>	<u>(66,676)</u>	<u>(22,462)</u>	<u>-</u>	<u>(89,138)</u>
Total Capital Assets, Net	<u>\$ 151,429</u>	<u>\$ (22,462)</u>	<u>\$ -</u>	<u>\$ 128,967</u>

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 9 – RISK MANAGEMENT

A. Insurance Coverage

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For the fiscal year ended 2017, the School contracted with the O’Neill Group with the following insurance coverage:

Commercial General Liability per Occurrence	\$1,000,000
Commercial General Liability Aggregate	3,000,000
Umbrella Coverage per Occurrence	15,000,000
Umbrella Coverage per Aggregate	15,000,000
Commercial Property (\$5,000 Deductible)	126,500
Crime Coverage (\$1,000 Deductible) Each Employee	1,000,000
Computer Coverage (\$1,000 Deductible)	100,000
Employee Benefits Liability (\$1,000 Deductible) Each Employee	1,000,000
Employee Benefits Liability (\$1,000 Deductible) Aggregate	1,000,000
Employers Stop Gap Liability	1,000,000
School Board Legal Liability per Aggregate (\$2,500 Deductible)	1,000,000
School Board Legal Liability per Occurrence (\$2,500 Deductible)	3,000,000
Sexual Misconduct Liability per Occurrence/Aggregate	1,000,000
Student Accident per Aggregate (\$500 Deductible)	250,000

Settled claims have not exceeded this commercial coverage in any of the past three years, nor has there been any significant reduction in insurance coverage from the prior year. The School owns no property, but leases a facility located at 9711 Lamont Avenue, Cleveland, Ohio (See Note 15).

B. Workers' Compensation

The School makes premium payments to the Ohio Workers' Compensation System for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
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NOTE 9 – RISK MANAGEMENT (Continued)

C. Employees Medical, Dental, Vision, Life and Disability Benefits

Effective January 1, 2011, Breakthrough Charter Schools contracted through an independent carrier to provide insurance to all employees who work 30 or more hours per week. Employees have a choice of two medical plans. The School subsidizes more percentage-wise for an employee plan as compared to a family plan. The School subsidizes between 52 – 75% of the Point of Service (PPO) \$250/\$500 deductible plan and subsidizes between 65 – 86% for the Health Savings Account (HSA) \$2,600/\$5,200 deductible plan. The school subsidizes 50% for dental insurance. Vision insurance and voluntary life is paid by the employee. Long-term disability insurance, short-term disability, and basic life insurance benefits are paid by the School. Total insurance benefits paid by the School for the fiscal year were \$142,442.

NOTE 10 – CONTINGENCIES

A. Grants

The School received financial assistance from State agencies in the form of grants. The expense of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2017.

B. Litigation

The School is not involved in any litigation that, in the opinion of management, would have material effect on the financial statements.

C. State Foundation Funding

School foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. However, there is an important nexus between attendance and enrollment for Foundation funding purposes. Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end.

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NOTE 10 – CONTINGENCIES (Continued)

C. State Foundation Funding (Continued)

Under Ohio Rev. Code Section 3314.08, ODE may also perform a FTE Review subsequent to the fiscal year end that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. ODE performed such a review on the School for fiscal year 2017.

As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School.

In addition, the School's contracts with their Sponsor and Management Company require payment based on revenues received from the State. As discussed above, additional FTE adjustments for fiscal year 2017 are not finalized. Until such adjustments are finalized by ODE, the impact on the fiscal year 2017 financial statements, related to additional reconciliation necessary with these contracts, is not determinable. Management believes this may result in either an additional receivable to, or liability of, the School.

NOTE 11: DEFINED BENEFIT PENSION PLAN

A. Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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NOTE 11: DEFINED BENEFIT PENSION PLAN (Continued)

A. Net Pension Liability (Continued)

Ohio Revised Code limits the School’s obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which pensions are financed; however, the School does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *accrued wages and benefits*.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School’s proportion of the net pension liability was based on the School’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability Prior Measurement Date	0.0061710%	0.01286338%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.0069949%</u>	<u>0.01275842%</u>	
Change in Proportionate Share	<u>0.0008239%</u>	<u>-0.00010496%</u>	
Proportionate Share of the Net Pension Liability	\$511,962	\$4,270,627	\$ 4,782,589
Pension Expense	\$22,226	\$318,400	\$340,626

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*Notes to the Basic Financial Statements
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NOTE 11: DEFINED BENEFIT PENSION PLAN (Continued)

A. Net Pension Liability (Continued)

At June 30, 2017, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$6,904	\$172,554	\$179,458
Changes of assumptions	34,176	0	34,176
Net difference between projected and actual earnings on pension plan investments	42,229	354,576	396,805
Changes in proportion and differences School contributions subsequent to the measurement date	34,961	41,713	76,674
	<u>39,885</u>	<u>199,449</u>	<u>239,334</u>
Total Deferred Outflows of Resources	<u>\$158,155</u>	<u>\$768,292</u>	<u>\$926,447</u>
Deferred Inflows of Resources			
Changes in proportion and differences	<u>\$ 93,207</u>	<u>\$ 23,818</u>	<u>\$ 117,025</u>

\$239,334 reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2018	(\$10,058)	\$91,412	\$81,354
2019	(10,090)	91,412	81,322
2020	33,071	227,472	260,543
2021	12,140	134,729	146,869
	<u>12,140</u>	<u>134,729</u>	<u>146,869</u>
Total	<u>\$25,063</u>	<u>\$545,025</u>	<u>\$570,088</u>

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NOTE 11: DEFINED BENEFIT PENSION PLAN (Continued)

A. Net Pension Liability (Continued)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

The RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates is used to evaluate allowances to be paid. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement.

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NOTE 11: DEFINED BENEFIT PENSION PLAN (Continued)

A. Net Pension Liability (Continued)

The most recent experience study was completed June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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*Notes to the Basic Financial Statements
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NOTE 11: DEFINED BENEFIT PENSION PLAN (Continued)

A. Net Pension Liability (Continued)

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$677,806	\$511,962	\$373,144

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses, including inflation
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class.

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NOTE 11: DEFINED BENEFIT PENSION PLAN (Continued)

A. Net Pension Liability (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
 Total	 <u>100.00 %</u>	 <u>7.61 %</u>

* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50% and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

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*Notes to the Basic Financial Statements
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NOTE 11: DEFINED BENEFIT PENSION PLAN (Continued)

A. Net Pension Liability (Continued)

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$5,675,317	\$4,270,627	\$3,085,689

Changes Between Measurement Date and Report Date In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School's NPL is expected to be significant.

B. School Employees Retirement System (SERS)

Plan Description – School non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

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NOTE 11: DEFINED BENEFIT PENSION PLAN (Continued)

B. School Employees Retirement System (SERS) (Continued)

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a 3 percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14.00 percent. No allocation was made to the Health Care Fund.

The School's contractually required contribution to SERS was \$39,885 for fiscal year 2017. Of this amount \$2,000 is reported as an accrued wages and benefits.

C. State Teachers Retirement System (STRS)

Plan Description –District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing, multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service.

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NOTE 11: DEFINED BENEFIT PENSION PLAN (Continued)

C. State Teachers Retirement System (STRS) (Continued)

With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 11.5 of the 13.0 percent member rates goes to the DC Plan and 1.5 percent goes to the DB plan. Member contributions to the DC plan are allocated among investment choices by the member, and contributions to the DB plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options in the GASB 68 schedules of employer allocation and pension amounts by employer.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

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NOTE 11: DEFINED BENEFIT PENSION PLAN (Continued)

C. State Teachers Retirement System (STRS) (Continued)

If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School's contractually required contributions to STRS was \$199,449 for fiscal year 2017. Of this amount \$16,919 is reported as an accrued wages and benefits.

NOTE 12: POST-EMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – In addition to a cost-sharing, multiple-employer defined benefit pension plan the School Employees Retirement System (SERS) administers two post-employment benefit plans.

Health Care Plan - Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plan.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14 percent contribution to the Health Care Fund in accordance with the funding policy. For the year ended June 30, 2017, the health care allocation is 0.00 percent.

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NOTE 12: POST-EMPLOYMENT BENEFITS (Continued)

A. School Employees Retirement System (Continued)

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. By statute no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the minimum compensation level was established at \$23,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$4,271, \$3,660, and \$1,523, respectively. For fiscal year 2017, the full amount is being reported as accounts payable. The full amount has been contributed for fiscal years 2016 and 2015.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. That report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

B. State Teachers Retirement System

Plan Description – STRS Ohio administers a pension plan that is comprised of a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums.

Pursuant to Chapter 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

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*Notes to the Basic Financial Statements
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NOTE 12: POST-EMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System (Continued)

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy - Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14.00 percent employer contribution rate, no allocation was made to post-employment health care for the years ended June 30, 2017, June 30, 2016 and June 30, 2015. The 14.00 percent employer contribution rate is the maximum rate established under Ohio law.

NOTE 13 – LONG TERM OBLIGATIONS

The changes in the School’s long-term obligations during fiscal year 2017 were as follows:

	<u>Balance as of</u> <u>6/30/2016</u>	<u>Additons</u>	<u>Deletions</u>	<u>Balance as of</u> <u>6/30/2017</u>
Net Pension Liability:				
STRS	\$ 3,555,061	\$ 715,566	\$ -	\$ 4,270,627
SERS	352,123	159,839	-	511,962
Total Net Pension Liability	<u>\$ 3,907,184</u>	<u>\$ 875,405</u>	<u>\$ -</u>	<u>\$ 4,782,589</u>

The net pension liability is discussed further in Note 11.

NOTE 14 – PURCHASED SERVICES

For the fiscal year ended June 30, 2017, purchased service expenses were payments for services rendered by various vendors, and are as follows:

Professional and Technical Services	\$ 395,614
Property Services	527,236
Travel Mileage/Meeting	15,970
Communications	18,580
Utilities	61,121
Contracted Craft or Trade Service	131,002
Pupil Transportation	51,141
Total	<u>\$ 1,200,664</u>

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 15 – OPERATING LEASES

The School leases its facilities from Friends of Breakthrough Schools under a ten year lease agreement. The lease was effective July, 2011. In April 2013, the School amended its original school building lease with the Breakthrough Charter Schools. The original lease did not reflect the current market value of real estate within the region. The School’s Board and finance committee along with the Breakthrough Charter Schools’ Board and finance committee researched comparable market values to determine the agreed rents.

In December 2013, the School entered into an amended lease agreement with Friends of Breakthrough Real Estate, LLC extending the lease through June 30, 2034 or the termination of the Breakthrough Charter Schools agreement.

Rent and related expenses under the leases were \$375,821 for the fiscal year ended June 30, 2017. Future minimum annual rent expense under this agreement is \$374,241 per year.

NOTE 16 – FISCAL AGENT

The Academic and Business Services Agreement states Breakthrough Charter Schools (BCS) shall be responsible and accountable for the following financial functions:

- Provision of a licensed fiscal officer (treasurer);
- Payment of school expenditures with school funds;
- Maintenance of adequate cash balances to cover payroll and payments to vendors; and
- Payroll.

NOTE 17 – FRIENDS OF BREAKTHROUGH DONATION

The School is a separate corporation from Friends of Breakthrough Schools, an Ohio not-for-profit corporation. Friends of Breakthrough Schools is an agency that was organized to provide funding for operations for Breakthrough Charter Schools. Funding provided to the School from Friends of Breakthrough amount to \$172,598 for operating expenses as of June 30, 2017. The full amount is being recorded as a pledge receivable as of June 30, 2017, and will be paid during the subsequent school year.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Required Supplementary Information
Schedule of the School's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Four Fiscal Years (1)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School's Proportion of the Net Pension Liability	0.0069949%	0.0061710%	0.0092660%	0.0092660%
School's Proportionate Share of the Net Pension Liability	\$ 511,962	\$ 352,123	\$ 468,947	\$ 551,019
School's Covered-Employee Payroll	\$ 217,236	\$ 185,781	\$ 269,242	\$ 177,421
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	235.67%	189.54%	174.17%	310.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the School's measurement date which is the prior fiscal period end.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Required Supplementary Information
Schedule of the School's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Four Fiscal Years (1)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School's Proportion of the Net Pension Liability	0.01275842%	0.01286338%	0.01262020%	0.01262020%
School's Proportionate Share of the Net Pension Liability	\$ 4,270,627	\$ 3,555,061	\$ 3,069,669	\$ 3,656,570
School's Covered-Employee Payroll	\$ 1,327,514	\$ 1,337,957	\$ 1,289,438	\$ 898,715
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	321.70%	265.71%	238.06%	406.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the School's measurement date which is the prior fiscal period end.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Required Supplementary Information
Schedule of School Contributions
School Employees Retirement System of Ohio
Last Six Fiscal Years (1)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 39,885	\$ 30,413	\$ 24,486	\$ 37,317	\$ 24,555	\$ 19,937
Contributions in Relation to the Contractually Required Contribution	<u>(39,885)</u>	<u>(30,413)</u>	<u>(24,486)</u>	<u>(37,317)</u>	<u>(24,555)</u>	<u>(19,937)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School Covered-Employee Payroll	\$ 284,893	\$ 217,236	\$ 185,781	\$ 269,242	\$ 177,421	\$ 148,230
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%

(1) Information prior to 2012 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

*Required Supplementary Information
Schedule of School Contributions
State Teachers Retirement System of Ohio
Last Six Fiscal Years (1)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 199,449	\$ 185,852	\$ 187,314	\$ 167,627	\$ 116,833	\$ 67,455
Contributions in Relation to the Contractually Required Contribution	<u>(199,449)</u>	<u>(185,852)</u>	<u>(187,314)</u>	<u>(167,627)</u>	<u>(116,833)</u>	<u>(67,455)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Covered-Employee Payroll	\$ 1,424,636	\$ 1,327,514	\$ 1,337,957	\$ 1,289,438	\$ 898,715	\$ 518,885
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

(1) Information prior to 2012 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

**BREAKTHROUGH CHARTER SCHOOLS:
CITIZENS LEADERSHIP ACADEMY
CUYAHOGA COUNTY, OHIO**

Notes to Required Supplementary Information

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement (h) change in discount rate from 7.75% to 7.5%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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December 23, 2017

To the Board of Trustees
Breakthrough Charter Schools:
Citizens Leadership Academy
9711 Lamont Avenue
Cleveland, Ohio 44106

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Breakthrough Charter Schools: Citizens Leadership Academy, Cuyahoga County, Ohio (the School) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 23, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Medina, Ohio



Dave Yost • Auditor of State

CITIZENS LEADERSHIP ACADEMY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 6, 2018**

88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.ohioauditor.gov

Key Financials:

- September Core Net Income = (\$6,329)
- YTD Core Income = (\$19,012)
- YTD Core Budget Variance = (\$10,556)
- Total Cash Balance = +\$63,626
- Total Net Assets = +\$365,075

Sponsor Benchmarks:

		CLA		CMSD Standard
Liquidity Ratio Index	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.95	Exceeds	1.0 to 1.1
Operating Cash	$\frac{\text{Total Cash}}{\text{Avg. Monthly Exp.}}$	0.25	Below	1.0 to 2.0 Months Cash
Reserve Ratio Index	$\frac{\text{Fund Balance}}{\text{Avg. Monthly Exp.}}$	0.52	Meets	0.40 to 0.75
Oct 2017 FTE Variance	$\frac{\text{Actual FTE}}{\text{Budgeted FTE}}$	95.4%	Exceeds	90-94.9% of Budget

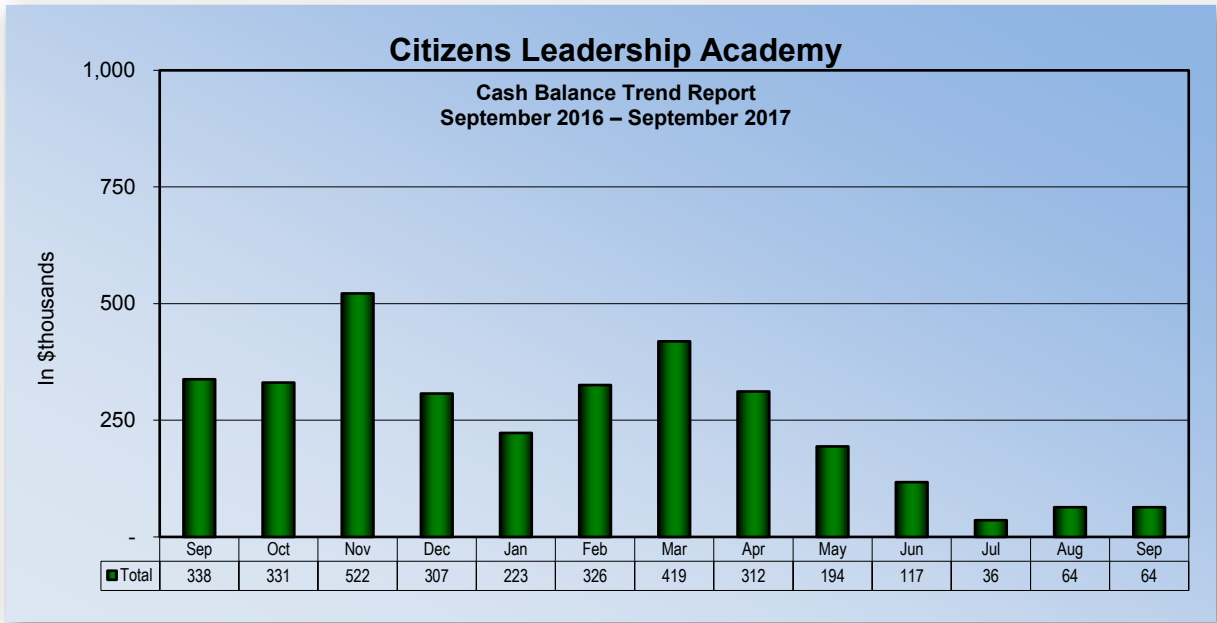
Most Important Financial Considerations:

- **Core Program Surplus** – The school-controlled net income for the core program (also known as the “instructional spend”) was a negative \$19,012 through September. The Year-To-Date Budget variance was negative \$10,556. Details are provided on page 4.
- **Cash Flow** – The month-end cash balance for CLA was \$63,626, equal to approximately one week of operating expenses. Based upon current projections, we anticipate the cash balance to improve considerably in October due to the receipt of TIF and CMSD levy payments.
- **FY18 Budget and Five-Year Forecast Submissions** – All Ohio community schools are required to submit an updated board-approved Budget and Forecast to their Sponsor and the Ohio Department of Education by the end of October. The updates must include current FY18 information on student enrollment and staff expenses. Drafts have been prepared and are currently being reviewed by the CLA Finance Committee.

Board Action Items:

1. **Review and Approve FY18 Budget and 5-year Forecast or authorize Board President to approve both documents prior to October submission deadline.**

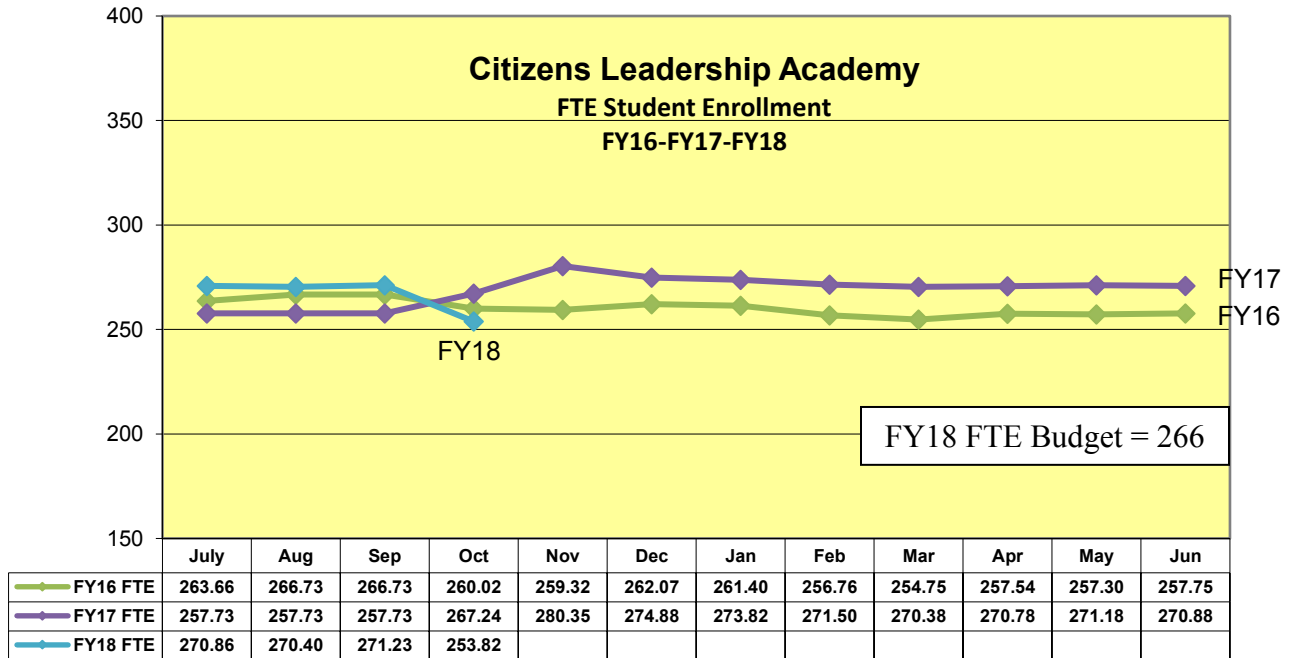
Cash Position Details: The total cash balance for the Citizens Leadership Academy was \$63,626 at the end of September, including restricted and unrestricted funds. This represents a significant decrease from September 2016, where the ending cash balance was \$521,860.



September 2017 Bank Reconciliation: The table below provides a summary of the Citizens Leadership Academy bank reconciliation for the period ending September 30, 2017. The bank reconciliation provides an explanation of the difference between the ending bank balance and the ending book balance. At the end of September, the School had a bank balance of \$74,441 with a total of \$10,815 in outstanding checks.

Citizens Leadership Academy	
30-Sep-17	
Book Balance	
Beginning Book Balance	\$ 63,637
Ending Book Balance	\$ 63,626
Bank Statement	
Ending Cash Balance	\$ 74,441
Outstanding Checks	\$ 10,815
Adjustments	\$ -
Reconciled Cash Bank Balance	\$ 63,626

Student Enrollment Summary: The chart below provides a trend line summary of the student enrollment for FY16, FY17 and FY18. The October Foundation Report reflected the change in FTE's for the new school year. The data for the subsequent months are based upon FTE student data as reported by the Ohio Department of Education through the monthly State Settlement reports. CLA FTE enrollment is 253.82 for the month of October, 12.18 below May 2017 budget.



FY18 Federal Programs: The chart below provides a summary of the FY18 federal allocations for the Citizens Leadership Academy Consolidated Federal Programs (CCIP). Allocations are earmarked for salaries, benefits and professional development services. The CCIP allocation for FY18 is \$280,866.

Citizens Leadership Academy FY18 CCIP - Federal Education Programs Financial Summary						
Federal Programs	FY18 Allocation	YTD Receipts	YTD Disbursed	Fund Balance	Encumbered Funds	Allocation Balance
Title I	\$ 182,663	\$ -	\$ 22,450	\$ (22,450)	\$ 160,213	\$ -
Title II-A	\$ 26,163	\$ -	\$ 4,160	\$ (4,160)	\$ 22,003	\$ -
Title IV	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
IDEA-B	\$ 62,040	\$ -	\$ (890)	\$ 890	\$ 62,930	\$ -
Totals	\$ 280,866	\$ -	\$ 25,720	\$ (25,720)	\$ 255,146	\$ -

Budget-to-Actual Analysis: The Citizens Leadership Academy Core Program deficit for the month of September was \$6,329. Year-To-Date Core Program deficit was \$19,012. Core Program revenues for the first three months of FY18 were \$730,043, a negative variance of \$21,305. Core Program expenses were \$749,055, a positive variance of \$10,749. As a result, the total Core Program budget variance through September 2017 was a negative \$10,556, which is 1.4% of YTD expenses. Details are provided on the chart below.

All Funds	SEP ACTUAL	FY18TD Actual	FY18TD Budget	Act/Bud Variance
STUDENT ENROLLMENT	271.23	271.23	266.00	5.23
CORE PROGRAM REVENUES				
STATE FOUNDATION	\$ 188,712	\$ 559,025	\$ 557,339	\$ 1,686
TITLE GRANTS (1)	\$ 22,572	\$ 67,717	\$ 67,250	\$ 467
OTHER FEDERAL AND STATE GRANTS	\$ 9,084	\$ 9,084	\$ 27,450	\$ (18,366)
TIF REVENUE	\$ 11,626	\$ 34,878	\$ 33,930	\$ 948
FOB SUPPORT (\$400/FTE) + EQUALIZATION	\$ 9,041	\$ 27,083	\$ 26,600	\$ 483
STATE EQUALIZATION FUNDING	\$ 4,635	\$ 13,904	\$ 13,904	\$ -
OTHER REVENUE (2)	\$ 5,016	\$ 18,352	\$ 24,875	\$ (6,523)
TOTAL CORE PROGRAM REVENUES	\$ 250,686	\$ 730,043	\$ 751,348	\$ (21,305)
CORE PROGRAM EXPENSES				
SALARIES AND BENEFITS	\$ 165,166	\$ 471,944	\$ 495,304	\$ 23,360
PURCHASED SERVICES (3)	\$ 22,459	\$ 90,989	\$ 92,396	\$ 1,408
MANAGEMENT FEE	\$ 36,164	\$ 108,492	\$ 106,400	\$ (2,092)
SUPPLIES AND MATERIALS	\$ 9,249	\$ 39,091	\$ 31,117	\$ (7,974)
CAPITAL OUTLAY	\$ 23,008	\$ 33,657	\$ 29,250	\$ (4,407)
OTHER EXPENSES	\$ 969	\$ 4,883	\$ 5,338	\$ 454
TOTAL CORE EXPENSES	\$ 257,015	\$ 749,055	\$ 759,804	\$ 10,749
CORE PROGRAM SURPLUS/DEFICIT	\$ (6,329)	\$ (19,012)	\$ (8,456)	\$ (10,556)
EXTRAORDINARY REVENUE & EXPENSES				
STANDARD GAP FUNDING REVERSAL	\$ (4,635)	\$ (13,904)	\$ (13,904)	\$ -
RENT EXPENSE	\$ (31,187)	\$ (93,560)	\$ (93,560)	\$ -
CASINO	\$ -	\$ 6,915	\$ 6,500	\$ 415
PROPERTY TAX LEVY REVENUE	\$ 58,358	\$ 58,358	\$ 47,731	\$ 10,627
FOB TRUE-UP	\$ (22,536)	\$ 42,192	\$ 53,234	\$ (11,042)
SURPLUS/DEFICIT after extraordinary items	\$ (6,329)	\$ (19,012)	\$ (8,456)	\$ (10,556)

Notes:

- (1) Title Grant earned revenues will be adjusted after eligible charge-backs are approved by ODE.
- (2) Other Revenue includes school fundraisers, class fees, and guaranteed model leader support payments.
- (3) Purchased Services includes Student Meals, Sponsor Fees, Instruction Improvement, Field Trips, Student Transportation, Garbage Removal & Cleaning, Building Repair & Maintenance, Utilities, Meeting Expenses and Advertising. Management Fees and Rent Expense are not included (listed separately).

Equity Position: The chart below outlines the balance sheet totals for September 2017 and the previous year based upon current QuickBooks ledgers. All of the information in this financial report is based upon pre-audit estimates using available information as of October 11, 2017.

**Citizens Leadership Academy
Balance Sheet Summary
September 2017 and September 2016
Working Draft 10-11-17**

ASSETS	SEP 30 2017	SEP 30 2016	\$ Change
Current Assets			
Cash (1)	\$ 63,626	\$ 337,872	\$ (274,247)
Accounts Receivables (2)	\$ 239,226	\$ 109,193	\$ 130,034
FoB Receivables (3)	\$ 172,268	\$ 318,301	\$ (146,033)
Other Receivables (4)	\$ 8,278	\$ 11,485	\$ (3,207)
Total Current Assets	\$ 483,397	\$ 776,851	\$ (293,453)
Non-Current Assets			
Capital Assets, net (2)	\$ 128,967	\$ 145,873	\$ (16,906)
Deposits	\$ -	\$ -	\$ -
Total Non-Current Assets	\$ 128,967	\$ 145,873	\$ (16,906)
TOTAL ASSETS	\$ 612,364	\$ 922,724	\$ (310,359)
LIABILITIES			
Current Liabilities			
Accounts Payable (2)	\$ 239,976	\$ 376,697	\$ (136,721)
Wages & Benefits Payable (5)	\$ 7,313	\$ 17,988	\$ (10,675)
Loan Payable	\$ -	\$ -	\$ -
Total Current Liabilities	\$ 247,289	\$ 394,685	\$ (147,396)
Non-Current Liabilities			
Loan Payable	\$ -	\$ -	\$ -
Capital Lease Payable	\$ -	\$ -	\$ -
Total Non-Current Liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 247,289	\$ 394,685	\$ (147,396)
NET EQUITY			
Net Assets (6)			
Temp. Restricted Net Assets	\$ 106,449	\$ 105,549	\$ 900
Temp. Restricted Net Assets - Capital	\$ 128,967	\$ 145,873	\$ (16,906)
Unrestricted Net Assets	\$ 148,671	\$ 207,058	\$ (58,387)
Net Income	\$ (19,012)	\$ 69,558	\$ (88,570)
TOTAL NET ASSETS	\$ 365,075	\$ 528,039	\$ (162,964)
TOTAL LIABILITIES & EQUITY	\$ 612,364	\$ 922,724	\$ (310,359)

Notes:

1. FY18 cash balances are based upon internal accounting records. FY17 cash balances are based upon QuickBooks accounting records.
2. Accounts Receivables, Capital Assets, Accounts Payable and Accrued Expenses are carried over from FY17 and under review.
3. FOB Receivables includes estimated FY17 and FY18 balances.
4. Other Receivables include prepaid expenses.
5. Wage and Benefits Obligations include stretch pay for teaches and payroll tax liabilities.
6. Total Net Assets are preliminary estimates based upon pre-audit financial information.

