

From: spearson@dcpcsb.org
To: Naomi R. DeVeaux
Subject: Re: comp committee updates
Date: 30-Mar-2017 15:32
Attachments: Re: comp committee updates.html [\[Save\]](#) [\[Open\]](#)
Creation Date: 30-Mar-2017 15:31
Store Date: 01-Apr-2017 23:37
Message Id: 759c7b915c6fc6488650c9e8ab5f40c10000009b7d3a#dbe8f8f6deb1454eb83ae6112ae2180200000bc93026

TEXT.htm

ATTACHMENT

Ok

Scott Pearson
Executive Director
DC Public Charter School Board
202-328-2662

On Mar 30, 2017, at 12:37 PM, Naomi R. DeVeaux <Naomi@dcpcsb.org> wrote:

Thanks, Scott. I would like to talk to you more about this, though—in connection to reviews /renewals and SM.

N

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

Desk: 202-328-2666

Twitter: @dcpcsb | Website: dcpcsb.org

DC public charter school quality continues to rise, check out the 2016 School Quality Reports [here](#) to learn more.

From: Scott Pearson <spearson@dcpcsb.org>
Date: Thursday, March 30, 2017 at 2:32 PM
To: Naomi DeVeaux <Naomi@dcpcsb.org>
Subject: Re: comp committee updates

Ok. I'm good.

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Mar 30, 2017, at 11:14 AM, Naomi R. DeVeaux <Naomi@dcpcsb.org> wrote:

Hi Scott,



I am happy to talk more about this when you return.

Naomi

2017-18 schools up for review/renewal
Carlos Rosario

DC Prep (although I am hopeful that they will switch)

Washington Yu Ying

Center City PCS

PMF but potentially difficult reports resulting in extra analysis (often by subgroup or comparative)

Chavez

SEED

Achievement Prep PCS

WMST PCS

2018-10

Academy of Hope

National Collegiate Prep

EL Haynes

Medridian PCS

Roots PCS

PMF but potentially difficult

Perry St Prep

Ideal PCS

WEDJ/City Arts

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

Desk: 202-328-2666

DC public charter school quality continues to rise, check out the 2016 School Quality Reports [here](#) to learn more.

From: Scott Pearson <spearson@dcpcsb.org>

Date: Thursday, March 30, 2017 at 11:28 AM

To: Naomi DeVeaux <Naomi@dcpcsb.org>

Subject: Re: comp committee updates

Thanks. [REDACTED]

On Mar 30, 2017, at 9:03 AM, Naomi R. DeVeaux <Naomi@dcpcsb.org> wrote:

Hi Scott,

Here are the needs of the proposed position and the current positions.


SQA--NEW

1 FTE

Alternative Accountability Framework goals analysis annually to produce the AAF: There are currently 6 schools with roughly 10 measures each, each with unique business rules.

40% of the public charter schools have unique goals (not PMF as goals). We want to start evaluating these annually (maybe through a random sampling or a rotation so that we are not surprised at a high stakes review about the data)

Review and Renewal reports require a level of data crunching for subgroups, grade levels, etc. that are not necessarily captured in the PMF or equity reports. We need someone who can manipulate files to respond to board member questions—and our questions—when we are recommending revocation or non-renewal.

Raise DC data work 

Board to Board data needs

PMF

2 FTE

The PMF team has two data analysts responsible for the adult education, high school, and PK-8 PMFs. They also respond to internal requests on NWEA, PARCC and will learn this year from Ashish how to create the on-line versions of the PMF so that we will no longer need a consultant to create and amend the reports.

EFA

1 FTE

Equity reports, EFA data meetings and support for EFA team needs: enrollment, demographics, suspensions, expulsions, mid-year entry and withdrawal, attendance, special education, English language learners, trends analysis, etc.

Naomi Rubin DeVaux

Deputy Director

DC Public Charter School Board

Desk: 202-328-2666

Twitter: @dcpcsb | Website: dcpcsb.org

DC public charter school quality continues to rise, check out the 2016 School Quality Reports [here](#) to learn more.

From: Scott Pearson <spearson@dcpsb.org>
Date: Thursday, March 30, 2017 at 10:11 AM
To: Anne Tomkinson <ATomkinson@dcpsb.org>
Cc: Naomi DeVeaux <Naomi@dcpsb.org>, Lenora Robinson Mills <lmills@dcpsb.org>
Subject: Re: comp committee updates

What exactly would a data person on RT's team work on?

Thanks for the updates. Other than the question above I'm good with all of the changes. [REDACTED]

Scott

On Mar 30, 2017, at 7:55 AM, Anne Tomkinson <ATomkinson@dcpsb.org> wrote:

Hi all,

A few things happening in SPD:

- [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED], that leaves room for a replacement FTE to give Rashida Tyler a data person on her team. She and I will work together and see if we can come up with a [REDACTED] caliber analyst (who is also a person of color!) to round out her team.

If anyone has any questions or concerns, let me know. If everyone is in agreement, I'll move forward with these items.

Thanks,

Anne

<image001.png>

Anne Tomkinson, SHRM-SCP

Sr. Manager, HR & Operations

DC Public Charter School Board

Desk: 202-328-2668

Twitter: @dcpcsb | Website: dcpcsb.org

DC public charter school quality continues to rise – check out the 2016 School Quality Reports [here](#) to learn more!

TEXT.htm ATTACHMENT

Thanks for asking.

Government	Percentage
Current government	85%
Previous government	15%

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2018-19

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Also, this may be too in the weeds, but I attach the spreadsheet [REDACTED]

[REDACTED]. It flags schools for various things (low scores, equity issues, etc), [REDACTED]

[REDACTED]. That might direct you to certain campuses you want to visit.

I generally don't visit many schools during the summer because I want to see classes in operation. But you can still typically see summer school, sit down with the leadership, and leave with a visual impression of the campus.

Thank you, sincerely, for all the care you put into your board service.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Saba Bireda <SBireda@dcpcsb.org>

Date: Monday, June 26, 2017 at 12:06 PM

To: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Scott Pearson <spearson@dcpcsb.org>

Cc: Jiselle O'Neal <joneal@dcpcsb.org>

Subject: School visits

Hi Naomi and Scott,

Can you recommend another round of school visits for me? (upcoming votes, issues, etc.) I was thinking Richard Wright and IDEAL to start. Thanks!

	NA	NA	less than 40
Campus Name	LEA Charter Upcoming Review/Renewal	Average PMF Score	2015-16 PMF Score
IDEA PCS	2019-20	42.20%	0
Richard Wright PCS for Journalism and Media Arts	2015-16	39.20%	1
César Chávez PCS for Public Policy – Chávez Prep	2017-18	54.30%	1
Harmony DC PCS - School of Excellence	2018-19	38.50%	1
Ideal Academy PCS	2018-19	38.20%	1
Paul PCS - International High School	2019-20	47.70%	0
Perry Street Preparatory PCS	2018-19	40.10%	1
SEED Public Charter School of Washington, DC (High)	2017-18	46.80%	0
Academy of Hope Adult Public Charter School	2018-19		1
César Chávez PCS for Public Policy – Parkside Middle School	2017-18	43.00%	1
Democracy Prep Congress Heights PCS	2018-19	40.80%	0
Friendship PCS – Technology Preparatory Academy (Middle)	2017-18	39.40%	0
Maya Angelou PCS - Young Adult Learning Center			1
Meridian PCS	2018-19	43.70%	0
National Collegiate Preparatory PCHS	2018-19	37.30%	1
SEED PCS of Washington, DC	2017-18	61.80%	1
Somerset Preparatory Academy PCS (Middle)	2016-17	35.00%	1
Washington Mathematics Science Technology PCHS	2017-18	43.8	0
William E. Doar, Jr. PCS for the Performing Arts	2018-19		0

[illegible]

Under 40	Under 60	Under 40	Under 60	y, generally	outliers are rates < 82.7%	outliers are rates >6.1%	outliers are rates >18%
EC Numeracy PK	EC Numeracy PK (leave blank, all going under EC Numeracy PK)	EC Numeracy K-2	EC Numeracy K-2: Criterion (leave blank)	Re-Enrollment Rates	SY 2016-17 ISA Rate (through December)	SY 2016-17 Midyear Withdrawal Rate (through December)	SY 2016-17 OSS Rate (through December)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	1	0
0	0	0	0	1	0	0	0
0	0	0	0	1	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	1	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	1	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	1	0	1	0	0	0
0	0	0	0	0	0	1	0
0	0	0	0	1	1	0	0
0	0	0	0	0	0	0	0
0	0	0	0	1	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	1	0	0	0
0	0	0	0	1	1	0	0
0	0	0	0	1	0	0	0

75%	70%	75%	han 60% or off-track to meeting PMG as Goals	Unmet condition	
9th Grade on Track (SY 2015-16)	4-year ACGR (SY 2015-16)	5-year ACGR (SY 2015-16)	% Charter Goals Met in SY 2015-16	If PMF as Goals, Risk Status (through 2018-19 reviews/renewals)	Conditions
1	1	1	0	1	
0	0	1	0	1	
0	0	0	0	1	
0	0	0	0	1	
0	0	0	0	1	
1	0	1	0	1	
0	0	0	0	1	
1	0	1	0	1	
0	0	0	0	1	
0	0	0	0	1	
0	0	0	0	1	
0	0	0	0	1	
0	1	0	0	0	
0	0	0	0	1	
0	1	0	0	0	
0	0	0	0	1	
0	0	0	0	1	
0	0	0	0	1	
0	0	0	0	1	

S

Focus/Priority Designation	Number of Previous B2B Meetings	Number of Parent Complaints (over 5 or non-responsive)	CCURT School	Tentative Financial Concerns	Count Red Flags
		0	0	0	8
		0	0	1	8
		0	0	0	7
		0	0	1	7
		1	0	0	8
		0	0	0	7
		0	0	0	7
		0	1	0	7
		0	0	0	3
		0	0	0	6
		1	0	0	9
		0	0	0	6
		0	0	0	6
		1	0	0	7
		0	0	0	5
		0	1	0	7
		0	0	0	7
		1	0	0	8
		0	0	0	6

[illegible]

From: spearson@dcpcsb.org
To: Mohammad Bashshiti
Subject: Re: WMST PCHS: Financial Corrective Action Plan
Date: 06-Jul-2017 15:49
Attachments: Re: WMST PCHS: Financial Corrective Action Plan.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
image002.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 06-Jul-2017 15:49
Store Date: 08-Jul-2017 12:38
Message Id: 759c7b915c6fc6488650c9e8ab5f40c10000009b7d3a#e2284dd1c0735b4b9eadbb20a4a59600000041dfe060

TEXT.htm

ATTACHMENT

Thanks.

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Date: Thursday, July 6, 2017 at 3:22 PM
To: Scott Pearson <spearson@dcpcsb.org>, Mikayla Lytton <mlytton@dcpcsb.org>
Cc: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Cindy Gertz <CGertz@dcpcsb.org>, Rashida Tyler <rtyler@dcpcsb.org>, Taunya Nesin <tnesin@dcpcsb.org>
Subject: RE: WMST PCHS: Financial Corrective Action Plan


Hi, Scott,



[REDACTED]

Best Regards,

Mo

 Mohammad Bashshiti, CPA
School Finance Specialist
DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Scott Pearson

Sent: Thursday, July 6, 2017 2:36 PM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>; Mikayla Lytton <mlytton@dcpsb.org>

Cc: Naomi R. DeVeaux <Naomi@dcpsb.org>; Cindy Gertz <CGertz@dcpsb.org>; Rashida Tyler <rtyler@dcpsb.org>; Taunya Nesin <tnesin@dcpsb.org>

Subject: Re: WMST PCHS: Financial Corrective Action Plan

Thanks

[REDACTED]

Thanks

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Date: Tuesday, June 27, 2017 at 11:36 AM

To: Scott Pearson <spearson@dcpcsb.org>, Mikayla Lytton <mlytton@dcpcsb.org>

Cc: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Cindy Gertz <CGertz@dcpcsb.org>, Rashida Tyler <rt Tyler@dcpcsb.org>, Taunya Nesin <tnesin@dcpcsb.org>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi, Scott,

Please see the attachment. WMST presented a budget with a target enrollment of 315 students, and a contingency budget with 260 students.

My thoughts:

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Mohammad Bashshiti

Sent: Tuesday, June 27, 2017 10:14 AM

To: Scott Pearson <spearson@dcpsb.org>; Mikayla Lytton <mlytton@dcpsb.org>

Cc: Naomi R. DeVeaux <Naomi@dcpsb.org>; Cindy Gertz <CGertz@dcpsb.org>; Rashida Tyler <rtyler@dcpsb.org>; Taunya Nesin <tnesin@dcpsb.org>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi, Scott,

I'm looking at it now and will send you my thoughts shortly. Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Scott Pearson

Sent: Monday, June 26, 2017 10:05 PM

To: Mikayla Lytton <mlytton@dcpsb.org>

Cc: Naomi R. DeVeaux <Naomi@dcpsb.org>; Mohammad Bashshiti <MBashshiti@dcpsb.org>; Cindy Gertz <CGertz@dcpsb.org>; Rashida Tyler <rtyler@dcpsb.org>; Taunya Nesin <tnesin@dcpsb.org>

Subject: Re: WMST PCHS: Financial Corrective Action Plan

Thanks. Have we reviewed the contingency budget yet?

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Jun 20, 2017, at 4:45 PM, Mikayla Lytton <mlytton@dcpsb.org> wrote:

Hi Scott, Naomi,

[REDACTED]

[REDACTED]

- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]

• [REDACTED]
[REDACTED]

The full notes from our May meeting are here: <https://dcpcsb.egnyte.com/dl/62RAoEspdA>

<image003.png>

Mikayla Lytton

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

From: Mikayla Lytton
Sent: Thursday, June 15, 2017 3:24 PM
To: 'ndiagne@wmstpchs.net' <ndiagne@wmstpchs.net>; 'maddae@wmstpchs.net' <maddae@wmstpchs.net>
Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Subject: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne and Mr. Addae,

We appreciate the time you took to meet with us on 5/10/2017. Please see the notes from our meeting and let us know if anything should be corrected for our records: <https://dcpcsb.egnyte.com/dl/62RAoEspdA>

As we discussed over the phone earlier today, and as I hope you understood from our meeting, we are very concerned with the school's financial status and projections. **We plan to recommend that the PCSB Board cite the school for an instance of fiscal mismanagement.** Revenues have significantly declined the past three years, while expenses have continued to grow, and now the school is in a negative net asset position.

Along with the recommendation of an instance of fiscal mismanagement, we'd like to work with you to develop a Financial Corrective Action Plan (FCAP), setting specific targets for improving WMST's financial health -- to be measured by current ratio, days of cash on hand, and net asset position -- over the next two or three fiscal years. We'd like to start that process by reviewing your financial projections for the next three years, so we can set reasonable targets in the FCAP.

In addition to the projections, we'd also like some brief written comments about the current status of your facility, what you hope to do with it, and what your plans are to relocate.

We'll hope to receive these two things (three-year financial projections; facility status/plans) by June 30. We're also still expecting a contingency budget for FY18 and updated enrollment expectations for 2017-18 from you.

Please let me know if you have questions or concerns. We're happy to meet again in person or find time to talk over the phone.

Best,

Mikayla

I'm also sharing an example of a recent Financial Corrective Action Plan and its monitoring materials, regarding Ideal PCS:

- March 2016: [citation for an instance of fiscal mismanagement](#), including FCAP requirement
- June 2016: [board vote](#) to approve the FCAP
- November 2016: FY17 Q1 [monitoring report](#) on the FCAP

<image005.png>

Mikayla Lytton

Senior Manager, Finance and Strategy Team

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

From: spearson@dcpcsb.org
To: Mohammad Bashshiti, Mikayla Lytton
CC: Cindy Gertz, Rashida Tyler, Naomi R. DeVeaux, Taunya Nesin
Subject: Re: WMST PCHS: Financial Corrective Action Plan
Date: 14-Jul-2017 13:59
Attachments: Re: WMST PCHS: Financial Corrective Action Plan.html [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
image002.png [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 14-Jul-2017 13:59
Store Date: 13-Jan-2018 00:59
Message Id: daf32f8551b5424d8e7be2cd26e1d58800000a77be5#2971849357b1ce49a4bc57264c5da43e0000d6f2f904

TEXT.htm

ATTACHMENT



Thanks

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Mikayla Lytton <mlytton@dcpcsb.org>

Date: Thursday, July 13, 2017 at 12:02 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>, Scott Pearson <spearson@dcpcsb.org>

Cc: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Cindy Gertz <CGertz@dcpcsb.org>, Rashida Tyler <rtyler@dcpcsb.org>, Taunya Nesin <tnesin@dcpcsb.org>

Subject: Re: WMST PCHS: Financial Corrective Action Plan

Hi Scott,

[REDACTED]

Thanks,

Mikayla

Mikayla Lytton

Senior Manager, Finance and Strategy Team

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpsb | Website: dcpsb.org

From: Mohammad Bashshiti

Sent: Thursday, July 6, 2017 3:22 PM

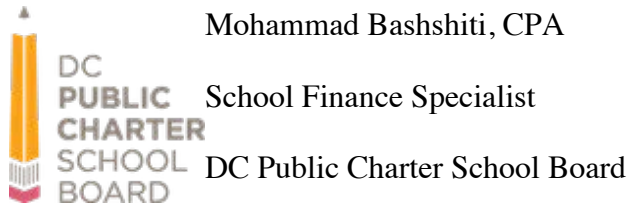
To: Scott Pearson; Mikayla Lytton

Cc: Naomi R. DeVeaux; Cindy Gertz; Rashida Tyler; Taunya Nesin

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi, Scott,

[REDACTED]



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Scott Pearson

Sent: Thursday, July 6, 2017 2:36 PM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>; Mikayla Lytton <mlytton@dcpsb.org>

Cc: Naomi R. DeVeaux <Naomi@dcpsb.org>; Cindy Gertz <CGertz@dcpsb.org>; Rashida Tyler <rtyler@dcpsb.org>; Taunya Nesin <tnesin@dcpsb.org>

Subject: Re: WMST PCHS: Financial Corrective Action Plan

Thanks

[REDACTED]

Thanks

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Date: Tuesday, June 27, 2017 at 11:36 AM

To: Scott Pearson <spearson@dcpcsb.org>, Mikayla Lytton <mlytton@dcpcsb.org>

Cc: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Cindy Gertz <CGertz@dcpcsb.org>, Rashida Tyler <rtyler@dcpcsb.org>, Taunya Nesin <tnesin@dcpcsb.org>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi, Scott,

[REDACTED]

[REDACTED]

1. [REDACTED]
 2. [REDACTED]
 3. [REDACTED]
1. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpccb.org

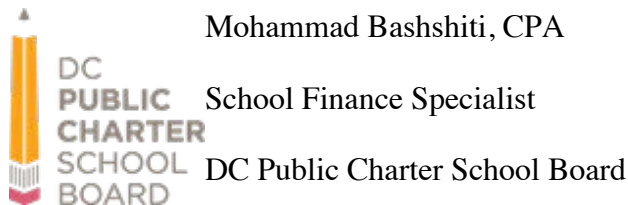
From: Mohammad Bashshiti
Sent: Tuesday, June 27, 2017 10:14 AM
To: Scott Pearson <spearson@dcpsb.org>; Mikayla Lytton <mlytton@dcpsb.org>
Cc: Naomi R. DeVeaux <Naomi@dcpsb.org>; Cindy Gertz <CGertz@dcpsb.org>; Rashida Tyler <rtyler@dcpsb.org>; Taunya Nesin <tnesin@dcpsb.org>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi, Scott,

I'm looking at it now and will send you my thoughts shortly. Thanks.

Best Regards,

Mo



3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Scott Pearson
Sent: Monday, June 26, 2017 10:05 PM
To: Mikayla Lytton <mlytton@dcpsb.org>
Cc: Naomi R. DeVeaux <Naomi@dcpsb.org>; Mohammad Bashshiti <MBashshiti@dcpsb.org>; Cindy Gertz <CGertz@dcpsb.org>; Rashida Tyler <rtyler@dcpsb.org>; Taunya Nesin <tnesin@dcpsb.org>
Subject: Re: WMST PCHS: Financial Corrective Action Plan

Thanks. Have we reviewed the contingency budget yet?

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Jun 20, 2017, at 4:45 PM, Mikayla Lytton <mlytton@dcpcsb.org> wrote:

Hi Scott, Naomi,

Below is what we sent to WMST PCS regarding a Financial Corrective Action Plan and instance of fiscal mismanagement.