Key Financials:

- December Core Program Net Income = (\$17,287)
- YTD Core Income = (\$47,835)
- YTD Core Budget Variance = (\$10,863)
- Total Cash Balance = +\$140,901
- Total Net Assets = +\$330,949

Sponsor Benchmarks:

		CLA		CMSD Standard
Liquidity Ratio Index	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	2.08	Exceeds	1.0 to 1.1
Operating Cash	$\frac{\text{Total Cash}}{\text{Avg. Monthly Exp.}}$	0.49	Below	1.0 to 2.0 Months Cash
Reserve Ratio Index	$\frac{\text{Fund Balance}}{\text{Avg. Monthly Exp.}}$	0.33	Below	0.40 to 0.75
Nov 2017 FTE Variance	$\frac{\text{Actual FTE}}{\text{Budgeted FTE}}$	100.9%	Exceeds	90-94.9% of Budget

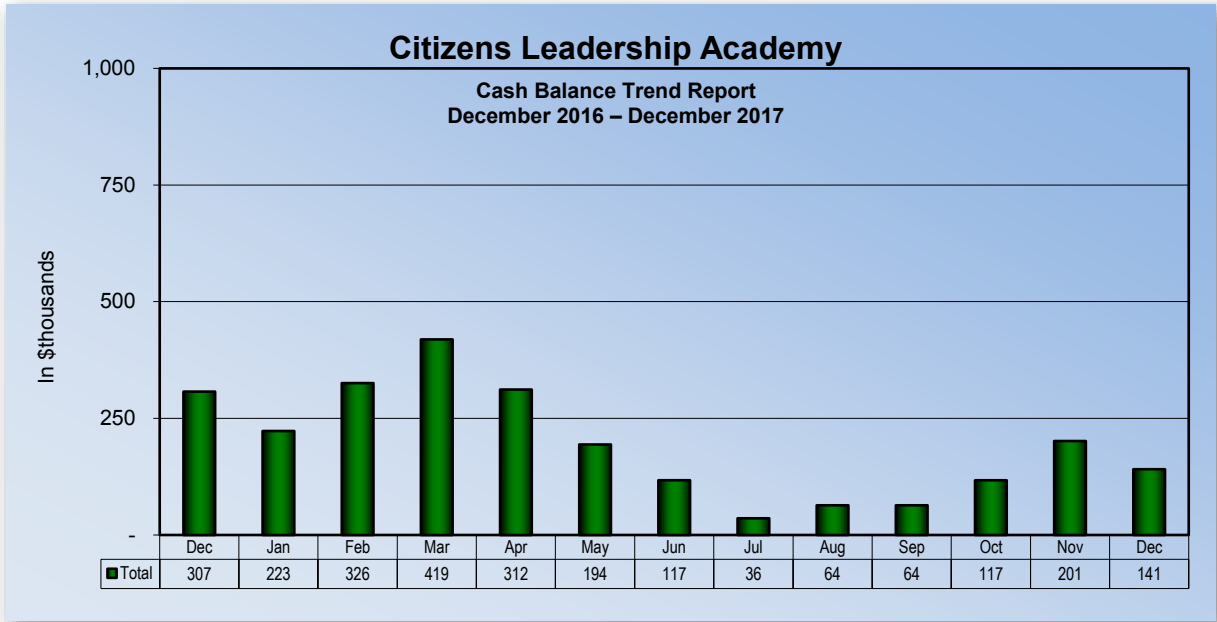
Treasurer Notes:

- **Core Program Budget Variance** – The budget variance for the core program during the first six months of fiscal year 2018 was a negative \$10,863. The Year-To-Date core program deficit is \$47,835.
- **Cash Flow** – The month-end cash balance for CLA was \$140,901, equal to approximately ten days of operating expenses. The cash fell in December as funds were used to reduce outstanding payables. We anticipate CLA’s cash balance to remain relatively low during the remaining six months of this fiscal year.
- **FY17 Audits** – The Fiscal Year 2017 audit was completed in December in preparation for the January 16th Audit Exit Conference. The final audit will be published once certified and released by the Auditor of State (scheduled for late-January).
- **IRS Form 990 Submission** – The final draft of the IRS 990 Form for CLAs is scheduled to be reviewed by the CLA Finance Committee in January and presented to the CLA Board for review and acceptance in February.
- **Model Budget Scenarios** – A variety of revenue/expenditure scenarios are being evaluated to see if there are other options for improving the financial sustainability of the CLA model. The refinement of these scenarios will serve as the foundation for updating the CLA Five-Year Forecast in May.

Board Action Items:

1. Continue board planning related to CLA’s long-term fiscal sustainability.

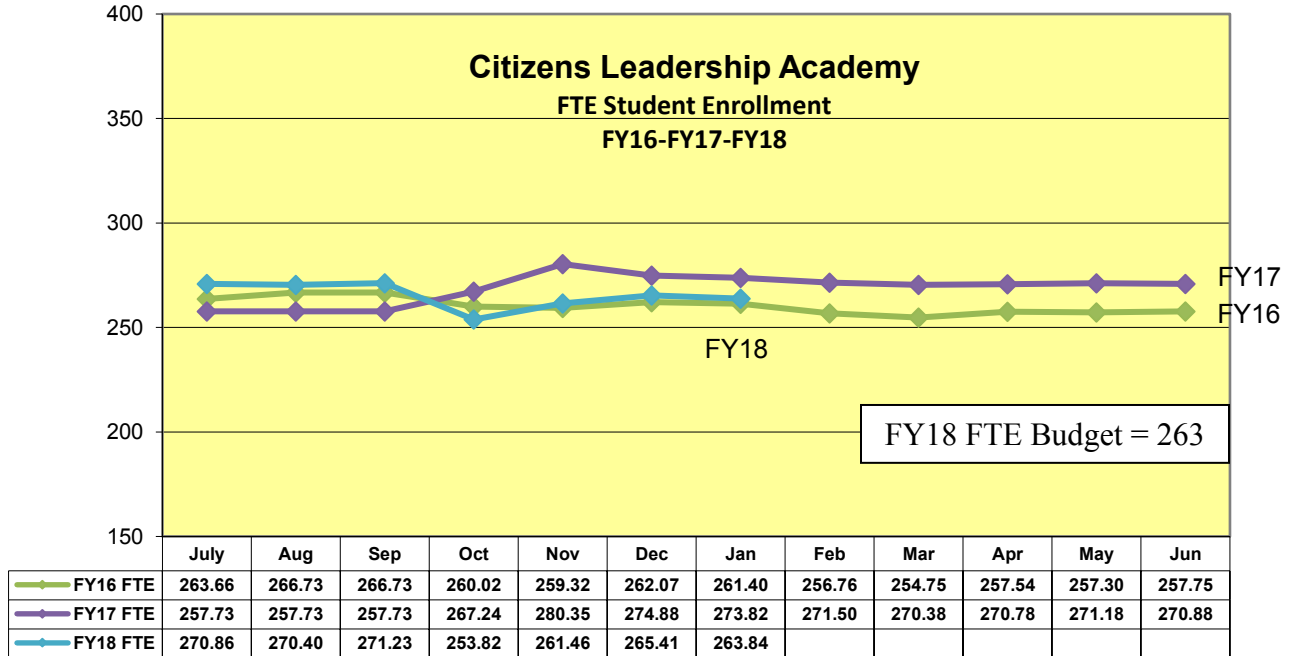
Cash Position Details: The total cash balance for the Citizens Leadership Academy was \$140,901 at the end of December, including restricted and unrestricted funds. This represents a decrease from December 2016, where the ending cash balance was \$307,293. CLA's cash balance is expected to remain relatively low during the remaining six months of this fiscal year.



December 2017 Bank Reconciliation: The table below provides a summary of the Citizens Leadership Academy bank reconciliation for the period ending December 31, 2017. The bank reconciliation provides an explanation of the difference between the ending bank balance and the ending book balance. At the end of December, the School had a bank balance of \$151,113 with a total of \$10,212 in outstanding checks.

Citizens Leadership Academy	
31-Dec-17	
Book Balance	
Beginning Book Balance	\$ 210,369
Ending Book Balance	\$ 140,901
Bank Statement	
Ending Cash Balance	\$ 151,113
Outstanding Checks	\$ 10,212
Adjustments	\$ -
Reconciled Cash Bank Balance	\$ 140,901

Student Enrollment Summary: The chart below provides a trend line summary of the student enrollment for FY16, FY17 and FY18. The October Foundation Report reflected the change in FTE's for the new school year. The data for the subsequent months are based upon FTE student data as reported by the Ohio Department of Education through the monthly State Settlement reports. January enrollment is 0.84 FTE above budget.



FY18 Federal Programs: The chart below provides a summary of the FY18 federal allocations for the Citizens Leadership Academy Consolidated Federal Programs (CCIP). Allocations are earmarked for salaries, benefits and professional development services. The CCIP allocation for FY18 is \$296,320. The Title I allocation is expected to decrease slightly in February during ODE's mid-year reallocation based upon a slight decline in student FTE enrollment from FY17 to FY18. Eligible CCIP disbursements through December 31st totaled \$79,743.

Citizens Leadership Academy FY18 CCIP - Federal Education Programs Financial Summary						
Federal Programs	FY18 Allocation	YTD Receipts	YTD Disbursed	Fund Balance	Encumbered Funds	Allocation Balance
Title I	\$ 173,786	\$ 50,863	\$ 57,622	\$ (6,758)	\$ 116,165	\$ -
Title II-A	\$ 46,255	\$ 14,844	\$ 11,013	\$ 3,831	\$ 35,242	\$ -
Title IV	\$ 10,000	\$ 2,927	\$ 10,037	\$ (7,110)	\$ (37)	\$ -
IDEA-B	\$ 66,280	\$ -	\$ 1,072	\$ (1,072)	\$ 65,208	\$ -
Totals	\$ 296,320	\$ 68,634	\$ 79,743	\$ (11,109)	\$ 216,578	\$ -

Budget-to-Actual Analysis: The Citizens Leadership Academy Core Program deficit for the month of December was \$17,287. Year-To-Date Core Program deficit was \$47,835. Core Program revenues for the first six months of FY18 were \$1,498,799, a negative variance of \$6,349. Core Program expenses were \$1,546,635, a negative variance of \$4,514. As a result, the total Core Program budget variance through December 2017 was a negative \$10,863, which is 0.7% of YTD expenses. Details are provided on the chart below.

All Funds	DEC ACTUAL	FY18TD Actual	FY18TD Budget	Act/Bud Variance
STUDENT ENROLLMENT	265.41	265.41	263.00	2.41
CORE PROGRAM REVENUES				
STATE FOUNDATION	\$ 197,754	\$ 1,120,178	\$ 1,117,107	\$ 3,071
TITLE GRANTS (1)	\$ 21,237	\$ 135,936	\$ 134,500	\$ 1,436
OTHER FEDERAL AND STATE GRANTS	\$ 10,718	\$ 44,732	\$ 49,900	\$ (5,168)
TIF REVENUE	\$ 5,474	\$ 87,583	\$ 90,380	\$ (2,797)
FOB SUPPORT (\$400/FTE) + EQLZATION	\$ 8,847	\$ 53,361	\$ 52,600	\$ 761
STATE EQUALIZATION FUNDING	\$ 4,583	\$ 27,652	\$ 27,495	\$ 157
OTHER REVENUE (2)	\$ 4,487	\$ 29,358	\$ 33,167	\$ (3,809)
TOTAL CORE PROGRAM REVENUES	\$ 253,099	\$ 1,498,799	\$ 1,505,148	\$ (6,349)
CORE PROGRAM EXPENSES				
SALARIES AND BENEFITS	\$ 173,897	\$ 1,007,530	\$ 1,013,039	\$ 5,509
PURCHASED SERVICES (3)	\$ 47,224	\$ 221,933	\$ 221,008	\$ (925)
MANAGEMENT FEE	\$ 35,388	\$ 213,603	\$ 210,400	\$ (3,203)
SUPPLIES AND MATERIALS	\$ 4,840	\$ 50,007	\$ 46,675	\$ (3,332)
CAPITAL OUTLAY	\$ 3,034	\$ 37,869	\$ 35,750	\$ (2,119)
OTHER EXPENSES	\$ 6,005	\$ 15,694	\$ 15,250	\$ (444)
TOTAL CORE EXPENSES	\$ 270,387	\$ 1,546,635	\$ 1,542,121	\$ (4,514)
CORE PROGRAM SURPLUS/DEFICIT	\$ (17,287)	\$ (47,835)	\$ (36,973)	\$ (10,863)
EXTRAORDINARY REVENUE & EXPENSES				
STANDARD GAP FUNDING REVERSAL	\$ (4,583)	\$ (27,652)	\$ (27,495)	\$ (157)
RENT EXPENSE	\$ (31,187)	\$ (187,121)	\$ (187,121)	\$ -
CASINO	\$ -	\$ 6,915	\$ 6,500	\$ 415
PROPERTY TAX LEVY REVENUE	\$ -	\$ 67,305	\$ 87,537	\$ (20,232)
FOB TRUE-UP	\$ 35,769	\$ 140,552	\$ 120,579	\$ 19,973
SURPLUS/DEFICIT after extraordinary items	\$ (17,287)	\$ (47,835)	\$ (36,973)	\$ (10,863)

Notes:

- (1) Title Grants accruals are anticipated to be reduced slightly during mid-year FY18 CCIP reallocation.
- (2) Other Gap Funding consists of guaranteed model leader support payments and is included in Other Revenue.
- (3) Purchased Services includes Student Meals, Sponsor Fees, Instruction Improvement, Field Trips, Student Transportation, Garbage Removal & Cleaning, Building Repair & Maintenance, Utilities, Meeting Expenses, Advertising, Management Fees and Rent Expense are not included (listed separately).

Equity Position: The chart below outlines the balance sheet totals for December 2017 and the previous year based upon current QuickBooks ledgers. All of the information in this financial report is based upon pre-audit estimates using available information as of January 12, 2018.

**Citizens Leadership Academy
Balance Sheet Summary
December 2017 and December 2016
Working Draft 01-12-18**

ASSETS	DEC 31 2017	DEC 31 2016	\$ Change
Current Assets			
Cash (1)	\$ 140,901	\$ 307,293	\$ (166,392)
Accounts Receivables (2)	\$ 111,109	\$ 226,856	\$ (115,747)
FoB Receivables (3)	\$ 40,552	\$ 151,322	\$ (110,770)
Other Receivables (4)	\$ -	\$ 10,637	\$ (10,637)
Total Current Assets	\$ 292,562	\$ 696,108	\$ (403,546)
Non-Current Assets			
Capital Assets, net (2)	\$ 128,967	\$ 140,316	\$ (11,349)
Deposits	\$ -	\$ -	\$ -
Total Non-Current Assets	\$ 128,967	\$ 140,316	\$ (11,349)
TOTAL ASSETS	\$ 421,529	\$ 836,425	\$ (414,896)
LIABILITIES			
Current Liabilities			
Accounts Payable (2)	\$ 90,580	\$ 282,150	\$ (191,570)
Wages & Benefits Payable (5)	\$ 49,838	\$ 50,344	\$ (506)
Loan Payable	\$ -	\$ -	\$ -
Total Current Liabilities	\$ 140,418	\$ 332,494	\$ (192,076)
Non-Current Liabilities			
Loan Payable	\$ -	\$ -	\$ -
Capital Lease Payable	\$ -	\$ -	\$ -
Total Non-Current Liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 140,418	\$ 332,494	\$ (192,076)
NET EQUITY			
Net Assets (6)			
Restricted for Locally Funded Programs	\$ 107,429	\$ 105,549	\$ 1,880
Temp. Restricted Net Assets - Capital	\$ 128,967	\$ 140,316	\$ (11,349)
Unrestricted Net Assets	\$ 142,388	\$ 212,615	\$ (70,227)
Net Income	\$ (47,835)	\$ 45,451	\$ (93,286)
TOTAL NET ASSETS	\$ 330,949	\$ 503,931	\$ (172,982)
TOTAL LIABILITIES & EQUITY	\$ 471,367	\$ 836,425	\$ (365,058)

Notes:

1. FY18 cash balances are based upon internal accounting records. FY17 cash balances are based upon QuickBooks accounting records.
2. Accounts Receivables, Capital Assets, Accounts Payable and Accrued Expenses are carried over from FY17 and under review.
3. FOB Receivables includes estimated FY17 and FY18 balances.
4. Other Receivables include prepaid expenses.
5. Wage and Benefits Obligations include stretch pay for teaches and payroll tax liabilities.
6. Total Net Assets are preliminary estimates based upon pre-audit financial information.

Key Financials:

- YTD Surplus / (Deficit) = (\$34,784)
- FY18 Core Income = (\$34,340)
- FY18 Core Budget Variance = (\$20,871)
- Total Cash Balance = +\$390,191
- Total Net Assets = +\$344,000

Sponsor Benchmarks:

		CLA		CMSD Standard
Liquidity Ratio Index	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.56	Exceeds	1.0 to 1.1
Operating Cash	$\frac{\text{Total Cash}}{\text{Avg. Monthly Exp.}}$	1.57	Meets	1.0 to 2.0 Months Cash
Reserve Ratio Index	$\frac{\text{Fund Balance}}{\text{Avg. Monthly Exp.}}$	0.43	Meets	0.40 to 0.75
Mar 2018 FTE Variance	$\frac{\text{Actual FTE}}{\text{Budgeted FTE}}$	99.1%	Exceeds	90-94.9% of Budget

Treasurer Notes:

- **FY19 Budget and May Five-Year Forecast Update** – The rough draft of the FY19 CLA Budget was completed at the end of March. The next phase of the process is to refine all of the revenue and expense projections to achieve a balanced FY19 Budget for CLA by the end of April in addition to the updated draft of the Five-Year Forecast. After review by the Finance Committee in early-May, the CLA FY19 Budget and Five-Year Forecast will be presented to the Board for approval during the May Board meeting and submitted to the Sponsor and ODE prior to the May 31st deadline.
- **Budget-to-Actual Analysis:** Citizens Leadership Academy’s Core Program cash deficit through February for FY18 activity was \$98,882. The year-end projected deficit is projected to be \$34,340 based upon anticipated receipts and disbursements for the remainder of the fiscal year. FY18 Core Program Receipts are projected to be \$2,957,535, a negative \$20,738 budget variance primarily due to slightly lower than anticipated FTE enrollment. The Core Program Expenses for FY18 are projected to be \$2,991,875, a negative \$133 budget variance. As a result, the projected FY18 core budget variance is \$20,871 based upon current revenue and expense assumptions.
- **Operating Cash** – The Operating Cash ratio for CLA met the CMSD standard in March. The total cash reserve is expected to trend downward during the remainder of FY18 based upon current receipt and disbursement projections.

Board Action Items:

1. Continue discussions related to the FY19 CLA Budget and May 2018 Five-Year Forecast update.

Cash Position Details: The total cash balance for the Citizens Leadership Academy was \$390,191 at the end of March, including restricted and unrestricted funds. This represents a slight decrease from March 2017, where the ending cash balance was \$419,144. CLA's cash balance is expected to trend negative during the remaining three months of this fiscal year.

Citizens Leadership Academy

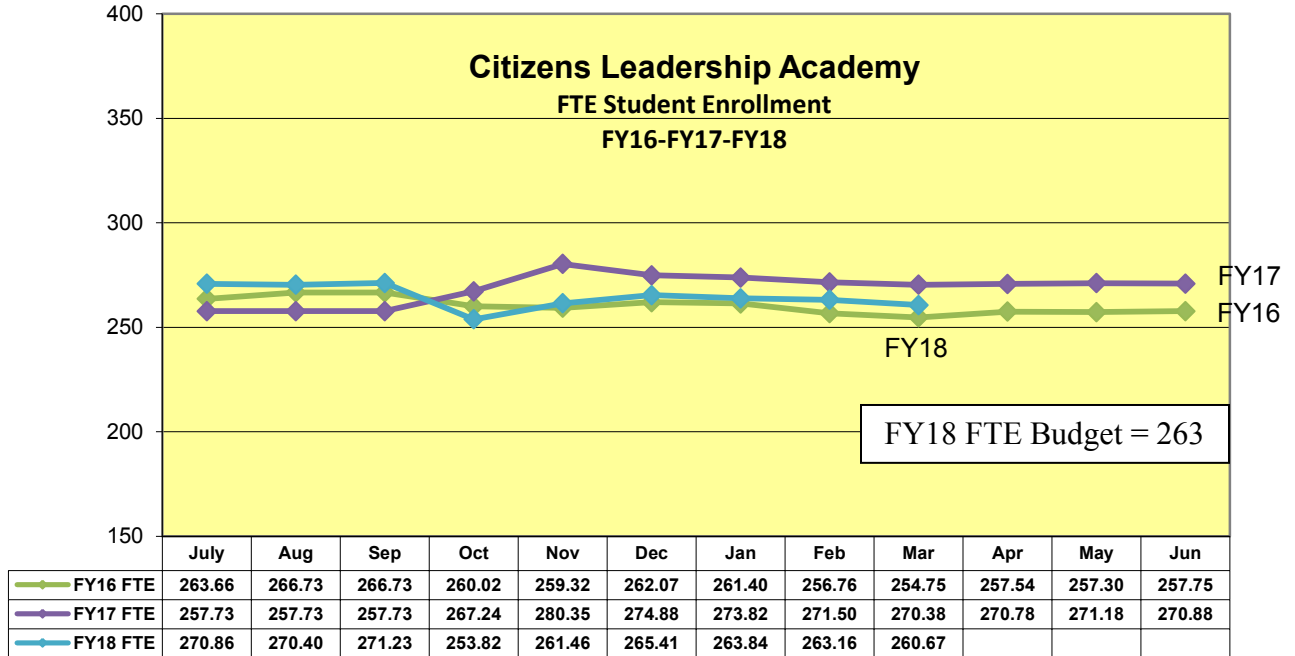
Cash Balance Trend Report March 2017 – March 2018

In \$thousands

March 2018 Bank Reconciliation: The table below provides a summary of the Citizens Leadership Academy bank reconciliation for the period ending March 31, 2018. The bank reconciliation provides an explanation of the difference between the ending bank balance and the ending book balance. At the end of March, the School had a bank balance of \$400,963 with a total of \$10,772 in outstanding checks.

Citizens Leadership Academy	
March 31, 2018	
Book Balance	
	Beginning Book Balance \$ 172,818
	Ending Book Balance \$ 390,191
Bank Statement	
	Ending Cash Balance \$ 400,963
	Outstanding Checks \$ 10,772
	Adjustments \$ -
	Reconciled Cash Bank Balance \$ 390,191

Student Enrollment Summary: The chart below provides a trend line summary of the student enrollment for FY16, FY17 and FY18. The October Foundation Report reflected the change in FTE's for the new school year. The data for the subsequent months are based upon FTE student data as reported by the Ohio Department of Education through the monthly State Settlement reports. March enrollment is 2.33 FTE below budget.



FY18 Federal Programs: The chart below provides a summary of the FY18 federal allocations for the Citizens Leadership Academy Consolidated Federal Programs (CCIP). Allocations are earmarked for salaries, benefits and professional development services. The CCIP allocation for FY18 is \$306,320. Disbursements totaled \$164,876 and Receipts totaled \$162,730 year-to-date.

Citizens Leadership Academy FY18 CCIP - Federal Education Programs Financial Summary						
Federal Programs	FY18 Allocation	YTD Receipts	YTD Disbursed	Fund Balance	Encumbered Funds	Allocation Balance
Title I	\$ 196,877	\$ 108,165	\$ 109,997	\$ (1,832)	\$ 86,880	\$ -
Title IV	\$ 10,000	\$ 5,788	\$ 5,788	\$ -	\$ 4,212	\$ -
Title II-A	\$ 33,164	\$ 11,902	\$ 11,902	\$ -	\$ 21,262	\$ -
IDEA-B	\$ 66,280	\$ 36,876	\$ 37,190	\$ (314)	\$ 29,090	\$ -
Totals	\$ 306,320	\$ 162,730	\$ 164,876	\$ (2,146)	\$ 141,444	\$ -

Budget-to-Actual Analysis: Citizens Leadership Academy's Core Program cash deficit through February for FY18 activity was \$98,882. The year-end projected deficit is projected to be \$34,340 based upon anticipated receipts and disbursements for the remainder of the fiscal year. FY18 Core Program Receipts are projected to be \$2,957,535, a negative \$20,738 budget variance primarily due to slightly lower than anticipated FTE enrollment. The Core Program Expenses for FY18 are projected to be \$2,991,875, a negative \$133 budget variance. As a result, the projected FY18 core budget variance is \$20,871 based upon current revenue and expense assumptions. Details are provided on the chart below.

All Funds	JUL - MAR Actual	APR - JUN Projections	FY18 Projections	FY18 Budget (1)	Act/Bud Variance
STUDENT ENROLLMENT (2)	260.67	260.67	260.67	263.00	(2.33)
CORE PROGRAM REVENUES					
STATE FOUNDATION (3)	\$ 1,666,774	\$ 525,291	\$ 2,192,065	\$ 2,204,213	\$ (12,148)
TITLE GRANTS	\$ 162,730	\$ 115,686	\$ 278,416	\$ 269,000	\$ 9,416
TIF REVENUE	\$ 114,142	\$ 21,428	\$ 135,570	\$ 135,570	\$ -
FOOD SERVICES	\$ 83,306	\$ 26,494	\$ 109,800	\$ 109,800	\$ -
FOB DONATIONS	\$ 51,603	\$ 157,655	\$ 209,258	\$ 210,190	\$ (932)
OTHER REVENUE	\$ 19,100	\$ 13,326	\$ 32,426	\$ 49,500	\$ (17,074)
TOTAL CORE PROGRAM REVENUES	\$ 2,097,656	\$ 859,879	\$ 2,957,535	\$ 2,978,273	\$ (20,738)
CORE PROGRAM EXPENSES					
SALARIES	\$ 1,144,307	\$ 427,327	\$ 1,571,634	\$ 1,572,896	\$ 1,262
BENEFITS	\$ 310,116	\$ 108,225	\$ 418,341	\$ 413,181	\$ (5,160)
PURCHASED SERVICES (4)	\$ 298,656	\$ 126,477	\$ 425,133	\$ 422,015	\$ (3,118)
MANAGEMENT FEE	\$ 312,804	\$ 104,268	\$ 417,072	\$ 420,800	\$ 3,728
SUPPLIES AND MATERIALS	\$ 74,221	\$ 12,890	\$ 87,111	\$ 93,350	\$ 6,239
CAPITAL OUTLAY	\$ 37,982	\$ 1,782	\$ 39,763	\$ 39,000	\$ (763)
OTHER EXPENSES	\$ 18,453	\$ 14,368	\$ 32,821	\$ 30,500	\$ (2,321)
TOTAL CORE EXPENSES	\$ 2,196,538	\$ 795,337	\$ 2,991,875	\$ 2,991,742	\$ (133)
CORE PROGRAM SURPLUS/DEFICIT	\$ (98,882)	\$ 64,542	\$ (34,340)	\$ (13,469)	\$ (20,871)
EXTRAORDINARY REVENUE & EXPENSES					
STANDARD GAP FUNDING REVERSAL	\$ (51,603)	\$ (107,655)	\$ (159,258)	\$ (160,190)	\$ 932
RENT EXPENSE	\$ (155,935)	\$ (218,306)	\$ (374,241)	\$ (374,241)	\$ -
CASINO	\$ 13,435	\$ -	\$ 13,435	\$ 13,000	\$ 435
PROPERTY TAX LEVY REVENUE	\$ 178,745	\$ 12,177	\$ 190,922	\$ 190,922	\$ -
1 FOR 12 TIF REVENUE	\$ 42,116	\$ 14,039	\$ 56,155	\$ 56,155	\$ -
FOB TRUE-UP	\$ (26,758)	\$ 299,745	\$ 272,987	\$ 274,354	\$ (1,367)
SURPLUS/DEFICIT after extraordinary items	\$ (98,882)	\$ 64,542	\$ (34,340)	\$ (13,469)	\$ (20,871)

Notes:

- (1) FY18 Budget is based upon October 2017 approved CLA Budget.
- (2) Projected Student enrollment is based upon the March State Foundation report.
- (3) Annual State Foundation projected revenue assumes no further reductions in student FTE enrollment.
- (4) Purchased Services includes Student Meals, Sponsor Fees, Instruction Improvement, Field Trips, Student Transportation, Garbage Removal & Cleaning, Building Repair & Maintenance, Utilities, Meeting Expenses, Advertising, Management Fees and Rent Expense are not included (listed separately).

Equity Position: The chart below outlines the balance sheet totals for the current and prior year months. All of the information in this financial report is based upon pre-audit estimates using available information as of April 8, 2018. GASB 68 pension liability entries are not included in this Balance Sheet Summary as they are not a legal liability for the School. This information should not be used for official financial analysis or reporting. It is provided solely for the use of the Board and Administration to facilitate future financial planning.

**Citizens Leadership Academy
Balance Sheet Summary
March 2018 and March 2017
Working Draft 04-08-18**

ASSETS	MAR 31 2018	MAR 31 2017	\$ Change
Current Assets			
Cash (1)	\$ 390,191	\$ 419,144	\$ (28,953)
Accounts Receivables (2)	\$ 2,146	\$ 182,482	\$ (180,336)
FoB Receivables (3)	\$ 204,202	\$ 221,358	\$ (17,156)
Other Receivables (4)	\$ -	\$ 5,126	\$ (5,126)
Total Current Assets	\$ 596,539	\$ 828,111	\$ (231,572)
Non-Current Assets			
Capital Assets, net (2)	\$ 128,967	\$ 134,540	\$ (5,573)
Deposits	\$ -	\$ -	\$ -
Total Non-Current Assets	\$ 128,967	\$ 134,540	\$ (5,573)
TOTAL ASSETS	\$ 725,506	\$ 962,650	\$ (237,144)
LIABILITIES			
Current Liabilities			
Accounts Payable (2)	\$ 298,971	\$ 326,814	\$ (27,843)
Wages & Benefits Payable (5)	\$ 82,535	\$ 76,776	\$ 5,758
Loan Payable	\$ -	\$ -	\$ -
Total Current Liabilities	\$ 381,506	\$ 403,590	\$ (22,084)
Non-Current Liabilities			
Loan Payable	\$ -	\$ -	\$ -
Capital Lease Payable	\$ -	\$ -	\$ -
Total Non-Current Liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 381,506	\$ 403,590	\$ (22,084)
NET EQUITY			
Net Assets (6)			
Restricted for Locally Funded Programs	\$ 107,429	\$ 106,449	\$ 980
Temp. Restricted Net Assets - Capital	\$ 128,967	\$ 134,540	\$ (5,573)
Unrestricted Net Assets	\$ 142,388	\$ 217,492	\$ (75,104)
Net Income	\$ (34,784)	\$ 100,580	\$ (135,364)
TOTAL NET ASSETS	\$ 344,000	\$ 559,060	\$ (215,060)
TOTAL LIABILITIES & EQUITY	\$ 725,506	\$ 962,650	\$ (237,144)

Notes:

1. FY18 cash balances are based upon internal accounting records. FY17 cash balances are based upon QuickBooks accounting records.
2. Accounts Receivables, Capital Assets, Accounts Payable and Accrued Expenses are carried over from FY17 and under review.
3. FOB Receivables includes estimated FY17 and FY18 balances.
4. Other Receivables include prepaid expenses.
5. Wage and Benefits Obligations include stretch pay for teaches and payroll tax liabilities.
6. Total Net Assets are preliminary estimates based upon pre-audit financial information.

Key Financials:

- YTD Net Income = (\$22,336)
- Projected FY18 Core Income = (\$53,371)
- Projected FY18 Core Budget Variance = (\$39,902)
- Total Cash Balance = +\$352,725
- Total Net Assets = +\$325,413

Sponsor Benchmarks:

		CLA		CMSD Standard
Liquidity Ratio Index	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.60	Exceeds	1.0 to 1.1
Operating Cash	$\frac{\text{Total Cash}}{\text{Avg. Monthly Exp.}}$	1.23	Meets	1.0 to 2.0 Months Cash
Reserve Ratio Index	$\frac{\text{Fund Balance}}{\text{Avg. Monthly Exp.}}$	0.31	Below	0.40 to 0.75
Jun 2018 FTE Variance	$\frac{\text{Actual FTE}}{\text{Budgeted FTE}}$	99.6%	Exceeds	90-94.9% of Budget

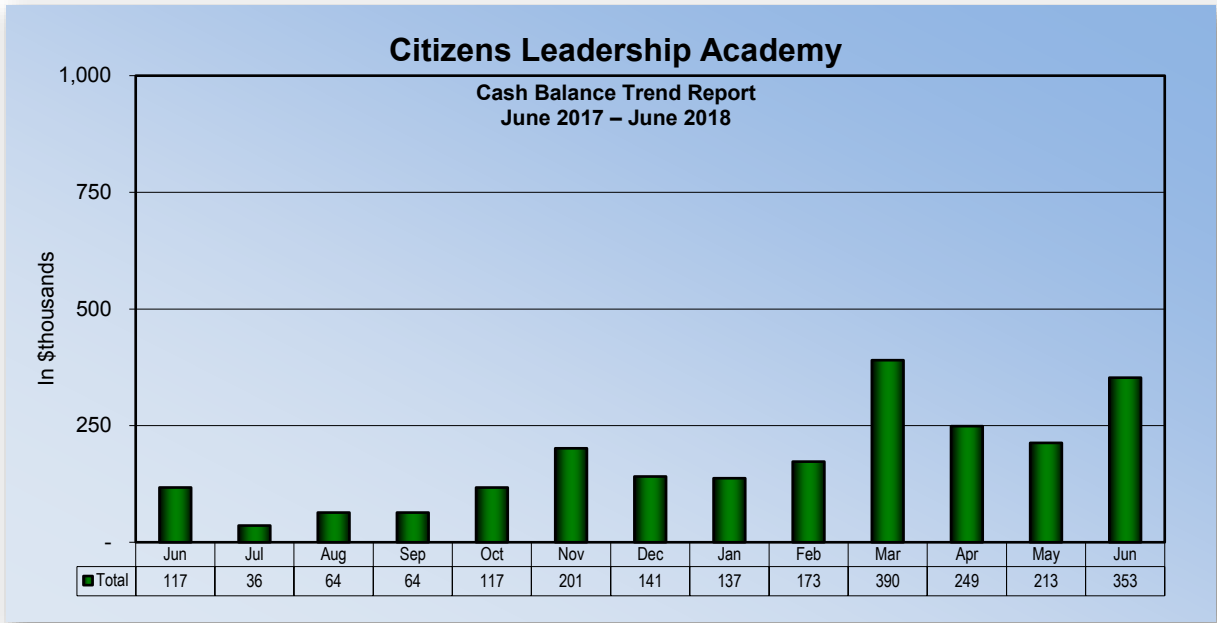
Treasurer Notes:

- **Budget-to-Actual Analysis** – Citizens Leadership Academy’s Core Program cash deficit through June for FY18 activity was \$22,336. The year-end projected deficit is projected to be \$53,371 based upon anticipated receipts and disbursements. FY18 Core Program Receipts are projected to be \$3,027,424, a positive \$49,151 budget variance primarily due to higher than anticipated Federal Fund revenues. The Core Program Expenses for FY18 are projected to be \$3,080,795, a negative \$89,053 budget variance. As a result, the projected FY18 core budget variance is negative \$39,902 based upon current revenue and expense assumptions. Details are provided on page four of this report.
- **Operating Cash** – As anticipated, the Operating Cash and Reserve Ratio fell below the CMSD standards in June. The total cash reserve is expected to trend slightly downward during the remainder of FY18 based upon current receipt and disbursement projections.

Board Action Items:

1. Continue board planning related to CLA’s long-term goals.

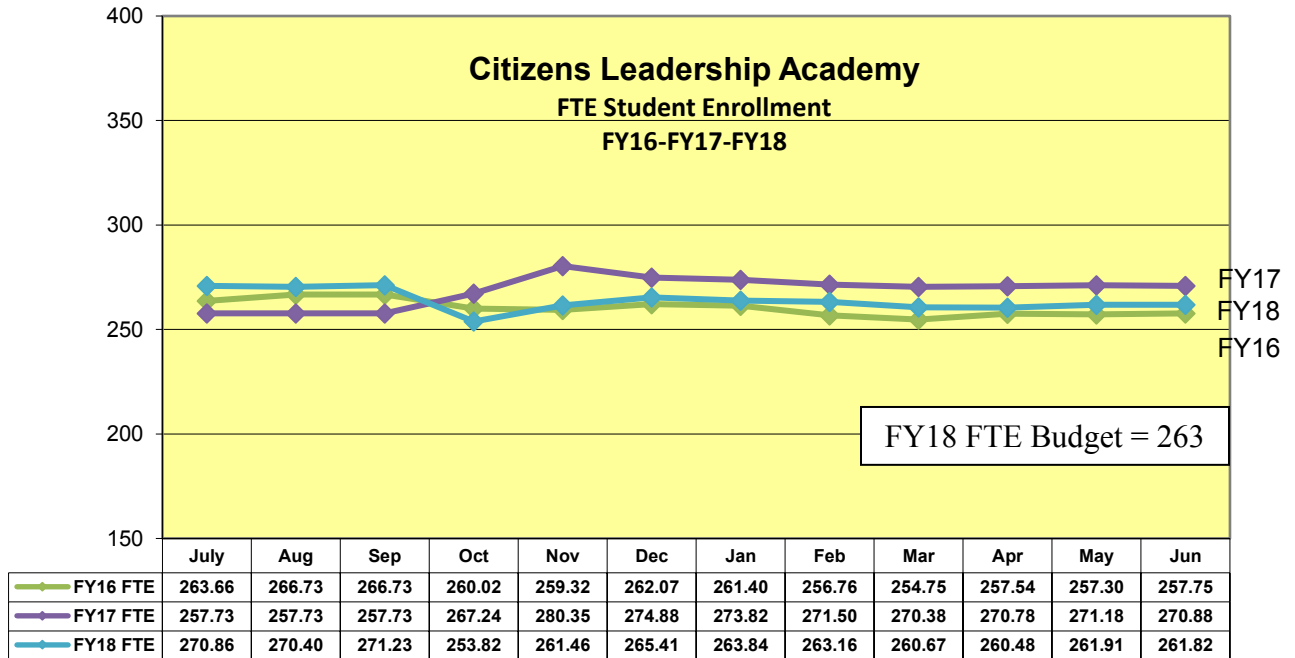
Cash Position Details: The total cash balance for the Citizens Leadership Academy was \$352,725 at the end of June, including restricted and unrestricted funds. This represents an increase from June 2017, where the ending cash balance was \$117,353. CLA's cash balance is expected to trend slightly negative during the remaining two months of this fiscal year.



June 2018 Bank Reconciliation: The table below provides a summary of the Citizens Leadership Academy bank reconciliation for the period ending June 30, 2018. The bank reconciliation provides an explanation of the difference between the ending bank balance and the ending book balance. At the end of June, the School had a bank balance of \$371,370 with a total of \$18,645 in outstanding checks.

Citizens Leadership Academy June 30, 2018	
Book Balance	
Beginning Book Balance	\$ 212,964
Ending Book Balance	\$ 352,725
Bank Statement	
Ending Cash Balance	\$ 371,370
Outstanding Checks	\$ 18,645
Adjustments	\$ -
Reconciled Cash Bank Balance	\$ 352,725

Student Enrollment Summary: The chart below provides a trend line summary of the student enrollment for FY16, FY17 and FY18. The October Foundation Report reflected the change in FTE's for the new school year. The data for the subsequent months are based upon FTE student data as reported by the Ohio Department of Education through the monthly State Settlement reports. June enrollment is 1.18 FTE below budget.



FY18 Federal Programs: The chart below provides a summary of the FY18 federal allocations for the Citizens Leadership Academy Consolidated Federal Programs (CCIP). Allocations are earmarked for salaries, benefits and professional development services. The CCIP allocation for FY18 is \$296,320. Disbursements totaled \$271,282 and Receipts totaled \$256,921 year-to-date.

Citizens Leadership Academy FY18 CCIP - Federal Education Programs Financial Summary						
Federal Programs	FY18 Allocation	YTD Receipts	YTD Disbursed	Fund Balance	Encumbered Funds	Allocation Balance
Title I & Title IV	\$ 183,786	\$ 168,674	\$ 183,157	\$ (14,483)	\$ 629	\$ -
Title II-A	\$ 46,255	\$ 31,476	\$ 31,202	\$ 274	\$ 15,053	\$ -
IDEA-B	\$ 66,280	\$ 56,771	\$ 56,923	\$ (152)	\$ 9,357	\$ -
Totals	\$ 296,320	\$ 256,921	\$ 271,282	\$ (14,361)	\$ 25,038	\$ -

Budget-to-Actual Analysis: Citizens Leadership Academy's Core Program cash deficit through June for FY18 activity was \$22,336. The year-end projected deficit is projected to be \$53,371 based upon anticipated receipts and disbursements. FY18 Core Program Receipts are projected to be \$3,027,424, a positive \$49,151 budget variance primarily due to higher than anticipated Federal Fund revenues. The Core Program Expenses for FY18 are projected to be \$3,080,795, a negative \$89,053 budget variance. As a result, the projected FY18 core budget variance is negative \$39,902 based upon current revenue and expense assumptions. Details are provided on the chart below.

All Funds	FY18 Actual	FY18 Projection	FY18 Act + Proj	FY18 Budget (1)	Act/Bud Variance
STUDENT ENROLLMENT (2)	261.82	261.82	261.82	263.00	(1.18)
CORE PROGRAM REVENUES					
STATE FOUNDATION (3)	\$ 2,203,759	\$ -	\$ 2,203,759	\$ 2,204,213	\$ (454)
TITLE GRANTS	\$ 256,922	\$ 29,462	\$ 286,384	\$ 269,000	\$ 17,384
TIF REVENUE	\$ 138,159	\$ 40,696	\$ 178,855	\$ 135,570	\$ 43,285
FOOD SERVICES	\$ 109,020	\$ -	\$ 109,020	\$ 109,800	\$ (780)
FOB DONATIONS	\$ 201,603	\$ 8,115	\$ 209,718	\$ 210,190	\$ (472)
OTHER REVENUE	\$ 29,781	\$ 9,907	\$ 39,688	\$ 49,500	\$ (9,812)
TOTAL CORE PROGRAM REVENUES	\$ 2,939,244	\$ 88,180	\$ 3,027,424	\$ 2,978,273	\$ 49,151
CORE PROGRAM EXPENSES					
SALARIES	\$ 1,506,687	\$ 83,752	\$ 1,590,439	\$ 1,572,896	\$ (17,543)
BENEFITS	\$ 406,602	\$ 10,758	\$ 417,360	\$ 413,181	\$ (4,179)
PURCHASED SERVICES (4)	\$ 467,921	\$ 8,872	\$ 476,793	\$ 422,015	\$ (54,778)
MANAGEMENT FEE	\$ 416,906	\$ 2,006	\$ 418,912	\$ 420,800	\$ 1,888
SUPPLIES AND MATERIALS	\$ 94,703	\$ 8,927	\$ 103,630	\$ 93,350	\$ (10,280)
CAPITAL OUTLAY	\$ 37,982	\$ 4,900	\$ 42,882	\$ 39,000	\$ (3,882)
OTHER EXPENSES	\$ 30,779	\$ -	\$ 30,779	\$ 30,500	\$ (279)
TOTAL CORE EXPENSES	\$ 2,961,580	\$ 119,215	\$ 3,080,795	\$ 2,991,742	\$ (89,053)
CORE PROGRAM SURPLUS/DEFICIT	\$ (22,336)	\$ (31,035)	\$ (53,371)	\$ (13,469)	\$ (39,902)
EXTRAORDINARY REVENUE & EXPENSES					
STANDARD GAP FUNDING REVERSAL	\$ (201,603)	\$ 41,413	\$ (160,190)	\$ (160,190)	\$ -
RENT EXPENSE	\$ (155,935)	\$ (218,306)	\$ (374,241)	\$ (374,241)	\$ -
CASINO	\$ 13,435	\$ -	\$ 13,435	\$ 13,000	\$ 435
PROPERTY TAX LEVY REVENUE	\$ 161,327	\$ 29,595	\$ 190,922	\$ 190,922	\$ -
1 FOR 12 TIF REVENUE	\$ 56,155	\$ -	\$ 56,155	\$ 56,155	\$ -
FOB TRUE-UP	\$ 126,621	\$ 147,298	\$ 273,919	\$ 274,354	\$ (435)
SURPLUS/DEFICIT after extraordinary items	\$ (22,336)	\$ (31,035)	\$ (53,371)	\$ (13,469)	\$ (39,902)

Notes:

- (1) FY18 Budget is based upon October 2017 approved CLA Budget.
- (2) Projected Student enrollment is based upon the June State Foundation report.
- (3) Annual State Foundation projected revenue assumes no further reductions in student FTE enrollment.
- (4) Purchased Services includes Student Meals, Sponsor Fees, Instruction Improvement, Field Trips, Student Transportation, Garbage Removal & Cleaning, Building Repair & Maintenance, Utilities, Meeting Expenses, Advertising, Management Fees and Rent Expense are not included (listed separately).

Equity Position: The chart below outlines the balance sheet totals for the current and prior year months. All of the information in this financial report is based upon pre-audit estimates using available information as of July 11, 2018. GASB 68 pension liability entries are not included in this Balance Sheet Summary as they are not a legal liability for the School. This information should not be used for official financial analysis or reporting. It is provided solely for the use of the Board and Administration to facilitate future financial planning.

**Citizens Leadership Academy
Balance Sheet Summary
June 2018 and June 2017
Working Draft 07-11-18**

ASSETS	JUN 30 2018	JUN 30 2017	\$ Change
Current Assets			
Cash (1)	\$ 352,725	\$ 117,353	\$ 235,372
Accounts Receivables (2)	\$ 55,057	\$ 243,523	\$ (188,466)
FoB Receivables (3)	\$ 113,729	\$ 265,934	\$ (152,205)
Other Receivables (4)	\$ -	\$ 1,995	\$ (1,995)
Total Current Assets	\$ 521,511	\$ 628,805	\$ (107,294)
Non-Current Assets			
Capital Assets, net (2)	\$ 128,967	\$ 128,967	\$ -
Deposits	\$ -	\$ -	\$ -
Total Non-Current Assets	\$ 128,967	\$ 128,967	\$ -
TOTAL ASSETS	\$ 650,479	\$ 757,772	\$ (107,294)
LIABILITIES			
Current Liabilities			
Accounts Payable (2)	\$ 228,243	\$ 244,100	\$ (15,858)
Wages & Benefits Payable (5)	\$ 96,822	\$ 129,585	\$ (32,762)
Loan Payable	\$ -	\$ -	\$ -
Total Current Liabilities	\$ 325,065	\$ 373,685	\$ (48,620)
Non-Current Liabilities			
Loan Payable	\$ -	\$ -	\$ -
Capital Lease Payable	\$ -	\$ -	\$ -
Total Non-Current Liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 325,065	\$ 373,685	\$ (48,620)
NET EQUITY			
Net Assets (6)			
Restricted for Locally Funded Programs	\$ 107,429	\$ 106,449	\$ 980
Temp. Restricted Net Assets - Capital	\$ 128,967	\$ 128,967	\$ -
Unrestricted Net Assets	\$ 142,388	\$ 223,064	\$ (80,676)
Net Income	\$ (53,371)	\$ (74,393)	\$ 21,022
TOTAL NET ASSETS	\$ 325,413	\$ 384,087	\$ (58,674)
TOTAL LIABILITIES & EQUITY	\$ 650,478	\$ 757,772	\$ (107,294)

Notes:

1. FY18 cash balances are based upon internal accounting records. FY17 cash balances are based upon QuickBooks accounting records.
2. Accounts Receivables, Capital Assets, Accounts Payable and Accrued Expenses are carried over from FY17 and under review.
3. FOB Receivables includes estimated FY17 and FY18 balances.
4. Other Receivables include prepaid expenses.
5. Wage and Benefits Obligations include stretch pay for teaches and payroll tax liabilities.
6. Total Net Assets are preliminary estimates based upon pre-audit financial information.

Key Financials:

- September Core Net Income = +\$163,349
- YTD Core Net Income = +\$234,487
- YTD Core Budget Variance = +\$7,067
- Total Cash Balance = +\$44,499
- Total Net Assets = +\$314,535

Sponsor Benchmarks:

		CLAE		Standard
Liquidity Ratio Index	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	7.4	Exceeds	1.0 to 1.1
Operating Cash	$\frac{\text{Total Cash}}{\text{Avg. Monthly Exp.}}$	0.57	Below	1.0 to 2.0 Months Cash
Reserve Ratio Index	$\frac{\text{Fund Balance}}{\text{Avg. Monthly Exp.}}$	3.00	Exceeds	0.40 to 0.75
Sep 2017 FTE Variance	$\frac{\text{Actual FTE}}{\text{Budgeted FTE}}$	NA	NA	90-94.9% of Budget

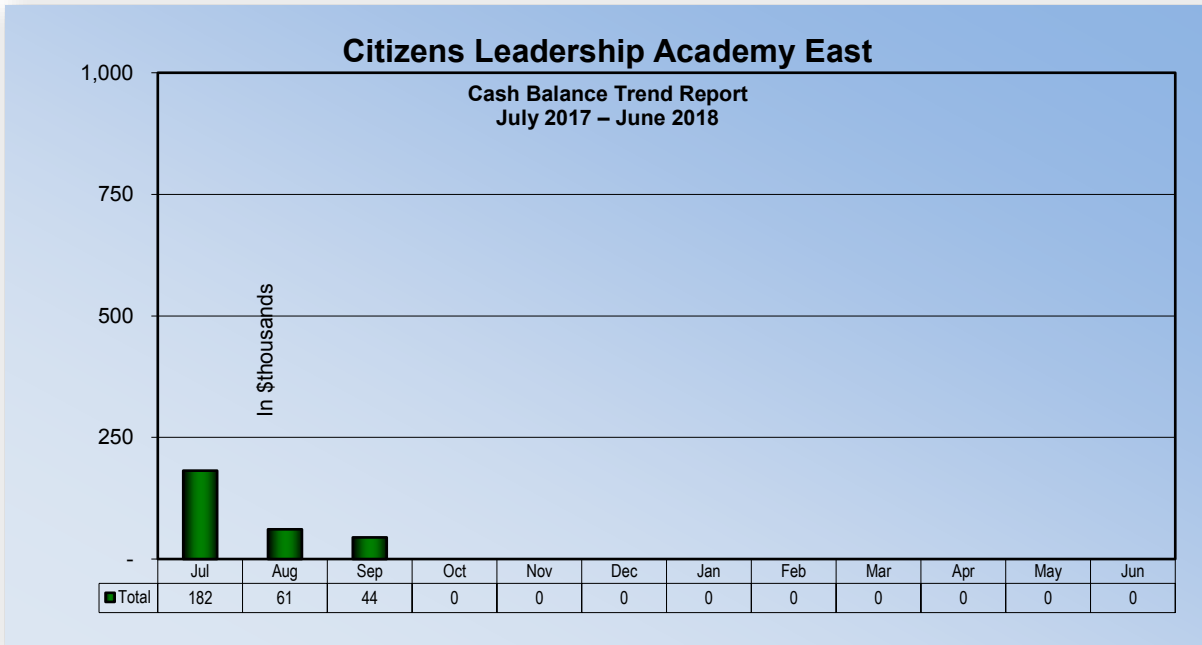
Most Important Financial Considerations:

- **Core Program Surplus** – The school-controlled net income for the core program (also known as the “instructional spend”) was a positive \$234,487 through September. The Year-To-Date budget variance is a positive \$7,067. Please note: The high net asset position is temporary due to revenue from start-up grants. We are anticipating a monthly burn rate (negative operating margin) of approximately \$25,000 per month for the remainder of FY18. So, if spending is not curtailed, the current CLAE reserve is projected to be extremely low by the end of the fiscal year.
- **Core Program Surplus** – The school-controlled net income for the core program (also known as the “instructional spend”) was a positive \$54,500 through September. The Year-To-Date budget variance is a negative \$3,325. Details are provided on page 4.
- **Planning for Fiscal Year 2018** – The planning for the 2017-2018 school year is underway. It’s important for the Board to identify the top spending priorities for the upcoming school year during early in 2017. Establishing board priorities and goals in student learning growth, student enrollment, finance, facilities, technology, family connections, etc. will help school leaders in creating a school plan for the 2017-2018 school year that is aligned to the board’s long-term vision.

Board Action Items:

1. Review and approve FY18 Budget and 5-year Forecast.

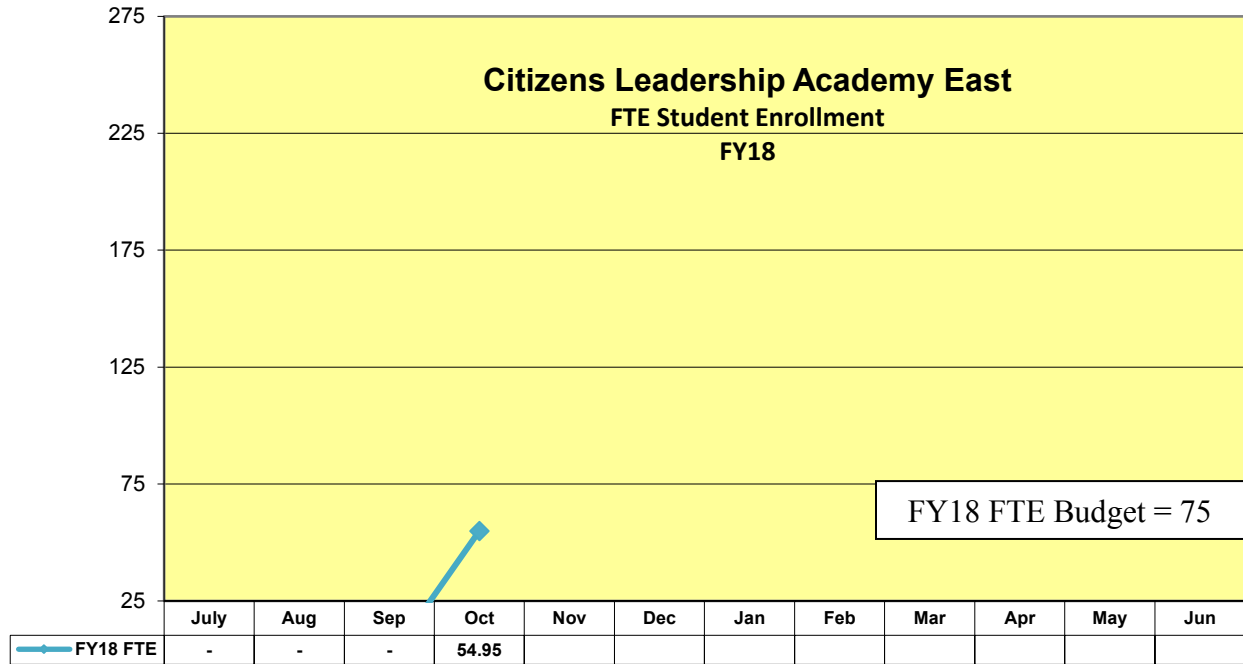
Cash Position Details: The total cash balance for the Citizens Leadership Academy East was \$44,499 at the end of September. The Unrestricted Funds, which consist of the General Fund and the Food Fund, closed the month at \$156,026. The Restricted Funds closed the month at (\$111,527).



September 2017 Bank Reconciliation: The table below provides a summary of the Citizens Leadership Academy East bank reconciliation for the period ending September 30, 2017. The ending book balance was \$44,499. At the end of September, the School had a bank balance of \$69,876 with a total of \$25,377 in outstanding checks.

Citizens Leadership Academy East	
30-Sep-17	
Book Balance	
Beginning Book Balance	\$ 61,137
Ending Book Balance	\$ 44,499
Bank Balance	
Ending Cash Balance	\$ 69,876
Outstanding Checks	\$ 25,377
Adjustments	\$ -
Reconciled Cash Bank Balance	\$ 44,499

Student Enrollment Summary: The chart below provides a trend line summary of the student enrollment for FY18. The October Foundation Report will reflect the initial FTE. The data for the subsequent months will be based upon FTE student data as reported by the Ohio Department of Education through the monthly State Settlement reports. October enrollment was 54.95, which is 20.05 below budget.



FY17 Federal Programs: The chart below provides a summary of the FY18 federal allocations for the Citizens Leadership Academy East Consolidated Federal Programs (CCIP). Allocations are expected to be announced in January 2018.

Citizens Leadership Academy East FY18 CCIP - Federal Education Programs Financial Summary						
Federal Programs	FY18 Allocation	YTD Receipts	YTD Disbursed	Fund Balance	Encumbered Funds	Allocation Balance
Title I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Title II-A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IDEA-B	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Budget-to-Actual Analysis: The Citizens Leadership Academy East Core Program deficit for the month of September was \$163,349. Year-To-Date Core Program surplus was \$234,487. Core Program revenues during this period were \$453,439, a negative variance of \$4,732. Core Program expenses were \$218,952, a positive variance of \$11,798. As a result, the total Core Program budget variance through September 2017 was a positive \$7,067, 3.2% of total expenses. Details are provided on the chart below.

All Funds	SEP ACTUAL	FY18TD Actual	FY18TD Budget (10)	Act/Bud Variance
STUDENT ENROLLMENT (1)	54.95	54.95	75.00	(20.05)
CORE PROGRAM REVENUES				
STATE FOUNDATION (2)	\$ 44,823	\$ 44,823	\$ 65,625	\$ (20,802)
TITLE GRANTS (3)	\$ -	\$ -	\$ -	\$ -
FOOD SERVICES	\$ -	\$ -	\$ -	\$ -
FOB SUPPORT (\$400/FTE/YEAR)	\$ 7,327	\$ 21,981	\$ 30,000	\$ (8,019)
OTHER FOB SUPPORT (4)	\$ -	\$ 200,000	\$ 200,000	\$ -
CSP GRANT (5)	\$ 172,837	\$ 172,837	\$ 150,000	\$ 22,837
OTHER REVENUE (6)	\$ 5,036	\$ 13,798	\$ 12,545	\$ 1,253
TOTAL CORE PROGRAM REVENUES	\$ 230,023	\$ 453,439	\$ 458,170	\$ (4,732)
CORE PROGRAM EXPENSES				
SALARIES AND BENEFITS	\$ 32,228	\$ 80,486	\$ 81,821	\$ 1,335
PURCHASED SERVICES (7)	\$ 5,812	\$ 6,380	\$ 17,703	\$ 11,323
MANAGEMENT FEE (8)	\$ 7,327	\$ 21,981	\$ 30,000	\$ 8,019
SUPPLIES AND MATERIALS	\$ 14,233	\$ 26,092	\$ 22,275	\$ (3,817)
CAPITAL OUTLAY	\$ 3,941	\$ 80,335	\$ 75,264	\$ (5,071)
OTHER EXPENSES	\$ 3,133	\$ 3,678	\$ 3,688	\$ 9
TOTAL CORE EXPENSES	\$ 66,674	\$ 218,952	\$ 230,750	\$ 11,798
CORE PROGRAM SURPLUS/DEFICIT	\$ 163,349	\$ 234,487	\$ 227,420	\$ 7,067
EXTRAORDINARY REVENUE & EXPENSES (9)				
STANDARD GAP FUNDING REVERSAL	\$ -	\$ -	\$ (121,450)	\$ 121,450
RENT EXPENSE	\$ -	\$ -	\$ (23,149)	\$ 23,149
CASINO	\$ -	\$ -	\$ -	\$ -
PROPERTY TAX LEVY REVENUE	\$ -	\$ -	\$ 12,610	\$ (12,610)
FOB TRUE-UP	\$ -	\$ -	\$ 131,989	\$ (131,989)
SURPLUS/DEFICIT after extraordinary items	\$ 163,349	\$ 234,487	\$ 227,420	\$ 7,067

Notes:

- (1) Student Enrollment FTE is based upon September 15th EMIS submission.
- (2) State Foundation cash payments will begin in October based upon ODE's determination of Student Enrollment FTE.
- (3) The first allocation of Title Grants is expected in January 2018.
- (4) Other Friends of Breakthrough Support is the same as Walton replacement funds.
- (5) The FY18 allocation for the CSP Grant is projected to be \$225,000.
- (6) Other Revenue consists of operating support from FOB.
- (7) Purchased Services includes Student Meals, Sponsor Fees, Instruction Improvement, Field Trips, Student Transportation, Garbage Removal & Cleaning, Building Repair & Maintenance, Utilities, Meeting Expenses, Advertising, Management Fees and Rent Expense are not included (listed separately).
- (8) BCS Management Fee is based upon September FTE student enrollment @ \$1,600 per student.
- (9) Actual Extraordinary Expenses will be added in future reports
- (10) FY18 Budget is based upon June 2017 approved CLAE Budget.

Equity Position: The chart below outlines the balance sheet totals for September 2017 and the previous year based upon current QuickBooks ledgers. All of the information in this financial report is based upon pre-audit estimates using available information as of October 11, 2017.

Citizens Leadership Academy East
Balance Sheet Summary
September 2017 & August 2017
Working Draft 10-11-17

ASSETS	SEP 30 2017	AUG 31 2017	\$ Change
Current Assets			
Cash (1)	\$ 44,499	\$ 61,137	\$ (16,638)
Accounts Receivables	\$ 53,938	\$ 13,542	\$ 40,396
FoB Receivables	\$ 172,837	\$ -	\$ 172,837
Other Receivables	\$ -	\$ -	\$ -
Total Current Assets	\$ 271,274	\$ 74,679	\$ 196,595
Non-Current Assets			
Capital Assets, net	\$ 80,335	\$ 76,394	\$ 3,941
Deposits	\$ -	\$ -	\$ -
Total Non-Current Assets	\$ 80,335	\$ 76,394	\$ 3,941
TOTAL ASSETS	\$ 351,609	\$ 151,073	\$ 200,536
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 30,589	\$ -	\$ 30,589
Accrued Expenses	\$ -	\$ -	\$ -
Wages & Benefits Payable (2)	\$ 6,198	\$ 3,542	\$ 2,656
Loan Payable	\$ -	\$ -	\$ -
Total Current Liabilities	\$ 36,787	\$ 3,542	\$ 33,245
Non-Current Liabilities			
Loan Payable	\$ -	\$ -	\$ -
Capital Lease Payable	\$ -	\$ -	\$ -
Total Non-Current Liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 36,787	\$ 3,542	\$ 33,245
NET EQUITY			
Net Assets (3)			
Temp. Restricted Net Assets	\$ -	\$ -	\$ -
Temp. Restricted Net Assets - Capital	\$ 80,335	\$ 76,394	\$ 3,941
Unrestricted Net Assets	\$ -	\$ -	\$ -
Net Income	\$ 234,487	\$ 71,137	\$ 163,350
TOTAL NET ASSETS	\$ 314,822	\$ 147,531	\$ 167,291
TOTAL LIABILITIES & EQUITY	\$ 351,609	\$ 151,073	\$ 200,536

Notes:

1. Cash balances are based upon internal accounting records.
2. Wage and Benefits Obligations include stretch pay for staff and payroll tax liabilities.
3. Total Net Assets are preliminary estimates based upon pre-audit financial information.