[REDACTED]

- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]

The full notes from our May meeting are here: <https://dcpcsb.egnyte.com/dl/62RAoEspdA>

<image003.png>

Mikayla Lytton

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

From: Mikayla Lytton

Sent: Thursday, June 15, 2017 3:24 PM

To: 'ndiagne@wmstpchs.net' <ndiagne@wmstpchs.net>; 'maddae@wmstpchs.net' <maddae@wmstpchs.net>

Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Subject: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne and Mr. Addae,

We appreciate the time you took to meet with us on 5/10/2017. Please see the notes from our meeting and let us know if anything should be corrected for our records: <https://dcpcsb.egnyte.com/dl/62RAoEspdA>

As we discussed over the phone earlier today, and as I hope you understood from our meeting, we are very concerned with the school's financial status and projections. **We plan to recommend that the PCSB Board cite the school for an instance of fiscal mismanagement.** Revenues have significantly declined the past three years, while expenses have continued to grow, and now the school is in a negative net asset position.

Along with the recommendation of an instance of fiscal mismanagement, we'd like to work with you to develop a Financial Corrective Action Plan (FCAP), setting specific targets for improving WMST's financial health -- to be measured by current ratio, days of cash on hand, and net asset position -- over the next two or three fiscal years.

We'd like to start that process by reviewing your financial projections for the next three years, so we can set reasonable targets in the FCAP.

In addition to the projections, we'd also like some brief written comments about the current status of your facility, what you hope to do with it, and what your plans are to relocate.

We'll hope to receive these two things (three-year financial projections; facility status/plans) by June 30. We're also still expecting a contingency budget for FY18 and updated enrollment expectations for 2017-18 from you.

Please let me know if you have questions or concerns. We're happy to meet again in person or find time to talk over the phone.

Best,

Mikayla

I'm also sharing an example of a recent Financial Corrective Action Plan and its monitoring materials, regarding Ideal PCS:

- March 2016: [citation for an instance of fiscal mismanagement](#), including FCAP requirement
- June 2016: [board vote](#) to approve the FCAP
- November 2016: FY17 Q1 [monitoring report](#) on the FCAP

<image005.png>

Mikayla Lytton

Senior Manager, Finance and Strategy Team

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

From: mbashshiti@dcpcsb.org
To: Naomi R. DeVeaux, Scott Pearson
CC: Cindy Gertz
Subject: RE: The Next Step PCS - Board-to-Board?
Date: 18-Aug-2017 18:43
Attachments: RE: The Next Step PCS - Board-to-Board?.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image003.png [\[Save\]](#) [\[Open\]](#)
image002.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 18-Aug-2017 18:43
Store Date: 25-Aug-2017 16:36
Message Id: 6506dd486034ce498844666b604b51420001880dc342#e2284dd1c0735b4b9eadbb20a4a5960000005fcbc0b6

TEXT.htm

ATTACHMENT

Hi, Naomi,

I fully agree that this isn't urgent in the same way as WMST or Ideal, but we should address it with Next Step at some point down the line; otherwise, the \$12 million sitting in SunTrust will only keep growing.

I'm completely okay with waiting until the new Finance Senior Manager starts and getting his/her opinion. Very excited to be a part of that process. Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dpcsb.org

From: Naomi R. DeVeaux
Sent: Friday, August 18, 2017 6:14 PM
To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Scott Pearson <spearson@dcpcsb.org>
Cc: Cindy Gertz <CGertz@dcpcsb.org>
Subject: Re: The Next Step PCS - Board-to-Board?

Hi Mo,

Thanks. As this doesn't seem like an urgent matter, let's wait until the new finance sr manager is hired and let him or her weigh in on how to handle this situation. I see your point that they are saving for no apparent reason, but I don't see this as an immediate need for Scott or I to respond. We are hoping to have someone hired soon (and you will be part of the process). I think right now the only school that warrants immediate action is WMST. Do you agree?

Naomi

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

Desk: 202-328-2666

Twitter: @dcpcsb | Website: dcpcsb.org

DC public charter school quality continues to rise, check out the 2016 School Quality Reports [here](#) to learn more.

From: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Date: Thursday, August 17, 2017 at 12:00 PM
To: Scott Pearson <spearson@dcpcsb.org>, Naomi DeVeaux <Naomi@dcpcsb.org>
Cc: Cindy Gertz <CGertz@dcpcsb.org>
Subject: The Next Step PCS - Board-to-Board?

Hello, Scott and Naomi,

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

In speaking to Julie, she stated there are **no** plans for a second site, a new facility, or other forms of expansion. In fact, they already own their current building. What's causing Next Step to build up reserves is their overly-conservative board. They have \$12 million in cash that's not invested and simply sitting in SunTrust Bank. According to Julie, the board is very reluctant to consider running even a small deficit that would enable them to start spending down their reserves. She claims she proposed a 3% increase for the teachers, but the board thought that was too much and settled on 1.5%.

[REDACTED]

Looking forward to hearing your thoughts. Thanks.

#xD;

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist



DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpcsb.org

From: mbashshiti@dcpcsb.org
To: Nicole Streeter, Sarah H. Cheatham, Lenora Robinson Mills, Naomi R. DeVeaux, Scott Pearson
Subject: RE: READ FW: WMST PCHS: Financial Corrective Action Plan
Date: 18-Aug-2017 19:05
Attachments: RE: READ FW: WMST PCHS: Financial Corrective Action Plan.html [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 18-Aug-2017 19:05
Store Date: 22-Aug-2017 11:42
Message Id: 6506dd486034ce498844666b604b51420001880dc342#e2284dd1c0735b4b9eadbb20a4a5960000005eccbf06

TEXT.htm

ATTACHMENT

Agreed. Really appreciate it, Scott.

Just an interesting bit of information...WMST changed CPA firms for the **third** consecutive year. I spoke to the partner at the newest firm and told him to be extra diligent during the FY17 audit. We'll see in a few months if they uncover anything. Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpccb.org

From: Naomi R. DeVeaux

Sent: Friday, August 18, 2017 6:44 PM

To: Scott Pearson <spearson@dcpcsb.org>; Nicole Streeter <nstreeter@dcpcsb.org>; Lenora Robinson Mills <lmills@dcpcsb.org>; Sarah H. Cheatham <scheatham@dcpcsb.org>

Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Subject: Re: READ FW: WMST PCHS: Financial Corrective Action Plan

[REDACTED]

Naomi DeVeaux

Deputy Director

DC Public Charter School Board

From: Scott Pearson

Sent: Friday, August 18, 2017 6:37:53 PM

To: Naomi R. DeVeaux; Nicole Streeter; Lenora Robinson Mills; Sarah H. Cheatham

Cc: Mohammad Bashshiti

Subject: Re: READ FW: WMST PCHS: Financial Corrective Action Plan

[REDACTED]

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

spearson@dcpcsb.org

202-495-8722

www.dcpcsb.org

@sdpearson

From: Naomi R. DeVeaux

Sent: Friday, August 18, 2017 5:53:49 PM

To: Scott Pearson; Nicole Streeter; Lenora Robinson Mills; Sarah H. Cheatham

Cc: Mohammad Bashshiti

Subject: READ FW: WMST PCHS: Financial Corrective Action Plan

Hi Scott,

Naomi

Naomi Rubin DeVaux
Deputy Director
DC Public Charter School Board
Desk: 202-328-2666
Twitter: @dcpcsb | Website: dcpcsb.org

DC public charter school quality continues to rise, check out the 2016 School Quality Reports here <<http://www.dcpcsb.org/report/school-quality-reports-pmf>> to learn more.

On 8/18/17, 5:43 PM, "Mohammad Bashshiti" <MBashshiti@dcpcsb.org> wrote:

Scott and Naomi,

Mohammad Bashshiti, CPA
School Finance Specialist
DC Public Charter School Board
3333 14th Street NW, Suite 210 | Washington, DC 20010
Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488
Website: www.dcpcsb.org

-----Original Message-----

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]
Sent: Friday, August 18, 2017 5:23 PM
To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Mark Addae <maddae@wmstpchs.net>
amp;nbsp; Cc: Cindy Gertz <CGertz@dcpcsb.org>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Mr. Bashshiti,

I hope this email finds you well. I just finished a meeting with the WMST Recruitment Team to verify student enrollment count. Attached are the number of students by grade level as of today.

Mr. Addae and I will be working on an adjusted budget to reflect the current enrollment tomorrow. We have made the necessary salaries cut, based on 260 students. Additional salaries cut will take place based on the current enrollment. A letter has been prepared by WMST Legal Counsel to address additional staff lay off (please see attached template). We will address your other questions tomorrow.

Please let us know if you have any questions.

Sincerely,

Dr. Diagne

-----Original Message-----

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]

Sent: Tuesday, August 15, 2017 3:52 PM

To: N'Deye Diagne <ndiagne@wmstpchs.net>; Mark Addae <maddae@wmstpchs.net>

Cc: Cindy Gertz <CGertz@dcpcsb.org>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne,

I hope you're well. Cindy and I are still waiting on replies to the e-mails below. Here's a quick summary of what we need:

- 1) All updates on the new facility (developments past the letter of intent stage, timeframe to build, expected move-in date, etc.)
- 2) Why is the recognition of the gain on the building sale in FY 2020, when the move is in FY 2019? How did you come up with \$2.5 million?
- 3) Did you enact cuts in teaching salaries of \$270,000? Or are the cuts contingent on enrollment?
- 4) The FY2017 Q4 Financial Statements. These were due on 7/31/2017, so they're now over two weeks late.
- 5) What is the most recent figure you have for enrollment as of today?

Thanks for your timely attention to these questions.

Best Regards,

Mo

Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010 Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpcsb.org

-----Original Message-----

From: Mohammad Bashshiti

Sent: Monday, August 7, 2017 1:51 PM

To: 'N'Deye Diagne' <ndiagne@wmstpchs.net>; Mikayla Lytton <mlytton@dcpcsb.org>; Mark Addae <maddae@wmstpchs.net>

>

Cc: Cindy Gertz <CGertz@dcpcsb.org>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi, Dr. Diagne,

I'm sorry to hear about your family emergency. I hope the situation improves. In addition to my questions below, please provide

the FY 2017 Q4 Financial Statements as soon as possible. They were due in Epicenter on 7/31/2017.

Looking forward to hearing from you soon. Thanks.

Best Regards,
Mo

Mohammad Bashshiti, CPA
School Finance Specialist
DC Public Charter School Board
3333 14th Street NW, Suite 210 | Washington, DC 20010 Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488
Website: www.dcpsb.org

-----Original Message-----

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]
Sent: Friday, August 4, 2017 11:52 AM
To: Mohammad Bashshiti <MBashshiti@dcpsb.org>; Mikayla Lytton <mlytton@dcpsb.org>; Mark Addae <maddae@wmstpchs.net>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Mr. Bashshiti,

I hope all is well. I am sorry for the delay in responding to your request. I am currently out of town for a family emergency. I will be back at the school on August 9th and I will respond to your email before the end of that week.

Sincerely,

Dr. Diagne

From: Mohammad Bashshiti [MBashshiti@dcpsb.org]
Sent: Wednesday, July 26, 2017 2:16 PM
To: N'Deye Diagne; Mikayla Lytton; Mark Addae
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne,
I hope you're doing well. Thank you for providing this information.

Do you have any updates on the new facility? The last time we heard from you, the only thing complete was the letter of intent sent to the developer. Do you expect to be ready for the move 16 months from now? Also, was the gain included in FY 2020 because you anticipate it will take a long time to sell the current property?

I noticed the 3-year projection has \$250,000 in net income for FY18, more than the \$0 in the original budget. I also noticed this was because teacher salaries were cut by \$270,000. Did you already enact these cuts?

I appreciate your help with my questions. Thank you.

Best Regards,
Mo

[cid:image003.png@01D30617.C2A7D5F0]Mohammad Bashshiti, CPA School Finance Specialist DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010 Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488
Website: www.dpcsb.org<<http://www.dpcsb.org>>

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]
Sent: Wednesday, July 5, 2017 6:35 PM
To: Mikayla Lytton <mlytton@dpcsb.org>; Mark Addae <maddae@wmstpchs.net>
Cc: Mohammad Bashshiti <MBashshiti@dpcsb.org>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

I hope this email finds you well. Per your request, we are sending you the WMST' three-year financial projections. We have set goals and targets moving forward to increase our net income in order to improve our current ratio, days of cash on hand, and net asset position.

In regard to our facility plan, our tentative date to move to the new facility will be December of 2018 as indicated in our June Board Meeting. We currently have a loan balance of \$ 6,232,179. At a sale price of \$9,000,000, we approximate a gain of \$2,500,000 after closing cost and legal fees which we have included in the 2019-2020 budget. A Letter of Intent has been sent to the Developer and we are currently waiting to hear from them.

This facility will include state-of-the-art equipment; four science labs, a gymnasium, a media center, etc. These new additions enhance our academic and extracurricular programs and allow a more competitive high school experience for students; thus, supporting our efforts to increase enrollment.

Please let us know if there are any additional questions.

We appreciate your continued guidance and support.

Thank you.

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dpcsb.org>]
Sent: Friday, June 30, 2017 3:56 PM
To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>
Cc: Mohammad Bashshiti <MBashshiti@dpcsb.org<<mailto:MBashshiti@dpcsb.org>>>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi Dr. Diagne,

No problem. Take care and have a lovely weekend.

[cid:image004.png@01D30617.C2A7D5F0]
Mikayla Lytton
DC Public Charter School Board
Desk: 202-328-5545
Cell: 202-696-2414

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]
Sent: Friday, June 30, 2017 3:56 PM
To: Mikayla Lytton <mlytton@dcpsb.org<<mailto:mlytton@dcpsb.org>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>
Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

I am reaching out to request for an extension to submit WMST' three-year financial projections on Wednesday, July 5, 2017. Please let us know if this work for you.

Have a great weekend.

Sincerely,

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpsb.org>]
Sent: Monday, June 26, 2017 6:09 PM
To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>
Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Wonderful. Thanks Dr. Diagne. Hope you had a lovely weekend.

[[cid:image004.png@01D30617.C2A7D5F0](#)]

Mikayla Lytton
DC Public Charter School Board
Desk: 202-328-5545
Cell: 202-696-2414

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]
Sent: Monday, June 26, 2017 4:58 PM
To: Mikayla Lytton <mlytton@dcpsb.org<<mailto:mlytton@dcpsb.org>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>
Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

I hope this email finds you well. I apologize for the delay in responding to your email. I was at my Mid-Year Residency for the DCPS EML Program at Georgetown University. With regard to WMST' three-year financial projections, June 30 seems reasonable.

We appreciate your continued support.

Sincerely,

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpcsb.org>]

Sent: Wednesday, June 21, 2017 11:18 PM

To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org<<mailto:MBashshiti@dcpcsb.org>>>

Subject: Re: WMST PCHS: Financial Corrective Action Plan

Thank you, Dr. Diagne, and apologies for me taking a few extra days to respond. We're still discussing your response internally; in the meantime, do you have a timeline of when we can review your three-year financial projections? Does June 30 seem reasonable?

Best,

Mikayla

Mikayla Lytton

Senior Manager, Finance and Strategy Team DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

From: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>

Sent: Friday, June 16, 2017 2:39 PM

To: Mikayla Lytton; Mark Addae

Cc: Mohammad Bashshiti

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

Thank you for providing a summary of our most recent meeting regarding WMST' Finances as well as providing an example of a Financial Corrective Action Plan.

Attached is our response to your request.

If you have questions or clarifications regarding our submission, please do not hesitate to contact me directly.

We appreciate your continued support.

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpsb.org>]
Sent: Thursday, June 15, 2017 3:24 PM
To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>
Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>
Subject: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne and Mr. Addae,

We appreciate the time you took to meet with us on 5/10/2017. Please see the notes from our meeting and let us know if anything should be corrected for our records: <https://dcpsb.egnyte.com/dl/62RAoEspdA>

As we discussed over the phone earlier today, and as I hope you understood from our meeting, we are very concerned with the school's financial status and projections. We plan to recommend that the PCSB Board cite the school for an instance of fiscal mismanagement. Revenues have significantly declined the past three years, while expenses have continued to grow, and now the school is in a negative net asset position.

Along with the recommendation of an instance of fiscal mismanagement, we'd like to work with you to develop a Financial Corrective Action Plan (FCAP), setting specific targets for improving WMST's financial health -- to be measured by current ratio, days of cash on hand, and net asset position -- over the next two or three fiscal years. We'd like to start that process by reviewing your financial projections for the next three years, so we can set reasonable targets in the FCAP.

In addition to the projections, we'd also like some brief written comments about the current status of your facility, what you hope to do with it, and what your plans are to relocate.

We'll hope to receive these two things (three-year financial projections; facility status/plans) by June 30. We're also still expecting a contingency budget for FY18 and updated enrollment expectations for 2017-18 from you.

Please let me know if you have questions or concerns. We're happy to meet again in person or find time to talk over the phone.

Best,

Mikayla

I'm also sharing an example of a recent Financial Corrective Action Plan and its monitoring materials, regarding Ideal PCS:

- March 2016: citation for an instance of fiscal mismanagement<[, including FCAP requirement](http://www.livebinders.com/media/get/MTMzNjY4NDU=)
- June 2016: board vote<
- November 2016: FY17 Q1 monitoring report<

[cid:image005.png@01D30617.C2A7D5F0]

Mikayla Lytton

Senior Manager, Finance and Strategy Team

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

From: spearson@dcpcsb.org
To: PCSB Communications
CC: Sarah H. Cheatham, Jiselle ONeal, seniorteam, Taunya Nesin
Subject: Preliminary Review Reports: Achievement Prep and Excel
Date: 08-Oct-2017 09:49
Attachments: Preliminary Review Reports: Achievement Prep and Excel.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
2017-18 Achievement Prep 10 year Preliminary Review Report DRAFT 10-08-17.docx [\[Save\]](#) [\[Open\]](#)
2017-18 Excel Academy 10 year Preliminary Review Report 10-08-17.docx [\[Save\]](#) [\[Open\]](#)
Creation Date: 08-Oct-2017 09:49
Store Date: 15-Feb-2018 03:25
Message Id: ff7d472a131ce342b7f120e580c62c99000009126788#ff7d472a131ce342b7f120e580c62c9900002376e07db

TEXT.htm

ATTACHMENT

Dear Board Members,

Attached are preliminary review reports for Achievement Prep and Excel. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

If board members would like to discuss the two schools before you today, as well as the other three, we can schedule a call or meeting for next week. Per the Office of Open Government, we are permitted to hold private deliberations, provided the closed meeting is properly noticed and conducted.

If there is interest in this let us know and Jiselle can schedule.

Thank you in advance for getting us your edits and reactions to these two reports by Wednesday.

Scott

Board Vote	School	Type of Report
November 20	Achievement Prep PCS	10-Year Review
	Excel PCS	10-Year Review
	EW Stokes PCS	20-Year Review

	Washington Yu Ying PCS	10-Year Review
	Sela PCS	5-Year Review
	Ingenuity Prep PCS	5-Year Review
December 18	Somerset PCS	5-year Review
	Cesar Chavez PCS	20-Year Review
	SEED PCS	20-year review
	Center City PCS	10-Year Review
	DC Prep PCS	15-Year RENEWAL
	Eagle PCS	15-Year RENEWAL
January 22	Maya PCS	20-Year Review
	Friendship PCS	20-Year Review
	WMST PCS	20-Year Review

February 26	Community College Prep PCS	5-Year Review
March 19	Carlos Rosario PCS	20-Year Review

#xD;

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 1 Cell: 202-495-8722

3333 14th St., NW, Suite 201 | Washington, DC 20010

Twitter: @sdpearson | Website: dcpcsb.org

From: sb reda@dcpcsb.org
To: Rick Cruz, Naomi R. DeVeaux, Scott Pearson
CC: Sarah H. Cheatham, Board, Nicole Newman, Taunya Nesin
Subject: Re: Preliminary Review Reports: Achievement Prep and Excel
Date: 10-Oct-2017 21:06
Attachments: Re: Preliminary Review Reports: Achievement Prep and Excel .htm [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
2017-18 Excel Academy 10 year Preliminary Review Report 10-08-17 sbcomments.docx [\[Save\]](#) [\[Open\]](#)
Creation Date: 10-Oct-2017 21:06
Store Date: 03-Feb-2018 22:06
Message Id: ee78049457eabb4cae26b82a9d4760c00000009004c2#12f494203e87ae4bb5e06de3b6a55d84000240d7f3f1

TEXT.htm

ATTACHMENT

I agree on a call- especially to get a sense of the schools' positions. [REDACTED]

From: Scott Pearson
Sent: Tuesday, October 10, 2017 5:08:28 PM
To: Rick Cruz; Naomi R. DeVeaux
Cc: Board; Nicole Newman; Sarah H. Cheatham; Taunya Nesin
Subject: Re: Preliminary Review Reports: Achievement Prep and Excel

Hi Rick –

We will get to scheduling a closed meeting.