Key Financials:

- December Core Deficit = (\$27,193)
- YTD Core Net Income = +\$58,322
- YTD Core Budget Variance = (\$15,898)
- Total Cash Balance = +\$199,365
- Total Net Assets = +\$195,765

Sponsor Benchmarks:

		CLAE		Standard
Liquidity Ratio Index	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.31	Exceeds	1.0 to 1.1
Operating Cash	$\frac{\text{Total Cash}}{\text{Avg. Monthly Exp.}}$	1.76	Meets	1.0 to 2.0 Months Cash
Reserve Ratio Index	$\frac{\text{Fund Balance}}{\text{Avg. Monthly Exp.}}$	0.51	Meets	0.40 to 0.75
Sep 2017 FTE Variance	$\frac{\text{Actual FTE}}{\text{Budgeted FTE}}$	107.6%	Exceeds	90-94.9% of Budget

Treasurer Notes:

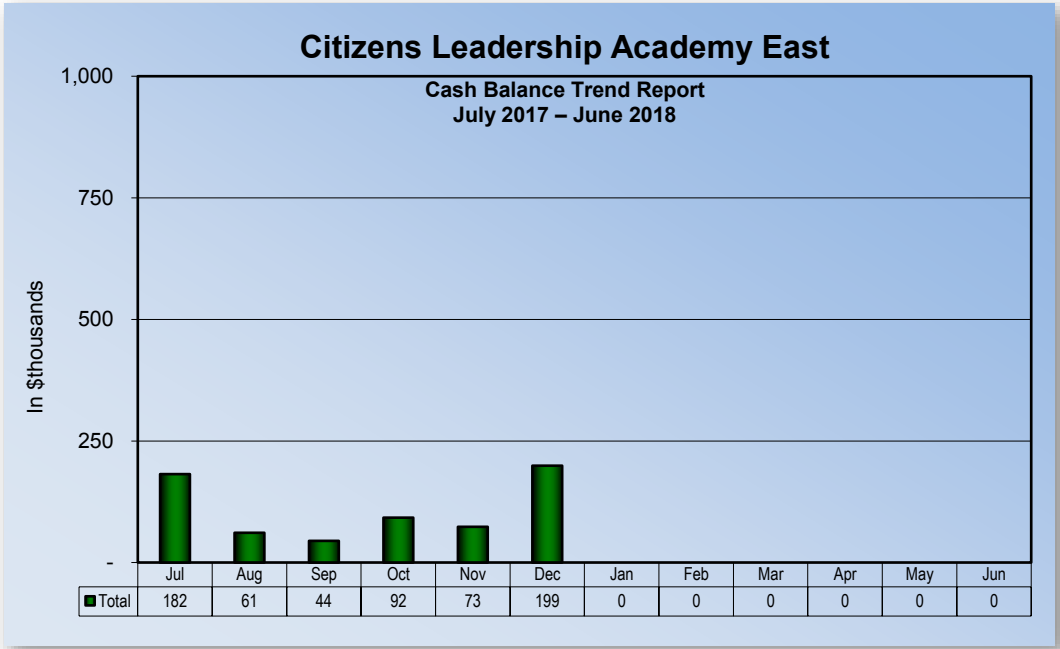
- **Core Program Surplus** – The school-controlled net income for the core program (also known as the “instructional spend”) was a positive \$58,322 through December. The Year-To-Date budget variance is a negative \$15,898. Details are provided on page 4 of this Report.
- **FY19 Budget and May Five-Year Forecast Update** – Since the FY18 Budget has been approved, it is now time for the CLA/CLAE Finance Committee to begin discussions related to the FY19 Budget and Five-Year Forecast Update.
- **Model Budget Scenarios** – A variety of revenue/expenditure scenarios are being evaluated to see if there are other options for improving the financial sustainability of the CLA model. The refinement of these scenarios will serve as the foundation for updating the CLA Five-Year Forecast in May.

Board Action Items:

1. Continue board planning related to CLAE’s long-term financial goals.
2. Begin discussions related to FY19 Budget and future Five-Year Forecast updates.

Cash Position Details: The total cash balance for the Citizens Leadership Academy East was \$199,365 at the end of December. The Unrestricted Funds, which consist of the General Fund and the Food Fund, closed the month at \$204,274. The Restricted Funds closed the month at (\$4,909). The increase in the December month-end cash balance was due to the receipt of a large CSP reimbursement.

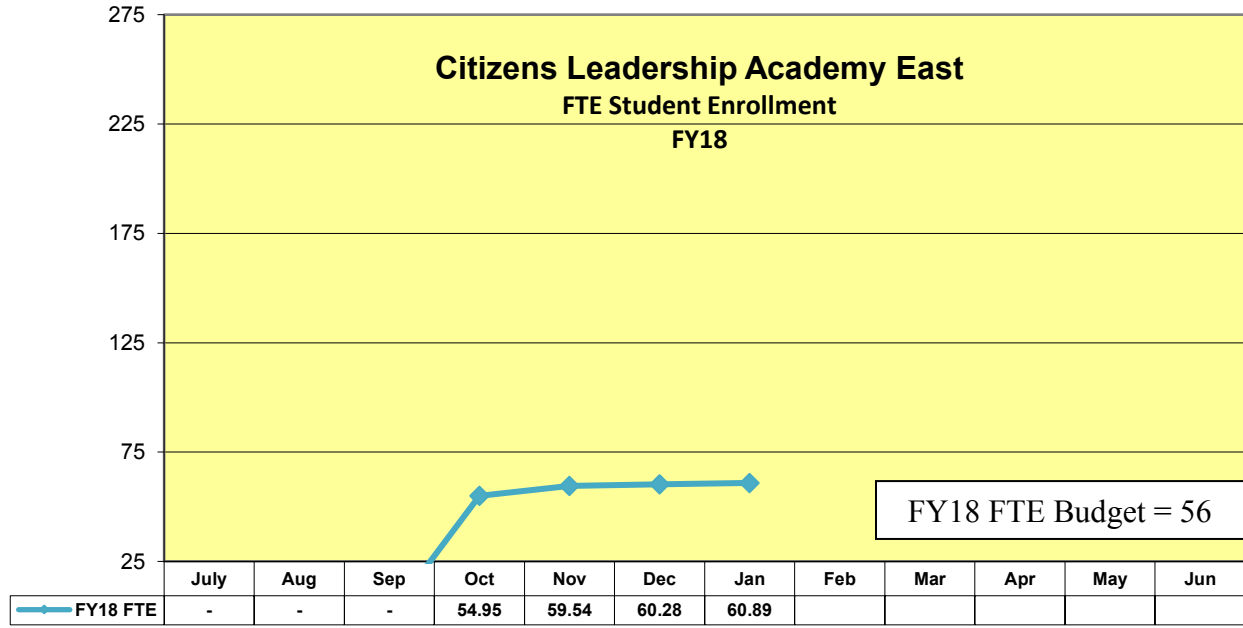
MONTH END CASH BALANCE DETAIL	
Unrestricted Funds	
General	\$ 210,275
Food	\$ (6,001)
Restricted Funds	
CSP	\$ (4,909)
Title VI-B	\$ -
Title I	\$ -
Title II-A	\$ -
Total	\$ 199,365



December 2017 Bank Reconciliation: The table below provides a summary of the Citizens Leadership Academy East bank reconciliation for the period ending December 31, 2017. The ending book balance was \$199,365. At the end of December, the School had a bank balance of \$215,210 with a total of \$15,846 in outstanding checks.

Citizens Leadership Academy East 30-Nov-17	
Book Balance	
Beginning Book Balance	\$ 73,418
Ending Book Balance	\$ 199,365
Bank Balance	
Ending Cash Balance	\$ 215,210
Outstanding Checks	\$ 15,846
Adjustments	\$ -
Reconciled Cash Bank Balance	\$ 199,365

Student Enrollment Summary: The chart below provides a trend line summary of the student enrollment for FY18. The October Foundation Report reflects the initial FTE for the 2017-18 school year. The data for the subsequent months are based upon FTE student data as reported by the Ohio Department of Education through the monthly State Settlement reports. December enrollment was 60.28, which is 4.28 above budget. January enrollment is 4.89 FTE above budget.



FY18 Federal Programs: The chart below provides a summary of the FY18 federal allocations for the Citizens Leadership Academy East Consolidated Federal Programs (CCIP). Allocations are expected to be announced in January or February 2018.

Citizens Leadership Academy East FY18 CCIP - Federal Education Programs Financial Summary						
Federal Programs	FY18 Allocation	YTD Receipts	YTD Disbursed	Fund Balance	Encumbered Funds	Allocation Balance
Title I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Title II-A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IDEA-B	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Budget-to-Actual Analysis: The Citizens Leadership Academy East Core Program deficit for the month of December was \$27,193. Year-To-Date Core Program surplus was \$558,322. Core Program revenues during the first six months of FY18 were \$692,583, a positive variance of \$6,940 to budget. Core Program expenses during this same period were \$634,531, a negative variance of \$22,839 to budget. As a result, the total Core Program budget variance through December 2017 was a negative \$15,898, 0.2% of total expenses. Details are provided on the chart below.

All Funds	DEC ACTUAL	FY18TD Actual	FY18TD Budget (7)	Act/Bud Variance
STUDENT ENROLLMENT	60.28	60.28	56.00	4.28
CORE PROGRAM REVENUES				
STATE FOUNDATION	\$ 45,826	\$ 270,382	\$ 263,850	\$ 6,532
TITLE GRANTS (1)	\$ -	\$ -	\$ -	\$ -
OTHER FEDERAL AND STATE GRANTS	\$ 2,949	\$ 9,454	\$ 11,231	\$ (1,777)
FOB SUPPORT (\$400/FTE/YEAR)	\$ 2,009	\$ 11,932	\$ 11,200	\$ 732
CSP GRANT (2)	\$ 8,058	\$ 180,895	\$ 180,000	\$ 895
OTHER FOB SUPPORT (3)	\$ -	\$ 200,000	\$ 200,000	\$ -
STATE EQUALIZATION FUNDING	\$ -	\$ 15,132	\$ 15,132	\$ -
OTHER REVENUE (4)	\$ 22	\$ 5,058	\$ 4,500	\$ 558
TOTAL CORE PROGRAM REVENUES	\$ 58,864	\$ 692,853	\$ 685,913	\$ 6,940
CORE PROGRAM EXPENSES				
SALARIES AND BENEFITS	\$ 46,400	\$ 211,811	\$ 213,710	\$ 1,899
PURCHASED SERVICES (5)	\$ 15,615	\$ 164,756	\$ 160,177	\$ (4,579)
MANAGEMENT FEE	\$ 8,037	\$ 47,730	\$ 47,300	\$ (430)
SUPPLIES AND MATERIALS	\$ 565	\$ 67,500	\$ 63,075	\$ (4,425)
CAPITAL OUTLAY	\$ 14,836	\$ 137,444	\$ 121,056	\$ (16,388)
OTHER EXPENSES	\$ 603	\$ 5,289	\$ 6,375	\$ 1,086
TOTAL CORE EXPENSES	\$ 86,057	\$ 634,531	\$ 611,693	\$ (22,839)
CORE PROGRAM SURPLUS/DEFICIT	\$ (27,193)	\$ 58,322	\$ 74,221	\$ (15,898)
EXTRAORDINARY REVENUE & EXPENSES (6)				
STANDARD GAP FUNDING REVERSAL	\$ -	\$ (15,132)	\$ (15,132)	\$ -
RENT EXPENSE	\$ (7,716)	\$ (46,298)	\$ (46,298)	\$ -
CASINO	\$ -	\$ -	\$ -	\$ -
PROPERTY TAX LEVY REVENUE	\$ -	\$ 12,554	\$ 18,831	\$ (6,277)
FOB TRUE-UP	\$ 7,716	\$ 48,876	\$ 42,599	\$ 6,277
SURPLUS/DEFICIT after extraordinary items	\$ (27,193)	\$ 58,322	\$ 74,221	\$ (15,898)

Notes:

- (1) The first allocation of Title Grants is expected in January/February 2018.
- (2) Other Friends of Breakthrough Support is the same as Walton replacement funds.
- (3) The FY18 allocation for the CSP Grant is anticipated to be \$225,000.
- (4) Other Revenue consists of the FOB operating support and other student fees.
- (5) Purchased Services includes Student Meals, Sponsor Fees, Instruction Improvement, Field Trips, Student Transportation, Garbage Removal & Cleaning, Building Repair & Maintenance, Utilities, Meeting Expenses, Advertising, Management Fees and Rent Expense are not included (listed separately).
- (6) Actual Extraordinary Expenses will be added in future reports
- (7) FY18 Budget is based upon October 2017 approved CLAE Budget.

Equity Position: The chart below outlines the balance sheet totals for December 2017 and the previous year based upon current QuickBooks ledgers. All of the information in this financial report is based upon pre-audit estimates using available information as of January 12, 2018.

Citizens Leadership Academy East
Balance Sheet Summary
 December 2017 & November 2017
 Working Draft 01-12-18

ASSETS	DEC 31 2017	NOV 30 2017	\$ Change
Current Assets			
Cash (1)	\$ 199,365	\$ 73,418	\$ 125,947
Accounts Receivables	\$ 27,947	\$ 58,475	\$ (30,527)
FoB Receivables	\$ 19,777	\$ 168,136	\$ (148,359)
Other Receivables	\$ -	\$ -	\$ -
Total Current Assets	\$ 247,089	\$ 300,029	\$ (52,940)
Non-Current Assets			
Capital Assets, net	\$ 137,443	\$ 122,607	\$ 14,836
Deposits	\$ -	\$ -	\$ -
Total Non-Current Assets	\$ 137,443	\$ 122,607	\$ 14,836
TOTAL ASSETS	\$ 384,532	\$ 422,636	\$ (38,104)
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 111,573	\$ 134,299	\$ (22,726)
Wages & Benefits Payable (2)	\$ 27,193	\$ 30,215	\$ (3,021)
Loan Payable	\$ 50,000	\$ 50,000	\$ -
Total Current Liabilities	\$ 188,766	\$ 214,514	\$ (25,747)
Non-Current Liabilities			
Loan Payable	\$ -	\$ -	\$ -
Capital Lease Payable	\$ -	\$ -	\$ -
Total Non-Current Liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 188,766	\$ 214,514	\$ (25,747)
NET EQUITY			
Net Assets (3)			
Temp. Restricted Net Assets	\$ -	\$ -	\$ -
Temp. Restricted Net Assets - Capital	\$ 137,443	\$ 122,607	\$ 14,836
Unrestricted Net Assets	\$ -	\$ -	\$ -
Net Income	\$ 58,322	\$ 85,515	\$ (27,193)
TOTAL NET ASSETS	\$ 195,765	\$ 208,122	\$ (12,357)
TOTAL LIABILITIES & EQUITY	\$ 384,532	\$ 422,636	\$ (38,104)

Notes:

1. Cash balances are based upon internal accounting records.
2. Wage and Benefits Obligations include stretch pay for staff and payroll tax liabilities.
3. Total Net Assets are preliminary estimates based upon pre-audit financial information.

Key Financials:

- YTD Core Net Income = (\$3,836)
- FY18 Projected Net Income = (\$73,694)
- Core Budget Variance = +\$2,887
- Total Cash Balance = +\$66,178
- Total Net Assets = +\$143,608

Sponsor Benchmarks:

		CLAE	Standard
Liquidity Ratio Index	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.98	1.0 to 1.1
Operating Cash	$\frac{\text{Total Cash}}{\text{Avg. Monthly Exp.}}$	0.68	1.0 to 2.0 Months Cash
Reserve Ratio Index	$\frac{\text{Fund Balance}}{\text{Avg. Monthly Exp.}}$	(0.04)	0.40 to 0.75
Mar 2018 FTE Variance	$\frac{\text{Actual FTE}}{\text{Budgeted FTE}}$	108.0%	90-94.9% of Budget

Treasurer Notes:

- **Cash Reserve** – The cash position for CLAE reduced by \$36,482 during the month of March. Based upon current projections, we anticipate drawing and additional \$75,000 from FOB during the next few months to cover short-term operating cash flow requirements.
- **Budget-to-Actual Analysis:** The Citizens Leadership Academy East Core Program deficit through March was \$3,836. The year-end FY18 Core Program deficit is projected to be \$73,694. FY18 Core Program revenues are projected to be 1,003,578, a positive variance of \$4,880 to budget. FY18 Core Program expenses are projected to be \$1,077,271, a negative variance of \$1,992. As a result, the total Core Program budget variance through March 2018 was a positive \$2,887. Details are provided on the chart below.
- **FY19 Budget and May Five-Year Forecast Update** – The rough draft of the FY19 CLA Budget was completed at the end of March. The next phase of the process is to refine all of the revenue and expense projections to achieve a balanced FY19 Budget for CLA by the end of April in addition to the updated draft of the Five-Year Forecast. After review by the Finance Committee in early-May, the CLA FY19 Budget and Five-Year Forecast will be presented to the Board for approval during the May Board meeting and submitted to the Sponsor and ODE prior to the May 31st deadline.

Board Action Items:

1. Continue board planning related to CLAE's FY19 Budget and Five-Year Forecast update.

Cash Position Details: The total cash balance for the Citizens Leadership Academy East was \$66,178 at the end of March. The Unrestricted Funds, which consist of the General Fund and the Food Fund, closed the month at \$72,169. The Restricted Funds closed the month at (\$5,991). The increase in the December month-end cash balance was due to the receipt of a large CSP reimbursement.

MONTH END CASH BALANCE DETAIL	
<i>Unrestricted Funds</i>	
General	\$ 81,181
Food	\$ (9,012)
<i>Restricted Funds</i>	
PAC	\$ 405
CSP	\$ (5,179)
Title I	\$ (1,217)
Title II-A	\$ -
Title VI-B	\$ -
Total	\$ 66,178

In \$thousands

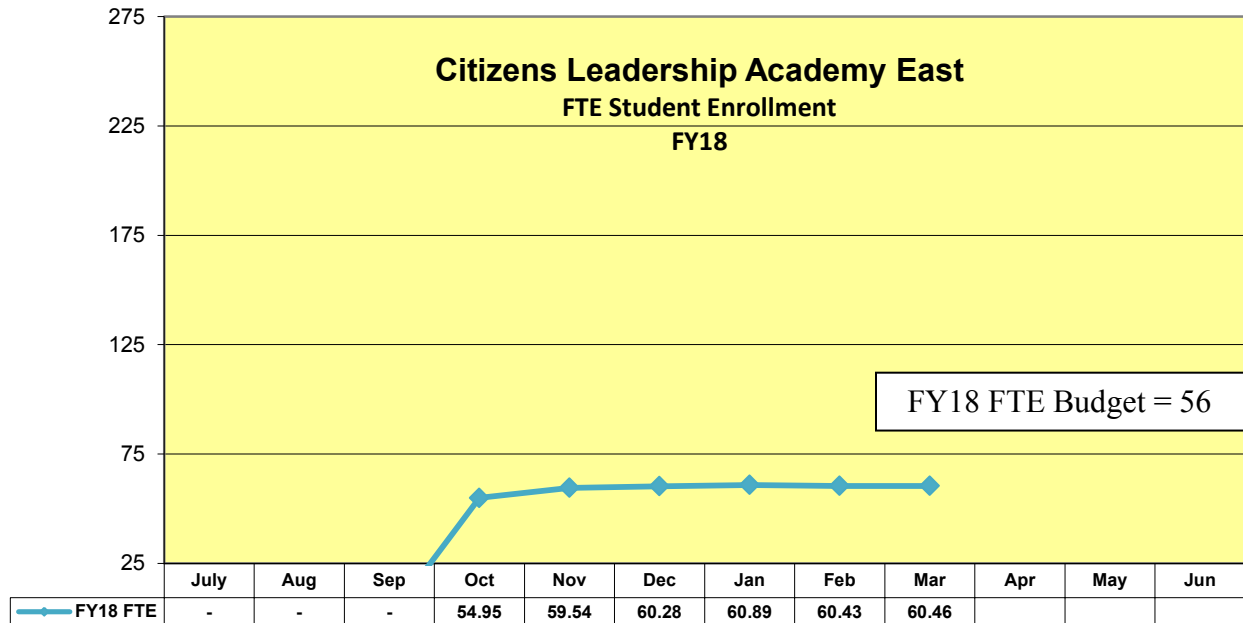
Citizens Leadership Academy East

Cash Balance Trend Report
July 2017 – June 2018

March 2018 Bank Reconciliation: The table below provides a summary of the Citizens Leadership Academy East bank reconciliation for the period ending March 31, 2018. The ending book balance was \$66,178. At the end of March, the School had a bank balance of \$69,484 with a total of \$3,306 in outstanding checks.

Citizens Leadership Academy East March 31, 2018		
Book Balance		
	Beginning Book Balance	\$ 102,660
	Ending Book Balance	\$ 66,178
Bank Balance		
	Ending Cash Balance	\$ 69,484
	Outstanding Checks	\$ 3,306
	Adjustments	\$ -
	Reconciled Cash Bank Balance	\$ 66,178

Student Enrollment Summary: The chart below provides a trend line summary of the student enrollment for FY18. The October Foundation Report reflects the initial FTE for the 2017-18 school year. The data for the subsequent months are based upon FTE student data as reported by the Ohio Department of Education through the monthly State Settlement reports. March enrollment was 60.46, which is 4.46 FTE above budget.



FY18 Federal Programs: The chart below provides a summary of the FY18 federal allocations for the Citizens Leadership Academy East Consolidated Federal Programs (CCIP). To avoid supplanting issues, most of the FY18 CCIP Allocations will be carried forward into FY19.

Citizens Leadership Academy East FY18 CCIP - Federal Education Programs Financial Summary						
Federal Programs	FY18 Allocation	YTD Receipts	YTD Disbursed	Fund Balance	Encumbered Funds	Allocation Balance
Title I	\$ 55,604	\$ -	\$ 1,217	\$ (1,217)	\$ 54,387	\$ -
Title II-A	\$ 4,378	\$ -	\$ -	\$ -	\$ 4,378	\$ -
IDEA-B	\$ 15,947	\$ -	\$ -	\$ -	\$ 15,947	\$ -
Totals	\$ 75,928	\$ -	\$ 1,217	\$ (1,217)	\$ 74,711	\$ -

Budget-to-Actual Analysis: The Citizens Leadership Academy East Core Program deficit through March was \$3,836. The year-end FY18 Core Program deficit is projected to be \$73,694. FY18 Core Program revenues are projected to be 1,003,578, a positive variance of \$4,880 to budget. FY18 Core Program expenses are projected to be \$1,077,271, a negative variance of \$1,992. As a result, the total Core Program budget variance through March 2018 was a positive \$2,887. Details are provided on the chart below.

All Funds	JUL - MAR Actual	APR - JUN Actual	FY18 Actual	FY18 Budget (1)	Act/Bud Variance
STUDENT ENROLLMENT (2)	60.46	60.46	60.46	56.00	4.46
CORE PROGRAM REVENUES					
STATE FOUNDATION	\$ 385,339	\$ 131,385	\$ 516,724	\$ 457,700	\$ 59,024
TITLE GRANTS (3)	\$ -	\$ 27,484	\$ 27,484	\$ 27,640	\$ (156)
OTHER FEDERAL AND STATE GRANTS	\$ 17,438	\$ 7,238	\$ 24,676	\$ 34,462	\$ (9,786)
FOB SUPPORT (\$400/FTE/YEAR + State Equalization)	\$ 18,138	\$ 28,446	\$ 46,584	\$ 45,396	\$ 1,188
OTHER FOB SUPPORT (4)	\$ 200,000	\$ -	\$ 200,000	\$ 200,000	\$ -
CSP GRANT	\$ 180,625	\$ -	\$ 180,625	\$ 225,000	\$ (44,375)
OTHER REVENUE	\$ 1,764	\$ 5,721	\$ 7,485	\$ 8,500	\$ (1,015)
TOTAL CORE PROGRAM REVENUES	\$ 803,304	\$ 200,274	\$ 1,003,578	\$ 998,698	\$ 4,880
CORE PROGRAM EXPENSES					
SALARIES AND BENEFITS	\$ 403,092	\$ 152,925	\$ 556,017	\$ 577,420	\$ 21,403
PURCHASED SERVICES (5)	\$ 120,922	\$ 62,532	\$ 183,454	\$ 190,353	\$ 6,899
MANAGEMENT FEE	\$ 72,552	\$ 24,184	\$ 96,736	\$ 89,600	\$ (7,136)
SUPPLIES AND MATERIALS	\$ 55,080	\$ 27,054	\$ 82,134	\$ 84,100	\$ 1,966
CAPITAL OUTLAY	\$ 147,444	\$ -	\$ 147,444	\$ 121,056	\$ (26,388)
OTHER EXPENSES	\$ 8,049	\$ 3,437	\$ 11,486	\$ 12,750	\$ 1,264
TOTAL CORE EXPENSES	\$ 807,140	\$ 270,132	\$ 1,077,271	\$ 1,075,279	\$ (1,992)
CORE PROGRAM SURPLUS/DEFICIT	\$ (3,836)	\$ (69,858)	\$ (73,694)	\$ (76,581)	\$ 2,887
EXTRAORDINARY REVENUE & EXPENSES					
STANDARD GAP FUNDING REVERSAL	\$ (18,138)	\$ (28,446)	\$ (46,584)	\$ (45,396)	\$ (1,188)
RENT EXPENSE	\$ (38,582)	\$ (54,014)	\$ (92,596)	\$ (92,596)	\$ -
CASINO	\$ 1,443	\$ -	\$ 1,443	\$ 1,400	\$ 43
PROPERTY TAX LEVY REVENUE	\$ -	\$ -	\$ -	\$ 37,662	\$ (37,662)
FOB TRUE-UP	\$ 55,276	\$ 82,460	\$ 137,737	\$ 98,930	\$ 38,807
SURPLUS/DEFICIT after extraordinary items	\$ (3,836)	\$ (69,858)	\$ (73,694)	\$ (76,581)	\$ 2,887

Notes:

- (1) FY18 Budget is based upon October 2017 approved CLAE Budget.
- (2) Projected Student enrollment is based upon the March State Foundation report. Enrollment variability is a risk to projected revenues.
- (3) The first allocation of Title Grants was distributed in January 2018.
- (4) Other Friends of Breakthrough Support is the same as Walton replacement funds. The amount excludes \$50,000 in loan proceeds.
- (5) Purchased Services includes Student Meals, Sponsor Fees, Instruction Improvement, Field Trips, Student Transportation, Garbage Removal & Cleaning, Building Repair & Maintenance, Utilities, Meeting Expenses, Advertising, Management Fees and Rent Expense are not included (listed separately).

Equity Position: The chart below outlines the balance sheet totals for the current and prior year months. All of the information in this financial report is based upon pre-audit estimates using available information as of March 12, 2018. GASB 68 pension liability entries are not included in this Balance Sheet Summary as they are not a legal liability for the School. This information should not be used for official financial analysis or reporting. It is provided solely for the use of the Board and Administration to facilitate future financial planning.

<p>Citizens Leadership Academy East Balance Sheet Summary March 2018 & February 2018 Working Draft 04-12-18</p>
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ASSETS	MAR 31 2018	FEB 28 2018	\$ Change
Current Assets			
Cash (1)	\$ 66,178	\$ 102,660	\$ (36,482)
Accounts Receivables	\$ 23,348	\$ 27,947	\$ (4,599)
FoB Receivables	\$ 81,645	\$ 91,622	\$ (9,977)
Other Receivables	\$ -	\$ -	\$ -
Total Current Assets	\$ 171,171	\$ 222,229	\$ (51,058)
Non-Current Assets			
Capital Assets, net	\$ 147,444	\$ 147,444	\$ -
Deposits	\$ -	\$ -	\$ -
Total Non-Current Assets	\$ 147,444	\$ 147,444	\$ -
TOTAL ASSETS	\$ 318,615	\$ 369,673	\$ (51,058)
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 93,813	\$ 120,428	\$ (26,615)
Wages & Benefits Payable (2)	\$ 31,194	\$ 29,709	\$ 1,485
Loan Payable	\$ 50,000	\$ 50,000	\$ -
Total Current Liabilities	\$ 175,007	\$ 200,137	\$ (25,130)
Non-Current Liabilities			
Loan Payable	\$ -	\$ -	\$ -
Capital Lease Payable	\$ -	\$ -	\$ -
Total Non-Current Liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 175,007	\$ 200,137	\$ (25,130)
NET EQUITY			
Net Assets (3)			
Temp. Restricted Net Assets	\$ -	\$ -	\$ -
Temp. Restricted Net Assets - Capital	\$ 147,444	\$ 147,444	\$ -
Unrestricted Net Assets	\$ -	\$ -	\$ -
Net Income	\$ (3,836)	\$ 22,092	\$ (25,928)
TOTAL NET ASSETS	\$ 143,608	\$ 169,536	\$ (25,928)
TOTAL LIABILITIES & EQUITY	\$ 318,615	\$ 369,673	\$ (51,058)

Notes:

1. Cash balances are based upon internal accounting records.
2. Wage and Benefits Obligations include stretch pay for staff and payroll tax liabilities.
3. Total Net Assets are preliminary estimates based upon pre-audit financial information.

Key Financials:

- YTD Core Net Income = +\$95,234
- FY18 Projected Net Income = +\$50,000
- FY18 Projected Core Budget Variance = +\$126,581
- Total Cash Balance = +\$152,230
- Total Net Assets = +\$197,444

Sponsor Benchmarks:

		CLAE	Standard
Liquidity Ratio Index	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.26	1.0 to 1.1
Operating Cash	$\frac{\text{Total Cash}}{\text{Avg. Monthly Exp.}}$	1.59	1.0 to 2.0 Months Cash
Reserve Ratio Index	$\frac{\text{Fund Balance}}{\text{Avg. Monthly Exp.}}$	0.52	0.40 to 0.75
Jun 2018 FTE Variance	$\frac{\text{Actual FTE}}{\text{Budgeted FTE}}$	107.8%	90-94.9% of Budget

Treasurer Notes:

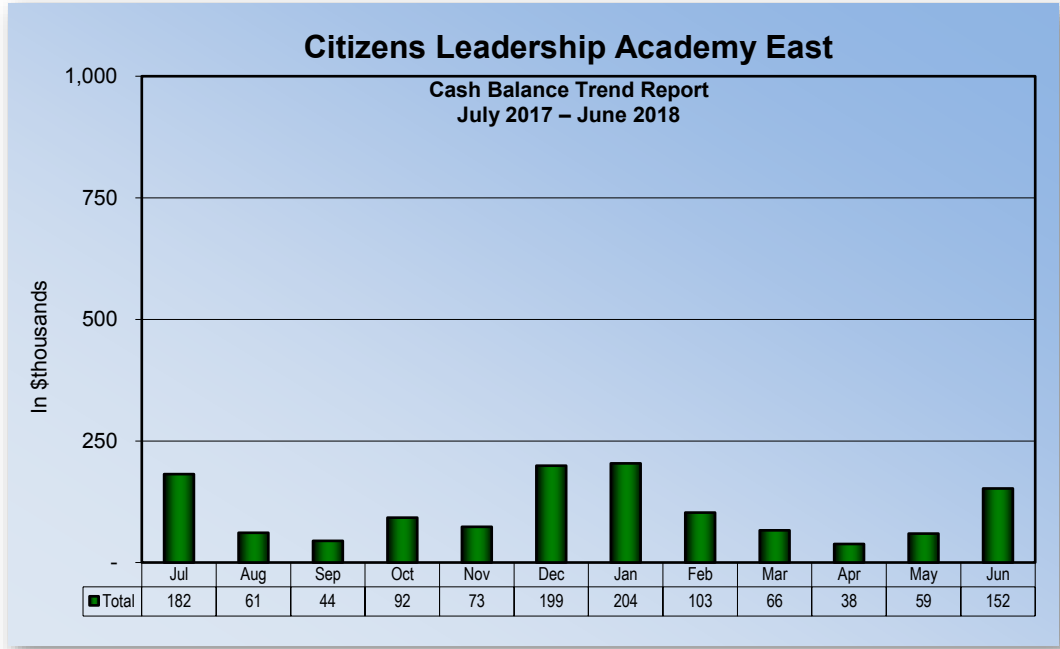
- **Cash Reserve** – The cash position for CLAE improved by \$92,764 during the month of June resulting in a month-end cash balance of \$152,230. The cash balance increase was due to the receipt of \$100,000 FOB True-up advance. Based upon current projections, we anticipate the majority of the FY18 FOB loans (\$125,000) will be converted to grants at the end of the fiscal year.
- **Budget-to-Actual Analysis** – The Citizens Leadership Academy East Core Program surplus through June was \$95,234. The year-end FY18 Core Program surplus is projected to be \$50,000 based upon the anticipation of FOB loans converted to grants and BCS funding of the full \$225,000 FY18 CSP grant. FY18 Core Program revenues are projected to be \$1,102,727, a positive variance of \$104,029 to budget. FY18 Core Program expenses are projected to be \$1,052,727, a positive variance of \$22,552. As a result, the anticipated Core Program budget variance for FY18 is projected to be a positive \$126,581. Details are provided on page 4.

Board Action Items:

1. Continue board planning related to CLAE's long-term goals.

Cash Position Details: The total cash balance for the Citizens Leadership Academy East was \$152,230 at the end of June. The Unrestricted Funds, which consist of the General Fund and the Food Fund, closed the month at \$158,221. The Restricted Funds closed the month at (\$5,991). The month-end cash balance for June increased due to the receipt of a \$100,000 in FOB true-up advance.

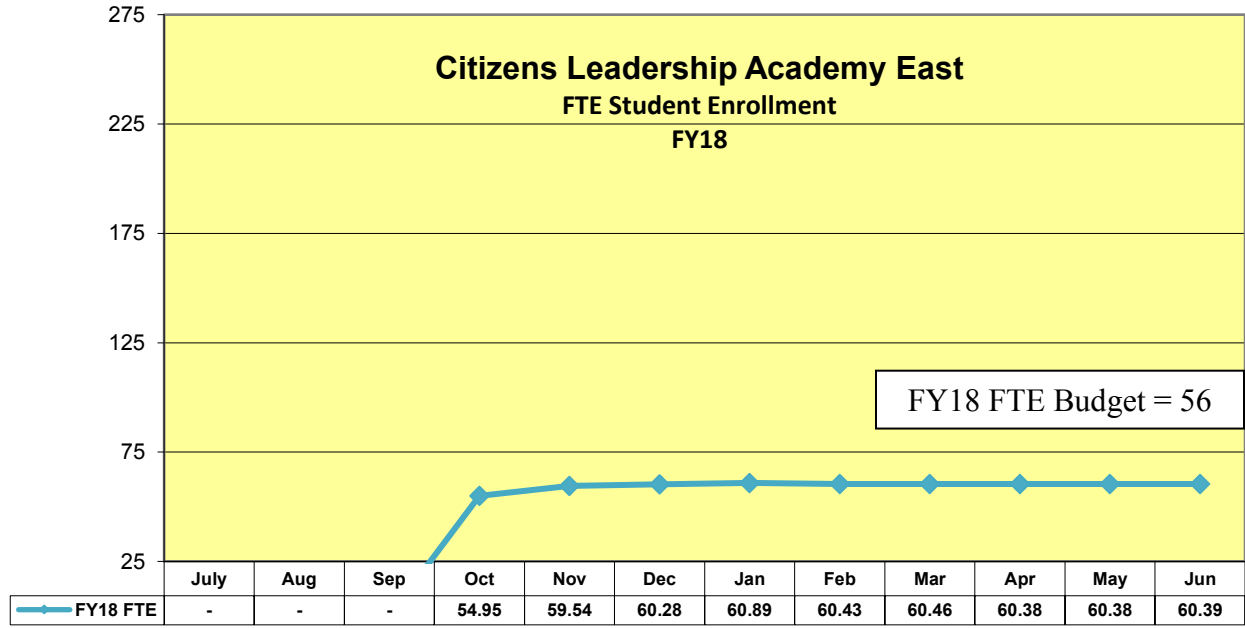
MONTH END CASH BALANCE DETAIL	
Unrestricted Funds	
General	\$ 169,180
Food	\$ (10,959)
Restricted Funds	
PAC	\$ 405
CSP	\$ (5,179)
Title I	\$ (1,217)
Title II-A	\$ -
Title VI-B	\$ -
Total	\$ 152,230



June 2018 Bank Reconciliation: The table below provides a summary of the Citizens Leadership Academy East bank reconciliation for the period ending June 30, 2018. The ending book balance was \$152,230. At the end of June, the School had a bank balance of \$161,032 with a total of \$8,802 in outstanding checks.

Citizens Leadership Academy East June 30, 2018	
Book Balance	
Beginning Book Balance	\$ 59,466
Ending Book Balance	\$ 152,230
Bank Balance	
Ending Cash Balance	\$ 161,032
Outstanding Checks	\$ 8,802
Adjustments	\$ -
Reconciled Cash Bank Balance	\$ 152,230

Student Enrollment Summary: The chart below provides a trend line summary of the student enrollment for FY18. The October Foundation Report reflects the initial FTE for the 2017-18 school year. The data for the subsequent months are based upon FTE student data as reported by the Ohio Department of Education through the monthly State Settlement reports. June enrollment was 60.38, which is 4.39 FTE above budget.



FY18 Federal Programs: The chart below provides a summary of the FY18 federal allocations for the Citizens Leadership Academy East Consolidated Federal Programs (CCIP). To avoid supplanting issues, approximately \$42,000 of the FY18 CCIP Allocations will be carried forward into FY19.

Citizens Leadership Academy East FY18 CCIP - Federal Education Programs Financial Summary						
Federal Programs	FY18 Allocation	YTD Receipts	YTD Disbursed	Fund Balance	Encumbered Funds	Allocation Balance
Title I	\$ 55,604	\$ 1,904	\$ 3,121	\$ (1,217)	\$ 52,483	\$ -
Title II-A	\$ 4,378	\$ 628	\$ 628	\$ -	\$ 3,750	\$ -
IDEA-B	\$ 15,947	\$ -	\$ -	\$ -	\$ 15,947	\$ -
Totals	\$ 75,928	\$ 2,532	\$ 3,749	\$ (1,217)	\$ 72,179	\$ -

Budget-to-Actual Analysis: The Citizens Leadership Academy East Core Program surplus through June was \$95,234. The year-end FY18 Core Program surplus is projected to be \$50,000 based upon the anticipation of FOB loans converted to grants and BCS funding of the full \$225,000 FY18 CSP grant. FY18 Core Program revenues are projected to be \$1,102,727, a positive variance of \$104,029 to budget. FY18 Core Program expenses are projected to be \$1,052,727, a positive variance of \$22,552. As a result, the anticipated Core Program budget variance for FY18 is projected to be a positive \$126,581. Details are provided on the chart below.

All Funds	FY18 Actual	FY18 Projection	FY18 Act + Proj	FY18 Budget (1)	Act/Bud Variance
STUDENT ENROLLMENT (2)	60.39	60.39	60.39	56.00	4.39
CORE PROGRAM REVENUES					
STATE FOUNDATION	\$ 513,198	\$ -	\$ 513,198	\$ 457,700	\$ 55,498
TITLE GRANTS (3)	\$ 2,532	\$ 1,217	\$ 3,749	\$ 27,640	\$ (23,891)
OTHER FEDERAL AND STATE GRANTS	\$ 23,346	\$ 1,720	\$ 25,066	\$ 34,462	\$ (9,396)
FOB SUPPORT (\$400/FTE/YEAR + State Equal)	\$ 37,200	\$ 9,356	\$ 46,556	\$ 45,396	\$ 1,160
OTHER FOB SUPPORT (4)	\$ 275,000	\$ -	\$ 275,000	\$ 200,000	\$ 75,000
CSP GRANT (5)	\$ 180,625	\$ 44,375	\$ 225,000	\$ 225,000	\$ -
OTHER REVENUE	\$ 14,158	\$ -	\$ 14,158	\$ 8,500	\$ 5,658
TOTAL CORE PROGRAM REVENUES	\$ 1,046,060	\$ 56,668	\$ 1,102,727	\$ 998,698	\$ 104,029
CORE PROGRAM EXPENSES					
SALARIES AND BENEFITS	\$ 501,929	\$ 46,255	\$ 548,184	\$ 577,420	\$ 29,236
PURCHASED SERVICES (6)	\$ 154,005	\$ 12,851	\$ 166,856	\$ 190,353	\$ 23,497
MANAGEMENT FEE	\$ 80,514	\$ 16,110	\$ 96,624	\$ 89,600	\$ (7,024)
SUPPLIES AND MATERIALS	\$ 59,332	\$ 22,802	\$ 82,134	\$ 84,100	\$ 1,966
CAPITAL OUTLAY	\$ 147,444	\$ -	\$ 147,444	\$ 121,056	\$ (26,388)
OTHER EXPENSES	\$ 7,602	\$ 3,884	\$ 11,486	\$ 12,750	\$ 1,264
TOTAL CORE EXPENSES	\$ 950,826	\$ 101,901	\$ 1,052,727	\$ 1,075,279	\$ 22,552
CORE PROGRAM SURPLUS/DEFICIT	\$ 95,234	\$ (45,234)	\$ 50,000	\$ (76,581)	\$ 126,581
EXTRAORDINARY REVENUE & EXPENSES					
STANDARD GAP FUNDING REVERSAL	\$ (37,200)	\$ (9,352)	\$ (46,552)	\$ (45,396)	\$ (1,156)
RENT EXPENSE	\$ (69,447)	\$ (23,149)	\$ (92,596)	\$ (92,596)	\$ -
CASINO	\$ 1,443	\$ -	\$ 1,443	\$ 1,400	\$ 43
PROPERTY TAX LEVY REVENUE	\$ -	\$ -	\$ -	\$ 37,662	\$ (37,662)
FOB TRUE-UP	\$ 100,000	\$ 37,705	\$ 137,705	\$ 98,930	\$ 38,775
SURPLUS/DEFICIT after extraordinary items	\$ 90,030	\$ (40,030)	\$ 50,000	\$ (76,581)	\$ 126,581

Notes:

- (1) FY18 Budget is based upon October 2017 approved CLAE Budget.
- (2) Projected Student enrollment is based upon the June State Foundation report. Enrollment variability is a risk to projected revenues.
- (3) The first allocation of Title Grants was distributed in January 2018.
- (4) Other FOB Support assumes the conversion of almost all of the FOB loans to grants at the end of FY18 to ensure a year-end cash balance of \$50,000.
- (5) CSP Grant revenue projections assume BCS payment of full \$225,000 in grant funds.
- (6) Purchased Services includes Student Meals, Sponsor Fees, Instruction Improvement, Field Trips, Student Transportation, Garbage Removal & Cleaning, Building Repair & Maintenance, Utilities, Meeting Expenses, Advertising, Management Fees and Rent Expense are not included (listed separately).

Equity Position: The chart below outlines the balance sheet totals for the current and prior year months. All of the information in this financial report is based upon pre-audit estimates using available information as of July 11, 2018. GASB 68 pension liability entries are not included in this Balance Sheet Summary as they are not a legal liability for the School. This information should not be used for official financial analysis or reporting. It is provided solely for the use of the Board and Administration to facilitate future financial planning.

**Citizens Leadership Academy East
Balance Sheet Summary
June 2018 & May 2018
Working Draft 07-11-18**

ASSETS	JUN 30 2018	MAY 31 2018	\$ Change
Current Assets			
Cash (1)	\$ 152,230	\$ 59,466	\$ 92,764
Accounts Receivables	\$ 45,592	\$ 74,112	\$ (28,520)
FoB Receivables	\$ 47,061	\$ 114,943	\$ (67,882)
Other Receivables	\$ -	\$ -	\$ -
Total Current Assets	\$ 244,883	\$ 248,521	\$ (3,638)
Non-Current Assets			
Capital Assets, net	\$ 147,444	\$ 147,444	\$ -
Deposits	\$ -	\$ -	\$ -
Total Non-Current Assets	\$ 147,444	\$ 147,444	\$ -
TOTAL ASSETS	\$ 392,327	\$ 395,965	\$ (3,638)
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 44,496	\$ 43,623	\$ 873
Wages & Benefits Payable (2)	\$ 25,387	\$ 34,065	\$ (8,678)
Loan Payable (3)	\$ 125,000	\$ 125,000	\$ -
Total Current Liabilities	\$ 194,883	\$ 202,688	\$ (7,805)
Non-Current Liabilities			
Loan Payable	\$ -	\$ -	\$ -
Capital Lease Payable	\$ -	\$ -	\$ -
Total Non-Current Liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 194,883	\$ 202,688	\$ (7,805)
NET EQUITY			
Net Assets (4)			
Temp. Restricted Net Assets	\$ -	\$ -	\$ -
Temp. Restricted Net Assets - Capital	\$ 147,444	\$ 147,444	\$ -
Unrestricted Net Assets	\$ -	\$ -	\$ -
Net Income	\$ 50,000	\$ 45,833	\$ 4,167
TOTAL NET ASSETS	\$ 197,444	\$ 193,277	\$ 4,167
TOTAL LIABILITIES & EQUITY	\$ 392,327	\$ 395,965	\$ (3,638)

Notes:

1. Cash balances are based upon internal accounting records.
2. Wage and Benefits Obligations include stretch pay for staff and payroll tax liabilities.
3. The loan payable increased in June as a result of an additional \$75,000 in loan proceeds received from FOB on June 3, 2018.
4. Total Net Assets are preliminary estimates based upon pre-audit financial information.

Citizens Leadership Academy (CLA) School Work Plan - 2018-2019_061318

Work Plan Overview: The table below will provide an “at a glance” summary of the multi-year impact goals, annual performance benchmarks across all three dimensions, high-level data points, implementation priorities for this year, and the foundational leadership goal. This summary should be shared with stakeholders and could be used with some in lieu of the comprehensive work plan.

4-Year Impact Goals	Mastery of Knowledge and Skills (MoKaS)	Character	High Quality Work
	<p>These are the same inspiring multi-year goals created during the Performance Benchmark setting process. They remain the same for the entirety of Phase 2-Schoolwide Transformation. While separated here, they may be the same across dimensions.</p> <p>Citizens Leadership Academy will demonstrate that 70% or more of their students have met their annual growth target for at least two of the previous three years.</p>	<p>Citizens Leadership Academy students will graduate prepared to be leaders in academics, service, and civic engagement in high school, college, and beyond by mastering the school’s habits of leadership and embodying the school norms: be safe, be responsible, and be respectful.</p>	<p>Citizens Leadership Academy students will produce high-quality work that reflects multiple perspectives, connects to big concepts within multiple contents Goal of STEM/humanities DEEP connection at least once in each grade, and matters to students and the larger community.</p> <p><i>Add vacant lot case study back to grade 7.</i> <i>Add a fundraiser to Parvana/Malala case study</i></p>
<p>2018 - 2019 Performance Benchmarks</p>	<p>Sustain at least 62% of CLA students meeting their annual growth targets in reading and math on the NWEA-MAP.</p> <p><i>Actual growth for</i> <i>Math was 55% for 16-17</i> Math ws 67% for 17-18 <i>English was 57% for 16-17</i> English was 52% for 17-18</p> <p>For students who fall into Q1 and Q2 in the Fall for MAP, 72% of students will obtain a Spring CGI of 60 or better</p> <p>For students who fall into Q3 and Q4 in the Fall for MAP, 72% of students will</p>	<p>CLA students can explain how being safe, responsible, and respectful can support them in being more effective learners and can demonstrate these norms.</p> <ul style="list-style-type: none"> ● Develop and implement schoolwide reflection piece to track and reflect on HoL growth for the school year. <p><i>Create survey of students using Google Forms, implement survey after first 2 weeks, and after each trimester at the same time throughout the building. (for example: the entire building completes the survey during the first 10 minutes of crew) Questions include 1-5 scale on whether students understand each habits of leadership and whether students exhibit each habit of leadership.</i></p> <ul style="list-style-type: none"> ● 60% of students surveyed during MYR 	<p>CLA students create 1-2 major products</p> <p>At least one product is accepted by EL’s Models of Excellence. <i>Submit Rustbelt Reformers, athletes calendar, and civic engagement presentations</i></p> <p>CLA students create work that begins to reflect the following component of complexity:</p> <ul style="list-style-type: none"> ● Student work reflects the ability to support claims with evidence at a higher level than in the past in all subject areas.

	<p>obtain a CGI of 50 or better.</p> <p>A least 50% of CLA students score at the 50th percentile or higher in reading and math on the NWEA-MAP. <i>Math was 38% in 17-18</i> <i>Reading was 43% in 17-18</i></p> <p><i>Math was 38% in 16-17</i> <i>Reading was 51% in 16-17</i></p> <p>Sustain at least 75% of annual student learning objective (SLO) growth targets met by CLA students in non NWEA tested contents.</p> <p><i>SLO growth surpassed 70% for 16-17 (exact percent to be added at a later date).</i></p> <p><i>SLO growth was 81% for the 17-18 school year.</i></p> <p><i>A least 55% of CLA students score at the proficient level higher in reading, math and science on the NGA AIR test.</i></p>	<p>can accurately define and give examples of responsibility, safety, and respect. This grows to 80% by EOY.</p> <p><i>Include multiple choice questions regarding definitions of each so that data can be easily tracked and accounted for</i></p> <ul style="list-style-type: none"> ● Increase student engagement as evidenced from learning walk indicators and data compared to baseline data from beginning of the year <p><i>Use standardized Google Form for learning walks to collect and analyze data regarding student engagement. This allows the data from learning walks to be easily accessed (NNN rubric to flip language)</i></p> <p>CLA students can explain how their HoLs support them in being leaders and can begin demonstrating these norms.</p> <ul style="list-style-type: none"> ● Sustain attendance rate at 95% or better. ● Downward trend in referrals and detentions. ● Decrease suspensions by 5%. ● CLA faculty commits to 100% in classroom use of crew curriculum. <p><i>CLA faculty fully commits to “owning” their crew throughout the day beyond their morning and closing crew time. Your strongest relationships should be with your crew and they should know that you WILL be checking in with them throughout their day and ensuring they have met their goals at the end of the day. Every crew should feel as if they are the “best” crew because their crew leader has instilled this mindset in them from the start. This could be measured by crew learning walk observations and then transitioning into engagement learning walks throughout the day in all core classes</i></p> <p><i>Family Engagement</i></p>	<p>CLA students create work that begins to reflect the following component of craftsmanship:</p> <ul style="list-style-type: none"> ● Students’ end products reflect revision and refinement, <i>Need a schoolwide system for reflection to promote revision as a norm</i> <p>CLA students create work that begins to reflect the following component of authenticity:</p> <ul style="list-style-type: none"> ● Student work is more authentic as the result of teacher, peer, family, and/or community feedback. Suggestion: <i>Need to include families in the critique process with a protocol, need to have guest experts return to give follow-up feedback on work (e.g., we had CWRU newspaper editors on RR articles, community experts on CEP PPTs, grant expert on LDI, but could add engineering students on cars, graphic designer on inventor books, etc.)</i> <p><i>CLA student work samples from the 2x year Quality Work Protocol (Fall and Spring) show increased levels of these attributes compared to last year’s QWP. ****</i></p>
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		<i>Service Learning</i>	
	Core Practices - 10, 11 and 21	Core Practices - 25 and 26	Core Practice 7 - <i>High Quality Work A (Perseverance and Rigor) 3 (multiple drafts) and 4 (feedback and differentiated revision), B (Craftsmanship) 3 (experts sharing techniques)</i>
	As a leadership team, we will work to establish, maintain, communicate , and support key initiatives to promote student achievement and build a strong community in line with CLA's mission and vision.		

Goals:

4-Year MKS Impact Goal: This is the inspiring multi-year impact goal for Mastery of Knowledge and Skills. This is then broken down into annual performance benchmarks, which are held below for the current year. This goal stays the same every year until a school achieves its EL Education Credential. Citizens Leadership Academy will demonstrate that **70%** or more of their students have met their annual growth target for at least two of the previous three years.

2018-2019 MKS Performance Benchmarks:

*Sustain at least 62% of CLA students meeting their **annual growth targets** in reading and math on the NWEA-MAP.
Sustain at least 75% of **annual student learning objective (SLO) growth targets** met by CLA students.*

Rationale (How will this year's implementation priorities move you toward meeting this year's MKS Performance Benchmarks?):

This reflects and analyzes a Theory of Action about how this year's implementation priorities will help the school meet this year's Performance Benchmarks and make progress towards the 4-Year Impact Goal.

By holding ourselves more accountable, we will foster stronger instruction. This will ultimately result in an increase of mastery of knowledge and skills.

Implementation Priorities: Effective Lessons, Assessment For Learning, **Supporting all Students (CP11E, 12A-E), Culture of Math (CP 15A, B, D)**

Leadership and Faculty Learning Targets	Structures and Leadership Actions	EL Support and Services	Data Points/Evidence for Monitoring Progress
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<p>Teachers can...</p> <p>scaffold instruction in the body of lessons to ensure student success through model sequenced steps, rigorous questioning, and use of checks for understanding to adjust instruction.</p> <p>use exemplars, criteria lists and rubrics to show what quality and rigor look like in daily work and culminating assignments.</p> <p>pre-assess and/or ask students to self assess learning targets in order to determine flexible student groups and instructional pace</p> <p>confer with all students individually and/or in small groups to provide individualized/differentiated support based on each student's level of understanding.</p> <p>provide both written and oral feedback on daily and culminating assignments as a tool for student revision.</p>	<p>Teachers will be observed once a week and have a debrief/coaching meeting once a week.</p> <p>Coordination of meetings (How often) that All teachers will meet with vertical alignment teams to discuss promises and growth areas.</p> <p><i>Bi-Monthly Learning Walks to look at effective instruction (using IR scores as guide) Each month all teachers visit a number of classrooms Use MAC (Management in the Active Classroom) as the basis for beginning of the year learning walks and transition to LTL (Learning That Lasts).</i></p> <p>DCIs will give <u>most</u> teachers their curriculum map and have them complete an intro notices form.</p> <p>At Summer Institute DCIs will give <u>most</u> teachers their curriculum map, a full unit 1 overview and built out assessment. DCIs will also provide a resource and lesson bank for the remainder of the year. and help them to work ahead by at least 2 weeks all year.</p>	<p>ALL staff will attend the EL national conference in Chicago</p> <p>- Each staff asked to attend at least one session on lesson development and/or expedition/case studies and/or literacy - <i>Ensure that this takes place!</i></p> <p>Dale (EL School Designer)</p> <p>- Onsite 20 days</p> <p>Development of PD</p> <p>On-site and distance coaching and support of case studies and expeditions with standards alignment and planning of lessons.</p> <p>Update and provide any new EL materials and supports</p>	<p>Evidence of Student Growth</p> <p>Baseline</p> <p>August MAP Test Data - <i>September</i></p> <p>Beginning of the Year SLO Data</p> <p>2017-18 NGA Test Data</p> <p>Mid-Year:</p> <p>Mid Year Review - teacher survey addressing targets and current level of implementation and success</p> <p>January MAP Test Data</p> <p>Mid Year SLO Data</p> <p>End-of-Year:</p> <p>Spring MAP Data</p> <p>NGA Test Scores</p> <p>End of Year SLO Data</p> <p>Evidence of Staff Growth</p> <p>Data Analysis PD's (MAP, SLOs) after each round of testing.</p> <p>Baseline:</p> <p>83 (92)</p> <p>Mid-Year: Mid Year Review - increase of 1-2 points in instruction and assessment</p> <p>End-of-Year: 87 (97)</p>
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<p>invest students and families in the content of their class and meeting their goals.</p> <p>utilize protocols and strategies to promote grappling and deeper thinking around a topic</p>	<p>All DCI observations and feedback and goal setting will be on one platform and that will include video observations.</p> <p>Teachers will have a menu of strategies and protocols to improve MOKAS based on the learning walk data</p> <p>DCIs and teachers will have weekly coaching meetings in which they analyze instruction/culture and workshopping lessons in another.</p> <p>Vertical team meetings will occur more frequently and workshop lessons.</p>		
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4-Year Character Impact Goal: This is the inspiring multi-year goal for Character and Engagement. This is then broken down into annual performance benchmarks, which are held below for the current year. This goal stays the same every year until a school achieves its EL Education Credential.

Citizens Leadership Academy students will graduate prepared to be leaders in academics, service, and civic engagement in high school, college, and beyond by **mastering the school's habits of leadership** and embodying the school norms: be safe, be responsible, and be respectful.

2018 - 2019 Character Performance Benchmarks: These are taken directly from the table on the summary page and the complete Performance Benchmarks document. Note that this is connected to but broader than the more granular evidence of student and staff growth named in the evidence column below.

CLA students can explain how being **safe, responsible, and respectful** can support them in being more effective learners and can demonstrate these norms.

- Develop and implement schoolwide reflection piece to track and reflect on HoL growth for the school year, **given at the end of each trimester in a content class.**
- 60% of students surveyed during MYR can accurately define and give examples of responsibility, safety, and respect. This grows to 80% by EOY.
- Increase student engagement as evidenced from learning walk indicators and data compared to baseline data from beginning of the year

CLA students can explain how their HoLs support them in being leaders and **can** demonstrate these norms.

- Sustain attendance rate at 95% or better.
- Downward trend in referrals and detentions.
- Decrease suspensions by 5%.
- Develop and implement **schoolwide reflection to measure growth in becoming a more effective learner, become a more ethical person, and contributing to a better world.**

CLA faculty commits to 100% in classroom use of crew curriculum **for the purpose of helping students grow academically, socially, and emotionally.**

- Crew coordinator will work with Team Leads to create grade level liaisons
- Visitation schedule created to allow crew coordinator to observe crews a minimum of once per month.

Rationale:

Creating structures of support and taking the next steps for support to improve relationships between faculty and students and faculty and families.

Implementation Priorities: Fostering Character, Learning Community

Leadership and Faculty Learning Targets	Structures and Leadership Actions	EL Support and Services	Data Points/Evidence for Monitoring Progress
<p>Teachers can...</p> <p>use the school norms and habits to promote and ensure students are held accountable to them in creating a positive environment.</p> <p>model the school norms and</p>	<p><i>Invest in teachers by working to build their self-confidence and supporting their authority in their classroom.</i></p> <p>Each grade level will meet to create action plans for implementing school norms and habits, as well as ways to</p>	<p>EL National Conference</p> <p>On-site days with Dale - Model character and culture at each PD to develop routines and rituals</p> <p>Learning Walks and debriefs with leadership team</p>	<p>Evidence of Student Growth</p> <p>Baseline</p> <p>Attendance Rate</p> <p>Number of suspensions and detentions</p> <p>Mid-Year:</p> <p>Attendance Rate</p> <p>Number of suspensions and detentions</p> <p>End-of-Year:</p> <p>Attendance Rate</p>

<p>habits with students and in their professional relationships.</p> <p>frame discipline in becoming a self-directed learner.</p> <p>lead and use crew to focus deeply and continuously on the CLA habits of leadership.</p> <p>celebrate students and classes that exhibit strong habits of leadership (community meeting, awards, recognition, privileges, print).</p>	<p>hold students accountable.</p> <p>Communication with one another daily in regards to school norms and accountability. <i>Team leader check-ins with principal. Dean e-mail communications with grade team leaders.</i></p> <p>Revise crew to ensure it meets the needs of the students and follow through that it is being used consistently throughout the building.</p> <p>Invite families to participate in crew and community meetings. <i>Create structures to gradually and appropriately facilitate these connections.</i></p> <p><i>Provide training and support for teachers to have positive and productive communications with parents.</i></p> <p><i>We need to invite families with diverse perspectives and give them voice.</i></p> <p><i>Use the Remind technology for individual</i></p>		<p>Number of suspensions and detentions</p> <p>Evidence of Staff Growth - PD on the following to track and ensure the trend is decreasing by teache</p> <p>Baseline: Attendance Rate Number of suspensions and detentions</p> <p>Mid-Year: Attendance Rate Number of suspensions and detentions</p> <p>End-of-Year: Attendance Rate Number of suspensions and detentions</p>
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	<p><i>communication between families and teachers.</i></p> <ul style="list-style-type: none"> ● Crew coordinator will work with Team Leads to create grade level liaisons ● Visitation schedule created to allow crew coordinator to observe crews a minimum of once per month. 		
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4-Year High-Quality Student Work Impact Goal: This is the inspiring multi-year goal for High-Quality Student Work. This is then broken down into annual performance benchmarks, which are held below for the current year. This goal stays the same every year until a school achieves its EL Education Credential. NOTE- There is NOT typically a HQSW Goal for Affiliate Year partners.

Citizens Leadership Academy students will produce high-quality work that reflects multiple perspectives, connects to big concepts within multiple contents, and matters to students and the larger community.

2018 - 2019 Quality Work Performance Benchmarks: These are taken directly from the table on the summary page and the complete Performance Benchmarks document. Note that this is connected to but broader than the more granular evidence of student and staff growth named in the evidence column below.

CLA students create 1-2 major products per content. At least one product is submitted to EL's Models of Excellence.

CLA students create work that begins to reflect the following component of **complexity:**

- Student work reflects the ability to support claims with evidence at a higher level than in the past in all subject areas.

CLA students create work that begins to reflect the following component of **craftsmanship:**

- Students' written end products reflect revision and refinement, showing better command of the English language.

CLA students create work that begins to reflect the following component of **authenticity:**

- Student work is more authentic as the result of a guest expert for research and/or process in each case study.

CLA student work samples from the annual Quality Work Protocol show increased levels of these attributes compared to baseline QWP.

Rationale

Being intentional and systematic about using revision on a daily basis to push quality in work in all contents will foster an understanding and appreciation for revision/critique/practice which will improve work quality across the curriculum.