Meanwhile, in answer to your questions:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Rick Cruz <rcruz@dcpcsb.org>

Date: Tuesday, October 10, 2017 at 4:28 PM

To: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Scott Pearson <spearson@dcpcsb.org>

Cc: Board <board@dcpcsb.org>

Subject: Re: Preliminary Review Reports: Achievement Prep and Excel

Scott, Naomi -

I support us getting time by phone in the next week to discuss these schools as well as the others [REDACTED]

I also noticed during my refresher open meetings training the allowance for closed meetings for just this purpose and appreciate our using this time on these difficult discussions. I don't necessarily think we need to discuss before sending these reports, but sooner rather than later.

I was able to read through both on a long plane ride today. [REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Thanks,
Rick

On Oct 9, 2017, at 4:37 PM, Naomi R. DeVeaux <Naomi@dcpsb.org> wrote:

Please see below.

Naomi DeVeaux

Deputy Director

DC Public Charter School Board

From: Scott Pearson <spearson@dcpsb.org>

Sent: Sunday, October 8, 2017 9:49 AM

Subject: Preliminary Review Reports: Achievement Prep and Excel

To: PCSB Communications <communications@dcpsb.org>

Cc: seniorteam <seniorteam@dcpsb.org>, Taunya Nesin <tnesin@dcpsb.org>, Sarah H. Cheatham <scheatham@dcpsb.org>, Jiselle O'Neal <joneal@dcpsb.org>

Dear Board Members,

Attached are preliminary review reports for Achievement Prep and Excel. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

If board members would like to discuss the two schools before you today, as well as the other three, we can schedule a call or meeting for next week. Per the Office of Open Government, we are permitted to hold private deliberations, provided the closed meeting is properly noticed and conducted.

If there is interest in this let us know and Jiselle can schedule.

Thank you in advance for getting us your edits and reactions to these two reports by Wednesday.

Scott

Board Vote	School	Type of Report
November 20	Achievement Prep PCS	10-Year Review

	Excel PCS	10-Year Review
	EW Stokes PCS	20-Year Review
	Washington Yu Ying PCS	10-Year Review
	Sela PCS	5-Year Review
	Ingenuity Prep PCS	5-Year Review
December 18	Somerset PCS	5-year Review
	Cesar Chavez PCS	20-Year Review
	SEED PCS	20-year review
	Center City PCS	10-Year Review
	DC Prep PCS	15-Year RENEWAL
	Eagle PCS	15-Year RENEWAL
January 22	Maya PCS	20-Year Review

	Friendship PCS	20-Year Review
	WMST PCS	20-Year Review
February 26	Community College Prep PCS	5-Year Review
March 19	Carlos Rosario PCS	20-Year Review

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

3333 14th St., NW, Suite 201 | Washington, DC 20010

Twitter: @sdpearson | Website: [Twitter: @sdpearson](https://twitter.com/sdpearson) | Website: dcpcsb.org

<2017-18 Achievement Prep 10 year Preliminary Review Report DRAFT 10-08-17.docx>

<2017-18 Excel Academy 10 year Preliminary Review Report 10-08-17.docx>

From: amurray@dcpcsb.org
To: Daniel Quandt, Nicole Streeter, Sarah H. Cheatham, John Goldman, Naomi R. DeVeaux
CC: Taunya Nesin, Scott Pearson
Subject: RE: Preliminary Review Reports: Achievement Prep and Excel
Date: 11-Oct-2017 10:18
Attachments: RE: Preliminary Review Reports: Achievement Prep and Excel.html [\[Save\]](#) [\[Open\]](#)
2017-18 Excel Academy 10 year Preliminary Review Report 10-08-17 sb apm.docx [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 11-Oct-2017 10:18
Store Date: 20-Feb-2018 18:41
Message Id: ef0f15c946efbc44b69fae4577e402e7000186d54fb0#ef0f15c946efbc44b69fae4577e402e70000cd07b830

TEXT.htm

ATTACHMENT

Hi Naomi,

Updated attached. [REDACTED]

Please let me know if you have any other questions.

Thanks,

Avni



Avni P. Murray

Manager, Equity & Fidelity

Direct (202) 328-2671

Twitter: @dcpcsb | Website: dcpcsb.org



From: Naomi R. DeVeaux
Sent: Wednesday, October 11, 2017 8:46 AM
To: Nicole Streeter <nstreeter@dcpsb.org>; Sarah H. Cheatham <scheatham@dcpsb.org>; Daniel Quandt <dquandt@dcpsb.org>; Avni Patel Murray <amurray@dcpsb.org>; John Goldman <jgoldman@dcpsb.org>
Cc: Scott Pearson <spearson@dcpsb.org>; Taunya Nesin <tnesin@dcpsb.org>
Subject: Re: Preliminary Review Reports: Achievement Prep and Excel

Hi Nicole, Dan, Sarah, John and Avni,

[REDACTED]

Naomi

Hi Saba,

Thank you for your comments and questions.

1. [REDACTED]

[REDACTED]

2. [REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

3. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

3333 14th St., NW, Suite 210, Washington DC 20010 – 202-328-2660

From: Saba Bireda <SBireda@dcpcsb.org>
Date: Tuesday, October 10, 2017 at 9:06 PM
To: Scott Pearson <spearson@dcpcsb.org>, Rick Cruz <rcruz@dcpcsb.org>, Naomi DeVeaux <Naomi@dcpcsb.org>
Cc: Board <board@dcpcsb.org>, Nicole Newman <nnewman@dcpcsb.org>, Sarah Cheatham <scheatham@dcpcsb.org>, Taunya Nesin <tnesin@dcpcsb.org>
Subject: Re: Preliminary Review Reports: Achievement Prep and Excel

I agree on a call- especially to get a sense of the schools' positions. [REDACTED]

From: Scott Pearson

Sent: Tuesday, October 10, 2017 5:08:28 PM

To: Rick Cruz; Naomi R. DeVeaux

Cc: Board; Nicole Newman; Sarah H. Cheatham; Taunya Nesin

Subject: Re: Preliminary Review Reports: Achievement Prep and Excel

Hi Rick –

We will get to scheduling a closed meeting.

Meanwhile, in answer to your questions:

- [REDACTED]
- [REDACTED]

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Rick Cruz <rcruz@dcpcsb.org>

Date: Tuesday, October 10, 2017 at 4:28 PM

To: "Naomi R. DeVeaux" <Naomi@dcpsb.org>, Scott Pearson <spearson@dcpsb.org>

Cc: Board <board@dcpsb.org>

Subject: Re: Preliminary Review Reports: Achievement Prep and Excel

Scott, Naomi -

I support us getting time by phone in the next week to discuss these schools as well as the others [REDACTED].

I also noticed during my refresher open meetings training the allowance for closed meetings for just this purpose and appreciate our using this time on these difficult discussions. I don't necessarily think we need to discuss before sending these reports, but sooner rather than later.

I was able to read through both on a long plane ride today. [REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Thanks,

Rick

On Oct 9, 2017, at 4:37 PM, Naomi R. DeVeaux <Naomi@dcpcsb.org> wrote:

Please see below.

Naomi DeVeaux

Deputy Director

DC Public Charter School Board

From: Scott Pearson <spearson@dcpcsb.org>

Sent: Sunday, October 8, 2017 9:49 AM

Subject: Preliminary Review Reports: Achievement Prep and Excel

To: PCSB Communications <communications@dcpcsb.org>

Cc: seniorteam <seniorteam@dcpcsb.org>, Taunya Nesin <tnesin@dcpcsb.org>, Sarah H. Cheatham <scheatham@dcpcsb.org>, Jiselle O'Neal <joneal@dcpcsb.org>

Dear Board Members,

Attached are preliminary review reports for Achievement Prep and Excel. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

If board members would like to discuss the two schools before you today, as well as the other three, we can schedule a call or meeting for next week. Per the Office of Open Government, we are permitted to hold private deliberations, provided the closed meeting is properly noticed and conducted.

If there is interest in this let us know and Jiselle can schedule.

Thank you in advance for getting us your edits and reactions to these two reports by Wednesday.

Scott

Board Vote	School	Type of Report
November 20	Achievement Prep PCS	10-Year Review

	Excel PCS	10-Year Review
	EW Stokes PCS	20-Year Review
	Washington Yu Ying PCS	10-Year Review
	Sela PCS	5-Year Review
	Ingenuity Prep PCS	5-Year Review
December 18	Somerset PCS	5-year Review
	Cesar Chavez PCS	20-Year Review
	SEED PCS	20-year review
	Center City PCS	10-Year Review
	DC Prep PCS	15-Year RENEWAL
	Eagle PCS	15-Year RENEWAL
January 22	Maya PCS	20-Year Review

	Friendship PCS	20-Year Review
	WMST PCS	20-Year Review
February 26	Community College Prep PCS	5-Year Review
March 19	Carlos Rosario PCS	20-Year Review

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

3333 14th St., NW, Suite 201 | Washington, DC 20010

Twitter: @sdpearson | Website: [Twitter: @sdpearson](https://twitter.com/sdpearson) | Website: dcpcsb.org

<2017-18 Achievement Prep 10 year Preliminary Review Report DRAFT 10-08-17.docx>

<2017-18 Excel Academy 10 year Preliminary Review Report 10-08-17.docx>

From: spearson@dcpcsb.org
To: Jessica Smith, John Goldman, Adam Bethke, Naomi R. DeVeaux
CC: Avni Murray, Rashida Young, Jiselle O'Neal, Sujan Sedhai
Subject: Re: Enrollment Audit Upcoming Deadlines (SP and ND Action Requested)
Date: 11-Oct-2017 12:10
Attachments: Re: Enrollment Audit Upcoming Deadlines (SP and ND Action Requested).html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 11-Oct-2017 12:10
Store Date: 28-Feb-2018 14:46
Message Id: 8514b1876818124d9405ad2cf84cee85000e5d1d8f7#8514b1876818124d9405ad2cf84cee8500023b00727a

TEXT.htm

ATTACHMENT

Perfect. Thank you!

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: John Goldman <jgoldman@dcpcsb.org>
Date: Wednesday, October 11, 2017 at 10:34 AM
To: Scott Pearson <spearson@dcpcsb.org>, "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Adam Bethke <abethke@dcpcsb.org>, Jessica Smith <JSmith@dcpcsb.org>
Cc: Rashida Young <ryoung@dcpcsb.org>, Jiselle O'Neal <joneal@dcpcsb.org>, Sujan Sedhai <ssedhai@dcpcsb.org>, Avni Murray <amurray@dcpcsb.org>
Subject: Re: Enrollment Audit Upcoming Deadlines (SP and ND Action Requested)

Hi Scott,

I just spoke with Melodi who handled enrollment projections for us last year and then double checked the historic numbers. I also confirmed with OSSE.

Our official projection number is 44,361. (link: <https://dcpcsb.egnyte.com/dl/xcHgw0rBXO?r=1>)

The difference between the 43,891 and 44,361 numbers are two new campuses which weren't picked up in the Hub until September, 2017.

Using the enrollment number from yesterday's email (**43,484**) makes the shortfall 877, or 1.9%. $((44,361 - 43,484) / 44,361)$.

Thanks,

John

John Goldman

DC Public Charter School Board

Desk: 202-328-5545

Twitter: @dcpcsb | Website: dcpcsb.org

From: Scott Pearson <spearson@dcpcsb.org>

Date: Tuesday, October 10, 2017 at 10:37 PM

To: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Adam Bethke <abethke@dcpcsb.org>, Jessica Smith <JSmith@dcpcsb.org>

Cc: Rashida Young <ryoung@dcpcsb.org>, John Goldman <jgoldman@dcpcsb.org>, Jiselle O'Neal <joneal@dcpcsb.org>, Sujan Sedhai <ssedhai@dcpcsb.org>, Avni Patel Murray <amurray@dcpcsb.org>

Subject: Re: Enrollment Audit Upcoming Deadlines (SP and ND Action Requested)

Thanks for this. It's helpful. But I was asking a different question which is what was the number used by the city to develop their budget back in April?

Scott Pearson

Executive Director

DC Public Charter School Board

spearson@dcpcsb.org

202-495-8722

www.dcpcsb.org

@sdpearson

From: Naomi R. DeVeaux

Sent: Tuesday, October 10, 2017 7:13:13 PM

To: Scott Pearson; Adam Bethke; Jessica Smith

Cc: Rashida Young; John Goldman; Jiselle O'Neal; Sujan Sedhai; Avni Patel Murray

Subject: Re: Enrollment Audit Upcoming Deadlines (SP and ND Action Requested)

Hi Scott

Per the process we outlined with osse, we submit certified enrollment numbers this Friday. The schools had from oct 5-15 to verify their numbers and fix technical issues. The correct numbers are what Jessica reports as these numbers come from our portal into osse's system. The nightly feed isn't as accurate as duplicate or incorrect data can come through. These are issues we work out with osse on a weekly basis.

Right now there are roughly 400 students that we are carefully monitoring as needing to get into the count.

Naomi

Naomi DeVeaux

Deputy Director

DC Public Charter School Board

From: Scott Pearson

Sent: Tuesday, October 10, 2017 5:10:47 PM

To: Adam Bethke; Jessica Smith; Naomi R. DeVeaux

Cc: Rashida Young; John Goldman; Jiselle O'Neal; Sujan Sedhai; Avni Patel Murray

Subject: Re: Enrollment Audit Upcoming Deadlines (SP and ND Action Requested)

So what number did the city use to submit a budget?

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Adam Bethke <abethke@dcpcsb.org>

Date: Tuesday, October 10, 2017 at 5:09 PM

To: Scott Pearson <spearson@dcpcsb.org>, Jessica Smith <JSmith@dcpcsb.org>, "Naomi R. DeVeaux" <Naomi@dcpcsb.org>

Cc: Rashida Young <ryoung@dcpcsb.org>, John Goldman <jgoldman@dcpcsb.org>, Jiselle O'Neal <joneal@dcpcsb.org>, Sujan Sedhai <ssedhai@dcpcsb.org>, Avni Patel Murray <amurray@dcpcsb.org>

Subject: Re: Enrollment Audit Upcoming Deadlines (SP and ND Action Requested)

Afternoon,

43,891 was from before we updated the Hub to include Sustainable Futures (125) and Rocketship's Ward 7 site (345), which were in a flat file that we had to find because they were collected differently last year. 44,361 is the 43,891 plus those additional 470 students.

Thanks,

Adam

Adam Bethke

Data Management Specialist

Desk: 202-328-1554

From: Scott Pearson <spearson@dcpcsb.org>

Date: Tuesday, October 10, 2017 at 5:04 PM

To: Jessica Smith <JSmith@dcpcsb.org>, Naomi DeVeaux <Naomi@dcpcsb.org>

Cc: Rashida Young <ryoung@dcpcsb.org>, Adam Bethke <abethke@dcpcsb.org>, John Goldman <jgoldman@dcpcsb.org>, Jiselle O'Neal <joneal@dcpcsb.org>, Sujan Sedhai <ssedhai@dcpcsb.org>, Avni Patel Murray <amurray@dcpcsb.org>

Subject: Re: Enrollment Audit Upcoming Deadlines (SP and ND Action Requested)

Yes – you can schedule a work block.

Jessica – you say that our final forecast was 43,891. However the Hub shows the final forecast as 44,361. Why the difference?

Thanks,

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Jessica Smith <JSmith@dcpcsb.org>

Date: Tuesday, October 10, 2017 at 2:00 PM

To: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Scott Pearson <spearson@dcpcsb.org>

Cc: Rashida Young <ryoung@dcpcsb.org>, Adam Bethke <abethke@dcpcsb.org>, John Goldman <jgoldman@dcpcsb.org>, Jiselle O'Neal <joneal@dcpcsb.org>, Sujan Sedhai <ssedhai@dcpcsb.org>, Avni Patel Murray <amurray@dcpcsb.org>

Subject: Enrollment Audit Upcoming Deadlines (SP and ND Action Requested)

Hello Scott and Naomi,

The week of the Enrollment Audit First Certification is here, and I wanted to make sure everyone had a clear understanding of the deadlines and requirements for us this week.

Scott – Can we put a work block on your calendar on Friday at 4:30 to review the final memo and send it to OCFO?

Naomi - I've saved a working draft of the memo in Egnyte [here](#). Can you please review and see if there are any language corrections you would like to make?

- **Today, 10/10:**
 - **JS** reminds all schools of Friday deadline, and requests that they share any concerns with us no later than 10/12 for inclusion in our OCFO memo
- **Thursday, 10/12:**
 - **JS** sends Ryan Aurori (OSSE) and Alonso Montalvo (OCFO) the 17-18 Enrollment Ceiling data
 - Schools make any final changes to their SIS data by 5pm
- **Friday, 10/13:**
 - Schools certify their Enrollment Audit UPSFF rosters in the OSSE Enrollment Audit and Child Count Application
 - OSSE sends the UPSFF student counts and rosters to OCFO, and informs DC PCSB of any LEAs which failed to actively certify their data
 - Note: OSSE is going to send data to OCFO on the 13th (even if schools fail to certify) because DC Code requires that it be submitted by the 15th, which is a Sunday
 - **Scott** sends a memo to OCFO confirming the accuracy of the data submitted by OSSE, with the caveats of any concerns expressly mentioned by schools

Note that as of this morning, there are **43,484** students enrolled in a charter school with **43,226** on the UPSFF roster. This puts us currently **407** students (0.9%) short of our projected **43,891**.

Please let me know if you have any questions or suggestions regarding the plan for this week.

Best,

Jessica

Jessica Smith

Data Analyst, Equity and Fidelity Team

DC Public Charter School Board

Desk: 202-328-2761

From: "Naomi R. DeVeaux" <Naomi@dcpsb.org>

Date: Thursday, October 5, 2017 at 5:01 PM

To: Avni Patel Murray <amurray@dcpsb.org>, Jessica Smith <JSmith@dcpsb.org>, Scott Pearson <spearson@dcpsb.org>

Cc: Rashida Young <ryoung@dcpsb.org>, Adam Bethke <abethke@dcpsb.org>, John Goldman <jgoldman@dcpsb.org>

Subject: Re: Enrollment Audit Quality Checks and School Follow-ups Update

This is an excellent update. Thank you for all of your outreach to schools to ensure that they adhere to the deadlines but also have the support they need to get their data in. Thank you!

Naomi

Naomi DeVeaux

Deputy Director

DC Public Charter School Board

From: Avni Patel Murray

Sent: Thursday, October 5, 2017 4:04:09 PM

To: Jessica Smith; Scott Pearson; Naomi R. DeVeaux

Cc: Rashida Young; Adam Bethke; John Goldman

Subject: RE: Enrollment Audit Quality Checks and School Follow-ups Update

Sorry for multiple emails, but got an update from Maya HS:

- o Maya Angelou PCS (287 enrolled, 338 projected – Reached out 9/27, Adriana responded that she was making data changes, but situation has not improved)
 - o Spoke with new Principal Mr. Blake (he told me he just started this summer because there was a change in leadership and that has impacted procedures at the school, including this one)

- o The most current enrolled number is 171 (spreadsheet shows 165 enrolled for HS).
- o He will follow up with Jessica, he doesn't know if there is a data issue, hasn't heard that there are any SEDS issues but he will let Felicia know to contact me if there are

Also, Mundo Verde connected with Jessica so all schools on the unresponsive list have responded. The potential schools of these 5 that may have data issues (data person is confirming and will get back to Jessica) is Maya and Mundo.

Avni Patel Murray

Manager, Equity & Fidelity

Direct (202) 328-2671

Twitter: @dcpcsb | Website: dcpcsb.org

From: Avni Patel Murray

Sent: Thursday, October 05, 2017 3:41 PM

To: Jessica Smith <JSmith@dcpcsb.org>; Scott Pearson <spearson@dcpcsb.org>; Naomi R. DeVeaux <Naomi@dcpcsb.org>

Cc: Rashida Young <ryoung@dcpcsb.org>; Adam Bethke <abethke@dcpcsb.org>; John Goldman <jGoldman@dcpcsb.org>

Subject: RE: Enrollment Audit Quality Checks and School Follow-ups Update

Update on Washington Global:

- o Washington Global (200 enrolled, 220 projected – Reached out 10/4, no response)

- o Spoke with Liz Torres (Principal), who thinks the enrollment number should actually be 197.
- o They are under-enrolled, not a data issue, no SEDS issues.
- o She is going to confirm with her data manager on why SLED says 200 and will follow up via email with Jessica.