Implementation Priorities: Culture of Writing, Reflecting and Structuring Revision, *Beautiful Spaces*

Leadership and Faculty Learning Targets	Structures and Leadership Actions	EL Support and Services	Data Points/Evidence for Monitoring Progress
<p>Teachers can...</p> <p>plan and provide opportunities through which students are writing every day for multiple purposes and in multiple subjects.</p> <p>plan and provide opportunities through which students are practicing numeracy every day for multiple purposes and in multiple subjects.</p> <p>plan and provide opportunities through which students consider multiple perspectives.</p> <p>assess writing in a wide range of formats, including writing to inform and to make evidence-based arguments, personal</p>	<p>Curriculum maps and lessons will include a number of writing and numeracy opportunities.</p> <p>PD will support writing and numeracy throughout the different contents.</p> <p>Time will be given to teachers to ensure classrooms and common spaces are being maintained with high-quality student work. <i>Use documentation panels to show process of high-quality work</i></p> <p>Time will be given to teachers to work with vertical teams and discuss writing and numeracy as well as discuss how to continue</p>	<p>EL National Conference - <i>use high quality work samples from here and the Models of Excellence for ideas and examples</i></p> <p>On-site days with Dale</p> <ul style="list-style-type: none"> - Fall QWP with current student work from all content areas - Share on-going HQW examples with staff - <i>Create a Google drive for storage and DCIs populate and we refer back to regularly? - OR on the school website as a features page.</i> <p>Lead PD 2x on HQW Protocol <i>one in trimester 1 and one in trimester 2</i></p> <p>Provide learning walk and lesson plan feedback, focused on LTs, assessment, and mapping/planning alignment with classroom instruction. - emphasis on attributes of HQ <i>Work and revision</i></p> <p>Provide learning walk and lesson</p>	<p><i>Evidence of Student Growth</i></p> <p>Baseline</p> <p>Mid-Year: MYR survey - clarity and understanding of the three attributes of HQ work</p> <p>Student writing examples multiple purposes and in multiple subjects.</p> <p>Students can share various examples of HQ work displayed in the building.</p> <p>End-of-Year: CLA students created 1-2 major products per content.</p> <p>Writing examples in a wide range of formats, including writing to inform and to make evidence-based arguments, personal narratives and reflections, and creative writing in different genres</p> <p><i>Evidence of Staff Growth</i></p> <p>Baseline:</p> <p>Mid-Year: MYR survey - clarity and understanding of the three</p>

<p>narratives and reflections, and creative writing in different genres.</p> <p>display high-quality student work in classrooms and common spaces. The student work will be supported with text that makes it clear what students produced.</p> <p>use anchor charts to document <i>process and progress toward high quality work</i>. learning during lessons, these charts are posted in the classroom to reinforce understanding and provoke things.</p> <p>develop product plans that include each step toward high-quality work.</p> <p>Use an individualized standard reflection form at the end of a project, essay, art piece, etc.</p> <p>use models, rubrics, and criteria lists to promote high-quality drafts plus revision and reflection as a norm throughout the</p>	<p>incorporating anchor charts</p> <p>DCIs work with teachers to prepare the following: description, exemplar, rubric/criteria list, feedback/critique notecatcher, revision opportunities, final reflection. All steps are clearly laid out, required, and followed.</p> <p>Help to develop a standard reflection form at the end of a project, essay, art piece, etc.</p> <p>Connect with guest experts to advise on the process/techniques in addition to the topic.</p>	<p>plan feedback focused on crew and portfolio management. <i>Support Crew Lead and DCIs to use crew to prep for SLCs weekly and create a portfolio of high-quality work</i></p> <p>Debriefs with leadership team</p> <p>Establish regular sustained LT check-ins</p>	<p>attributes of HQ work</p> <p>Lessons that highlight writing for multiple purposes, in multiple subjects, and in a wide range of formats.</p> <p>Various examples of use anchor charts and concept maps that document learning during lessons</p> <p>End-of-Year: Submission to Model of Excellence</p> <p>Plans that demonstrate writing in a wide range of formats, including writing to inform and to make evidence-based arguments, personal narratives and reflections, and creative writing in different genres, but illustrate all three attributes of HQ Work</p>
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<p>building</p> <p>Utilize guest experts for case study research, process feedback, and an authentic audience.</p>			
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Leadership Goal: This foundational goal is also multi-year and directly aligned to the Terrain of Instructional Leadership. The implementation priorities will change each year as leadership capacity and structures are built. This goal is also directly aligned to the Leadership Structures and Actions columns in the other goals. It is essential to successfully implementing the Implementation Priorities for the year and achieving the Annual Performance Benchmarks.

As a leadership team, we will work to establish, maintain, communicate, and support key initiatives to promote student achievement and build a strong community in line with CLA’s mission and vision.

Rationale

If the CLA Leadership Team focuses on the commitment to the four quadrants, And if we Then If faculty collectively name and define clear habits of work that apply in every classroom, and if teachers and leaders learn strategies for incorporating the habits of work into daily instruction and school routines, and if leaders support and hold teachers accountable for consistently implementing these strategies, and if we explicitly and continuously teach students the habits of work expected in our school, three dimensions of student achievement as the foundation for all students and if we intentionally model these habits for students and use them authentically in our professional culture, and if we identify observable character targets for each habit of work, and if students receive regular descriptive feedback related to these targets and track their progress, and if our grading and reporting structures provide summative feedback related to student growth in these areas, then over time, students will practice and internalize our habits of work.

Implementation Priorities: Positive School Culture

Leadership and Faculty Learning Targets	Structures and Leadership Actions	EL Support and Services	Data Points/Evidence for Monitoring Progress
<p>CLA leaders can...</p> <p>establish and maintain strong</p>	<p>Daily check-ins with the team leaders.</p> <p>Daily recap emails (highlighting</p>	<p>EL National Conference</p> <p>On-site days with Dale</p>	<p>Evidence of Student Growth</p> <p>Baseline:</p> <p>Mid-Year:</p>

<p>structures such as mentoring, teaming, and peer observations to build trust and promote professional growth.</p> <p>communicate daily and weekly with staff to promote transparency and increased communication.</p> <p>cultivate shared ownership of successes, challenges and change initiatives.</p>	<p>positives and challenges of the day)</p> <p>Weekly grade level team meetings</p> <p>Calendar of PD for each trimester that includes time for grade level meetings, vertical meetings, school initiatives, data analysis and cultural competency</p> <p>RttC and NNN</p>	<ul style="list-style-type: none"> - Work with the CLA Leadership team to develop a structure for well-defined ritual and routines for the LT - Establish a regular structure of checking for progress with CLA Credentialing Process and portfolio <p>Learning Walks and debriefs with leadership team</p>	<p>End-of-Year: Meeting or exceeding all Performance Benchmarks in all three dimensions</p> <p>Evidence of Staff Growth Baseline: Score on Partnership Conditions Rubric Mid-Year: Increasing score on Partnership Conditions Rubric End-of-Year: IR Rubrics</p>
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Citizens Leadership Academy 2018 - 2019 EL Education Professional Development Plan

The long-term goal is to build the internal capacity of every member of the school staff. In order to maximize your relationship with EL, it is essential that instructional leaders work alongside school designers whenever possible. Think strategically about how leaders and school designers' work with teachers or teams can impact school-wide implementation.

Use the calendar below to plan out how the learning and structures will be sequenced and scheduled in support of the goals.

<p>September Dale: 9/13- 9/15 - <ul style="list-style-type: none"> ● Classroom Walk-throughs (2/20 total days)</p>	<p>October <ul style="list-style-type: none"> ● EL National Conference </p>	<p>November Dale 11/7 - 11/8 <ul style="list-style-type: none"> ● 11/7 Full Day PD ● HQW Protocol ½ day on 11/7 (4/20 total days) (½ CLAE)</p>	<p>December 2 days? (6/20 total days)</p>
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(2/20 total days)		<ul style="list-style-type: none"> EL National Conference 	
January Dale 01/17 - 01/19 <ul style="list-style-type: none"> Mid Year Review (9/20 total days) CLAE (1/16 2/5)	February <ul style="list-style-type: none"> EL Leadership Cohort Meeting 	March 3/02? PD (2)	April Dale 4/2 - 4/4 HQW? (12/20 total days) (3) April - Implementation Review
May HQW/Celebration of Learning? 3 2/1 (15/20 total days)	June CLA Leadership Retreat 2 Days (17/20 total days)	July CLA SI 2018 3 days	August CLA SI 2018 2 Days (20/20 total days) (20/20 total days)

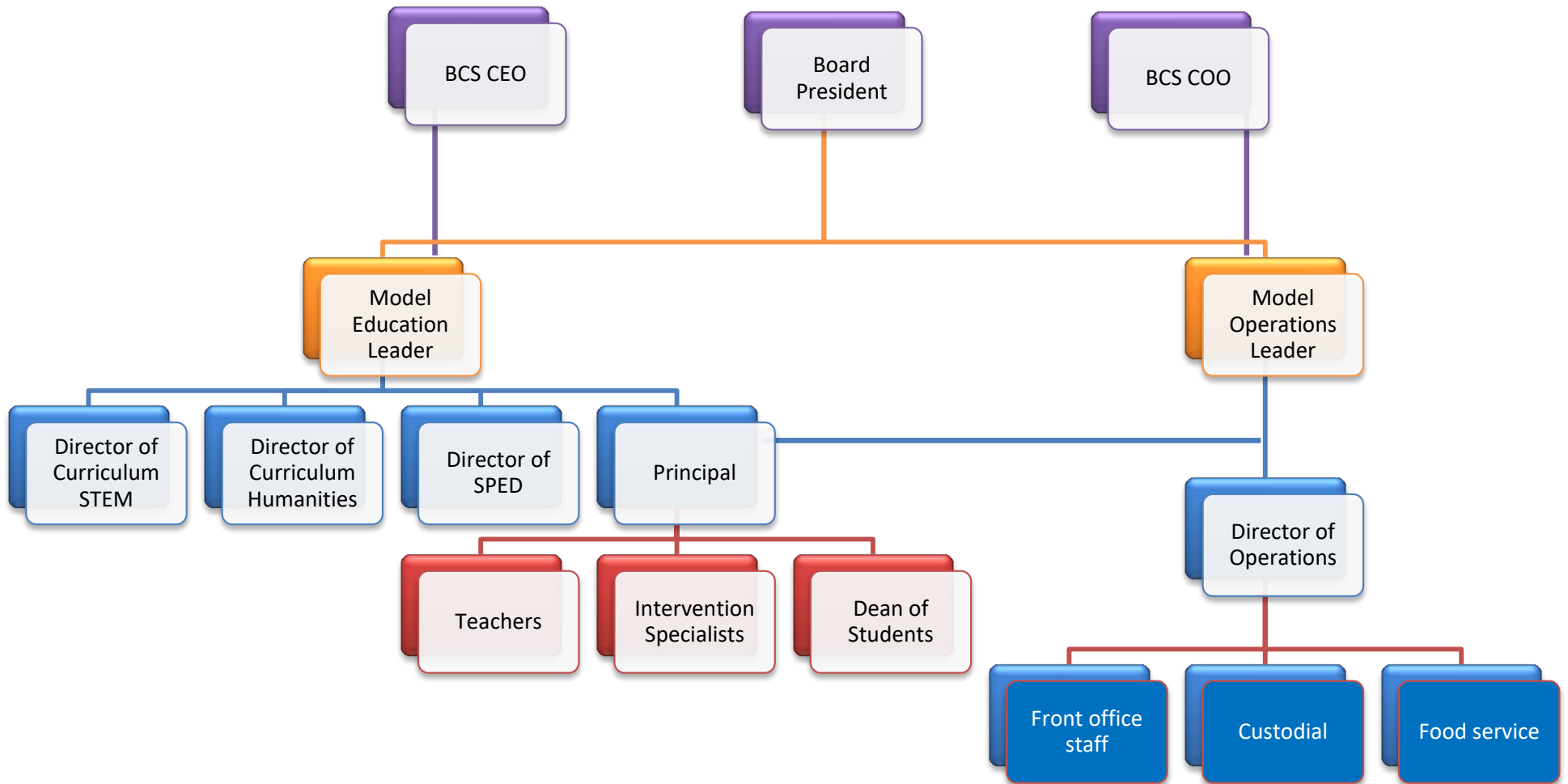
Retreat Next Steps

Topic	Team	Date	Notes/Support/Needs
RTI Team Building & Training	Allison E. , Katie Z., Shannon	Before summer institute	
Handbook updates	Meghan	Before first orientation on June 26	Done!!!
Plans for restorative justice training during summer institute Create bank of ways to respond to misbehaviors	Levy , Evelyn, Jessica?, Rico, Erica, Allison E, Austin, Shelly	Before summer institute	

Role playing for restorative conversations, make sure that it is differentiated			
Plans for restorative justice & digital citizenship in Crew	Craine & Teacher Leaders	Before start of school year, August 13	
Restorative Justice Tracking System	Austin	July 13	First draft done.
Stronger policy on cell phone, dress code, food/drink outside of cafeteria	Levy & Team	Thursday, July 12 9-12	
Finalized schedule & curriculum in regards to MKS conversation (including SLOs)	Mike, Meghan, Shannon, Erin K., Austin, Sydney, Shelly, Jessica	July 13	
Stronger understanding of attendance & truancy law (HB410) collaboration with Ops & Academic teams	Chance, Christina, Shannon, Katie Z., Keysha	August 5	
Alternative RISE program (unconscious bias, harassment, professionalism, LGBTQ+, microaggressions)	Christina, Shelly, Rico, Sydney	Week of June 25	
Slice for summer institute (seventh grade 17-18 humbly suggests history of Cleveland through GLBC beer labels - happy hour after the fact to meet & greet)	Evelyn, Meghan, Jessica, Mike	Week of July 16	Dale
Coaching schedule & vision conversation (including Crew observations!)	Mike, Meghan, Shannon, Erin K., Austin, Eica?, Jessica, Erin C., Sydney, Shelly	Week of July 2	

Daily expectations for iPads/VILS requirements	Mike/Meghan	throughout July	
Budgeting conversations <ul style="list-style-type: none"> - emphasize projected fieldwork costs - curriculum resources 	Shelly, Davis, Chance, Christina, Sydney, Rico	July 10 - ongoing & prioritized	
Refinement & Accessibility of work plan	Austin	August 1 - ongoing	Dale
Professional development calendar for the year <ul style="list-style-type: none"> Questioning PD - Learning walk schedule and targets DonorsChoose PD (Katie Z.) 	Sydney	Week of June 18	Dale - framework is created
Create accountability teams for work plan: <ul style="list-style-type: none"> - MSK - Culture - HQW 	MSK - Erin K., Jessica, Austin, Shannon, Mike, Sydney, Rico, Meghan Culture - Sydney , Erica, Dwayne, Anwar HQW - Meghan	Done	Will have small conversations weekly Formal monthly check-ins HQW Protocols during Fall & Spring
Plans for co-teaching, blended learning, differentiation, enrichment, pull out	Allison E., Sydney	throughout July	
Project Lead the Way	Mike , Erin K., Katie Z.		
Credentialing portfolio	Meghan	Ongoing	Dale

Attachment 17A



Attachment 18A

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Founding School Leader Resident, Citizens Leadership Academy Southeast

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Posted: January 16, 2018

Full-Time

Cleveland, OH, USA

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Job Details

Description

Citizens Leadership Academy Southeast Founding School Leader Resident

A paid, yearlong, founding school leader preparation program.

Residency Overview:

Breakthrough Charter Schools is the highest performing network of charter schools in Ohio. Our current 11 schools are representative of three distinctive approaches to teaching and learning, known as our three Models. We believe that the quality of our schools is inextricably linked to the quality of our school leadership. Thus, our replication has to be led by well-prepared leaders, who have exceptional leadership skills and know what it takes to run a school so that every day, children are getting what they deserve. The Breakthrough Founding School Leader Residency seeks to ensure that every Breakthrough school, staff member, and student gains value from such effective school leadership as we open new schools and maintain the continued strength of our existing schools.

This residency experienced its pilot year in the 2014-2015 school year. Our resident is set to open our 12th school in the fall of 2019-2020, the third Citizens Leadership Academy school. Though out of its pilot year, it will continue to consist of many entrepreneurial approaches to leadership development. It will continue to network best practices from in and outside of Breakthrough, and will have multiple points for active refinement for the current and future years of the program.

We know great development and progress "takes a village." Our residents' growth is no exception. We believe the coordinated efforts and training between each resident's Model and Breakthrough Support Team is key to this. Residents will have three camps of staff members supporting them. First, he/she will be managed and led by his/her respective Model's leadership. Second, he/she will receive the benefit of the breadth of expertise and insight of staff members across our Models, schools, and Breakthrough Support Team, according to the resident's specific needs and growth. Third, residents will also have his/her leadership development, specifically, monitored and coached through a one-on-one relationship with a leadership coach.

The residency consists of a one-year, full-time assignment (flexible, with consideration to developmental needs) and is intended to prepare the participant for school leadership the following year. During the yearlong assignment the resident is immersed in the daily activities associated with school leadership, under supervision, including coaching and developing teachers, taking on various leadership responsibilities, engaging with families, etc. Additionally, the resident will take on projects in order to meet the various needs of their school assignment and/or Model.

The resident is also required to take ownership over his/her own leadership development by:

- Participating in the monitoring of his/her growth in leadership knowledge, skills, and abilities
- Fully engaging in specific, differentiated professional learning experiences and coaching designed for the

residency
Attachment 18A 1

Citizens Leadership Academy Southeast

- Taking on a progressive release of responsibility
- Maintaining flexibility and actively supporting the growth and evolution of this program
- Applying for a school leadership position for the following year

Formal Training

Residents will grow in everything ranging from high level leadership skills, to the distinctions and culture of his/her educational Model, to the fundamental details of day-to-day school operation. To this end, he/she will engage in multiple professional development sessions and mediums, supported and led by his/her Model and the Breakthrough Support Team. This can include: external trainings and partnerships; on-site professional development sessions and observations; online resources; rotations of all portions of the organization and our daily functioning; and coaching and development from existing Model and school leadership, a leadership coach, and other network leaders.

The emphasis of training is on the intentional practice of leadership skills and applying the new knowledge, with deliberate feedback to ensure mastery of various leadership knowledge, skills, and mindsets. Such mastery will be monitored through a 1-on-1 relationship with a leadership coach. This way, in addition to the management, exposure, and day-to-day activities within your school site, there is a central focus on your progress and development as a leader.

Throughout the residency, the Model will individualize the training and support to best meet the needs and goals of both the resident and the school. Furthermore, though there are many people and resources supporting the development of the resident, the evaluation and managerial relationship will reside between the resident and Model leadership.

Hands-on Experience

Our residency offers a unique opportunity which cannot be replicated through traditional administrative preparation programs: hands-on training at our own high-performing charter schools with 1-on-1 attention devoted to your professional growth into a school leader. The selected resident will be fully immersed in all aspects of school functions and management, and this can include: the ongoing opportunity to shadow other principals and school leaders; observing teachers and providing feedback; attending board meetings; presenting to parents; providing professional development; engaging with the various operations and support functions to our schools; and leading various school enhancement projects.

School Leader Cohort

Our small cohort of growing school leaders from our various Models will meet regularly as a professional learning community to collaborate with other resident school leaders to receive advice, support, and training in preparation for improving upon Breakthrough's track record of achieving outstanding results for children.

New School Planning Support

The selected resident will work with the Model leadership and Breakthrough Support Team with access to experienced professionals who have the expertise to guide a new leader through all aspects of opening a new school. The Breakthrough Support Team includes the Communications/Student Recruitment, Facilities, Talent Acquisition and Human Capital, Accounting, Through College, Information Technology, Operations and Friends of Breakthrough teams.

Compensation

A competitive school leader's compensation will be provided.

Residency for Citizens Leadership Academy Southeast

The CLAS Founding School Leader Resident will report directly to the CLA Model Education Leader, but he or she will also have specific assignments with other CLA Leadership Team members: the principal, director of operations, directors of curriculum, dean of school culture, and director of special education. The Resident will also attend Breakthrough Leadership Team meetings with the Model Education Leader, Model Operations meetings with the director of operations, and CLA board meetings. The CLAS Resident will also spend several days at EL Education schools working with school and network leaders and will visit other Breakthrough schools and other local high-performing urban schools to broaden his or her awareness of best practice. Finally, the Resident will attend EL Education Midyear Leadership Retreat and KIPP, Achievement First, and/or BES leadership training sessions. If OTES and/or Resident Educator certification is needed, those trainings will be provided. A year-long program will be developed based upon the Resident's background and credentials; this program will be created by June 2018 so that the Resident has a road map of the residency year.

Applying for the Residency:

Desired Skills, Experience, and Qualifications

We are seeking a results-driven leader committed to the mission of Citizens Leadership Academy, the Expeditionary Model, as well as Breakthrough Schools' mission, high expectations and his or her own professional growth.

Required:

- A commitment to complete the entire residency year and lead the new school through the 2021-2022 school year (i.e. the school's first 3 years)
- (If internal) A minimum Summative Evaluation rating of Skilled or higher for the 2017-2018 school year
- Bachelor's Degree and Teaching Credential (Masters preferred)
- Three years or more teaching experience (Urban setting preferred; Five years preferred)
- Regular reflectiveness and receptiveness to feedback
- An entrepreneurial spirit, energized and focused on the pioneering work of founding and opening a new school, creating a new facet in a community, and building collaborative relationships focused on this.
- Belief that each and every child can excel academically
- Belief that great teachers lie at the heart of a great school and that a great school continues to develop its teachers
- Understanding and experience working with the nuances of urban school communities and school culture
- Proven commitment to be a lifelong learner, in general and particularly in regards to education and learning
- A proven track record of success in the classroom, instructional excellence, and exceptional classroom management
- Knowledge of exemplary teaching and the capacity to distinguish among poor, mediocre, solid and outstanding teaching
- Examples of a relentless drive, a "do whatever it takes" belief, and commitment to eliminate the disparity of educational quality that exists
- Proven ability to plan, organize, and direct education programs and activities
- Ability to organize workload independently and set priorities; to adapt quickly to changing priorities; and perform multiple interrelated tasks under deadline pressures
- Strong strategic thinking and problem solving capabilities
- Appreciates and is able to work in a highly collaborative environment
- Excellent communication skills, both verbal and written
- Ability to engage in critical conversations with respect, vision, and humility
- Ability to manage people and complex projects
- Strong interpersonal skills

Preferred:

- Administrative experience at the principal or assistant principal level (DCI, dean)
- Leadership experience at an EL Education school
- OTES certification
- Resident Educator certification

As an equal opportunity employer, we hire without consideration to race, religion, creed, color, national origin, age, gender, sexual orientation, marital status, veteran status or disability.

Qualifications

Education

Required

Bachelors or better in Education or related field.

Preferred

Masters or better in Education or related field.

Licenses & Certifications

Preferred

OH Principal License

OH Teaching License

Connect with us on LinkedIn!

Attachment 19A – Parent and Community Engagement – New Schools

1. Address of Proposed School:

15700 Lotus Dr. Cleveland, OH 44128

2. Neighborhood name where school is proposed:

Lee-Harvard

3. Council Member and Ward where school is proposed:

Councilman Joseph Jones, Ward 1

4. Provide a list of community partners proposed school may have developed and describe their roles in contributing to the school and the students' success. Include letters of support or other information.

While we have not yet solidified our community partnerships for CLA Southeast, we will be likely to build upon the existing Breakthrough network relationships with organizations such as Boys and Girls Clubs, Cleveland Hearing and Speech, Liz Richmond Counseling Services, and the Cleveland Institute of Art (just to name a few).

5. If you met with a Cleveland City Council member, please provide the date of the Meeting:

Prior to opening Citizens Academy Southeast, then Cleveland City Councilman Terrell Pruitt met with leaders from Breakthrough Schools to express his strong interest in our opening a K-8 school in Ward 1. It was at that time we began exploring the southeast corner of Cleveland as a potential neighborhood for replication.

Today, we have been engaging with Councilman Jones around plans for the Citizens Southeast Campus for the past several months. In particular, he received a tour of the in-process building renovations from John Zitzner (President, Friends of Breakthrough Schools) on

June 21, 2018; met with Alan Rosskamm (CEO, Breakthrough Schools) on July 20, 2018; and attended the campus ribbon-cutting ceremony on August 15, 2018.

6. Did the Cleveland City Council Member provide a support letter? (Yes or No – Please attach)

Councilman Jones has expressed his support, however we have not received his letter at time of application submission. We will submit as soon as we receive it.

7. If you met with the Community Development Corporation, please provide the date of the meeting:

Questions 7-13 are N/A at this time; however, as we hire our Founding School Leader and progress through our start-up timeline, we fully expect to continue to build upon our existing community relationships, as well as leverage the roots that CA Southeast has already established in the community.

8. Did the Community Development Corporation provide a support letter? (Yes or No – Please attach)

9. Date of Community Meeting(s):

10. Name of civic association(s), if any, that hosted Community Meeting(s):

11. Attach copies of any marketing materials that were used to promote attendance at the Community Meeting, along with an explanation of how the materials were used.

12. Attach a copy of the presentation materials from the Community Meeting.

13. Attach a narrative that summarizes community comments from the Community Meeting(s) and how the proposed school intends to address any hopes, issues, or questions raised.

14. Attach a list of families committed to, or strongly interested in, attending the proposed school including zip code and current grade.

As stated elsewhere in this application, we expect the vast majority of CA Southeast students to matriculate to Citizens Leadership Academy Southeast. CA Southeast has been fully enrolled since the school's inception.

15. Attach a narrative that indicates how the school will continue, after it opens, to engage parents and the community in supporting the school's academic and overall success.

As mentioned in the body of our application, the success of CLA Southeast is greatly impacted by our ability to keep our families engaged, empowered, and appreciated.

Parents and/or guardians and families are required to participate in annual community engagement initiatives, and home visits/before-school conferences allow our staff to get to know more about the family dynamic and culture,. We believe this helps teachers be better prepared to support their students and give parents an open line of communication when it comes to their child's success.

Attachment 20A (Board of Director resumes)

Attachment 20B (Governing Authority Disclosure Forms)

Attachment 21A

Applicant school: CITIZENS LEADERSHIP ACADEMY SOUTHEAST															
Year 1 Cashflow Summary	July	August	September	October	November	December	January	February	March	April	May	June	Total	ASSUMPTIONS NARRATIVE:	
Total Revenue	\$ 425,000	\$ -	\$ -	\$ 210,330	\$ 67,235	\$ 67,235	\$ 67,235	\$ 67,235	\$ 67,235	\$ 67,235	\$ 67,235	\$ 67,235	\$ 1,173,209		
Total Expenses	\$ 109,099	\$ 83,481	\$ 87,710	\$ 92,367	\$ 87,834	\$ 87,834	\$ 95,393	\$ 86,331	\$ 85,356	\$ 85,306	\$ 85,441	\$ 97,245	\$ 1,083,397		
Over/(Under)													\$ 89,812		
Total Enrollment													75.00		
Year 1 Cashflow Budget													0		
REVENUE															
State Revenue															
State Foundation	\$ -	\$ -	\$ -	\$ 150,250	\$ 43,151	\$ 43,151	\$ 43,151	\$ 43,151	\$ 43,151	\$ 43,151	\$ 43,151	\$ 43,151	\$ 495,456	Conservative estimate based upon FY18 per student allocations.	
Targeted Assistance	\$ -	\$ -	\$ -	8,099	2,461	2,461	2,461	2,461	2,461	2,461	2,461	2,461	27,786	Conservative estimate based upon FY18 per student allocations.	
Economic Disadvantaged Funding	\$ -	\$ -	\$ -	18,525	6,969	6,969	6,969	6,969	6,969	6,969	6,969	6,969	74,276	Conservative estimate based upon FY18 per student allocations.	
Special Education Funding	\$ -	\$ -	\$ -	25,043	7,795	7,795	7,795	7,795	7,795	7,795	7,795	7,795	87,405	Estimate derived from Citizens Academy Southeast's SPED student eligibility.	
Food Service	\$ -	\$ -	\$ -	3,458	3,458	3,458	3,458	3,458	3,458	3,458	3,458	3,458	31,125	Conservative estimate based upon FY18 per student allocations.	
Facilities Funding	\$ -	\$ -	\$ -	4,955	1,401	1,401	1,401	1,401	1,401	1,401	1,401	1,401	16,161	Conservative estimate based upon FY18 per student allocations.	
Total State Revenues	\$ -	\$ -	\$ -	\$ 210,330	\$ 65,235	\$ 65,235	\$ 65,235	\$ 65,235	\$ 65,235	\$ 65,235	\$ 65,235	\$ 65,235	\$ 732,209	Note: No local (CMSD levy) proceeds are included in these revenue projections.	
Federal Revenue															
CCIP															
Title I	0	0	0	0	0	0	0	0	0	0	0	0	0	100% of FY20 Title I Allocation (estimated at \$55,600) to be carried forward to FY21.	
Title I SI	0	0	0	0	0	0	0	0	0	0	0	0	0	na	
Title II-A (PD)	0	0	0	0	0	0	0	0	0	0	0	0	0	100% of FY20 Title II Allocation (estimated at \$4,400) to be carried forward to FY21.	
Title II-D (Tech.)	0	0	0	0	0	0	0	0	0	0	0	0	0	na	
Title III (LEP & Immigrant)	0	0	0	0	0	0	0	0	0	0	0	0	0	na	
Title IV (Safe & Drug Free)	0	0	0	0	0	0	0	0	0	0	0	0	0	No guarantee Title IV funds will be available in FY20.	
Title V (Innovative Ed)	0	0	0	0	0	0	0	0	0	0	0	0	0	na	
Title VI (Rural Ed)	0	0	0	0	0	0	0	0	0	0	0	0	0	na	
IDEA-B (SPED)	0	0	0	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	16,000	Estimate derived from Citizens Academy Southeast's SPED student eligibility.	
SFSF	0	0	0	0	0	0	0	0	0	0	0	0	0	na	
PCSP	0	0	0	0	0	0	0	0	0	0	0	0	0	na	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	na	
Total Federal Revenues	0	0	0	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	16,000		
Total Fundraising Revenues	425,000	-	-	-	-	-	-	-	-	-	-	-	425,000		
Total Revenue	\$ 425,000	\$ -	\$ -	\$ 210,330	\$ 67,235	\$ 67,235	\$ 67,235	\$ 67,235	\$ 67,235	\$ 67,235	\$ 67,235	\$ 67,235	\$ 1,173,209		
Expenses															
Administrative Personnel Costs															
	# Positions														
Executive Management	1	\$ 6,438	\$ 6,438	\$ 6,438	\$ 6,438	\$ 6,438	\$ 6,438	\$ 6,438	\$ 6,438	\$ 6,438	\$ 6,438	\$ 6,438	\$ 77,250	Principal	
Instructional Management	0	-	-	-	-	-	-	-	-	-	-	-	-		
Deans, Directors, and Coordinators	1	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263	63,161	Dean or DCI	
CFO	0	-	-	-	-	-	-	-	-	-	-	-	-		
Operations/Business Manager	1	5,120	5,120	5,120	5,120	5,120	5,120	5,120	5,120	5,120	5,120	5,120	61,440	Director of Operations	
Administrative Staff	1	2,773	2,773	2,773	2,773	2,773	2,773	2,773	2,773	2,773	2,773	2,773	33,280	Office Manager / Receptionist	
Other	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	1/7 Share of Model Staff Salaries/Benefits	
Total Administrative Personnel Costs		\$ 22,094	\$ 22,094	\$ 22,094	\$ 22,094	\$ 22,094	\$ 22,094	\$ 22,094	\$ 22,094	\$ 22,094	\$ 22,094	\$ 22,094	\$ 265,131		
Instructional Personnel Costs															
	# Positions														
Teachers: Regular	4	\$ 7,168	\$ 14,336	\$ 14,336	\$ 14,336	\$ 14,336	\$ 14,336	\$ 14,336	\$ 14,336	\$ 14,336	\$ 14,336	\$ 14,336	\$ 21,504	\$ 172,032	Based on avg BCS teacher salary of \$43,008 for new start-up (adjusted for inflation).
Teachers: SPED	1	1,792	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	5,376	43,008	Special Ed / Intervention Specialist
Substitute Teachers	0	-	-	-	500	500	500	500	500	500	500	500	500	4,500	Assumes \$125/day and 1 day per regular teacher per month.
Teaching Assistants	0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Specialty Teachers	1.5	2,688	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	8,064	64,512	PE/OL Teacher and half-time Art Teacher
Aides	0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Therapists and Counselors	0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Instructional Personnel Costs		\$ 11,648	\$ 23,296	\$ 23,296	\$ 23,296	\$ 23,296	\$ 23,296	\$ 23,296	\$ 23,296	\$ 23,296	\$ 23,296	\$ 23,296	\$ 35,444	\$ 284,052	
Non Instructional Personnel Costs															
	# Positions														
Nurse	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Librarian	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Custodian	0	0	0	0	0	0	0	0	0	0	0	0	0	0	* Included in BCS Management Fee
Security	0	0	0	0	0	0	0	0	0	0	0	0	0	0	* Included in BCS Management Fee