Thanks,

Avni

Avni Patel Murray

Manager, Equity & Fidelity

Direct (202) 328-2671

Twitter: @dcpsb | Website: dcpsb.org

From: Avni Patel Murray

Sent: Thursday, October 05, 2017 2:56 PM

To: Jessica Smith <JSmith@dcpsb.org>; Scott Pearson <spearson@dcpsb.org>; Naomi R. DeVeaux <Naomi@dcpsb.org>

Cc: Rashida Young <ryoung@dcpsb.org>; Adam Bethke <abethke@dcpsb.org>; John Goldman <jGoldman@dcpsb.org>

Subject: RE: Enrollment Audit Quality Checks and School Follow-ups Update

Hi Jessica (and all),

I followed up with 5 schools today (10/5) from the one's you had not heard back and was successfully able to speak with 2 of them. The other three did not answer so I left messages. See my notes below.

- Harmony DC PCS (94 enrolled, 125 projected – Reached out 9/27 & 10/4, no response)
 - Emin (Principal) confirmed 94 enrolled (they are under-enrolled) and there are no data issues and no SEDS issues
 - They had projected higher, but there were several no-shows as of the first day of school. Our records are accurate.
- o Maya Angelou PCS (287 enrolled, 338 projected – Reached out 9/27, Adriana responded that she was making data changes, but situation has not improved)
 - o Left message with front desk for Principal Blake and SEC Felecia
- o Mundo Verde (578 enrolled, 604 projected – Reached out 9/27, no response)
 - o Left message with front desk for Principal Aguilar or SEC's (3 – Peling, Darryl, or Norma)
- o Washington Global (200 enrolled, 220 projected – Reached out 10/4, no response)
 - o Left message on Liz Torres (Principal) voicemail
 - o No answer on mainline to reach SEC
- o WMST (225 enrolled, 284 projected – Reached out 9/27 and 10/4, no response)
 - o I spoke with Ms. Michelle Clayton (Office Manager) who said our enrolled # is wrong. They have 238 students, which is still under-enrolled
 - o She is not sure that it's a data access issue, but I asked her to follow up with Jessica. I also asked her to inquire with Ms. Ross (SEC) if there are any access issues on SEDS. She said she will let her know and I left her my number. She did say she will follow up with Jessica.

I'll definitely let you know if any of the 3 return my voicemails/messages.

Thanks,

Avni

Avni Patel Murray

Manager, Equity & Fidelity

Direct (202) 328-2671

Twitter: @dcpcsb | Website: dcpcsb.org

From: Jessica Smith
Sent: Thursday, October 05, 2017 2:30 PM
To: Scott Pearson <spearson@dcpsb.org>; Naomi R. DeVeaux <Naomi@dcpsb.org>
Cc: Rashida Young <ryoung@dcpsb.org>; Adam Bethke <abethke@dcpsb.org>; Avni Patel Murray <amurray@dcpsb.org>; John Goldman <jgoldman@dcpsb.org>
Subject: Re: Enrollment Audit Quality Checks and School Follow-ups Update

Hi Scott and Naomi,

Several updates regarding enrollment that I want to flag for you.

1) Overall numbers:

- There are **43,377** students enrolled, which puts us 514 students short (1.2%) of the projected **43,891**. There are 42,847 students on the UPSFF roster (the primary reason for the UPSFF/Enrolled discrepancy was a data error which occurred at Next Step yesterday. Once that is resolved, the UPSFF roster will be **43,101**).

2) Ongoing school follow-ups:

- **The following LEAs appear to be actually under-enrolled (not the result of a data error):**
 - Hope Community PCS (755 enrolled, 906 projected – Spoke with Marla McGuire, LEA Operations Manager, today. She stated that the previous school leader of the Tolson campus made projections that would have led to school overcrowding; therefore, reduced their targets. The Lamond campus, however, simply received fewer students than projected.)
 - LAYC (126 enrolled, 190 projected – Nicole responded that LAYC stopped enrollment efforts when school faced potential closure last year, and will likely not hit projected numbers)
 - Paul PCS (707 enrolled, 750 projected – School leader indicated at charter leaders meeting that this is true under-enrollment, not a data issue. Confirmed accuracy of the 707 number)
 - Richard Wright (277 enrolled, 316 projected – No outstanding enrollment data tickets with OSSE; Reached out 10/4, no response)
 - Somerset Prep (376 enrolled, 440 projected – Data Manager stated that true student count is 380)

- **The following LEAs are actively working with OSSE on outstanding data errors (under-enrolled due to data error):**
 - Democracy Prep (649 enrolled, 682 projected – Spoke with data manager; school actually has 665 students, and is working closely with Shacara and Rita at OSSE)
 - The Children's Guild (375 enrolled, 349 UPSFF – Data manager updated SIS residency indicators 9/28, I will follow up to determine why this did not resolve issue)
 - Sela (202 enrolled, 192 UPSFF – Reached out 9/27, no response, I will follow up again today)

- **The following LEAs are under-enrolled, but it is unclear whether or not a data error is to blame. I have reached out to these LEAs but have not received responses. Naomi, would you like to follow up?**
 - Harmony DC PCS (94 enrolled, 125 projected – Reached out 9/27 & 10/4, no response)
 - o Maya Angelou PCS (287 enrolled, 338 projected – Reached out 9/27, Adriana responded that she was making data changes, but situation has not improved)
 - o Mundo Verde (578 enrolled, 604 projected – Reached out 9/27, no response)
 - o Washington Global (200 enrolled, 220 projected – Reached out 10/4, no response)
 - o WMST (225 enrolled, 284 projected – Reached out 9/27 and 10/4, no response)

3) Reminder of upcoming deadlines:

Per our stated collaboration plan with OSSE and OCFO:

- Schools will certify their UPSFF rosters on Friday, **10/13**
- DC Code requires that the enrollment numbers are submitted to OCFO by **10/15**. Since that falls on a Sunday I've asked Ryan Aurori from OSSE to share his intended timeline for the transfer of the UPSFF rosters
- Scott will have to provide a communication to OCFO by Sunday **10/15** stating that the numbers are accurate
- Because of the short window between 10/13 and 10/15, I am going to ask LEAs to notify us of any data they believe to be inaccurate in the UPSFF rosters no later than **10/12** so that it can be addressed in Scott's memo (ideally, we would send out the memo on Friday 10/13 to avoid sending on a Sunday)
 - For example, see attached Ingenuity Prep e-mail expressing doubt regarding At Risk student counts. If this is not resolved by 10/12, it should be addressed in Scott's memo to OCFO

Is there anything else that you would suggest I do this week to prepare for next week?

Thanks,

Jessica

Jessica Smith

Data Analyst, Equity and Fidelity Team

DC Public Charter School Board

Desk: 202-328-2761

From: Scott Pearson <spearson@dcpcsb.org>

Date: Thursday, September 28, 2017 at 3:38 PM

To: Jessica Smith <JSmith@dcpcsb.org>, "Naomi R. DeVeaux" <Naomi@dcpcsb.org>

Cc: Rashida Young <ryoung@dcpcsb.org>, Adam Bethke <abethke@dcpcsb.org>, Avni Patel Murray <amurray@dcpcsb.org>

Subject: Re: Enrollment Audit Quality Checks and School Follow-ups Update

Great update. Thank you.

I expect we'll end up a 200-500 students short, which is good – no revenue pressures on the city from enrollments exceeding our estimates, but within 1% in our forecasts.

Thanks for staying on this.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Jessica Smith <JSmith@dcpsb.org>

Date: Thursday, September 28, 2017 at 3:20 PM

To: "Naomi R. DeVeaux" <Naomi@dcpsb.org>, Scott Pearson <spearson@dcpsb.org>

Cc: Rashida Young <ryoung@dcpsb.org>, Adam Bethke <abethke@dcpsb.org>, Avni Patel Murray <amurray@dcpsb.org>

Subject: Re: Enrollment Audit Quality Checks and School Follow-ups Update

Hi Scott and Naomi,

I'm writing to provide an update on enrollment and my communications with schools. As of this morning (9/28), there are **42,476** students enrolled in a charter school, with **42,075** on the UPSFF roster. This puts us 1,415 students (or 3.2%) short of our projected 43,891 students. The number of enrolled students has increased by **1,337** students since my last update on 9/20.

Below I've provided updates on specific schools exhibiting problematic enrollment. I've highlighted schools that appear under-enrolled and have not responded with a data-related explanation for under-enrollment.

Schools with low SLED enrollment:

- Briya PCS (638 enrolled, 707 projected – They have added a significant number of Stage 5 students since last week, and are now only 10% short of their projection)
- Community College Prep (296 enrolled, 600 projected – School expects number to rise dramatically next week; some classes do not officially start until next Monday 10/2)
- Democracy Prep (491 enrolled, 682 projected – Spoke with data manager; school actually has 665 students, and is working closely with Shacara and Rita at OSSE to figure out why all students are not appearing)
- Harmony DC PCS (93 enrolled, 125 projected – Reached out 9/27, no response)
- Hope Community PCS (744 enrolled, 906 projected – School states that “enrollment coordinators are working on the data”)
- Ideal Academy (278 enrolled, 302 projected – They seem to have resolved the majority of their data issues; currently only under-enrolled by 8%)
- LAYC (84 enrolled, 190 projected – Nicole responded that LAYC stopped enrollment efforts when school faced potential closure last year, and will likely **not hit projected numbers**)
- Maya Angelou PCS (266 enrolled, 338 projected – Reached out 9/27, no response)
- Mundo Verde (552 enrolled, 604 projected – Reached out 9/27, no response)

- Somerset Prep (365 enrolled, 440 projected – Reached out 9/27, no response)
- WMST (225 enrolled, 284 projected – Reached out 9/27, no response)
- Youthbuild (59 enrolled, 115 projected – Data manager actively working with OSSE on data errors)

Schools with major SLED versus UPSFF student count discrepancies:

- Meridian (639 enrolled, 544 UPSFF – TenSquare is continuing to work with the data team)
- Sela (195 enrolled, 184 UPSFF – Reached out 9/27, no response)
- The Children's Guild (374 enrolled, 349 UPSFF – Data manager is going to update the SIS residency indicators 9/28)

You can view the full spreadsheet in which I track these data here: <https://dcpcsb.egnyte.com/dl/7T17tIkh28> (File path: Shared/Oversight/EFA/Enrollment/Enrollment Audit/2017-18/QA Checking)

Please feel free to reach out if you have any questions.

Thanks,

Jessica

Jessica Smith

Data Analyst, Equity and Fidelity Team

DC Public Charter School Board

Desk: 202-328-2761

From: Jessica Smith <JSmith@dcpcsb.org>

Date: Thursday, September 21, 2017 at 12:14 PM

To: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Scott Pearson <spearson@dcpcsb.org>

Cc: Rashida Young <ryoung@dcpcsb.org>, Adam Bethke <abethke@dcpcsb.org>

Subject: Re: Enrollment Audit Quality Checks and School Follow-ups Update

Hi Naomi,

I would say that at this point, I don't have much information beyond what I've shared below. No schools have expressly articulated a fear of under-enrollment to me. The numbers have gone up since yesterday: Our enrollment is now 41,720, with 40,556 students on the UPSFF roster. Since this is my first enrollment cycle with PCSB, I don't know how "typical" these results are for this time of year. However, based on my experiences at the school level, I would expect the numbers to continue to grow between now and the snapshot on 10/13. I plan to continue following up with schools on (at least) a weekly basis between now and 10/13.

As far as schools on the "Low SLED Enrollment" list, the ones that jump out to me are Ideal Academy, Community College Prep, LAYC, and Democracy Prep. None of these schools have expressed a specific technical issue with OSSE and/or their ADT feed, so it's unclear whether their low enrollment is due to a technicality or true under-enrollment. The other schools on the list are claiming (at least for now) that a technical issue is causing low enrollment.

Please let me know if you have any additional questions.

Best,

Jessica

Jessica Smith

Data Analyst, Equity and Fidelity Team

DC Public Charter School Board

Desk: 202-328-2761

From: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>

Date: Thursday, September 21, 2017 at 9:37 AM

To: Jessica Smith <JSmith@dcpcsb.org>, Scott Pearson <spearson@dcpcsb.org>

Cc: Rashida Young <ryoung@dcpcsb.org>, Adam Bethke <abethke@dcpcsb.org>

Subject: Re: Enrollment Audit Quality Checks and School Follow-ups Update

Based on all of your conversations to date, do you expect us to meet our projections or fall short?

Naomi

Naomi DeVeaux

Deputy Director

DC Public Charter School Board

From: Jessica Smith

Sent: Thursday, September 21, 2017 9:24:14 AM

To: Scott Pearson; Naomi R. DeVeaux

Cc: Rashida Young; Adam Bethke

Subject: Re: Enrollment Audit Quality Checks and School Follow-ups Update

Hi Scott,

It looks like our projected enrollment student count is 43,891. As of yesterday, there were 41,139 students enrolled and 40,129 students on the UPSFF roster.

Best,

Jessica

Jessica Smith

Data Analyst, Equity and Fidelity Team

DC Public Charter School Board

Desk: 202-328-2761

From: Scott Pearson <spearson@dcpcsb.org>

Date: Wednesday, September 20, 2017 at 4:53 PM

To: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Jessica Smith <JSmith@dcpcsb.org>

Cc: Rashida Young <ryoung@dcpcsb.org>, Adam Bethke <abethke@dcpcsb.org>

Subject: Re: Enrollment Audit Quality Checks and School Follow-ups Update

does it look like we're on track to hit the overall charter forecast?

From: Naomi R. DeVeaux

Sent: Wednesday, September 20, 2017 3:55:02 PM

To: Jessica Smith; Scott Pearson

Cc: Rashida Young; Adam Bethke

Subject: Re: Enrollment Audit Quality Checks and School Follow-ups Update

Thanks, Jessica! This is great to see. I'm glad we're down to just a few schools. It looks like none are claiming low enrollment, other than Mundo Verde PCS, which is below their projected numbers by about 25.

I alerted Shana/Naomi/Darrell to your technical issue that the feed doesn't match their enrollment data file. So frustrating. Thank you for being on top of all of these discrepancies and working with schools to push them to meet this deadline.

Naomi

From: Jessica Smith

Sent: Wednesday, September 20, 2017 12:41:35 PM

To: Scott Pearson; Naomi R. DeVeaux

Cc: Rashida Young; Adam Bethke

Subject: Enrollment Audit Quality Checks and School Follow-ups Update

Hi Scott and Naomi,

Naomi and I had a quick verbal catch-up on enrollment this morning, and she suggested I compose a written update to share. I have been working with schools to help them prepare for the enrollment audit, particularly those who demonstrate one (or both) of the following issues:

- Low SLED enrollment compared to their 17-18 projection
- Discrepancies between the number of students enrolled and the number of students on the UPSFF roster (The UPSFF roster will be used for the OCFO's quarterly UPSFF payment calculations)

The majority of schools appear “on track” with enrollment: They demonstrate enrollment counts similar to what was projected, and all or nearly all of their enrolled students appear on their UPSFF rosters. However, I have been following up more intently with the following schools:

Schools with low SLED enrollment:

- Briya PCS (395 enrolled, 707 projected – Jodi responded that not all students have been moved to Stage 5, but this will be resolved by Friday)
- Community College Prep (291 enrolled, 600 projected – Reached out today, no response yet)
- Democracy Prep (491 enrolled, 656 projected – Reached out yesterday, no response yet)
- Ideal Academy (187 enrolled, 302 projected – Charles Epps responded that they are working to correct errors, but provided no additional detail)
- LAYC (84 enrolled, 190 projected – Nicole responded that they are aware of the issue and working to correct, but provided no additional detail)
- Maya Angelou PCS (249 enrolled, 338 projected – Adriana is working with OSSE on ADT issues)
- Meridian (553 enrolled, 695 projected – TenSquare is working with the data team to resolve data errors)
- Mundo Verde (520 enrolled, 604 projected – Kristin said their enrollment is actually 577 and they are working with OSSE)
- Somerset Prep (0 enrolled, 440 projected – Lauren reached out to OSSE, clearly a major data problem exists)
- Youthbuild (20 enrolled, 115 projected – They have a new data manager who is actively working with OSSE and meeting with OSSE on Thursday)

Schools with major SLED versus UPSFF student count discrepancies:

- DC Bilingual (438 enrolled, 243 UPSFF – Rohini Ramnath set up a meeting with OSSE)
- DC Scholars (517 enrolled, 357 UPSFF – Kyle Jones set meeting with OSSE and one with me tomorrow)
- Early Childhood Academy (228 enrolled, 183 UPSFF – Sharon Maxwell set up a meeting with OSSE)
- LAMB (451 enrolled, 369 UPSFF – Teresa had a check-in with their OSSE DAR liaison)
- Paul PCS (697 enrolled, 607 UPSFF – EdOps aware and working to make corrections this week)

I am using the following spreadsheet to track these data and school responses:

Enrollment Audit Quality Checking 2017-09-20.xlsx

<https://dcpcsb.egnyte.com/dl/EgHMEqY6w9>

File path: Shared/Oversight/EFA/Enrollment/Enrollment Audit/2017-18/QA Checking

One technical (but important) note: To obtain the data for this spreadsheet, I export data directly from OSSE’s Enrollment Audit and Child Count Application on SLED. The enrollment data which OSSE provides us nightly do **not**

align with their Enrollment Audit application. We cannot re-create the Enrollment Audit application's UPSFF numbers with the fields currently provided in our nightly feed. Therefore, you may see some differences between the enrollment data in the Hub and the enrollment data in this spreadsheet.

Please feel free to reach out if you have any questions or would like any additional information as the enrollment audit progresses.

Thanks,

Jessica

--

Jessica Smith

Data Analyst, Equity and Fidelity Team

DC Public Charter School Board

Desk: 202-328-2761

3333 14th St., NW, Suite 201 | Washington, DC 20010

From: ryoung@dcpcsb.org
To: Naomi R. DeVeaux, Scott Pearson
CC: School Performance Department
Subject: 4th Quarter Board Meeting Minutes
Date: 16-Oct-2017 16:28
Attachments: 4th Quarter Board Meeting Minutes.html [\[Save\]](#) [\[Open\]](#)
 image003.png [\[Save\]](#) [\[Open\]](#)
 headers.822 [\[Save\]](#) [\[Open\]](#)
 image001.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 16-Oct-2017 16:28
Store Date: 15-Feb-2018 23:06
Message Id: fd1b9e417d3f5747896bc94db8fe7b04006681edb890#6e7287fe41e8924d901b3e55bf82fbff0001266e1949

TEXT.htm

ATTACHMENT

Hi Scott and Naomi,

The 2016-17 4th quarter board meeting minutes notes are below. Each LEA's minutes can be found in Epicenter should you want additional information. SPD has reviewed these notes and we are following up as needed (noted in red below). Please let me know if you have additional questions or concerns. As always, thank you to SPD for your help with this process.

LEA Name	Notes
Academy of Hope Adult PCS	March 18,2017 --Staff projected \$291k budget deficit but made necessary cuts and will do fundraising and grant writing to offset (flag for FAST) -Recriting for CDO has been disappointing. -Capital Campaign on hold, but school meeting with Clark Construction and Ford Family for giving efforts. -AOH will rent to Edgewood Brookland Family Support Collaborative for an income of \$27,120 per year -Projecting a \$74,000 loss in net income due to low evening enrollment at Ward 8 site -Continuing work to set up the AOH Foundation --Three resignations and one termination, still searching for a Special Education Coordinator
Achievement Preparatory Academy PCS	April 17, 2017 -Nothing noteworthy to report

AppleTree Early Learning PCS	<p>April 25, 2017</p> <ul style="list-style-type: none"> -LEA is discontinuing summer school for gen ed students, only offering for SPED -The board voted on a resolution to change the agreement between AELPCS and AppleTree Institute around work and cost allocations (flag for Legal) -Board voted to continue Michigan Ave lease
BASIS DC PCS	<p>May 3, 2017</p> <ul style="list-style-type: none"> -Approved amendment to facility lease agreement between BDC and BSI (flag for G Team) -Adopted budget with \$50K increase in core revenue to support expansion efforts -Annual Teacher Fund is expected to exceed \$100K match limit
Breakthrough Montessori PCS	<p>July 13, 2017</p> <ul style="list-style-type: none"> -School has a new aftercare provider, Springboard. Assistants will work from 11 to 3:30 pm to help with lunch and afternoons on Breakthrough Payroll and then after school on Springboard payroll. Cost for families is about \$12 /day. -Changing literacy assessment from MClass to DERS -Board voted to offer Omatayo the position of ED -Looking for another possible facility in Ward 4
Bridges PCS	<p>May 21, 2017</p> <ul style="list-style-type: none"> -Discussion of nuisance suit currently underway -Update on New Market Tax Credits include a \$32.4M loan -Currently has 41 days Cash on Hand (Tier 2 financial score) -Dedicated aides are more expensive than the IEP funding -School is behind on revenue because of increased student expenditures <p>March 1, 2017</p> <ul style="list-style-type: none"> -Voted to approve resolution for refinancing using New Market Tax Credit loan. <p>May 16, 2017</p> <ul style="list-style-type: none"> -New budget will put Bridges back into Tier 1 financial status

	<p>-Bridges is decreasing its total staff relating costs per students, and its staff attrition rate is due to salary</p>
Briya PCS	<p>March 11, 2017</p> <ul style="list-style-type: none"> -Boted to refinance using New Market Tax Credit Loan with Bridges -Still doing construction at Bancroft
Cesar Chavez PCS for Public Policy	<p>May 9, 2017</p> <ul style="list-style-type: none"> -Erin Fisher, Principal of Parkside Middle resigned <p>May 31, 2017</p> <ul style="list-style-type: none"> -nothing to note
Capital City PCS	<p>March 14, 2017</p> <ul style="list-style-type: none"> - Approved sanctuary school resolution - End year with \$9.8M in cash - Looking for contracts to renovate locker rooms and install security cameras - Looking for more Board members, including another parent (Jean Claude Brizard stepping down as Board Chair) <p>May 10, 2017</p> <ul style="list-style-type: none"> - Approved security camera installation contract - Still recruiting new Board members
Carlos Rosario International PCS	<p>May 10, 2017</p> <ul style="list-style-type: none"> - Approved FY18 budget, which increases faculty salaries by 10-13% -finishing with a net gain of \$545,940 for the year, after having budgeted a loss of \$506,423 - Starting second small business initiative class on Saturdays - Partnership w/ Bikeshare - student membership will be \$5 (reg. \$85)
Cedar Tree Academy PCS	<p>No meeting minutes submitted--last board meeting occurred in Q3</p>
Center City PCS	<p>March 15, 2017</p> <ul style="list-style-type: none"> - Will finish under budget thanks to Medicaid audit - Received McKinney Vento grant for homeless students; figuring out student #s vs. other LEAs - Attendance up, discipline down (credits

	<p>resorative justice practices)</p> <ul style="list-style-type: none"> - Still focused on Trinidad and Capitol Hill campuses - United Way gave \$54,000 for summer programs
Children's Guild DC PCS	<p>May 8, 2017</p> <ul style="list-style-type: none"> - Voted for Chris Zimmerman as Board Chair - Leadership updates: Nakia Nicholson is CAO, Bryan Daniels as Principal, Veronica Crawford and TBD as Asst. Principals - Goal = 450 students enrolled - Special ed population = 48%
City Arts & Prep PCS	<p>May 17, 2017</p> <ul style="list-style-type: none"> - Considering AppleTree for PK - Read PCSB letter re: low reenroll, PARCC - New DC Board Members needed - Reading of letter from Scott/PCSB - Still looking for new location <p>June 14, 2017</p> <ul style="list-style-type: none"> - Approved AppleTree (flag for G team & Teri)
Community College Preparatory Academy PCS	<p>May 18, 2017</p> <ul style="list-style-type: none"> - Advanced Ed recommends CC Prep for accreditation - Temporary move to Annex at MC Terrell for reno (another entrance, bathrooms)
Creative Minds International PCS	<p>March 27, 2017</p> <ul style="list-style-type: none"> - Engaged Noetic Consultants for middle school recruitment - International Primary Curriculum (IPC) accreditation underway <p>April 24, 2017</p> <ul style="list-style-type: none"> - Hiring for CAO and COO - IPC accreditation complete; first US charter school to earn distinction <p>May 22, 2017</p> <ul style="list-style-type: none"> - New COO to begin June 2017 - Discussion on CFA separation and 501c3 status, need to clarify role of Head of School w/in CFA (CFA is their parent association) <p>June 12, 2017</p> <ul style="list-style-type: none"> - new Vice Chair of Board elected
DC Bilingual PCS	

	<p>April 25, 2017</p> <ul style="list-style-type: none"> -Offering additional PK4 class SY 17-18 -Vetting new candidates for Board <p>May 23, 2017</p> <ul style="list-style-type: none"> -Change in bylaws re: board member term limits -Discussion on whether to add preference for board members' children in lottery
DC Prep PCS	<p>March 21, 2017</p> <ul style="list-style-type: none"> -Schools with newest leaders in network require "significant support from the A-team" -Partnering with Bell Foundation to offer 6-week summer program for 30 rising 1st graders -Board working to build relationships with school staff -Successfully appealed an OSSE investigation into test integrity process -Nevertheless, will increase proctor training and press OSSE to release proctor guidance -V Street property appraisal much lower than anticipated
DC Scholars PCS	<p>April 5, 2017</p> <ul style="list-style-type: none"> -Searching for new ES principal
Democracy Prep Congress Heights PCS	<p>March 29, 2017</p> <ul style="list-style-type: none"> -Signed sublease for MS space for FY19 -Construction on MS space to begin June 2017 -Expected higher suspension rates because of "student culture reset" -Shukurat Adamoh-Faniyan will be new ED of school in SY 17-18 <p>April 26, 2017</p> <ul style="list-style-type: none"> -Network has new superintendent: Natasha Trivers - Anticipate highest staff retention in school's history -Over budget on necessary personnel, adjusting funding restrictions as a result -currently 19 schools in DP network <p>May 24, 2017</p> <ul style="list-style-type: none"> -Principal Jarrett-Thorpe relocating at end of SY <p>June 14, 2017</p> <ul style="list-style-type: none"> -Retaining 37 ES students and 17 MS students -Mandating summer school for 250 students (in order to be promoted for next SY) -Juliette Berg reappointed for 2-yr Board Chair term (along with reappointments for 8 other

	<p>members)</p> <p>-Will not revise goal that requires PMF score of 40 or higher in 2 of 3 SYs leading up to 5-year review</p>
District of Columbia International School	<p>March 16, 2017</p> <p>-Suspension rate significantly lower at DCI than DC (4% compared to 21%), attributes low rate to restorative justice practice</p> <p>-High teacher turnover b/c of visa issues in language classes</p> <p>April 27, 2017</p> <p>-Raising teacher salaries to stay competitive w/ DCPS</p> <p>May 10, 2017</p> <p>-Enrollment for 2017-18: expect 60 students from non-feeders</p> <p>-Concerned about transportation (costs, service hours)</p> <p>-Petition about expansion plans (DCI will have to grow to accomodate all feeder students)</p> <p>-Funding discrepancy--DCPS gets funding for international travel that DCI doesn't get</p> <p>May 25, 2017</p> <p>-nothing to note</p> <p>May 26, 2017</p> <p>-nothing to note</p>
E.L. Haynes PCS	<p>February 16, 2017</p> <p>-Plan to generate more parent interest in serving on board</p> <p>May 15, 2017</p> <p>-nothing to note</p> <p>June 9, 2017</p> <p>-Approved contracts w/ knowledge of conflicts of interest</p>
Eagle Academy PCS	<p>June 29, 2017</p> <p>- Joe Smith provided overview of visit from Betsy DeVos</p>
Early Childhood Academy PCS	<p>March 28, 2017--same notes submitted for Q3 (RY to follow up)</p>
Elsie Whitlow Stokes Community Freedom PCS	<p>March 11, 2017</p> <p>-School Replication- discussed plan to open new campus with 4 PK and 2 K classes, adding a grade</p>

	<p>each year until 5th grade.</p> <p>-MySchoolDC: EWS received 200 applications for 30 spots. EBryant said 90% of the students that had started in PK graduated from Stokes in fifth grade.</p> <p>-250K deficit will be covered by reserves. Various strategies to acquire more money discussed.</p>
Excel Academy PCS	<p>April 24, 2017</p> <p>-Losing the Principal and an AP.</p> <p>June 5, 2017</p> <p>-Hired a new middle school principal</p> <p>-Metz contract ends on 7/28/2017. New vendor first week of August (OSSE oversee bid submission). Staff to meet regarding resolution of outstanding Metz issues</p> <p>-TenSquare contract being re-evaluated</p> <p>-EdOps renewed agreement for \$97k</p> <p>-set budget based on 700 students</p>
Friendship PCS	<p>March 30, 2017</p> <p>-School Performance Report – Shifting focus to ensure success of students in completion of college. School Performance Committee will focus on metrics that help accomplish this goal.</p> <p>-January 2017 financials were positive; S&P reaffirmed "BBB" rating.</p>
Goodwill Excel Center PCS	<p>January 25, 2017</p> <p>- Presented draft audited financials and form 990.</p> <p>March 21, 2017</p> <p>-Presented YTD January 2017 financials.</p> <p>December 1, 2016 - Walton Family Foundation grant of \$325,000; Capital One grant of \$34,500; presented October 2016 financials and approved opening bank account at SunTrust.</p>
Harmony DC PCS	<p>April 6, 2017</p> <p>-Vanessa Mendoza approved to join the Board</p> <p>-noted DC PCSB is concerned about enrollment at Harmony</p> <p>May 4, 2017</p> <p>-Budget targeted 125 students; Board to formalize agreement with Harmony TX CMO</p> <p>-goal was 20 new enrollees through August. Board and Admin will plan engagement activities over summer.</p>

	<p>June 1, 2017</p> <ul style="list-style-type: none"> -Harmony CMO will commit to fund \$100k if shortfall happens (<i>PCSB note: 6/12 Scott sent a letter to Harmony requesting that number be increased to \$200K</i>) -Calder Foundation - Submitted grant for \$ -Contingency Budget for SY 2017-18 review: various contingencies including Harmony CMO funding salary of a staff member, lowered expenditures for per student costs, school would still finish with negative income. Budget overview for SY 2016-17: 10-40K negative net that CMO will provide funding for.
Hope Community PCS	<p>April 4, 2017</p> <ul style="list-style-type: none"> -Discussed OSSE's accountability language and recognized that Lamond is "Reward" and Tolson is "Rising" <p>May 2, 2017</p> <ul style="list-style-type: none"> - Discussed family survey, which provides insight about "what is working and areas of suggestions for improvement." - Discussed parent survey, MySchool DC data, CLASS data, & financial data - Board is going to connect with Charter Board Partners <p>June 2, 2017</p> <ul style="list-style-type: none"> -Board discussed the standards they must meet for 15 year renewal
Howard University Middle School of Mathematics and Science PCS	<p>June 21, 2017</p> <ul style="list-style-type: none"> - Updated Fiscal Policies and Procedures Manual - Reviewed suspension data – "A program designed to offer alternative options to suspension was implemented..." - HUMS federal entitlement grant reimbursements amounts to \$220,000 of which \$48,000 has been collected
IDEA PCS	<p>March 23, 2017</p> <ul style="list-style-type: none"> - "A clarifying change to the name of the School was discussed. Mr. Snowden moved to change the name to "IDEA Public Charter School", which motion was unanimously approved by the Board." - "Mr. Rydstrom delivered the Executive Director's Report, which touched upon the status of the Deanwood building modernization program and


	<p>the status of the request for proposal related thereto. Mr. Rydstrom also provided an update regarding the sales contract to acquire the property at 1028 46th Street.”</p> <p>--Board unanimously approved and ratified the ongoing engagement of Deadwlyer Transporation for remainder of school year (despite safety concerns arising from the contract)</p>
Ideal Academy PCS	<p>June 13, 2017</p> <ul style="list-style-type: none"> - Chairman Percy Wilson expressed need to strengthen the Board and improve Board attendance; expressed desire to add more parents to the Board. -The board agreed that selling the warehouse is necessary to raise funds -Board members were interested to know where their students had landed for high school
Ingenuity Prep PCS	<p>April 3, 2017</p> <ul style="list-style-type: none"> - Reviewed EdFuel MOU and conflict of interest policy; determined that Jimmy Henderson's (Board Member) position/compensation from EdFuel creates a conflict of interest; determined that an alternative arrangement cannot be obtained that does not give rise to a conflict of interest; then, agreed to enter into the EdFuel MOU. (JH left room for this conversation/vote) (flag for Sujana and G-team) -Mr. Winik provided a “real estate update,” where he gave “an update on the negotiations with Building Hope regarding redevelopment of the PR Harris Building, as well as on the search for new school sites.” -- Discussed need for 100% participation in Board giving by end of year
Inspired Teaching Demonstration PCS	<p>January 23, 2017</p> <ul style="list-style-type: none"> - Discussion about “school leadership’s ongoing work engaging faculty in conversations regarding diversity and equity at the school.” <p>June 26, 2017</p> <ul style="list-style-type: none"> - Discussion about MPD’s support following a shooting that happened behind the school - Board discussed relationship with Center for Inspired Teaching. Aleta recused herself.

Kingsman Academy PCS	<p>April 6, 2017</p> <ul style="list-style-type: none"> -Discussed and approved minor changes to the school's strategic plan -- EdOps gave summary of FY17 budget revisions in response to decreased enrollment & February financials
KIPP DC PCS	<p>March 1, 2017</p> <ul style="list-style-type: none"> -Presentation from Mike Feinberg, founder of KIPP (94% of KIPP 8th grade completers have graduated from high school, and 82% have matriculated into college) -KIPP Foundation wants to double the percentage of KIPPsters that are college-ready by 2020 -KIPP DC is rolling out new teacher retention initiatives - Discussed new teacher retention initiatives -Board discussed discipline data
Latin American Montessori Bilingual PCS	<p>April 25, 2017</p> <ul style="list-style-type: none"> -Hiring a project manager to manage crisis and related activities, and regular day-to-day demands of LAMB Admin responsibilities -Kingsbury building update--Diane and Board emphasize that LAMB will NOT assume all the risk on its own so if their questions are not satisfactorily addressed, we will not move forward -need replacement for legal counsel who withdrew in mid-April <p>May 16, 2017</p> <ul style="list-style-type: none"> -Kingsbury building--Even though not done deal, need to inform parents of the possibility now that we have decided we can move forward. Could not inform sooner due to fear of damaging negotiations. -they're considering hiring a private nurse
LAYC Career Academy PCS	<p>April 6, 17</p> <ul style="list-style-type: none"> -Meeting with Saba, Darren and staff members of PCSB , NWEA data was presented and reviewed - In case of closure, they discussed merger possibilities--Next Step PCS and DCPS. As for Next Step, they're nterested in taking as many

	<p>ELL and GED students as possible</p> <p>-In case of closure, Project management tool was used to create a closing plan (RACAD)</p>
Lee Montessori PCS	<p>May 18, 2017</p> <p>-The board continued discussions about the movement of expansion. The Board confirmed its commitment to the next stage of expansion which is drafting a charter amendment (flag for Teri)</p> <p>-board did not approve additional funding to staff position for role in expansion efforts</p>
Mary McLeod Bethune Day Academy PCS	<p>April 25, 2017</p> <p>-SY 2017/18 budget was submitted for board approval. The budget assumes an increase in enrollment from 406 to 460 (approximately 13%)</p> <p>-Dr. McKay informed members of the dismissal of the lawsuit against the school [REDACTED]</p> <p>[REDACTED]</p>
Maya Angelou PCS	<p>June 28, 17</p> <p>-Mr. Dominici said there are two goals he doesn't want to lose: 1) for Dr. Wathington and Mr. Jackson to develop a position description and hire a DCPCSB liaison to interface with the School Board; and 2) for school leadership to develop a position description and hire someone to move the schools towards the Competency-Based Learning Model.</p> <p>-The YALC QSR report was solid. For the HS the question is how to implement work to promote student reflection, intellectual engagement, organizing student instruction in PD, foundational teaching, and rigor so that the students will be intellectually stimulated. The environment of the high school is changing with relatively few behavioral infractions</p> <p>-new principal hired: Dr. Blake</p>
Meridian PCS	<p>January 24, 2017</p> <p>-The Board discussed the updated/proposed PMF Policy and its potential impact on Meridian, recruitment plan, staff retention, including projected 17-18 hiring needs.</p>

	<p>February 28, 2017--nothing noteworthy</p> <p>March 27, 2017--nothing noteworthy</p> <p>April 25, 2017--nothing noteworthy</p>
Monument Academy PCS	<p>May 6, 2017</p> <ul style="list-style-type: none"> -Consistent with the school's Bylaws, , the Governance Committee recommends adding the position of Vice President to the officers of the Board of Directors (among duties--serving as primary contact for DCPCSB, compliance) -Reasons for adding this position include: the President role has becoming increasingly time consuming; Monument needs to devote more attention to fundraising and recruiting board members who can support advancement activities
Mundo Verde Bilingual PCS	No Q4 board meeting minutes submitted
National Collegiate Preparatory PCHS	<p>May 17, 2017</p> <ul style="list-style-type: none"> - Board voted unanimously to approve 401K plans to staff
Paul PCS	<p>April 25, 2017</p> <ul style="list-style-type: none"> - Tracy Wright presented to Board as interim CEO - Enrollment numbers lagging behind, however leaders confident gap will close - Erin Fisher coming on as new principal (EdFuels helped with hiring) - Proposal adopted to end all future Board meetings with executive session (cited non-profit best practices) <p>May 23, 2017</p> <ul style="list-style-type: none"> - Only 30% of open positions filled. Goal is to fill 75% of open positions before the end of this school year. - Net income is \$876K ahead of budget, due to a higher enrollment - budget approved for 742 students --A board member raised concerns about the high staff turnover rate and suggested over-hiring teachers during the summer to ensure the school has enough staff for the school year. <p>June 24, 2017</p> <ul style="list-style-type: none"> - Pamela Taylor re-approved as board chair as of April 1, 2017.