	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Non Instructional Personnel Costs																		
Subtotal #Positions		10.5																
Subtotal Personnel Costs		\$ 33,742	\$ 45,390	\$ 45,390	\$ 45,890	\$ 45,890	\$ 45,890	\$ 45,890	\$ 45,890	\$ 45,890	\$ 45,890	\$ 45,890	\$ 45,890	\$ 57,538	\$ 549,183			
Payroll Taxes and Benefits																		
Payroll Taxes and Benefits		\$ 489	\$ 658	\$ 658	\$ 665	\$ 665	\$ 665	\$ 665	\$ 665	\$ 665	\$ 665	\$ 665	\$ 665	\$ 834	\$ 7,963			Employer share of Medicare = 1.45% of Personnel Costs
Employee Benefits		\$ 3,459	\$ 4,652	\$ 4,652	\$ 4,704	\$ 4,704	\$ 4,704	\$ 4,704	\$ 4,704	\$ 4,704	\$ 4,704	\$ 4,704	\$ 4,704	\$ 5,898	\$ 56,291			10.4% Estimate based upon average for schools managed by Breakthrough Schools
Retirement/Pension		0	0	0	0	0	0	0	0	0	0	0	0	0	0			Included in SERS/STRS line
STRS/SERS		4,724	6,355	6,355	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	8,055	76,886			Employer share SERS/STRS = 14% of Personnel Costs
Total Payroll Taxes and Benefits		\$ 8,672	\$ 11,665	\$ 11,665	\$ 11,794	\$ 11,794	\$ 11,794	\$ 11,794	\$ 11,794	\$ 11,794	\$ 11,794	\$ 11,794	\$ 11,794	\$ 14,787	\$ 141,140			
Contracted Services (* = Included in Management Co. Fee)																		
Accounting/Audit		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	* Included in BCS Management Fee
Legal		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	* Included in BCS Management Fee
Treasurer		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	* Included in BCS Management Fee
Data Reporting		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	* Included in BCS Management Fee
Management Company Fee		\$1,600/FTE	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000		Mgt. Fee \$1,600 per FTE Student as reported on ODE State Foundation Payments
Nurse/Health Services		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	* Included in BCS Management Fee
Food Service/School Lunch		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	* Included in BCS Management Fee
Payroll		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	* Included in BCS Management Fee
Special Education		*	-	-	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	15,000		Projections derived from Citizens Academy Southeast's SPED student expenses.
Sponsorship Fee (1.5% of State Base)		1.5%	-	-	-	3,029	906	906	906	906	906	906	906	906	906	10,274		
Other		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	* Included in BCS Management Fee
Total Contracted Services			10,000	10,000	11,500	14,529	12,406	12,406	12,406	12,406	12,406	12,406	12,406	12,406	12,406	145,274		
School Operations																		
Board Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Classroom/Teaching Supplies and Materials		6,661	606	606	606	606	606	606	3,028	606	-	-	-	-	-	13,322		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Special Education Supplies and Materials		-	-	-	1,500	150	150	150	100	100	50	50	50	50	50	2,300		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Textbooks/Workbooks		19,913	1,810	1,810	1,810	750	750	-	-	-	-	-	-	-	-	26,844		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Supplies and Materials Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equipment/Furniture		7,725	702	702	702	702	702	702	-	-	-	-	-	1,755	12,992			Based on average of new start-up schools managed by BCS (adjusted for inflation).
Telephone		108	108	108	108	108	108	108	108	108	108	108	108	108	108	1,301		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Technology		64	64	64	64	64	64	64	64	64	64	64	64	64	64	773		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Student Testing and Assessment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Included in Management Company fee.
Field Trips		-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,135	-	9,135		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Transportation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Student Services (Other)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Office Expenses		263	263	263	263	263	263	263	263	263	263	263	263	263	263	3,150		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Staff Development		2,394	218	218	218	218	218	218	1,088	218	-	-	-	-	-	4,788		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Staff Recruitment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Included in Management Company fee.
Student Recruitment/Marketing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Included in Management Company fee.
School Meals		-	1,729	3,458	3,458	3,458	3,458	3,458	3,458	3,458	3,458	3,458	3,458	3,458	-	32,854		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Travel (Staff)		1,673	152	152	152	152	152	152	761	152	-	-	-	-	-	3,347		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Fundraising		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Friends of Breakthrough is responsible for all fundraising costs.
Other		2,358	2,358	2,358	2,358	2,358	2,358	2,358	2,358	2,358	2,358	2,358	2,358	2,358	2,358	28,300		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Total School Operations		\$ 41,160	\$ 8,011	\$ 10,740	\$ 12,240	\$ 9,830	\$ 9,830	\$ 12,279	\$ 8,327	\$ 7,352	\$ 7,302	\$ 7,437	\$ 4,599	\$ 139,105				
Facility Operations and Maintenance																		
Insurance		\$ 4,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,220		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Janitorial		500	500	500	500	500	500	500	500	500	500	500	500	500	500	6,000		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Building and Land Rent/Lease		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000		Rent is net cost to CLAS.
Repairs and Maintenance		300	300	300	300	300	300	300	300	300	300	300	300	300	300	3,600		Repair/Maintenance is net cost to CLAS.
Equipment/Furniture		3,000	500	500	0	0	0	0	500	0	0	0	0	0	0	4,500		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Security		0	0	0	0	0	0	0	0	0	0	0	0	0	0	-		Based on average of new start-up schools managed by BCS (adjusted for inflation).
Utilities		2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	25,375		Based on per student allocation of current CAS utilities (adjusted for inflation).
Total Facility Operations and Maintenance		\$ 15,525	\$ 8,415	\$ 8,415	\$ 7,915	\$ 7,915	\$ 7,915	\$ 13,025	\$ 7,915	\$ 7,915	\$ 7,915	\$ 7,915	\$ 7,915	\$ 7,915	\$ 108,695			
Total Expenses		\$ 109,099	\$ 83,481	\$ 87,710	\$ 92,367	\$ 87,834	\$ 87,834	\$ 95,393	\$ 86,331	\$ 85,356	\$ 85,306	\$ 85,441	\$ 97,245	\$ 1,083,397				
Under/(Over)		\$ 315,901	\$ (83,481)	\$ (87,710)	\$ 117,963	\$ (20,599)	\$ (20,599)	\$ (28,158)	\$ (19,097)	\$ (18,121)	\$ (18,071)	\$ (18,206)	\$ (30,010)	\$ 89,812				
Five-year Summary			Pre Start-Up															Pre Start-Up expenses include \$100,000 for Admin Staff salary/benefits and \$40,000 for start-up supplies and equipment.

		2018-2019	2019-20	2020-21	2021-22	2022-23	2023-24	Pre Start-Up, First and Second Year Financial Support (Grants) provided by Friends of Breakthrough (See 6/25/18 Memo)							
Total Revenue		\$215,000	\$1,173,209	\$1,826,418	\$2,499,627	\$2,424,627	\$2,424,627								\$10,348,507
Total Expenses		\$140,000	\$1,083,397	\$1,703,171	\$2,407,395	\$2,368,910	\$2,366,752								\$9,929,625
Over/(Under)		\$75,000	\$89,812	\$123,247	\$92,231	\$55,716	\$57,875								\$418,882
Total Enrollment		0	75	150	225	225	225								
Five-year Projected			2019-20	2020-21	2021-22	2022-23	2023-24								
REVENUE															
State Revenue															
	State Foundation		\$495,456	\$990,912	\$1,486,368	\$1,486,368	\$1,486,368								Conservative estimate based upon FY18 per student allocations.
	Targeted Assistance		27,786	55,572	83,358	83,358	83,358								Conservative estimate based upon FY18 per student allocations.
	Economic Disadvantaged Funding		74,276	148,552	222,828	222,828	222,828								Conservative estimate based upon FY18 per student allocations.
	Special Education Funding		87,405	174,810	262,215	262,215	262,215								Estimate derived from Citizens Academy Southeast's SPED student eligibility.
	Food Service		31,125	62,250	93,375	93,375	93,375								Conservative estimate based upon FY18 per student allocations.
	Facilities Funding		16,161	32,322	48,483	48,483	48,483								Conservative estimate based upon FY18 per student allocations.
Total State Revenues			\$732,209	\$1,464,418	\$2,196,627	\$2,196,627	\$2,196,627								
Federal Revenue															
CCIP															
	Title I		\$-	\$166,800	\$166,800	\$166,800	\$166,800								100% of FY20 Title I Allocation (estimated to be \$55,600) will be carried forward to FY21.
	Title I SI		-	-	-	-	-								na
	Title II-A (PD)		-	13,200	13,200	13,200	13,200								100% of FY20 Title II Allocation (estimated to be \$4,400) will be carried forward to FY21.
	Title II-D (Tech.)		-	-	-	-	-								na
	Title III (LEP & Immigrant)		-	-	-	-	-								na
	Title IV (Safe & Drug Free)		-	-	-	-	-								Title IV Allocation estimate is \$0 because there is not guarantee these funds will be available in FY20.
	Title V (Innovative Ed)		-	-	-	-	-								na
	Title VI (Rural Ed)		-	-	-	-	-								na
	IDEA-B (SPED)		16,000	32,000	48,000	48,000	48,000								Projections derived from Citizens Academy Southeast's SPED student eligibility.
	SFSF		-	-	-	-	-								na
	PCSP		-	-	-	-	-								na
	Other		-	-	-	-	-								na
Total Federal Revenues			\$16,000	\$212,000	\$228,000	\$228,000	\$228,000								
Total Fundraising Revenues			425,000	150,000	75,000	-	-								Pre Start-Up, First and Second Year Financial Support (Grants) provided by Friends of Breakthrough (See 6/25/18 Memo)
Total Revenue			\$1,173,209	\$1,826,418	\$2,499,627	\$2,424,627	\$2,424,627								
Expenses															
Administrative Personnel Costs		# Positions													

	Staff Recruitment	-	-	-	-	-	-	Included in Management Company fee.					
	Student Recruitment/Marketing	-	-	-	-	-	-	Included in Management Company fee.					
	School Meals	32,854	67,679	104,564	107,701	110,932		Estimates based upon average of schools managed by Breakthrough Schools (3% annual inflation adjustment).					
	Travel (Staff)	3,347	3,448	3,551	3,658	3,767		Estimates based upon average of schools managed by Breakthrough Schools (3% annual inflation adjustment).					
	Fundraising	-	-	-	-	-		Friends of Breakthrough is responsible for all fundraising costs.					
	Other	28,300	12,500	12,875	5,326	5,486		Estimates based upon average of schools managed by Breakthrough Schools (3% annual inflation adjustment).					
	Total School Operations	\$ 139,105	\$ 194,145	\$ 260,436	\$ 221,518	\$ 217,563							
	Facility Operations and Maintenance												
	Insurance	\$ 9,220	\$ 9,497	\$ 9,781	\$ 10,075	\$ 10,377		Estimates based upon average of schools managed by Breakthrough Schools (3% annual inflation adjustment).					
	Janitorial	6,000	6,180	6,365	6,556	6,753		Estimates based upon average of schools managed by Breakthrough Schools (3% annual inflation adjustment).					
	Building and Land Rent/Lease	60,000	110,000	160,000	160,000	160,000		Estimates based upon per student allocation of current CAS rent.					
	Repairs and Maintenance	3,600	3,708	3,819	3,934	4,052		Estimates based upon per student allocation of current CAS repair/maintenance.					
	Equipment/Furniture	4,500	4,635	4,774	4,917	5,065		Estimates based upon average of schools managed by Breakthrough Schools (3% annual inflation adjustment).					
	Security	-	-	-	-	-		Estimates based upon average of schools managed by Breakthrough Schools (3% annual inflation adjustment).					
	Utilities	25,375	26,136	26,920	27,728	28,560		Estimates based upon per student allocation of current CAS utilities (adjusted for inflation).					
	Total Facility Operations and Maintenance	\$ 108,695	\$ 160,156	\$ 211,661	\$ 213,210	\$ 214,807							
	Total Expenses	\$ 1,088,397	\$ 1,703,171	\$ 2,407,395	\$ 2,368,910	\$ 2,366,752							
	Under/(Over)	\$ 84,812	\$ 123,247	\$ 92,231	\$ 55,716	\$ 57,875							

Attachment 21B

BREAKTHROUGH SCHOOLS



Memorandum: June 25, 2018

To: CLA Board Leadership

From: Alan Rosskamm & John Zitzner

Re: Citizens Leadership Academy Southeast

In the course of its deliberations regarding the opening of a third Citizens Leadership Academy middle school at the former Charles Eliot location, Cynthia Tancer, Art Lundberg, and Kevin Alin approached JZ and Alan to request assurances to help mitigate certain financial risks. For the new CLAS school, the CLA Leaders wanted to make sure that network subsidies would be sufficient to support planning year/opening expenses as well as anticipated operating losses over the first three years of operation. In addition, the Leaders requested help in FOB supporting credentialing and other educational priorities and in addressing the broader concerns around the financial viability of operating middle schools with only three grade levels. As part of the discussion, the CLA Leaders indicated that CLA was comfortable enrolling at least twenty students per classroom, if sufficient demand existed, and CLA was committed to maintaining year round open enrollment to maximize the net enrollment each year.

Although JZ and Alan have no authority to bind either the FOB or BCS Boards, they were asked what level of risk mitigation and support they would be willing to recommend to their Boards and Finance Committees. JZ and Alan feel comfortable making the following recommendations:

- 1) Recommending a one time \$100,000 grant to the CLA model to support EL credentialing and various refinements to the CLA Model.
- 2) Recommending planning year funding for the new CLAS school of \$215,000 with some flexibility as to the use of these dollars where there's a positive impact on both the new and existing schools.
- 3) Recommending first year funding for CLAS in the amount of \$3,000/student, plus an additional \$200,000 of Walton replacement funding. (The actual formula is more complicated, if there would be substantially more than 80 students the first year, but this is the likely first year funding for CLAS).
- 4) Recommending second year funding of \$2,000 for every new student
- 5) Recommending third year funding of \$1,000 for every new student

JZ and Alan are not comfortable with the precedent of recommending a straight enrollment shortfall subsidy, but FOB has always been available to address severe financial hardship issues should they ever arise.

JZ and Alan

Attachment 22A

FINANCE POLICIES

CITIZENS LEADERSHIP ACADEMY SOUTHEAST ... A BREAKTHROUGH SCHOOL

WORKING DRAFT – 08.01.18

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147.1 GENERAL STATEMENT

The Board approves these finance-related policies in order to increase efficiencies, establish consistent protocol, promote accurate and responsible financial reporting and transparency, and to fulfill its responsibilities to oversee the proper use of the public funds received by the School.

147.2 DEFINED TERMS

For purposes of these finance policies, the following are defined terms.

- A.** Authorized Approver – The people approved by the Board of Directors who may authorize expenses and other disbursements of School funds. The primary Authorized Approver(s) shall be the Principal, Model Operations Leader, and Model Education Leader.
- B.** Authorized Signer – The employees of Breakthrough Charter Schools to include only the Director of Finance and Accounting, Chief Financial Officer, Chief Operating Officer and the Chief Executive Officer.
- C.** BCS – Breakthrough Charter Schools
- D.** Board of Directors – Appointed Board for School oversight and governance as defined by the Ohio Revised Code Chapter 3314 as the Governing Authority, and by the Code of Regulations of the School. Also referred to as the Board.
- E.** Treasurer – The Board has contracted with Breakthrough Charter Schools to provide a licensed school Treasurer/Fiscal Officer for the School who performs high level, system wide executive licensed fiscal management functions of a community school.
- F.** Finance Chair– The Boards’ Finance representative and liaison for interaction with the Treasurer/Fiscal Officer. The Finance Chair may be a voting member of the School Board but may not be paid staff of the School.
- G.** Chief Financial Officer (CFO) – The Board has contracted with Breakthrough Charter Schools to provide financial advisory services to the Treasurer and School Finance Committee. This position provides those services.
- H.** Model Operations Leader – The Board has contracted with Breakthrough Charter Schools to provide operational direction and support. This position provides those services.
- I.** Financial Liaison – The person employed at the School who serves as the primary contact for Treasurer/Fiscal Officer and BCS CFO to discuss all financial matters. In some cases it is the Operations Director/Manager of a school.
- J.** USAS – Uniform School Accounting System, State of Ohio.

- K.** Function – Codes defined by USAS for a broad area of programs, sub-programs and activities into which expenditures are classified.
- L.** Fund – Codes defined by USAS that are established by constitutional provisions or special statutes to help assure that money is spent for purposes specified in appropriations. Identification of funds usually is made in terms of their legal basis, in terms of objectives to be served, and sometimes in terms of both the source of receipts and type of activities which they finance. Fund numbers are assigned by the Auditor of State's Office.
- M.** Object – Codes defined by USAS that further identify expenditures as it defines the goods and services for which the school pays.

147.3 ADMINISTRATION

A. Fiscal Officer

The Board has contracted with Breakthrough Charter Schools to provide a Treasurer for the School. This individual shall hold a valid Ohio School Treasurer license. The Treasurer is the fiscal officer of the School and shall be bonded as required by law. The Treasurer shall not serve as a member of the Board.

The Board authorizes BCS, along with the Treasurer, to select and maintain a financial management system vendor. Such financial management system should allow the School to meet all state, federal, and GAAP financial reporting requirements and may include electronic signatures, electronic document approval and storage.

B. Finance/Audit Committee

The Board may establish a Finance Committee as a standing Committee of the Board and may appoint a Chair of the Committee. The committee shall review financial reports, budgets, financial data and other financial issues and concerns and make recommendations to the Board on a regular basis. The committee membership shall include at least one Board Member.

The Board shall establish an Audit Committee which shall consist of one of the following: the entire Board membership, or, a minority of the Board membership, or, a minority of the Board membership and any outside consultants of the Board's choice. Unless a separate committee is appointed, the Audit Committee may consist of the same membership as the Finance Committee less any school staff that may be part of the Finance Committee. At least one member of the Audit Committee should possess knowledge in the areas of accounting, auditing, financial reporting or school finance. The Audit Committee shall serve a one-year term and meet as often as necessary to carry out its responsibilities. Members of the Audit Committee shall attend to their responsibilities in good faith, and in a manner they reasonably believe to be in the best interests of the School.

Notice of the Audit and Finance Committees shall be posted at least twenty-four hours in advance and informal minutes shall be taken. In all cases, action by these committees shall serve as a recommendation to the Board and the Treasurer, subject to the Treasurer's approval and the Board's approval, and not as a vote of the Board.

The purpose of the Audit Committee is to ensure that both external and internal audit functions and other accountability issues receive adequate oversight. The Audit Committee's responsibilities include, but are not necessarily limited to, a review of the annual unaudited financial reports submitted to the Auditor of State; a periodic review of the interim financial information submitted to the Board; a review of all audit results; and oversight that audit recommendations are appropriately addressed. Any recommendations of the audit committee shall be presented to the Treasurer and the Board and responsibility for official action remains with the Board.

C. Authorized Approvers for the School

The Board shall approve two to three designated individuals with the authority to approve expenses within the bounds of these financial policies on behalf of the school. One primary authorized approver, and up to two additional secondary authorized approvers. The primary Authorized Approver will authorize all expenditures as detailed in these policies. The secondary Authorized Approvers will perform this role in the absence of the primary Approver. Payment for all expenses will be approved by the Treasurer, who will verify conformance with these policies.

147.4 ACCOUNTING

A. General Accounting Objectives

The Board recognizes its responsibility to ensure that public monies are utilized for the goal of student education in a manner that will assure value to the public.

To meet the goals of this policy the Board requires the Treasurer/Fiscal Officer to follow generally accepted accounting practices for fiscal management (GAAP industry guidelines.) In accordance with the Board approved financial policies, the Treasurer shall establish sound accounting procedures, prepare, and preserve invoices for payment, render a financial statement to the Board monthly, maintain a cash journal, institute effective business practices, recommend suitable accounting equipment where necessary, review financial operations annually and report to the Board on effectiveness and recommended improvements, and prepare administrative procedures for sound school fiscal operations.

B. Method of Accounting

The modified accrual method of accounting shall be used to maintain records of account, to present financial statements (including audited financial statements), and to prepare IRS form 990 (Return of Organization Exempt from Income Tax). It is an IRS

expectation that the 990 of an organization be circulated to the finance committee and the Board prior to filing.

When appropriate, reports may be prepared using the cash basis method of accounting when required for reporting to outside entities or for budget reporting purposes.

C. Fiscal Year

The fiscal year of the School shall begin on the first day of July in each year.

D. Chart of Accounts

The Treasurer/Fiscal Officer shall prepare and maintain a Chart of Accounts that is consistent with the Uniform School Accounting System (USAS) Chart of Accounts maintained by the Auditor of State, State of Ohio. The Treasurer/Fiscal Officer shall determine the level of detail necessary in the Chart of Accounts to properly record and report the financial activities of the organization, but shall at a minimum use the following in structuring the chart of accounts:

Expenses:	Fund, Function, Object
Revenues:	Fund, Receipt Code

E. Use of Funds

All funds received by the School will be used in accordance with applicable law, including but not limited to the proper use of public funds, and pursuant to specific guidelines and/or instructions that may accompany the funds or be required by the program.

147.5 FINANCIAL STATEMENTS AND REPORTS

A. Financial Statements

The Treasurer/Fiscal Officer shall provide the Finance/Audit Committee Chair, by the 16th business day of the following month, appropriate financial and budget comparison reports to keep members informed as to the status of the appropriations and overall financial condition of the School. All reports shall be in conformance with state law and federal law, as applicable.

Year-end reporting will be made available no later than October 1st of the following fiscal year.

B. Audits

Audits shall be conducted annually by the Auditor of State or an independent public accounting firm (IPA), as required by law. Should the Auditor of State elect to have the

audit performed by an IPA, the Board of Directors shall notified of the Auditor of State's selection of the IPA firm. Audits shall be managed by the Treasurer/Fiscal Officer, who shall make regular progress reports to the Finance/Audit Committee. Upon completion, audit reports and related management letter shall be reviewed by the Finance/Audit Committee and submitted to the Board of Directors for acceptance. Appropriate financial forms and reports relating to audits shall be filed with Federal and State agencies as required.

C. Tax Reporting

Tax reports shall be filed periodically as required by law for all Federal, State and local taxes, wages and or other activity which the School is obligated to report and/or to pay, including also the School's Form 990. The Board directs the Treasurer/Fiscal Officer and other responsible officers to oversee the preparation and timely reporting and payment of all such reports and payments.

D. Sponsor Reporting

Financial reports that are required to be filed with the Sponsor shall be filed in the manner and within the time requirements specified in the Community School Contract. The Board directs the Treasurer/Fiscal Officer to oversee the preparation and filing of all such reports and meet with sponsor for monthly financial reviews.

E. Annual Report

The School, by and through it Fiscal Officer and the Board, shall file an annual financial report, which must be prepared using generally accepted accounting principles, and must meet all the requirements set forth in ORC 117.38.

147.6 BUDGETING & PLANNING

A. Budget Philosophy

The budget represents a planned program of expenditures and receipts designed to provide a quality education for students in an efficient and economic manner. Budget considerations will be based on the educational needs of the School and the students it serves. The staff and administration will be responsible for expressing these educational needs in terms of a planned program of expenditures.

- i.** Revenue resources available at the local, State and Federal levels will be identified and shall be given due consideration in the budget development process.
- ii.** After budget adoption and implementation, Treasurer/Fiscal Officer and School financial liaison shall carefully monitor actual performance relative to the budget and provide regular reports to the Board.

- iii. Preliminary annual budget development and recommendations should be made by the Finance Committee working closely with the staff and administration of the School. All aspects of budget planning, development, implementation, control auditing and evaluation are to take place with the support of the Treasurer/Fiscal Officer and CFO in accordance with Federal, State and local statutes, policies, rules and regulations.

B. Budget Adoption

- i. The Board should adopt a preliminary budget for the School’s next fiscal year no later than June 30. The Board will list “Budget Adoption” as an item on the meeting agenda and will respond to any questions related to the budget.
- ii. Budget adoption must include a list of budgeted positions and associated salaries as well as a current year budget broken out by fund.
- iii. The budget may be amended by the Board as necessary.

See also Policy No 142, Approval and Monitoring of Budget

C. Fiscal Planning

As required by law, the Board directs the Treasurer/Fiscal Officer to prepare semi-annually a detailed 5-year forecast of estimated expenses and revenues based on historic trends and information provided by the School. The Board shall review, approve, adopt and ratify the 5-year forecast to ensure timely reporting by the Treasurer/Fiscal Officer.

147.7 GRANTS, CONTRIBUTIONS AND FUNDRAISING

A. Grants and Contributions

Grants and contributions shall be used for school operations or special projects as budgeted and approved by the Board of Directors. Grants and contributions that are restricted shall be used for the identified restricted purpose.

The Board directs the School to provide the Treasurer/Fiscal Officer with copies of all Grant award letters for accrual based recording. The Treasurer/Fiscal Officer shall maintain separate accounting for each grant, as required by the grantor, the Federal Government and by the Auditor of State. The Treasurer/Fiscal Officer and/or BCS CFO shall develop reports to support the monitoring of grant activities, the proper sources and uses of the Grant funds, maintenance of effort rules, and to assist Friends of Breakthrough Schools and the Board to ensure that grants are used for their stated purpose.

B. Fundraising & Solicitation of School Contributions

Friends of Breakthrough Schools (FOB) will serve as the contact for all local and national foundations. FOB is committed to securing funding for both general operating and programmatic needs. Any programmatic requests made by FOB will be based on budgeted needs.

Per the FOB Fundraising Guidelines, schools may conduct school-level, teacher, parent and family driven fundraisers with specific purposes (i.e., to raise funds for a field trip, to sponsor a family movie night event, to purchase a specific need - a kiln, a basketball hoop, a piano, etc.) up to an agreed upon capped amount. This amount will not be an offset against the annual fundraising commitment to each school made by FOB. Any amount in excess of the cap could be considered an offset to the FOB commitment. Each fundraising/solicitation activity must be submitted by the School to the Treasurer/Fiscal Officer on the Fundraiser Information Summary sheet for record keeping and review, and all participants must follow the school cash receipts policy as outlined by the Treasurer/Fiscal Officer.

Solicitation by outside individuals or organizations on School property or at school events is prohibited, unless approved by the Board in advance or elsewhere in the School policies.

See also, Policy No. 147.10, Fixed Assets, for information on procuring, managing and administering grant assets.

147.8 CASH AND ASSET MANAGEMENT

A. Depository Agreements

The Board shall adopt a resolution designating those banks and other depositories of public funds in which the Treasurer/Fiscal Officer and/or the School may deposit funds, and authorizes the Treasurer/Fiscal Officer to enter agreements with such banks and other depositories on behalf of the Board. The Board shall review its depository relationships from time-to-time and shall adopt such resolutions as may be necessary to assess and carry out the proper interests of the School.

B. Online Banking Services

The Board recognizes the efficiency and convenience afforded the day to day operation of the School by the use of on-line banking services. The Board authorizes the Treasurer/Fiscal Officer and his/her designees to use on-line banking services as part of the School's bank account management system for the purpose of reviewing bank account activity. Transactions, other than authorized ACH transactions, may be conducted using on-line banking services, following the Treasurer's approval.

C. Automated Clearing House (ACH) Transactions

To facilitate the disbursement of cash to pay payroll, benefits, BCS management fee, vendors, and the transfer of funds from one bank account to another, the Board authorizes the Treasurer/Fiscal Officer and/or the BCS CFO to enter into ACH agreements with the necessary financial institutions. The use of ACH shall be for any proper and budgeted expense that would normally be paid with a check issued through accounts payable. The Board requires the approval of both the Treasurer/Fiscal Officer and the BCS CFO or COO for all ACH transactions.

D. Issuing & Signing Checks

The Treasurer/Fiscal Officer shall review all disbursements requested by the School's Authorized Approver. BCS Accounting and Payroll staff shall issue all checks. Checks shall be signed by two of the following BCS employees as Authorized Signers: the Treasurer/Fiscal Officer, BCS CFO, BCS COO or BCS CEO.

E. Bank Account Reconciliations

The Treasurer/Fiscal Officer or their designee shall reconcile each bank account monthly following the closing statement date for the account.

F. Borrowing of Funds

Given that the challenges of accurately forecasting the School's actual performance to budget during the course of a fiscal year require that actual distributions of funds raised by FOB may not occur until after the end of the year, the School may be required to utilize its reserves during the year to meet interim cash flow needs. To the extent that the School's reserves appear to be inadequate to meet its anticipated cash flow needs for any year ([or] if such reserves are below \$150,000 during any year or at risk of dropping below that amount during any year), the School may notify BCS that it desires cash advances to meet its interim cash flow needs (each an "Interim Advance"). Promptly after any such notification, BCS shall request that FOB fund an Interim Advance in the requested amount. In the event that FOB elects, in its sole discretion, to make such Interim Advance, FOB will make such Interim Advance upon receipt of a non-interest bearing note executed by the School in favor of FOB and otherwise in form and substance satisfactory to FOB. Upon the year-end reconciliation of the School's account, the advance shall either be applied to the School's year-end distribution or repaid on demand or partially applied and partially repaid as the circumstances may require.

147.9 RISK MANAGEMENT/INSURANCE

The Board authorizes the BCS CFO or BCS COO in consultation with the Treasurer/Fiscal Officer, to obtain and manage the following insurance coverage:

- A. Commercial Package, comprehensive casualty, liability, property and Director's & Officers coverage; and

B. School Leader's Errors and Omissions; and

C. Treasurer/Fiscal Officer's Bond; and

D. Any other insurance deemed necessary by the Board of Directors and/or to be in compliance with applicable law, with all applicable additional insureds as required by the School's contracts.

The Board recognizes that BCS will attempt to seek out the best rates in regards to insurance; and agrees to participate in the above insurance options with limits adequate and appropriate for the network.

147.10 FIXED ASSETS

A. Purpose

The School's fixed asset/Title I policy establishes a fixed asset accounting system that, if followed, will ensure that the School properly handles and disposes of assets, including those assets obtained with Title I grant monies and contains sufficient data to permit:

- i. the preparation of fiscal year-end financial statements in accordance with Generally Accepted Accounting Principles (GAAP);
- ii. adequate insurance coverage; and
- iii. control, accountability and security.

B. Criteria for Fixed Asset Capitalization

An item is a Fixed Asset if:

- i. it has a useful life of one (1) year or more, and
- ii. the cost of the asset is greater than \$5,000.00, or, it is a leased asset with a purchase price of greater than \$5,000.00.

C. Valuation

Fixed assets are to be valued at historical cost or, if that amount is not practicably determined, at estimated historical cost. The Treasurer/Fiscal Officer shall determine the estimated historical cost. Donated fixed assets shall be valued at the donor's estimated fair market value at the time of gifting.

D. Depreciation and Classification

Assets will be depreciated using straight-line depreciation. Fixed assets shall be classified with the following useful lives:

- i. furniture and fixtures – 5 years
- ii. equipment – 5 years
- iii. leaseholds – 20 years
- iv. real property – determined by Association of School Business Official guidelines.