Perry Street Preparatory PCS	<p>March 21, 2017 - Safety matters related to the Department of Recreation field and loitering - concerns to be raised with city councilor on 3/27</p> <p>April 25, 2017 -PSP is forecasting to perform better than budget by \$24,558 and end the year with \$1.74 million of cash on hand</p>
Richard Wright PCS for Journalism and Media Arts	<p>May 20, 2017 -Nothing significant to report.</p>
Rocketship DC PCS	No Q4 board meeting minutes submitted
Roots PCS	<p>May19, 2017 - Board discussed attendance concerns of its members, specifically Patricia Mitchell (missed 6 consecutive meetings) - board issuing letter of concern to Mitchell - Given Roots' budget and fiscal performance had improved, the board approved bonuses for teachers (evaluation-based incentive pay: \$2.5 K-\$3K), support staff (\$500-\$1K) and administrators (\$6K).</p>
SEED Public Charter School of Washington, DC	<p>March 2, 2017: - Plans to improve school performance appear to be working. Leadership team more cohesive.</p> <p>June 1, 2017: - School submitted full meeting report with all documents discussed, but not actual minutes.</p>
Sela PCS	<p>April 13, 2017 -Board voted to approve new PMF as Goals policy amendment request - Will need to amend charter to admit new 3rd graders. Enrollment must be open to all 3rd graders, not based on language placement test.</p> <p>May 11, 2017 -School is wary about enrollment, but cautious about cutting positions yet</p>

	<ul style="list-style-type: none"> -- Worst case scenario enrollment projection: 210 students -Sent letter to DCI to become a member school
Shining Stars Montessori Academy PCS	<p>May 24, 2017</p> <ul style="list-style-type: none"> -Received an "A" on accreditation -Submitting membership application to National Associations of Independent Schools to help transitioning 6th graders out of Montessori (dues will not exceed \$12,250) -Working with consultant to improve Spanish curriculum -Lack of girls in upper elementary makes for less diverse classrooms 
Somerset Preparatory Academy PCS	<p>May 17, 2017</p> <ul style="list-style-type: none"> -Rashida Tyler present for QSR -Enrollment goals significantly lower than projections -High School AP hired -Only 8 "highly effective" teacher retained -Less than 60 days of cash on hand <p>-June 15, 2017</p> <ul style="list-style-type: none"> -Enrollment targets missed in every grade (PCSB note--our projection for them was 440, but Mo says they built their budget off 350)
St. Coletta Special Education PCS	<p>February 14, 2017 (approved May 16, 2017)</p> <ul style="list-style-type: none"> -Charter Agreement Amendment for SPED preference -No base data for AAF floors and targets
The Next Step/El Proximo Paso PCS	<p>February 1, 2017</p> <ul style="list-style-type: none"> -Board Chair Rachel Sussman resigned; John Ingold elected -Potential conflict if Rachel Sussman wants to be considered for new ED role -Julie Meyer's target leave date is December 2017 <p>May 17, 2017</p> <ul style="list-style-type: none"> - Working with Edgility on their Executive Director search

	<p>April 26, 2017 -Vague note about PCSB and pre-credential pathways work</p> <p>June 14, 2017 - Edgility consultants attended meeting. Discussed Next Step brand and desired characteristics/skills for new ED</p>
Thurgood Marshall Academy PCS	<p>April 12, 2017 -Board is meeting to discuss replication efforts - Board member resigned. Board now at 10 members, requiring the designation of a non-voting member. One member selected as non-voting member. [REDACTED] -AP, dual enrollment, and OST off-track</p> <p>May 25, 2017 -Board meeting minutes not yet approved</p>
Two Rivers PCS	<p>April 12, 2017: - 3 new Board Members voted in -28% of graduating 8th graders went to School Without Walls</p> <p>May 15, 2017: -new board member elected</p> <p>June 12, 2017: -budget passed (increase in per pupil funding, 3 positions eliminated and one position re-included) -to increase in size, looking at purchasing building next door</p>
Washington Global PCS	<p>May 31, 2017 -Seeking accreditation from Middle States.</p>
Washington Latin PCS	<p>April 6, 2017 -Proposed revisions to allow Immediate Past President to serve as Ex Officio member of board -President Davis ending term at end of year</p> <p>May 4, 2017</p>

	<ul style="list-style-type: none"> -Looking at sites for growth -Charter amended; opening paragraph only -Looking into solar panels -Board members would like to track students who are in college --Looking at real estate sites for possible growth, more updates to come
Washington Leadership Academy PCS	April 25, 2017 - Nothing noteworthy
Washington Mathematics Science Technology PCHS	April 26, 2017 <ul style="list-style-type: none"> -Reviewed LOI with developer with board and attorney -Discussed MySchoolDC results and recruiting additional students, Board members will help market and recruit -With new building, WMST will be able to offer CDE evening classes or change to year-round model May 24, 2017 <ul style="list-style-type: none"> -About 50 new students have been recruited through MySchoolDC -Finance- good shape but board members should increase contributions, also need more students for 17-18, board members are to recruit every Saturday in June
Washington Yu Ying PCS	Memo submitted: Q4 minutes have not been approved yet.
YouthBuild PCS	April 27, 2017 <ul style="list-style-type: none"> -On track for Tier 1 for attendance, retention, GED, and student progress -School has new enrollment system for next year -Board discussed new facility- near 16th bus line, need to finalize lease negotiations -Board approved 3% match contribution to employee 401K



Rashida Young

Senior Manager, Equity and Fidelity Team

DC Public Charter School Board

Desk: 202-328-2209

3333 14th St., NW, Suite 201 | Washington, DC 20010

From: spearson@dcpcsb.org
To: Board
CC: Nicole Streeter, Sarah H. Cheatham, Naomi R. DeVeaux, Taunya Nesin
Subject: Achievement Prep - input needed
Date: 30-Oct-2017 10:24
Attachments: Achievement Prep - input needed.html [\[Save\]](#) [\[Open\]](#)
2017-18 Achievement Prep 10 year Preliminary Review Report DRAFT 10-08-17.docx [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 30-Oct-2017 10:24
Store Date: 13-Jan-2018 20:09
Message Id: d06f93b2b00c8147b996a9e1bc763756000000416db9#5f982f16faeec746bb85cec04baec5b700024c9223d8

TEXT.htm

ATTACHMENT

Dear Board Members,

Achievement Prep has reviewed the Preliminary Review Report that you all reviewed a few weeks ago. In addition to specific textual comments and corrections, they are requesting that the probationary conditions be changed, as follows:

1. Commits the school to close its elementary school campus and correspondingly reduce its enrollment ceiling as follows:
 - If the elementary school campus does not achieve at least a PMF score of **40 33** on the 2017-18 PMF, the campus will close at the end of school year (SY) 2018-19;
 - If the elementary school campus does not achieve at least a PMF score of 43 on the 2018-19 PMF, the campus will close at the end of SY 2019-20;
 - If the elementary school campus does not achieve at least a PMF score of 45 on the 2019-20 PMF, the campus will close at the end of SY 2020-21; and

Specifically, the school is arguing that the elementary school is unlikely to improve much this year and we will need to wait until results after 2018-19 to see if the school is turning around. They are pinning a lot on shrinking the middle school next year from 80 students to 60 students per grade.

[REDACTED]

If any board member thinks we should change the school’s recommended probationary terms from those in the current preliminary, please let me know by the end of Tuesday.

Scott

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>
Date: Monday, October 9, 2017 at 7:37 PM
To: Board <board@dcpcsb.org>
Subject: Fwd: Preliminary Review Reports: Achievement Prep and Excel

Please see below.

Naomi DeVeaux

Deputy Director

DC Public Charter School Board

From: Scott Pearson <spearson@dcpcsb.org>
Sent: Sunday, October 8, 2017 9:49 AM
Subject: Preliminary Review Reports: Achievement Prep and Excel
To: PCSB Communications <communications@dcpcsb.org>
Cc: seniorteam <seniorteam@dcpcsb.org>, Taunya Nesin <tnesin@dcpcsb.org>, Sarah H. Cheatham <scheatham@dcpcsb.org>, Jiselle O'Neal <joneal@dcpcsb.org>

Dear Board Members,

Attached are preliminary review reports for Achievement Prep and Excel. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

I [REDACTED]

I [REDACTED]

I [REDACTED]

I [REDACTED]

I [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

If board members would like to discuss the two schools before you today, as well as the other three, we can schedule a call or meeting for next week. Per the Office of Open Government, we are permitted to hold private deliberations, provided the closed meeting is properly noticed and conducted.

If there is interest in this let us know and Jiselle can schedule.

Thank you in advance for getting us your edits and reactions to these two reports by Wednesday.

Scott

Board Vote	School	Type of Report
November 20	Achievement Prep PCS	10-Year Review

	Excel PCS	10-Year Review
	EW Stokes PCS	20-Year Review
	Washington Yu Ying PCS	10-Year Review
	Sela PCS	5-Year Review
	Ingenuity Prep PCS	5-Year Review
December 18	Somerset PCS	5-year Review
	Cesar Chavez PCS	20-Year Review
	SEED PCS	20-year review
	Center City PCS	10-Year Review
	DC Prep PCS	15-Year RENEWAL
	Eagle PCS	15-Year RENEWAL
January 22	Maya PCS	20-Year Review

	Friendship PCS	20-Year Review
	WMST PCS	20-Year Review
February 26	Community College Prep PCS	5-Year Review
March 19	Carlos Rosario PCS	20-Year Review

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 1 Cell: 202-495-8722

3333 14th St., NW, Suite 201 | Washington, DC 20010

Twitter: @sdpearson | Website: [dcpsb.org](https://www.dcpsb.org)



2017-18 Preliminary Ten-Year Charter Review Report

Achievement Preparatory Academy Public Charter School

November 20, 2017

DC Public Charter School Board
3333 14th Street, NW, Suite 210
Washington, DC 20010
(202) 328-2660
www.dcpsb.org

TABLE OF CONTENTS

KEY FINDINGS AND STAFF RECOMMENDATION.....	2
CHARTER REVIEW STANDARD	3
SECTION ONE: GOALS AND ACADEMIC ACHIEVEMENT EXPECTATIONS	9
SECTION TWO: COMPLIANCE WITH CHARTER AND APPLICABLE LAWS	25
SECTION THREE: FISCAL MANAGEMENT AND ECONOMIC VIABILITY.....	31

KEY FINDINGS AND STAFF RECOMMENDATION

The District of Columbia Public Charter School Board (DC PCSB) staff conducted a ten-year charter review of the Achievement Preparatory Academy Public Charter School (Achievement Prep PCS) according to the standard required by the School Reform Act (SRA), D.C. Code §§ 38-1802 *et seq.*¹

Achievement Prep PCS is a multi-campus local education agency (LEA), serving grades prekindergarten-3 (PK3) through eight, that adopted the Performance Management Framework (PMF) as its goals and academic achievement expectations. As per the school's Charter and Charter Agreement, Achievement Prep PCS – Wahler Place Elementary did not meet its goals, but Achievement Prep PCS – Wahler Place Middle did meet its goals. Because the school's charter agreement requires both campuses to meet its goals, the school is a candidate for charter revocation. Moreover, the "improvement provision" in the school's charter agreement does not apply. Per the language in the charter agreement, the improvement provision² only applies if the school demonstrated "consistent improvement on overall PMF scores for each campus over the five-year period," which it did not.

Separate and apart from the determination of the school's goal and academic achievement expectation attainment, DC PCSB staff has determined that the school has not committed a material violation of law or of its charter, has adhered to generally accepted accounting principles, has not engaged in a pattern of fiscal mismanagement, and is economically viable. When a school at its ten-year review fails to meet its goals, the School Reform Act provides that the board "may" revoke the school's charter. Given the declining performance at the middle school, the poor performance at the elementary school, low academic growth results at both campuses for the past two years, and low re-enrollment rates at the elementary school, DC PCSB staff cannot recommend that the school's charter be continued for the next five years. However, staff does not believe that the charter should be immediately revoked, for the following reasons:

- The elementary school campus is in its fifth year of operation.
- The elementary school campus, when approved, opened its enrollment to all of the boys from a closing low-performing school.
- The middle school campus, while currently just 2.2 points above Tier 3, was, in the early years of this review cycle among the highest-performing charter schools in the city.

Accordingly, DC PCSB staff recommends that the Board uses its discretion and vote to continue the school's charter under the following condition:

¹ D.C. Code § 38-1802.12(a)(3).

² Please see the improvement provision as Appendix XX.

The LEA and DC PCSB execute a charter amendment by December 15, 2017 that:

1. Commits the school to close its elementary school campus and correspondingly reduce its enrollment ceiling as follows:
 - If the elementary school campus does not achieve at least a PMF score of 40 on the 2017-18 PMF, the campus will close at the end of school year (SY) 2018-19;
 - If the elementary school campus does not achieve at least a PMF score of 43 on the 2018-19 PMF, the campus will close at the end of SY 2019-20;
 - If the elementary school campus does not achieve at least a PMF score of 45 on the 2019-20 PMF, the campus will close at the end of SY 2020-21; and
 - If the school is not fully accredited by the December of 2019, it will close both campuses at the end of SY 2019-20.
2. Incorporates language detailing the nature of its partnership with AppleTree Institute.

If the school does not agree to these terms and sign a charter agreement amendment by December 15, staff recommends that the Board vote to initiate revocation proceedings of the LEA at its December Board meeting.

CHARTER REVIEW STANDARD

The SRA provides that DC PCSB “shall review [a school’s] charter at least once every [five] years.”³ As part of this review, DC PCSB must determine whether:

- (1) The school committed a material violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in its charter, including violations relating to the education of children with disabilities; and/or
- (2) The school failed to meet the goals and student academic achievement expectations set forth in its charter.⁴

If DC PCSB determines that a school has committed a material violation of applicable law or of its charter, or has not met its goals and academic achievement expectations, as described above, DC PCSB may, at its discretion, grant the school a continuance, or revoke the school’s charter. Additionally, there is a fiscal component to the charter review. DC PCSB is required by the SRA to revoke a school’s charter if DC PCSB determines in its

³ D.C. Code § 38-1802.12(a)(3).

⁴ D.C. Code § 38-1802.12(c).

review that the school (1) has engaged in a pattern of nonadherence to generally accepted accounting principles; (2) has engaged in a pattern of fiscal mismanagement; and/or (3) is no longer economically viable.

BACKGROUND INFORMATION ABOUT SCHOOL

School Overview

Achievement Prep PCS is located in Ward 8 and began operation in SY 2008-09 under authorization from DC PCSB. The school serves students in grades prekindergarten through eight. A majority of Achievement Prep PCS's students are economically disadvantaged⁵ and/or at-risk.⁶ Achievement Prep PCS offers an extended school year, an extended school day,⁷ and a college-preparatory curriculum focused on core academic subjects. The school focuses extensively on literacy—each day students receive three hours of English Language Arts (ELA) instruction, with teachers using differentiated instruction tailored to students of varying literacy levels, including intensive remediation as needed. In SY 2016-17, Achievement Prep PCS introduced new ELA and math curricula aligned with the Common Core standards.⁸

The mission of the school is:

Achievement Preparatory Academy prepares students in grades four through eight to excel as high-achieving scholars and leaders in high school, college and beyond.⁹

In its first five years, Achievement Prep PCS operated one middle school campus serving students in grades four through eight. In August 2013, following its asset acquisition of Septima Clark Public Charter School (Septima Clark PCS)¹⁰ – a low-performing DC charter school for boys in grades PK3 through six – Achievement Prep PCS opened a second

⁵ In DC, a student is considered economically disadvantaged if they possess one of the following characteristics at any point during the school year: (1) receives free or reduced-price lunch; (2) attends a school where the entire student population receives a free or reduced-price lunch based on community eligibility; (3) receives TANF or SNAP benefits; (4) experiences homelessness; and/or (5) is under the care of the Child and Family Services Agency.

⁶ In DC, a student is considered at-risk if they possess one of the following characteristics at any point during the school year: (1) receives TANF or SNAP benefits; (2) experiences homelessness; (3) is under the care of the Child and Family Services Agency; and (4) for high school students, is more than at least one year older than the appropriate age for their grade.

⁷ Achievement Prep PCS's school year is 184 days, and students attend school each day from 8:00am to 4:15pm. The average school year for a DC public (traditional or charter) school is 180 days with a 6-6.5 hour school day.

⁸ See Achievement Prep PCS 2015-16 Annual Report, p. 10. The school introduced the Eureka Math curriculum and the KIPP Wheatley ELA curriculum.

⁹ See Achievement Prep PCS charter agreement, p. 9. The mission as stated in the school's charter begins as follows: "Achievement Preparatory Academy prepares students in grades four through eight..." It appears that the school has not formally amend its mission to reflect its expanded grades served

¹⁰ Septima Clark PCS's board of trustees voted to relinquish the school's charter. See August 19, 2013, DC PCSB board memorandum, attached to this report as Appendix ____.

campus to serve students in grades kindergarten through three. In accordance with the terms of the asset acquisition,¹¹ Achievement Prep PCS guaranteed enrollment to all Septima Clark PCS rising kindergarten through seventh grade students in SY 2013-14 and deferred enrollment of Septima Clark PCS PK3 students until SY 2014-15, when the students would be eligible for kindergarten, the lowest grade Achievement Prep PCS offered at that time.¹² Approximately 20 Septima Clark PCS students enrolled in Achievement Prep PCS during SY 2013-14. In May 2015, DC PCSB approved Achievement Prep PCS to expand to offer a prekindergarten program, which is managed by the AppleTree Institute for Education Innovation per a contractual memorandum of understanding.¹³

In SY 2013-14, Achievement Prep PCS opened its new elementary campus one mile away from the middle school in a shared facility with District of Columbia Public Schools' (DCPS) Malcolm X Elementary School, as part of a partnership formed by Achievement Prep PCS and DCPS to facilitate collaboration and share best practices among the two schools. After two years of co-locating with Malcolm X Elementary School, Achievement Prep PCS ended this partnership in August 2016 and moved its elementary campus to its middle school facility, which the school had renovated and expanded to accommodate both campuses.¹⁴¹⁵

Enrollment Trends Since its five-year charter review in SY 2012-13, Achievement Prep PCS has expanded to serve additional grades, as detailed in the table below. The tables below show the school's enrollment trends over the past five years for each of its campuses. Beginning in SY 2014-15 the school has failed to meet its enrollment projections at both campuses. In SY 2017-18 Achievement Prep PCS has an enrollment ceiling of 1040 and per the Certificate of Occupancy, its facility had a maximum occupancy load of 1053.

Achievement Prep PCS – Elementary Enrollment						
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Grade Levels	K-2	K-2	K-3	K-3	PK-3	PK-3
Elementary School	N/A	233	267	273	464	484
Enrollment Projections	N/A	N/A	350	540	540	507

Commented [NRD1]: As of 10.06.17

¹¹ <https://dcpcsb.egnyte.com/dl/KsOcRApTKi>

¹² Because Achievement Prep PCS does not admit new students after sixth grade, Septima Clark PCS sixth graders were offered re-enrollment in sixth grade at Achievement Prep PCS in order to prepare for the school's seventh grade curriculum.

¹³ <https://dcpcsb.egnyte.com/dl/qRXOf74UbE>

¹⁴ See July 18, 2016 DC PCSB board memorandum, attached to this report as Appendix ____.

¹⁵ Per DC PCSB's policy titled "Definition of School, Campus and Facility", a facility is defined as a building that houses a part of a campus, an entire campus, or multiple campuses. A campus is defined as a distinct grade range with a single school leader responsible for the academic program for the entire grade span of the campus, with distinct goals to measure progress and attainment. This policy is available online at http://www.dcpceb.org/sites/default/files/report/2017-5-6%20Definition%20of%20School%2C%20Campus%2C%20Facility%20Policy_0.pdf.

Achievement Prep PCS – Middle Enrollment						
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Grade Levels	4-8	4-8	4-8	4-8	4-8	4-8
Middle School	315	382	381	383	468	476
Enrollment Projections	294	385	410	480	480	480

Commented [NRD2]: As of 10.06.17

Performance Management Framework (PMF) Outcomes

The school's overall performance data on the PMF are summarized below. The PMF assesses English Language Arts and math academic proficiency. The framework also takes academic growth, attendance, and re-enrollment into account.¹⁶

Achievement Prep PCS's elementary school campus has been a Tier 3 school for both years that the campus has a PMF score. In its first year of operation, when there was no PMF score for early elementary, the school met all the floors for the measures that are now used in the PMF.

Achievement Prep PCS's middle school campus was among the top ten highest scoring DC charter schools on the PMF in SY 2012-13 and SY 2013-14. In SY 2014-15 the District changed its statewide assessment, substituting DC's Comprehensive Assessment System (DC CAS) for the PARCC,¹⁷ a common core-aligned national assessment focusing on critical reasoning and college readiness. In that year, the PMF was not issued, but both the elementary and middle school campuses performed above the state average on the PARCC. However, beginning in SY 2015-16, the middle school campus's results in grade level proficiency and growth have fallen significantly, resulting in the school earning just a few points above Tier 3 status. The elementary school campus was Tier 3 in SY 2015-16 and SY 2016-17.

¹⁶ There are additional measures on the PMF for high schools, which is not relevant for this report.

¹⁷ Partnership for Assessment of Readiness for College and Careers

Achievement Prep PCS – PMF Outcomes					
	2012-13	2013-14	2014-15	2015-16	2016-17
Elementary School	N/A	Met the floor of all EC PMF measures ¹⁸	PMF was not scored or tiered ¹⁹	26.3% Tier 3	32.3% Tier 3
Middle School	85.5% Tier 1	78.9% Tier 1		38.3% Tier 2	37.1% Tier 2

Commented [NRD3]: May change

Communication with the School

DC PCSB staff and Board members discussed performance with the school. DC PCSB met²⁰ with Achievement Prep PCS in the fall of 2016. During this meeting, we discussed the school's low PMF scores, poor Qualitative Site Review (QSR) results, community complaints, and the standard the school would need to meet for its charter review.

In addition, DC PCSB staff met with school leaders at Achievement Prep PCS on April 6, 2017. During this meeting, staff reiterated to the school that it needed to earn a score of 63.7% or higher on the 2016-17 PMF for the Wahler Place ES campus in order for the school to meet its goals and student academic achievement expectations. Staff provided the school with similar tables to the ones below.

Elementary Grades PK3-3	2012-13	2013-14	2014-15	2015-16	2016-17 Minimum Score Needed
Standard for approval	- Meet floors of all EC PMF targets for SY 2013-14 - Earn an average of at least 40% of the possible PMF points in SY 2015-16 and 2016-17.				63.7%
Result		Met the floor of all targets	Hold Harmless	26.3%	
Middle School Grades 4-8	[p]\2012-13	2013-14	2014-15	2015-16	2016-17 Minimum Score Needed
Standard for approval	Earn an average of 45% of the possible PMF points				0%
Result	85.5%	78.9%	Hold Harmless	38.3%	

¹⁸ The EC PMF was being piloted in 2013-14, so no scores or tiers were assigned.

¹⁹ In 2014-15, schools did not receive PMF scores or tiers, given the transition in state assessments from the DC CAS to the PARCC. Per DC PCSB policy and Achievement Prep PCS's charter agreement, the school would be held harmless in this charter review for its 2014-15 PARCC outcomes.

²⁰ Please see Appendix XX for invitation and follow up letters related to meetings with the school.

Five-Year Charter Review

In May 2013, DC PCSB conducted a five-year charter review²¹ of Achievement Prep PCS and determined that the school met 10 of 11 goals that the school had pursued and for which there was sufficient data to assess.²² Additionally, DC PCSB noted in the school's five-year review report that Achievement Prep PCS was "among the very highest-performing charter schools" in DC based on the school's performance on the SY 2010-11 and SY 2011-12 PMFs.

From SY 2008-09 through SY 2011-12, the school years assessed in the five-year review, Achievement Prep PCS students consistently achieved higher proficiency rates in reading and math than the state average for its middle school campus, the only campus that it operated during this time. DC PCSB recognized the school's math proficiency as particularly strong, with math proficiency rates consistently 36 to 40 percentage points higher than the state average. Achievement Prep PCS also had the highest math median growth percentile (MGP) of all DC charter schools in SY 2010-11, and the second-highest rate the following school year.

DC PCSB assessed Achievement Prep PCS's legal compliance and fiscal performance in its five-year charter review. DC PCSB found that Achievement Prep PCS met most compliance requirements, except that the school had not submitted procurement contract documentation as required by the SRA. DC PCSB also found that the school had adhered to generally accepted accounting principles, had not engaged in fiscal mismanagement, and was economically viable. Based on these findings, the DC PCSB Board voted to continue Achievement Prep PCS's charter on the condition that it submit the outstanding procurement contract documentation, which the school subsequently did in June 2015.

²¹ See Achievement Prep PCS Five-Year Review Report, attached to this report as [Appendix X](#).

²² Achievement Prep PCS did not meet a goal related to suspension rates. DC PCSB staff determined that there was insufficient evidence to assess two goals related to parent and community satisfaction with the school, and that the school had not pursued two goals based on outcomes of a special education reading and math assessment that the school never administered.

SECTION ONE: GOALS AND ACADEMIC ACHIEVEMENT EXPECTATIONS

The SRA requires DC PCSB to review whether a school has met its goals and academic achievement expectations at least once every five years. Goals and academic achievement expectations are only considered as part of the renewal analysis if they were included in a school's charter or charter amendment approved by the DC PCSB Board.

In February 2015, Achievement Prep PCS amended its charter to adopt the PK-8 PMF as its goals and academic achievement expectations for its elementary school and middle school campuses. In July of 2017, Achievement Prep PCS updated its PMF as Goals standard consistent with the most recently revised *Elect to Adopt the PMF as Charter Goals* policy. The school's goals and academic achievement expectations are:

Standard for charter review and renewal. The School Corporation's ten-year charter review will occur in school year 2017-18. The School Corporation will be deemed to have met its goals and academic achievement expectations if:

Tenth-Year Charter Review: At its tenth-year charter review in school year 2017-18:

The Wahler Place Middle School Campus's (Grades 4-8) average PMF score for SY 2012-13, 2013-14, 2015-16, and 2016-17 is equal to or exceeds 45%; and

The Wahler Place Elementary School Campus's (Grades PK-3) average PMF score for 2015-16, and 2016-17 is equal to or exceeds 40% and the school has met the floor of all Early Childhood PMF measures in SY 2013-14.

The chart below summarizes DC PCSB's determinations of whether each campus met its respective goals and academic achievement expectations. These determinations are further detailed in the body of this report.

Goals and Academic Expectations	Met?
The Wahler Place Elementary School Campus's (Grades PK3-3) average PMF score for 2015-16 and 2016-17 is equal to or exceeds 40% and the school has met the floor of all Early Childhood PMF measures in SY 2013-14.	No.

Goals and Academic Expectations	Met?
The Wahler Place Middle School Campus's (Grades 4-8) average PMF score for SY 2012-13, 2013-14, 2015-16, and 2016-17 is equal to or exceeds 45%.	Yes.
OVERALL: The School Corporation - the Wahler Place Elementary School Campus <u>and</u> the Wahler Place Middle School Campus met their goals.	No.

ELEMENTARY SCHOOL CAMPUS
Prekindergarten 3 through Third Grade

Goal: The Wahler Place Elementary School Campus's (Grades PK3-3) average PMF score for 2015-16, and 2016-17 is equal to or exceeds 40% and the school has met the floor of all Early Childhood PMF measures in SY 2013-14.

Assessment: Achievement Prep PCS – Wahler Place Elementary did not meet its goals and academic achievement expectations. The table below provides an overview of the elementary school campus's PMF performance. The campus's PMF trends are detailed on the following pages. DC charter schools did not receive a score on the 2014-15 PMF, because DC transitioned from the DC CAS to the PARCC assessment.

Achievement Prep PCS – Elementary Campus PMF Performance						
Year	2012-13	2013-14	2014-15	2015-16	2016-17	Average
Grades PK3-3	N/A	Met the floor of all targets	PMF was not scored or tiered	26.3% Tier 3	32.3% Tier 3	29.3%

Student Academic Achievement and Progress Measures

The Performance Management Framework measures progress and achievement in English Language Arts and math. The state assessments do not include data for subgroups if fewer than 10 students took the test that year. It also includes the following school environment measures: attendance, re-enrollment, and scores from the Classroom Assessment Scoring System (CLASS). Many charts are color coded. Please use the following key:

KEY for Campus Rate Data Charts	
3+	A PARCC score of 3 = Approaching College and Career Ready 3+ denotes the percentage of students who obtained a 3, 4 or 5 on the PARCC
4+	A PARCC score of 4 = College and Career Ready 4+ denotes the percentage of students who obtained a 4 or 5 on the PARCC
n-size	Number of students who took the state assessment at this school
Green	<ul style="list-style-type: none"> Met the EC PMF floor in 2013-14 Greater than or equal the state average or charter sector average of the same grade band
Red	<ul style="list-style-type: none"> Did not meet the EC PMF floor in 2013-14 Less than the state average or charter sector average of the same grade band
No Shading	Data from 2014-15, when the state transitioned to PARCC. (Note – if the school did better than the state average, this is colored green.)

English Language Arts (ELA)

ELA Achievement

Achievement Prep PCS – Wahler Place Elementary’s overall ELA proficiency dropped from 30.8% proficient in 2015-16 to 9.9% in 2016-17. In 2016-17 only 4.5% of male students at Achievement Prep – Wahler Place Elementary were proficient in ELA. The percentage of female students reaching grade level proficiency was below the state average by about 14 percentage points. The table below does not have a separate row for Students with Disabilities because fewer than 10 students took the state assessment in any of the years listed.

In 2014-15, the state switched to the PARCC assessment. To account for schools' adjustment to the new assessment, 2014-15 PARCC outcomes are not included in charter review analyses regarding goal attainment unless they are above the state average.

Achievement PCS – Wahler Place Elementary									
ELA Proficiency - Grade 3									
Subgroup	2013-2014 DC CAS			2014-2015 PARCC Hold Harmless		2015-2016 PARCC		2016-2017 PARCC	
	School	State		School	State	School	State	School	State
All	36.7	44	3 +	37.5	44.2	48.1	46.9	40.8	49.6
			4 +	14.3	24.5	30.8	25.7	9.9	27.9
	49		n-size	56		52		71	
Black Non-Hispanic	36.7	36.0	3 +	37.5	36.7	48.1	40.2	40.6	41.5
			4 +	14.3	17.3	30.8	19.5	8.7	19.6
	49		n-size	56		52		69	
Econ Dis	39.0	34.3	3 +	38.1	33.9	48.1	38.9	40.8	41.8
			4 +	19.0	15.1	30.8	18.4	9.9	19.4
	41		n-size	42		52		71	
At Risk	N/A	N/A	3 +			37.0	45.1	42.3	34.2
			4 +	N/A	N/A	22.2	19.6	19.4	13.6
			n-size			27		41	
Male	20.0	39.2	3 +	36.4	40.6	36.4	41.2	43.2	43.6
			4 +	18.2	21.7	27.3	21.8	4.5	23.2
	25		n-size	33		33		44	
Female	54.2	48.8	3 +	39.1	47.9	68.4	52.7	37.0	55.6
			4 +	8.7	27.3	36.8	29.7	18.5	32.7
	24		n-size	23		19		27	

ELA Progress

In SY 2013-14 Achievement Prep PCS chose its early childhood assessment for its PMF progress measure, as permitted under the PMF policy. Accordingly, the school had to meet the floors of all of the EC PMF measures for this year, which Achievement Prep PCS did.

In SY 2014-15 Achievement Prep PCS agreed to switch the assessment to NWEA MAP, as consistent with the PMF as Goals policy for schools ending in grades K, 1, 2, or 3. The PMF measured the percent of students meeting or exceeding their typical growth target as designated by the NWEA MAP publisher. Achievement Prep PCS did not meet the floor of this measure, with fewer than a third of its students achieving typical growth.

In SY 2015-16 and 2016-17, DC PCSB used the NWEA MAP Conditional Growth Percentile (CGP) as a growth measure. The CGP for each student is set by the publisher's 2015 norms, based on the student's initial assessment score.²³ A CGP of 50 indicates that a school's students have average year-to-year growth in reading proficiency, as compared to students nationwide in the same grades and with the same initial assessment performance. Achievement Prep PCS did not attain a median CGP of 50 or higher either year.

ELA Progress		
Year	Measure	Result
2013-14	50% of kindergarten through second-grade students will score at or above grade level on the Strategic Teaching and Evaluation of Progress.	62.1%
2014-15	Northwest Evaluation Association Measure of Academic Progress (NWEA MAP) assessment in reading The percentage of students meeting or exceeding their typical growth target as designated by the publisher in reading or math.	Typical Growth - 27.3%
2015-16	NWEA MAP assessment in reading	Median conditional growth percentile of all K - 3 students - 17.0%
2016-17	A median conditional growth percentile of 50 indicates that a school's students have average year-to-year growth in reading proficiency, as compared to students nationwide in the same grades and with the same initial assessment performance.	Median conditional growth percentile of all K - 3 students - 33.0%

²³ Please see the 2016-17 PMF Policy and Technical Guide at www.dcpsb.org.

Math

Math Proficiency

Achievement Prep PCS – Wahler Place Elementary’s overall and subgroup math proficiency were below the state average in SY 2016-17. The percentage of proficient students fell from 28.8% in SY 2015-16 to 18.8% in SY 2016-17. The table below does not have a separate row for Students with Disabilities because fewer than 10 students took the state assessment in any of the years listed.

In SY 2014-15, the state switched to the PARCC assessment. To account for schools' adjustment to the new assessment, SY 2014-15 PARCC outcomes are not included in charter review analyses regarding goal attainment unless they are above the state average.

Achievement PCS – Wahler Place Elementary									
Math Proficiency - Grade 3									
Subgroup	2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State		School	State	School	State	School	State
All	22.4	47.2	3 +	71.4	56.4	65.4	60.2	52.1	63.8
			4 +	26.8	30.2	28.8	37.3	19.7	39.2
	49		n-size	56		52		71	
Black Non-Hispanic	22.4	38.3	3 +	71.4	49.2	65.4	53.8	52.2	57.1
			4 +	26.8	22.8	28.8	30.4	18.8	30.2
	49		n-size	56		52		69	
Economically Disadvantaged	24.4	38.3	3 +	71.4	48.4	65.4	53.6	52.1	58.0
			4 +	23.8	21.7	28.8	29.5	19.7	31.8
	41		n-size	42		52		71	
At Risk	N/A	N/A	3 +			55.6	46.0	41.5	49.7
			4 +	N/A	N/A	18.5	22.8	12.2	23.8
			n-size			27		41	
Male	20.0	45.9	3 +	60.6	55.7	69.7	57.1	50.0	61.1
			4 +	27.3	31.4	24.2	35.6	13.6	37.9
	25		n-size	33		33		44	
Female	25.0	48.5	3 +	87.0	57.2	57.9	63.3	55.6	66.6
			4 +	26.1	29.0	36.8	39.0	29.6	40.6
	24		n-size	23		19		27	

Math Progress

Achievement Prep PCS —Wahler Place Elementary School used NWEA MAP to measure math performance since its inception in SY 2013-14. The school's math results were on-target in SY 2013-14. Therefore the school met the floor of the measure during this year. The school's performance was below the floor in SY 2014-15 and had a median CGP below 50 in SY 2015-16 and SY 2016-17, though it improved from 32.0% to 42.0%.

K-3 Math Targets		
Year	Measure	Result
2013-14	K-2 Student Progress: Northwest Evaluation Association Measure of Academic Progress (NWEA-MAP) assessment in mathematics Floor: 50 Target: 90	68.3% of students met this goal.
2014-15	The percentage of students meeting or exceeding their typical growth target as designated by the publisher in reading or math using NWEA-MAP.	Typical Growth - 35.9%
2015-16	A median conditional growth percentile of 50 indicates that a school's students have average year-to-year growth in math proficiency, as compared to students nationwide in the same grades and with the same initial assessment performance using NWEA-MAP.	Median conditional growth percentile of all K - 3 students - 32.0%
2016-17		Median conditional growth percentile of all K - 3 students - 42.0%

School Environment Measures

School environment measures—in-seat attendance (ISA), re-enrollment, and Classroom Assessment Scoring System (CLASS)—are designed to show the school's climate and parent satisfaction.

In-Seat Attendance

DC PCSB looks at in-seat attendance (ISA), which measures the percentage of students who are present each day. Achievement Prep PCS - Wahler Place Elementary's ISA rate has been slightly below the charter sector average for the past four years.

Achievement Prep PCS – Elementary In-Seat Attendance								
	2013-14 Grades K-3		2014-15 Grades K-3		2015-16 Grades K-3		2016-17 Grades PK3-3	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	93.1%	93.2%	92.1%	93.4%	91.0%	93.1%	91.2%	93.1%

Re-enrollment

A school's re-enrollment rate measures family satisfaction with a school by measuring the rate at which students who are eligible return from one year's official enrollment audit to the next year's official enrollment audit.²⁴ Students who move out-of-state or have other situations that would prevent them from re-enrolling are excluded from this rate.

Achievement Prep PCS – Wahler Place Elementary's re-enrollment rate was slightly above the charter sector average from SY 2013-14 to SY 2014-15, but dropped far below the charter sector average from SY 2015-16 to SY 2016-17.

Achievement Prep PCS – Elementary Re-enrollment Rate						
	2013-14 to 2014-15		2014-15 to 2015-16		2015-16 to 2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	82.9%	81.9%	74.6%	83.3%	66.2%	81.4%

²⁴ The enrollment audit occurs in October of each school year.

Classroom Assessment Scoring System (CLASS) ²⁵

Achievement Prep PCS – Wahler Place Elementary was slightly below the charter sector average in two of the domains and equal to the charter average in the Classroom Organization domain. SY 2016-17 was the first year that Achievement Prep PCS – Wahler Place Elementary served PK. AppleTree Institute operates the program.

CLASS Performance Targets			
Year	Domain	School	Charter Sector
2016-17	Emotional Support	5.7	6.1
	Classroom Organization	5.8	5.8
	Instructional Support	2.8	3.0

²⁵ All DC early childhood programs are assessed by independent reviewers using the CLASS tool, which focuses on classroom interactions that boost student learning. The CLASS tool measures Emotional Support, Classroom Organization, and Instructional Support on a scale from 1-7. The Emotional Support and Classroom Organization indicators have a floor of three and a target of six on the PMF. On a national level, pre-school programs score lower on the Instructional Support indicator. Accordingly, DC PCSB's floor for this indicator is one with a target of four.

MIDDLE SCHOOL CAMPUS Fourth through Eighth Grades

Goal: The Wahler Place Middle School Campus's (Grades 4-8) average PMF score for SY 2012-13, 2013-14, 2015-16, and 2016-17 is equal to or exceeds 45%.

Assessment: Achievement Prep PCS – Wahler Place Middle met its goals and academic achievement expectations. The table below provides an overview of the middle school campus's PMF performance. The school had high Tier 1 scores in 2012-13 and 2013-14. When the school was tiered again in 2015-16 the schools score dropped by 40 percentage points and declined again in 2016-17. While the campus met its goals per its charter agreement, DC PCSB is concerned about this annual drop in performance.

Achievement Prep PCS – Middle PMF Performance						
Year	2012-13	2013-14	2014-15	2015-16	2016-17	Average
Grades 4 - 8	85.5%	78.9%	PMF was not scored or tiered	38.3%	37.1%	60.0%
	Tier 1	Tier 1		Tier 2	Tier 2	

Student Academic Progress and Achievement Measures

The Performance Management Framework measures progress and achievement in English Language Arts and math. It also includes attendance and re-enrollment as school environment measures.

English Language Arts (ELA)

ELA Proficiency

Achievement Prep PCS – Wahler Place Middle's overall ELA proficiency was above the state average on the DC CAS from SY 2012-13 through SY 2013-14. However, in SY 2016-17, Achievement Prep PCS – Wahler Place Middle's overall ELA proficiency was below the state average. Certain subgroups,²⁶ such as at-risk students, outperformed the state average, while other subgroups like students with disabilities performed below the state average. In SY 2014-15, the state switched to the PARCC assessment. To account for schools' adjustment to the new assessment, SY 2014-15 PARCC outcomes are not included in the charter review analysis unless they are above the state average. That year the school was

²⁶ Each category of students identified under ESEA section 1111(b)(2)(C)(v)(II)—that is, major racial and ethnic groups, students with disabilities, English Learners, and students who are economically disadvantaged. Please see <https://www2.ed.gov/policy/eseaflex/faqaddendum.doc>.

above the state average in every subgroup. It was also above the state average in most subgroups in SY 2015-16. Only in the most recent year of operation did the majority of subgroups perform below state averages.

Achievement PCS – Wahler Place Middle ELA Proficiency - Grades 4 – 8											
Subgroup	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
All	64.2	51.7	60.0	52.0	3 +	57.8	49.2	53.2	53.0	49.1	55.9
					4 +	29.7	24.8	23.6	28.0	23.3	31.6
	296		360		n-size	353		365		446	
Black Non- Hispanic	64.2	46.0	60.0	46.0	3 +	57.8	41.6	52.8	45.9	48.5	48.5
					4 +	29.9	16.4	23.2	19.6	23.2	22.8
	296		360		n-size	351		362		431	
Hispanic	N/A	55.4	N/A	53.0	3 +	N/A	52.2	N/A	55.3	69.2	58.3
					4 +	N/A	22.6	N/A	27.4	30.8	30.9
	0		0		n-size	N/A		n < 10		13	
Students with Disabilities	23.6	20.8	26.9	21.0	3 +	23.9	13.3	14.3	17.1	6.8	19.0
					4 +	6.5	4.2	3.6	5.1	0	6.2
	55		67		n-size	46		56		73	
Econ Dis	62.4	44.8	58.5	44.0	3 +	56.5	39.3	50.2	44.6	49.1	50.4
					4 +	26.1	13.9	21.2	18.3	23.3	25.0
	234		301		n-size	253		311		446	
At Risk	N/A	N/A	N/A	N/A	3 +			45.1	38.3	42.3	41.4
					4 +	N/A	N/A	19.6	13.7	19.4	16.6
					n-size			204		248	
Male	61.6	45.5	51.8	46.0	3 +	49.1	42.2	47.3	46.0	42.5	48.5
					4 +	21.9	20.0	17.0	23.0	16.8	25.6
	138		170		n-size	169		182		226	
Female	66.5	58.1	67.4	58.0	3 +	65.8	56.3	59.0	60.2	55.9	63.3
					4 +	37.0	29.6	30.1	33.1	30.0	37.8
	158		190		n-size	184		183		220	

English Language Arts Growth

A Median Growth Percentile (MGP) of 50 indicates that a school's students have average year-to-year growth in ELA proficiency, as compared to other DC students in the same

grades and with the same initial state assessment performance. Achievement Prep PCS – Wahler Place Middle’s MGP was 60.0 in 2012-13, decreased to 46.8 in 2015-16, and decreased again to 42 in 2016-17. The subgroup of Female students had the highest growth in 2016-17 with an MGP of 46.