E. Information

The Treasurer/Fiscal Officer shall maintain a schedule of all capital assets owned by the School. This schedule shall be updated at least annually as of June 30 and shall be included as part of the annual audit process. The following information shall be maintained for all fixed assets:

- i. description of the asset
- ii. who holds title to the property
- iii. serial number of the asset
- iv. asset classification
- v. purchase price and percentage of federal participation
- vi. vendor
- vii. date purchased or leased
- viii. accumulated depreciation
- ix. records generated by physical inventories

F. Management of Fixed Assets

- i. A third party inventory management company may be selected by BCS to facilitate the asset inventory process.
- ii. The School shall conduct a physical inventory of its fixed assets no less frequently than every two years. The results of the physical inventories must be reconciled with the property records.
- iii. The School shall develop a control system to safeguard against loss, damage, or theft of fixed assets. The School shall investigate any loss, damage, or theft of any fixed asset.
- iv. In order to prevent loss or theft of School property, all fixed assets (other than real property) will have a School fixed asset sticker.

- v. The School shall maintain its fixed assets in order to keep them in good condition and working order.
- vi. The School shall establish and follow procedures to ensure that it receives the overall best possible return, if it sells any fixed asset. An independent valuation or market comparison may be used, among any other reasonable method of valuation.

G. Real Property Acquired with Title I Grants

- i. Real property acquired with federal Title I grant monies received by the School shall be titled in the name of the School.
- ii. Real property acquired with federal Title I grant monies shall be used for the purposes authorized by the grant(s).
- iii. The School shall not transfer or encumber its title or other interest in any real property acquired with federal Title I grant monies.

H. Equipment Acquired with Title I Grants

- i. Equipment acquired with federal Title I grant monies received by the School shall be titled in the name of the School.
- ii. For as long as needed, the School shall use equipment acquired with federal Title I grant monies in the program or project for which it was acquired, whether or not the project or program continues to be supported by federal funds. The equipment may be used in other activities currently or previously supported by a federal agency when it is no longer needed for the program or project for which it was acquired.
- iii. The School can use equipment acquired with federal Title I grant monies on other projects or programs that are currently or were previously supported by the Federal Government provided that such use will not interfere with the program or project for which the equipment was acquired. First preference should be given to other programs or projects supported by the agency that awarded the grant monies.
- iv. The School shall not use the equipment acquired with federal Title I grant monies to provide services for a fee.
- v. The School shall obtain the approval of the awarding agency before it (1) uses equipment acquired with federal Title I grant monies as a trade-in to acquire equipment to replace the old equipment, or (2) sells the old equipment and uses the sale proceeds to offset the cost of the replacement equipment.

I. Equipment Furnished by Federal Agency

- i. The School shall ensure that the equipment remains titled in the name of the Federal Government.
- ii. The School shall follow the rules and procedures of the federal agency for managing the property.

J. Disposal of Fixed Assets not Acquired with Title I or Federal Grant Funds

- i. Fixed assets that were not acquired in whole or part with federal grant monies will be disposed in a manner approved by the School Board. Upon recommendation of the Principal, Model Operations Leader or Treasurer/Fiscal Officer, such Board resolution shall designate the materials, equipment, supplies or other assets as obsolete, excess or unusable, and, shall identify the assets, and may sell, donate or lawfully dispose of them. Any proceeds shall be put in the general fund.

K. Disposal of Fixed Assets Acquired with Title I or Federal Grant Funds

- i. Real Property. When real property acquired with federal grant monies is no longer used for the originally authorized purpose(s), the School shall dispose of such property pursuant to instructions provided by the awarding agency.
- ii. Equipment. The School may retain, sell or otherwise dispose of equipment acquired with federal funds. However, the School shall contact the awarding agency for disposition instructions before it sells any equipment with a per unit value of greater than \$5,000 because the awarding agency may have a right to a portion of the proceeds of the sale. State law may dictate the procedures that must be followed or otherwise place restrictions on the ability of the School to sell the property.

L. Disposal of Equipment Provided by a Federal Agency

The School shall only dispose of federal equipment pursuant to instructions provided by the federal agency that provided the equipment, or should the assets or equipment be under a value or value per unit as applicable under the rules of the federal agency, then the School may dispose of the equipment or asset as if it was not acquired with federal grant funds.

147.11 RECEIPTS

A. Collection Of Revenues

Revenues shall be invoiced (where appropriate), collected and/or recorded promptly after careful review to ensure accuracy and to assure the delivery of the items and/or services billed. Invoices must be fully itemized, and verified by the Treasurer/Fiscal Officer and/or his/her designee.

B. Accounts Receivable

Accounts receivable as a result of state and federal grants shall be maintained by the Treasurer/Fiscal Officer, who shall ensure prompt collection. Accounts receivable as a result of school related funding and programs will follow the School Cash Receipts Procedure.

C. School Cash Receipts Procedure

Each School's Authorized Approver shall designate two individuals to manage all cash receipts in the school, to be ratified by the Board.

All cash, checks and money orders received are logged into the Receipts Register by the designated staff member. Receipts will be documented by entering the date received, the amount of the receipt, the name of the person or organization and the purpose of the receipt (fee/donation/before or after school program fee), as well as the accounting code to be credited. For check or money order payments, the check number or money order number will be documented.

The Receipts Register is the backup for the deposit. A designated staff member will total the Receipts Register. The School Financial Liaison will initial the total for the day and remove the cash and other items from the front office to a secure/locked location until a deposit can be made.

It is the Board's expectation that the school's designated staff will ensure timely deposits of funds to their selected bank. Deposits of \$1000 or more must be deposited within one business day.. Deposits of less than \$1000 must be deposited within two business days. All deposits must be made by the school by end of the month and deposit receipts submitted to BCS no later than the 6th business day of the following month in support of accrual based financial management.

School-based Fundraising Receipts. All funds should be delivered in sealed envelopes to the designated staff member who will open the envelopes and verify the contents in the presence of the School Financial Liaison. They will verify the money included in the envelope matches the total of the items on the order sheet(s). The fundraising forms will be forwarded to the appropriate person for ordering. The list for the items being paid for and any checks or money orders received will be copied and provided to BCS. Each envelope will be entered as one line on the Receipts Register with the applicable child, parent, third party or teacher name as the Payer. The designated staff member and the School Financial Liaison will process the deposit as outlined above.

147.12 EXPENDITURES

A. Purchasing

It is the policy of the Board that when funds are available, all purchases shall be made in a manner that ensures maximum value for the School. The Board requires

standardization in the use of vendors, materials, supplies, equipment and services to the maximum extent feasible, to ensure competitive pricing is obtained.

To promote efficiency and economy in the operation of the School, the Board requires utilization of centralized purchasing through BCS to the maximum extent possible, as indicated in the BCS contract of services.

Credit card agreements may be approved by the Authorized Approver, the Board and Breakthrough Charter Schools, at joint discretion, and, if so approved, all credit cards shall be kept in the custody of the Authorized Approver in a locked area. All credit card purchases are subject to the credit card policies and procedures of the School. Any staff member or Board member entrusted with a credit card shall be personally liable for the proper use and safekeeping of the credit card.

Conflict of Interest of BCS. No BCS member, director, employee, consultant, officer, appointed official or designated agent of BCS will take part in or have an interest in the award of any procurement transaction if a conflict of interest, real or apparent, exists. A conflict of interest occurs when the member, director, officer, employee or designated agent of BCS, partners of such individuals, immediate family members, or an organization which employs or intends to employ any of the above, has a financial or other interest in any of the competing firms or contractors. If a proposed transaction presents the likelihood of a conflict of interest or the appearance thereof, the member, director, employee, officer or designated agent with the potential conflict shall recuse himself/herself from the procurement process, and the transaction shall proceed only if independently approved by an authorized representative who has no conflict of interest with respect to the proposed transaction.

See also, Policy No. 114 for Public Officers/Board Ethics and Conflicts Policy

B. Expenditure Approval and Authority

All purchases above the Board approved threshold, including those that are included in the approved budget, must be approved by the Authorized Approver for the School. The Authorized Approver may approve unbudgeted expenditures in supplies, purchased services, and computers/capital outlay, and miscellaneous; but should not exceed the total amount budgeted by the aggregate USAS category (i.e., 400, 500, 600, etc.) for a single fund, excluding payroll and benefits. The Board should approve all transfers of funds from one fund to another and any purchase that would cause expenditures to exceed the original total amount budgeted by the aggregate USAS category (i.e., 400, 500, 600, etc.) for a single fund. The Board of Directors and the Treasurer/Fiscal Officer are ultimately accountable to the Auditor of State with regard to budget variances.

If, during the fiscal year, it appears to the Treasurer/Fiscal Officer that actual revenues are significantly less than estimated revenues, including the available equity upon which the appropriations from the fund were based, the Treasurer, Principal or Authorized Approver shall present to the Board recommended amendments to the budget that will prevent expenditures from exceeding revenues unless a deficit spending plan is

approved by the Board. Such recommendations shall be in accordance with requirements of the law and provisions of any negotiated agreements.

C. Payment of Invoices & Accounts Payable

The Board authorizes the Treasurer/Fiscal Officer to establish and review procedures within the school to ensure the timely payment of invoices and oversight of all accounts payable. Said procedures shall ensure invoices are paid promptly. Purchase order requisitions may be required for every purchase, prior to ordering, except where explicitly exempted in the School's financial policy.

Each party authorized to place a purchase should consider the existing vendor list as well as whether the material requested may be available elsewhere in the School or in the Breakthrough Charter School network. In the interests of economy, fairness and efficiency, the Board requires that:

All purchase order requisitions will be approved by the School's Authorized Approver and sent to the Treasurer/Fiscal Officer's office for processing; approvals can be electronic, and

Each invoice or obligation must be fully itemized, verified and duly audited by the Authorized Approver and the Treasurer/Fiscal Officer and/or his/her designee; and

Upon receipt of an invoice, the School Financial Liaison shall verify that it is in order; the goods were received in acceptable condition or services were satisfactorily rendered; funds are available to cover the payment; and, the invoice is for the amount contracted; and

Any material discrepancies between the purchase order and invoice will be resolved via email from the Treasurer/Fiscal Officer or his/her designee to the purchaser and the Authorized Approver.

Upon the approval of an invoice, which may be done by electronic means, the Treasurer/Fiscal Officer shall prepare a disbursement, and in the case of a purchase order, cancel the commitment placed against the appropriate account and post the actual cost.

i. Payments not requiring Purchase Orders or Approval

Payment of obligations related to payroll and benefits do not need additional School approval beyond the budget, as long as the position and salary amount is the same, and can be paid directly to applicable person/vendor by BCS from the School's bank account. Support for payment will be provided to the School for review and any issues reconciled in the next payment.

ii. Payments authorized for use of a blanket or standing Purchase Order

Purchase orders for recurring payments can be authorized at the beginning of the year for the annual budgeted amount. Such payments may be designated by the Board, and may include but are not limited to:

1. BCS management fee
2. Sponsorship fees
3. School portion of pre-approved network contracts paid by BCS on behalf school
4. Rent
5. Utilities
6. Phone bills
7. Copier contracts
8. And Purchased Service expenses from shared staff

D. Payroll System

The Board of Directors authorizes BCS to select and maintain a payroll vendor. Payroll records shall be maintained by the Treasurer/Fiscal Officer, in accordance with personnel policies approved by the Board of Directors.

E. Payroll Deductions

The Board authorizes, in accordance with the provisions of law, the following deductions from an employee's pay, upon proper authorization on appropriate forms:

- i. Federal, State and local taxes
- ii. Medicare
- iii. Section 125 deductions (cafeteria plans)
- iv. State Teachers Retirement System and School Employees Retirement System
- v. Insurance deductions
- vi. Voluntary investment or retirement plans
- vii. Court ordered deductions
- viii. Any other required or Board approved deductions
- ix. School credit card purchases made by employees for which receipts were not submitted within five business days.

F. Quotations and Bids

It is the policy of the Board that the Principal or his/her designee seek the appropriate number of price quotations as required by law. For the purchase of goods with a value of more than \$5,000 for a single item or in aggregate, price quotations should be secured to

ensure the School is obtaining a fair and reasonable price. Competitive price quotations should be obtained when contractual services are in excess of \$50,000.

The Board, by resolution, may award a bid to lowest or best bidder. The Board may request any information it deems necessary to make a decision. The Board reserves the right to reject any or all bids. The Treasurer shall check and ensure that public contracts are not awarded to persons or businesses against which a finding for recovery has been issued and remains unresolved.

147.13 CREDIT CARDS/LINES OF CREDIT

For purposes of this policy credit cards are defined to include business check cards and debit cards. A line of credit (LOC) is defined as an amount of credit extended to the School by an entity that can be drawn on periodically up to a stated amount, and paid back in accordance with written terms between the Board and the entity. The Board recognizes the convenience and efficiency afforded by the use of School credit cards/lines of credit. A credit card/LOC must be approved by the Board before it is secured. A credit card/LOC shall not be used in order to circumvent the general purchasing procedures established by state law and Board policy. The Board affirms that credit cards/LOCs shall only be used in connection with Board-approved and School-related activities and that only those types of expenses that are for the benefit of the School and serve a valid and proper public purpose shall be paid for by credit card/LOC. As such, employees are required to abide by the following guidelines when using a School credit card/LOC.

- A.** All credit cards shall be issued to School's Financial Liaison, and supervised by the School's Authorized Approver. All purchases must be made by the cardholder.
- B.** Subject to the discretion of and the approval of the Authorized Approver, credit cards may be used for eligible goods and services including:
 - i.** Miscellaneous supplies, materials and/or equipment. When it is impractical to complete a Purchase Order Request because purchases need to be made the same day, such credit card purchases that are under \$1,000 do not require a processed Purchase Order. An example of this type of expenditure would be food for meetings. These purchases still require approval by the Schools' Authorized Signer as detailed in the section 147.12 E 2 of this policy.
 - ii.** Business travel, meeting, lodging, and meals for meetings or seminars subject to the per diem and travel reimbursement policy established by the Board.
 - iii.** Conference registrations.
 - iv.** Student trips and competitions for safety and security reasons.
 - v.** Meals of individuals in attendance at meetings to discuss school business matters, including a maximum gratuity of twenty percent (20%), but excluding alcoholic

beverages, since the purchase of such beverages clearly fails to serve a valid and proper public purpose.

- vi. Purchases from vendors who do not accept purchase orders or vouchers.
- vii. Other purchases approved by the Authorized Approver on a case-by-case basis.

C. **Card holders** must make every effort to ensure that purchases do not include sales tax. Tax-exempt certificates are available through the Financial Liaison and the BCS accounting office.

D. **Credit cards** shall not be used to evade the purchase order requirement stated in the School's financial policy or for purchases not allowed under this guideline. In particular, credit cards shall not be used for:

- i. Expenses that are not incurred in connection with Board-approved and School-related activities, are not for the benefit of the School, and do not serve a valid and proper public purpose;
- ii. Alcoholic beverages;
- iii. Tobacco products;
- iv. Capital equipment or upgrades over \$5,000.

E. **Procedures**

- i. Employees requiring the use of School credit cards shall request (in writing) such cards from the Authorized Approver.
- ii. The credit card usage log will be maintained by the person who holds the credit card. Each section must be completed. The log will be presented with the credit card statement for payment.
- iii. All credit cards are kept in custody of the School's Financial Liaison in a locked area. All credit card purchases require the approval of the school's Authorized Approver.
- iv. Any staff member entrusted with a credit card shall be personally liable for the use and safekeeping of the credit card.
- v. Itemized receipts must be retained and attached to the credit card statements. In the case of meals and entertainment, each receipt must include the items purchased and the names of all persons involved in the purchase, and a brief description of the business purpose of the purchase, in accordance with Internal Revenue Service regulations. Itemized receipts must be requested from the vendor.

- vi. Monthly statements with attached detailed receipts must be submitted to the BCS/AP department at least ten business days before the payment is due.
- vii. All monthly statements submitted for payment must include the initials of the card holder, the signature of the School's Authorized Approver and the date of approval. Each submission must have the completed credit card log with it. An Authorized Approver must approve all credit card expenses; however, an Authorized Approver cannot approve his /her own expenses, or a supervisor's expenses.
- viii. All monthly statements submitted for payment must have the appropriate account numbers and the associated amounts clearly written on the statement. Cards may be designated to have all expenses charged to a specific account number, with exceptions noted on the monthly statement, if desired.
- ix. A credit card holder must immediately notify his/her immediate supervisor and the Authorized Approver if the card is lost or stolen.
- x. After use, School credit cards are to be returned to the Financial Liaison, along with appropriate receipt copies of all charges.
- xi. The Authorized Approver or his/her designee will monitor the credit card account(s) and reconcile all credit card accounts on a monthly basis. A report will be a part of the monthly Cash Activity Report, as reported to the Board.
- xii. If the employee is terminated or resigns, (s)he must immediately return the credit card and shall remain responsible for any inappropriate use.
- xiii. Failure to turn in receipts and appropriate forms with required authorizations to the Treasurer at least ten business days prior to the credit card payment due date may result in the charges being deemed unrelated or unsubstantiated. The amount of the unrelated or unsubstantiated charges including finance charges and interest assessed in connection with the purchase will then be charged back to the user, or the Financial Liaison if the user cannot be determined. Charge backs could be accomplished via payroll deduction.
- xiv. Credit card accounts may be temporarily suspended if balances are not paid in full each month.

147.14 TRAVEL AND REIMBURSEMENT

- A. Travel for school purposes must be preapproved by an Authorized Signer using a Travel Request Form.
- B. Mileage - Mileage will be reimbursed at IRS rate at time of travel.

- C. Out-of-town travel - Travel outside of the state of Ohio should be approved by the Board prior to making travel arrangements and actual travel.
- D. Air Travel - Travelers are expected to book the lowest-priced economy class rates available. It is the responsibility of the traveler to obtain the most economical airfare available consistent with the purpose of the trip. Whenever possible, travelers should take advantage of discounts and purchase airline tickets 30 days in advance. The School will not reimburse any upgrades. In addition, the School will not pay for larger/more room seat fees or early bird check-in fees. The School will reimburse baggage fees. Air carrier selection cannot be biased by the traveler's frequent flyer affiliation. The lowest cost air travel should take precedence. The School will not reimburse travelers for tickets purchased with frequent flyer miles. The School will not reimburse individuals for change or cancellation penalties imposed by the airlines. The Board may make exceptions on a case by case basis.
- E. Travel days - If an employee chooses to arrive early or stay at a location after a conference has ended for personal reasons, the employee will not be reimbursed for hotel or meals for the time not spent on School business. An employee is allowed to depart the day before the conference if the conference starts early in the morning and stay one day after the conference ends if the conference ends late in the day.
- F. Per Diem - Employees traveling on School business are eligible for reimbursement for their personal meal expenses. Employees must submit detailed receipts for their actual meal expenses. Actual meal expenses will be reimbursed only up to the maximum amount of the Per Diem Rate defined by US General Services Agency (GSA) <http://www.gsa.gov/portal/category/21287>
- G. Lodging - The School will pay actual room costs for each day that lodging away from home is required for business purposes. Travelers are entitled to accommodations that are suitably located and meet reasonable standards for safety, cleanliness, and comfort. Travelers should choose good quality, but reasonable priced hotels or motels whenever practical. However, when attending a conference, travelers may stay at the conference hotel even if it is not the most economical option available (travelers should plan ahead in order to obtain a group rate when available). If there is a choice of hosting hotels, travelers are expected to stay at the least expensive one.
- H. Other Reimbursement: Staff must follow all rules concerning purchasing and School credit card use. If Staff otherwise personally advances money on behalf of the School, it does so completely at its own risk of non-reimbursement, provided however, the Board is authorized to reimburse such advances only if it finds that the expenditure was made without adequate opportunity for prior approval, or was an emergency and advanced as a necessity, for the benefit of the School. All reimbursements must be supported by itemized receipts.

147.15 GIFTS

All applicable state laws, Ohio Ethics Commission standards, and Ohio revised Code public officer' ethical and conflicts rules shall be followed.. No director, officer, employee, staff or agent of the School shall 1) solicit or participate in the negotiations of a contract in which he or she has any fiduciary, direct or indirect pecuniary or beneficial interests or 2) accept any gift or favor as a result of purchases or potential purchases of equipment, supplies or services. Travel, meals, and lodging: employee cannot accept anything of value, including travel, meals, and lodging, from an improper source. [OEC 2001-03] Gifts: Cannot accept gifts from any party that is doing or seeking to do business with, regulated by, or interested in matters before the public agency. Employees may not receive any personal benefit for a school expense including benefits linked to personal credit cards (miles, points, cash back, etc.)

See also, Policy No. 114, Ethics and Conflicts of Interest.

147.16 INDEPENDENT CONTRACTORS

For purposes of this policy, independent contractors are individuals who provide services to the School who are not treated as employees of the School for purposes of withholding federal employment and income taxes.

The School may contract with an independent contractor for a service if none of the School's employees are qualified to provide the service, or, if having School employees perform the service would interfere with the daily operations of the School, or, if the Board of Directors of the School or its authorized designee deems it in the best interest of the School. Before contractors are hired, there needs to be a STRS or SERS determination conducted by the BCS Human Capital Vice President and Treasurer/Fiscal Officer.

To the extent required by law, the Treasurer of the School shall issue a 1099 Form to each independent contractor reporting the amount paid to the contractor by the School and file the form with the appropriate governmental agency(ies).

In contracting for services with any independent contractor, the School shall enter into a written contract on or before the date the independent contractor begins to provide services under the contract. The contract shall specifically describe the services that the independent contractor will provide under the contract.

The School shall obtain a W-9 form from the independent contractor at the time the contract is executed. Subject to the terms of the contract, the School shall require that the independent contractor substantiate that the services have been performed before the School shall remit payment for the services.

No independent contractor shall be paid as an employee unless otherwise required by law, and the School shall consult with its sponsor, the Ohio Department of Education, or its legal advisor concerning any issues of state retirement system obligations.

“Essential school services” are necessary services that would need to be provided by employees of a public school if the services were not provided by an independent contractor (such as food,

janitorial or clerical services). No independent contractors providing “essential school services” to the School may be paid until it fulfills one of the following conditions:

1. The independent contractor has provided proof that it has requested a criminal records check, including an FBI check, within the five-year period prior to the date on which its employee or sub-contractor will begin working in the School and the records check indicated that the person had not been convicted of or pleaded guilty to an offense that would disqualify the person for employment with a public school; **OR**

2. During periods of time when the employee or sub-contractor of the independent contractor will have routine interaction with a child or regular responsibility for the care, custody or control of a child, an employee of the School has been assigned to be present in the same room as the child or, if outdoors, to be within a 30-yard radius of the child or to have visual contact with the child.

The Principal and the Model Operations Leader are in charge of monitoring the background check requirements under this section 147.14, 1. and 2. above.

IRC 6041; R.C. 3314.41, and IRC 6041

147.17 RECORDS RETENTION

The orderly acquisition, storage and retention of School records and reports are essential for the overall efficient and effective operation of the School. The School's records retention schedule is found in Appendix 148.1-A.

The Board establishes a local records commission to govern matters pertaining to School's records, their retention and disposal. The records commission could consist of the Board Chair or Finance Committee Chair, School Treasurer/Fiscal Officer, and School Director of Operations. The School Treasurer shall serve as chairman/secretary of this commission. The members of this commission may appoint necessary records official(s) to carry out the necessary work associated with the School's records.

The records commission should meet at least once annually to review the certificates of records disposal as submitted by the commission or any records official. Upon the approval of the commission, such records may be disposed of, pursuant to the following standards:

1. Procedures to dispose of records according to the approved schedule of records retention and disposition will be initiated by the end of the fiscal year. These shall guide the local records commission as modified from time to time by the local records commission.
2. Records officials will list those eligible, disposable records on the certificate of records disposal form RC-3, in Appendix, per the adopted schedule.
3. The records commission shall review the certificates of records disposal as submitted prior to a regular Board meeting each year.
4. Upon the commission's approval, the certificates (RC-3) will be maintained in the School Records Commission files, and made available to upon request

5. The commission may not review or select for its custody either of the following:
 - a. Records containing personally identifiable information concerning any pupil attending a public school other than directory information, as defined in section 3319.321 of the Revised Code, without the written File Retention and Maintenance Policy Excerpt
 - b. consent of the parent, guardian, or custodian of each such pupil who is less than eighteen years of age, or without the written consent of each such pupil who is eighteen years of age or older;
 - c. Records the release of which would, according to the “Family Educational Rights and Privacy Act of 1974,” 88 Stat. 571, 20 U.S.C.A. 1232g, disqualify a school or other educational institution from receiving federal funds.
6. Records shall be destroyed only as directed by the records commission.
7. The local records commission has developed the necessary regulations and record retention schedules to carry out their purpose in this policy. The commission designates the following personnel as records officials and will communicate with them in regards to matters related to record retention and disposal:

Area Record Officials

Treasurer/Fiscal Officer
 School Director of Operations
 Board President or Finance Committee Chair

- A. E-Mail and Correspondence Retention
- B. The following retention policy for e-mail and correspondence is endorsed by the Local Government Records Program of the Ohio Historical Society. In general, the policy is based on the premise that e-mail does not constitute a category of records in and of itself. Rather e-mail is a delivery medium, like paper or microfilm, and individual e-mails should be retained according to the information which is contained in the message. There are four categories of e-mail and correspondence retention.
 1. Non-Record Materials (delete immediately)
- C. E-mail messages and correspondence that do not meet the criteria of being a “public record” under R.C. 149.43, because they do not document the organization, functions, policies, decisions, procedures, operations or other activities of the office, may be deleted immediately. These e-mails include,

Personal correspondence, and

Publications, promotional materials and similar materials (unless specifically incorporated into other materials that are “records”).Official Records
- D. Transient Retention (Retain until no longer of administrative value).

- E.** Transitory messages of very limited administrative value.
- F.** (e.g., a message of an upcoming meeting only has administrative value until the meeting occurs; telephone messages; drafts, and other documents which serve to convey information of temporary importance in lieu of oral communication).
- G.** Intermediate Retention
- H.** General Correspondence (Two years)
 - i.** Internal Correspondence (letters, memos)
 - ii.** Correspondence from various individuals and organizations (requesting information or correspondence that is informative but does not attempt to influence policy)
- I.** Routine Correspondence (One year)
 - i.** Referral letters, requests for routine information and requests for publications which are answered by standard form letters.
- J.** Long term Retention
- K.** Executive Correspondence
 - i.** Correspondence dealing with significant aspects of the administration of their offices. (e.g., information concerning agency policies, program, fiscal, and personnel matters).
- L.** Storing E-mail Records
- M.** For purposes of record retention, it is acceptable to store e-mails: (1) in the current e-mail system; (2) in an electronic format (e.g., in a file on a local hard drive); or (3) by saving paper print outs in a filing system.
- N.** In order to ensure that someone in the agency takes responsibility for maintaining the e-mail record during the retention period, the School shall choose one of the following procedures:

The individual who sends an e-mail maintains the “record” copy. If an e-mail is received from someone outside the organization, the recipient should retain it, or,

A mailbox is created (i.e. admin@<School Name>) for individuals sending out email to copy (cc) when email is sent and retention will then be administered by the IT Department of the School or BCS.

147.18 ACKNOWLEDGMENT

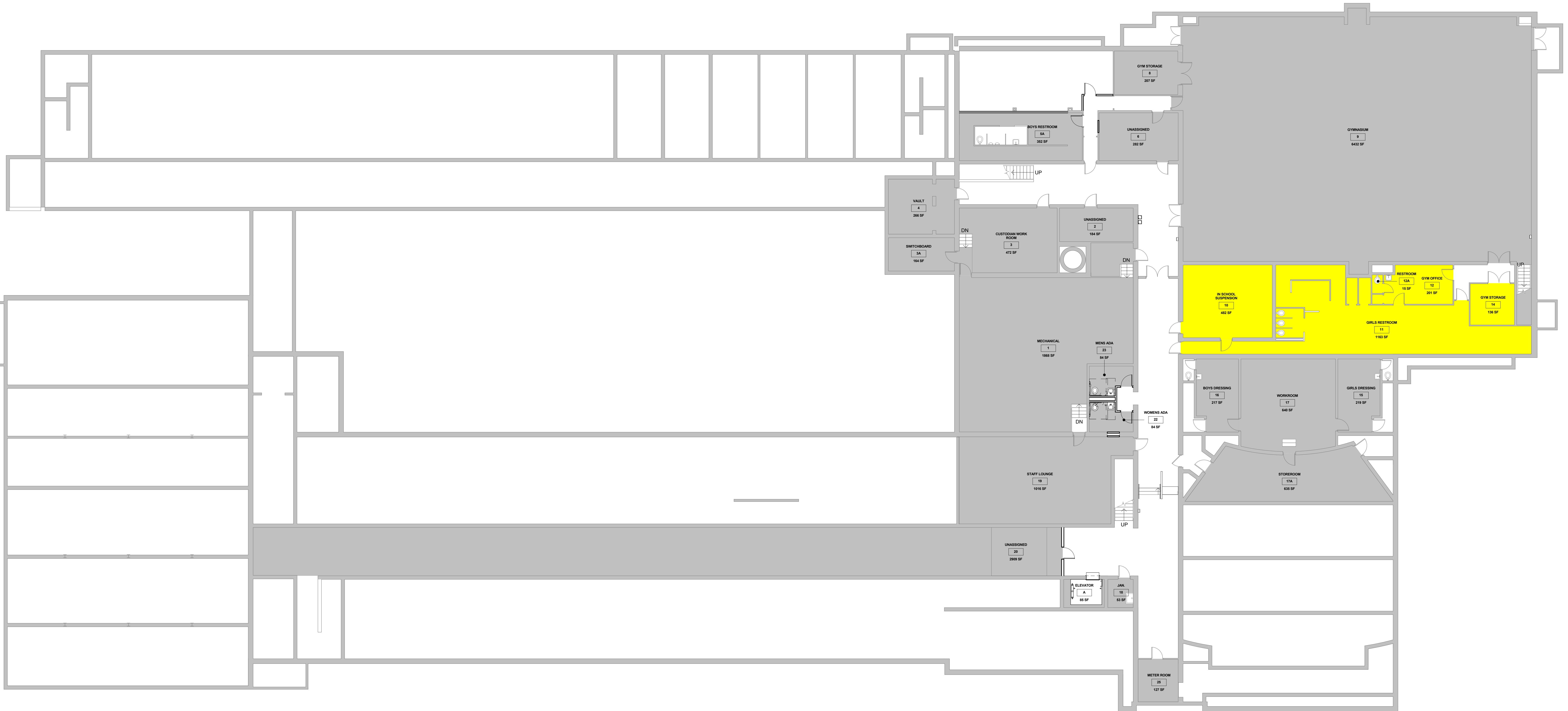
Please sign this page acknowledging that the School and the Board of Directors have reviewed and approved these finance policies.

School Leader _____ Date _____

Board Chair _____ Date _____

Attachment 24A

Yellow space represents CA Southeast Elementary School
Pink space represents CLA Southeast Middle School
Gray space represents shared or unoccupied space



BASEMENT FLOOR PLAN

BREAKTHROUGH SCHOOLS

Yellow space represents CA Southeast Elementary School
 Pink space represents CLA Southeast Middle School
 Gray space represents shared or unoccupied space



FIRST FLOOR PLAN

BREAKTHROUGH SCHOOLS

Yellow space represents CA Southeast Elementary School
 Pink space represents CLA Southeast Middle School
 Gray space represents shared or unoccupied space



SECOND FLOOR PLAN

BREAKTHROUGH SCHOOLS