Achievement Prep PCS – Wahler Place Middle Grades 4-8 English Language Arts Median Growth Percentile					
	2012-13	2013-14	2014-15PMF not scored or tiered	2015-16	2016-17
All	60	53	48	46	42
Black Non-Hispanic	60	53	48	46	42
Hispanic	N/A	N/A	N/A	N/A	46
Students with Disabilities	61	54	36	34	36
Economically Disadvantaged	61	53	49	47	42
Male	57	47	41	41	38
Female	64	58	55	51	47

Commented [NRD4]: MGP may change

Math

Math Proficiency

Achievement Prep PCS – Wahler Place Middle’s overall and subgroup math proficiency has declined since SY 2012-13 and is now (SY 2016-17) below the state average in students who were 4+ in all subgroups.

**Achievement PCS – Wahler Place Middle
Math Proficiency - Grades 4-8**

Subgroup	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
All	85.1	56.9	81.4	57.6	3 +	69.5	48.2	47.2	49.2	35.3	51.0
					4 +	32.8	22.2	11.7	24.6	9.6	26.2
	296		360		n-size	357		360		447	
Black Non-Hispanic	85.1	51.2	81.4	51.3	3 +	69.3	40.7	46.8	41.0	34.5	42.8
					4 +	33.0	15.1	11.8	16.6	9.5	17.6
	296		360		n-size	355		357		432	
Hispanic	N/A	63.3	N/A	61.7	3 +	N/A	50.2	N/A	52.2	61.5	53.2
					4 +	N/A	19.8	N/A	23.1	15.4	24.6
	N/A		N/A		n-size	N/A		n < 10		13	
Students with Disabilities	56.4	26.4	55.2	26.6	3 +	28.3	14.7	12.5	18.1	2.7	18.5
					4 +	4.3	3.9	0.0	5.4	0.0	6.0
	55		67		n-size	46		56		73	
Econ Dis	84.2	50.8	79.7	50.4	3 +	65.0	39.1	44.6	40.6	35.3	45.2
					4 +	30.0	13.6	11.1	16.0	9.6	20.2
	234		301		n-size	257		307		447	
At Risk	N/A	N/A	N/A	N/A	3 +			40.1	34.5	28.0	36.0
					4 +	N/A	N/A	10.4	12.3	8.8	13.4
					n-size			202		250	
Male	83.3	54.2	74.1	54.9	3 +	64.3	45.2	43.3	47.0	33.3	48.2
					4 +	26.3	20.8	9.4	23.5	7.6	24.8
	138		170		n-size	171		180		225	
Female	86.7	59.7	87.9	60.2	3 +	74.2	51.1	51.1	51.3	37.4	53.8
					4 +	38.7	23.6	13.9	25.8	11.7	27.6
	158		190		n-size	186		180		222	

Math Growth

Achievement Prep PCS– Wahler Place Middle’s math MGP was above 50 in SY 2012-13 and SY 2013-14 and dropped to 27 in 2016-17. In SY 2015-16 and SY 2016-17 the campus’s MGP for math was one of the lowest in the city.

Achievement Prep PCS – Wahler Place Middle					
Grades 4-8					
Math Median Growth Percentile					
	2012-13	2013-14	2014-15 PMF not scored or tiered	2015-16	2016-17
All	70	67	54	35	27
Black Non-Hispanic	70	67	54	35	27
Hispanic	N/A	N/A	N/A	N/A	40
Students with Disabilities	61	69	52	27	32
Economically Disadvantaged	71	67	54	34	27
Male	62	62	51	33	28
Female	75	71	59	38	25

Commented [NRD5]: May change

School Environment Measures

For middle schools, DC PCSB reviews in-seat attendance and re-enrollment as school environment measures that are designed to show the school’s climate and parent satisfaction.

Attendance

Achievement Prep PCS – Wahler Place Middle’s in-seat attendance has been above the charter sector average in every year under review except SY 2014-15, when it was slightly below the sector average.

Achievement Prep PCS – Wahler Place Middle Grades 4 – 8

In-Seat Attendance

	2012-13		2013-14		2014-15		2015-16		2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All	98.3%	92.5%	92.9%	93.2%	92.6%	93.4%	93.5%	93.1%	94.3%	93.1%

Re-enrollment

A school's re-enrollment rate measures family satisfaction with a school by measuring the rate at which students, who are eligible, return from one year's official enrollment audit to the next year's official enrollment audit.²⁷ Students who move out-of-state or have other situations that would prevent them from re-enrolling are excluded from this rate.

Achievement Prep PCS – Wahler Place Middle's re-enrollment rate decreased beginning in SY 2013-14 to SY 2014-15, reaching a low of 76.3% from SY 2014-15 to SY 2015-16. However, it increased to 87.1% in 2016-17, bringing the re-enrollment rate close to where the school started five years ago and above the sector average.

Achievement Prep PCS – Wahler Place Middle Grades 4 - 8

Re-enrollment Rate

	2012-13 to 2013-14		2013-14 to 2014-15		2014-15 to 2015-16		2015-16 to 2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All	87.7%	83.5%	79.2%	83.3%	76.3%	78.3%	87.1%	84.0%

ELEMENTARY CAMPUS AND MIDDLE SCHOOL CAMPUSES

Qualitative Site Review Outcomes

DC PCSB conducts Qualitative Site Reviews (QSRs) of charter schools to observe classroom instruction. The QSR report includes qualitative evidence related to the school's mission and goals, as well as classroom environments and quality of instruction. In December 2014, DC PCSB conducted a QSR of Achievement Prep PCS – Wahler

Elementary based on OSSE designating the campus as a Focus school in 2014.²⁸ In September and October 2016, in anticipation of this charter review, DC PCSB conducted a QSR of each Achievement Prep PCS campus.²⁹ In the 2016 QSRs, DC PCSB observed mixed evidence at both campuses that the school is meeting its mission and goals: the quality of instruction was low in many classrooms, and the level of student engagement varied greatly.

The QSR observers rate each observation as Unsatisfactory, Basic, Proficient, or Distinguished in two domains of the Charlotte Danielson *Framework for Teaching*—Classroom Environment³⁰ and Instruction.³¹ The tables below detail the percentage of classrooms at each campus that were rated proficient or distinguished in each domain.

Achievement Prep PCS – Elementary School		
% of Classrooms Rated Proficient or Distinguished		
	2014-15	2016-17
Classroom Environment	67%	62%
Instruction	48%	43%

Achievement Prep PCS – Middle School	
% of Classrooms Rated Proficient or Distinguished	
	2016-17
Classroom Environment	51%
Instruction	38%

Achievement Prep PCS’s 2016-17 QSR rating was below average overall when compared to other prekindergarten (PK) through eighth grade schools that received a QSR in 2016-17. The average rating across 30 PK-8 campuses in the District was 75% in the Classroom Environment domain and 69% in the Instruction domain.

²⁸ As a requirement of DC’s federal funding, each school is designated by OSSE as a Reward, Rising, Developing, Focus, or Priority school, based on academic outcomes. Focus and Priority schools receive greater oversight and support by DC PCSB. OSSE designated Achievement Prep PCS – Wahler Place Elementary as a Focus school based on the performance of their African American and Economically Disadvantaged students.

²⁹ See November 29, 2016 Achievement Prep PCS – Wahler Place Elementary and Middle Schools QSR Reports, attached to this report as Appendix ____.

³⁰ To assess classroom environment, DC PCSB observes whether teachers (a) create an environment of respect and rapport; (b) establish a culture for learning; (c) manage classroom procedures; and (d) manage student behavior.

³¹ To assess instruction, DC PCSB observes how teachers (a) communicate with students; (b) use questioning/prompts and discussion techniques; (c) engage students in learning; and (d) use assessment for instruction.

SECTION TWO: COMPLIANCE WITH CHARTER AND APPLICABLE LAWS

The SRA requires DC PCSB to determine at least once every five years whether a school has “committed a material violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in its charter, including violations relating to the education of children with disabilities.”³² The SRA contains a non-exhaustive list of applicable laws, which DC PCSB monitors in its annual compliance reviews. The below table discusses the school’s compliance with various requirements from 2012-13 to the time of this report’s publication.

Compliance Item	Description	School’s Compliance Status 2012-13 to Present³³
Fair enrollment process D.C. Code § 38-1802.06	DC charter schools must have a fair and open enrollment process that randomly selects applicants and does not discriminate against students.	Compliant since 2012-13
Notice and due process for suspensions and expulsions D.C. Code § 38-1802.06(g)	DC charter school discipline policies must afford students due process ³⁴ and the school must distribute such policies to students and parents.	Compliant since 2012-13
Student health and safety D.C. Code §§ 38-1802.04(c)(4), 4-1321.02, 38-651.01–38-651.12, 4-1501.01–4-1501.11	The SRA requires DC charter schools to maintain the health and safety of its students. ³⁵ To ensure that schools adhere to this clause, DC PCSB monitors schools for various indicators, including but not limited to whether schools: <ul style="list-style-type: none"> - have qualified staff members that can administer medications; - conduct background checks for all school employees and volunteers; and - have an emergency response plan in place and conduct emergency drills as required by DC code and regulations. 	Compliant since 2012-13
Equal employment D.C. Code § 38-1802.04(c)(5)	A DC charter school’s employment policies and practices must comply with federal and local employment laws and regulations.	Compliant since 2012-13

³² D.C. Code § 38.1802.12(c).

³³ See Compliance Reports, attached to this report as Appendix X.

³⁴ See *Goss v. Lopez*, 419 U.S. 565 (1975).

³⁵ D.C. Code § 38.1802.04 (c)(4)(A).

Compliance Item	Description	School's Compliance Status 2012-13 to Present³³
Insurance As required by the school's charter	A DC charter school must be adequately insured.	Compliant since 2012-13
Facility licenses D.C. Code § 47-2851.01-47-2851.20; D.C. Mun. Regs., tit. 14, §§ 14-1408 <i>et seq.</i>	A DC charter school must possess all required local licenses.	Compliant since 2012-13
Proper composition of Board of Trustees D.C. Code § 38-1802.05	A DC charter school's Board of Trustees must have: an odd number of members that does not exceed 15; a majority of members that are DC residents; and at least two members that are parents of a student attending the school.	Compliant since 2012-13
Accreditation status D.C. Code § 38-1802.02(16)	A DC charter school must maintain accreditation from an SRA-approved accrediting body listed in the SRA or approved by DC PCSB.	Not compliant: The school was not accredited by the end of its fifth year of operation which is required by the SRA. In November 2016, the school provided documentation that it was invited to be a candidate with Middle States Association of Colleges and Schools. As of July 2017, however, the Middle States website does not list the school as a candidate.

Procurement Contracts

D.C. Code § 38-1802.04(c)(1) requires DC charter schools to use a competitive bidding process for any procurement contract valued at \$25,000 or more, and within three days of awarding such a contract, to submit to DC PCSB all bids received, the contractor selected, and the rationale for which contractor was selected. The following table details whether the school has complied with these bidding requirements and submitted all required contract documentation to DC PCSB.

	2013-14	2014-15	2015-16
# of qualifying expenditures school bid out -----			
# of 25K expenditures school required to bid out	2/2	12/12	0/0
# of qualifying expenditures that school submitted required documentation -----			
# of qualifying expenditures that school required to submit documentation	13/13	21/21	19/19

Special Education Compliance

Charter schools are required to comply with all federal and local laws regarding students with disabilities, including the Individuals with Disabilities Education Act³⁶ (IDEA) and Section 504 of the Rehabilitation Act of 1973.³⁷ The following section summarizes the LEA's IDEA special education compliance from 2013-14 to the present.

OSSE Special Education Compliance Reviews

The DC Office of the State Superintendent of Education (OSSE) monitors charter schools' special education compliance and publishes three primary types of reports detailing these findings: (1) Annual Determinations; (2) On-Site Monitoring; and (3) Special Conditions Reports. OSSE's findings regarding special education compliance are summarized below. As of July 2017, OSSE had not yet conducted any On-Site Monitoring of the school.

(1) Annual Determinations

As required by federal regulation, OSSE annually analyzes each LEA's compliance with special education compliance indicators and publishes these findings in an Annual Determination report.³⁸ Each year's report is based on compliance data collected from the prior federal fiscal year. For example, in SY 2016-17, OSSE published its 2014 Annual Determination reports based on the school's 2014-15 performance.

The LEA's Annual Determination compliance performance is detailed in the table below.³⁹ The LEA met the requirements each year.

³⁶ 20 U.S.C. §§ 1400 *et seq.* See U.S.C. § 1413(a)(5).

³⁷ 29 U.S.C. § 794.

³⁸ As required by federal regulation 34 CFR § 300.600(c).

³⁹ See Annual Determination reports, attached to this report as Appendix X.

Year	Percent Compliant with Audited Special Education Federal Requirements	Determination Level
2013	93%	Meets Requirements
2014	86%	Meets Requirements
2015	89%	Meets Requirements

(2) Special Conditions Reports

OSSE submits reports to the U.S. Department of Education's Office of Special Education Programs (OSEP) three times each year,⁴⁰ detailing LEAs' compliance in three areas: (1) Initial Evaluation timeliness;⁴¹ (2) Reevaluation timeliness; and (3) Secondary Transition requirements (for students age 16 and up). This LEA is evaluated in adhering to Initial Evaluation and Reevaluation timeliness and the outcomes are detailed in the tables below. The school has since cured all identified points of noncompliance.

Special Conditions Reporting Period – April 2012 through March 2013				
	Quarter 1 (Apr. 1 – June 30)	Quarter 2 (July 1 – Sept. 30)	Quarter 3 (Oct. 1 – Dec. 31)	Quarter 4 (Jan. 1 – Mar. 31)
Initial Evaluation Timeline	N/A ⁴²	Compliant	N/A	N/A
Reevaluation Timeline	N/A	N/A	N/A	N/A

⁴⁰ Prior to SY 2014-15, OSSE conducted reviews quarterly. The data for the special conditions from that timeframe is thus organized across four quarters.

⁴¹ Starting with SY 2017-18, OSSE is no longer under special conditions with OSEP on Initial Evaluations. Moving forward, OSSE will only report on Reevaluation and Secondary Transition in Special Conditions reporting. Initial evaluation data will still be periodically reviewed for compliance and included in Public Reporting for Annual Performance Reports (APRs). For the purposes of this report, Initial Evaluations are included since OSSE reported on this area of compliance in the past.

⁴² Not applicable (N/A) indicates that OSSE did not conduct a review of the school for the listed compliance area during the specified timeframe.

Special Conditions Reporting Period – April 2013 through March 2014				
	Quarter 1 (Apr. 1 – June 30)	Quarter 2 (July 1 – Sept. 30)	Quarter 3 (Oct. 1 – Dec. 31)	Quarter 4 (Jan. 1 – Mar. 31)
Initial Evaluation Timeline	Compliant	N/A	N/A	N/A
Reevaluation Timeline	N/A	N/A	N/A	N/A

Special Conditions Reporting Period – April 2014 through March 2015			
	August 1 Report (Apr. 1 – June 30)	November 1 Report (July 1 – Sept. 30)	May 1 Report (Oct. 1 – Mar. 31)
Initial Evaluation Timeline	N/A	Compliant	N/A
Reevaluation Timeline	N/A	N/A	Compliant

Special Conditions Reporting Period – April 2015 through March 2016			
	August 1 Report (Apr. 1 – June 30)	November 1 Report (July 1 – Sept. 30)	May 1 Report (Oct. 1 – Mar. 31)
Initial Evaluation Timeline	N/A	N/A	Compliant
Reevaluation Timeline	N/A	N/A	N/A

Special Conditions Reporting Period – April 2016 through March 2017			
	August 1 Report (Apr. 1 – June 30)	November 1 Report (July 1 – Sept. 30)	May 1 Report (Oct. 1 – Mar. 31)
Initial Evaluation Timeline	N/A	N/A	N/A
Reevaluation Timeline	Compliant	N/A	N/A

Hearing Officer Determination Implementation Review

OSSE manages and oversees compliance through the Hearing Officer Determinations (HODs) Tracker (formerly called the Blackman Jones database) that tracks the timely implementation of actions required by HODs. The chart below shows the two special education administrative due process complaints brought against the school that resulted in a finding of noncompliance by a Hearing Officer.⁴³

Transmittal Date ⁴⁴	HOD Implementation and Timeliness Status ⁴⁵
11/1/2013	Implemented timely
9/1/2014	Implemented timely

⁴³ HODs are the written decision issued as a result of a due process complaint that resulted in a hearing. Most complaints are withdrawn for any number of reasons, including settlement. Not all outcomes are required to be tracked. For the purpose charter reviews, DC PCSB reports only on HODs that resulted in a finding of noncompliance against the LEA.

⁴⁴ This is the date the Office of Dispute Resolution transmits the HOD to the database a few days after the hearing officer has issued a decision.

⁴⁵ An HOD may be implemented timely, implemented untimely, or not implemented and is untimely

SECTION THREE: FISCAL MANAGEMENT AND ECONOMIC VIABILITY

INTRODUCTION

The SRA requires DC PCSB to revoke a school's charter if DC PCSB determines that the school:

- Has engaged in a pattern of nonadherence to generally accepted accounting principles (GAAP);
- Has engaged in a pattern of fiscal mismanagement; and/or
- Is no longer economically viable.⁴⁶

The results of DC PCSB's review of Achievement Prep PCS's financial records are presented below.

SUMMARY OF FINDINGS

Achievement Prep PCS appears to have adequate financial performance and internal controls and has complied with GAAP, has not engaged in a pattern of fiscal mismanagement, and is economically viable.

Achievement Prep PCS's first year of operation was Fiscal Year (FY) 2009. The data examined as a part of this review includes the last five years of audited financial data, FY 2012 through FY 2016. During this period, the school's enrollment and total revenues grew significantly. The school generated a surplus in each year and has a strong reserve position. Achievement Prep PCS was identified as a fiscal high-performing school by DC PCSB from FY 2012 through FY 2014, and a fiscal moderate-performing school from FY 2015 through FY 2016. These designations indicate the school's ability to balance its growth objectives with financial stability. Indicators of economic viability for Achievement Prep PCS are positive. Achievement Prep PCS does not warrant any concerns for economic viability or fiscal mismanagement based on the information currently available to DC PCSB.

FINANCIAL OVERVIEW

The following table provides an overview of Achievement Prep PCS's financial information over the school's last five years of operations. Between FY 2012 and FY 2016, enrollment and revenue grew by 225% and 265%, respectively. During the same period, the school built a strong Net Asset Position of \$4.7 million. Overall, the school has exhibited adequate financial results as it continues to grow its program in a fiscally responsible manner.

⁴⁶ See D.C. Code § 38-1802.13(b).

Financial Highlights (\$ in 000s)					
	2012	2013	2014	2015	2016
Maximum Enrollment ⁴⁷	315	315	605	605	840
Audited Enrollment	202	315	615	648	656
Total Revenue	\$3,292	\$6,118	\$10,119	\$12,467	\$12,032
Surplus/(Deficit) ⁴⁸	\$138	\$1,089	\$218	\$1,913	\$880
Unrestricted Cash Balances	\$483	\$1,125	\$1,687	\$3,950	\$13,654
Number of Days of Cash on Hand ⁴⁹	55	81	61	135	441
Net Asset Position ⁵⁰	\$603	\$1,692	\$1,910	\$3,823	\$4,704
Primary Reserve Ratio ⁵¹	19%	34%	19%	36%	34%

FISCAL MANAGEMENT

Overall fiscal management considers the school's liquidity, debt burden, cost management, and internal controls. Together, these factors reflect the effectiveness of school leaders and the school's board in managing school finances. The school has an adequate ability to service its debt, has shown evidence that operating costs are effectively managed, and has demonstrated that it has a strong internal control environment. These areas are discussed further below.

Liquidity

Liquidity refers to the school's ability to meet its financial obligations, particularly in the short term. Too few assets or insufficient cash to pay vendors and/or creditors is a cause for concern and threatens the school's viability. Two indicators of a school's liquidity are its current ratio⁵² and its days of cash on hand. The current ratio measures a school's financial resources available to meet short-term obligations (i.e., those obligations due in the following 12 months). When the current ratio is less than one, the school's ability to meet these obligations is in doubt; we consider a current ratio of greater than 1.0 the "target" of acceptable performance. A current ratio below 0.7 raises concern about the school's liquidity; we consider this the "floor" of acceptable performance. The second measure, days of cash on hand, reflects a school's ability to satisfy its financial obligations using only existing cash balances (in the event of unexpected cash delays). Typically, 45 days of cash or more is recommended; we consider this the target. Less than 15 days of cash is a liquidity concern; we consider this the floor of acceptable performance.

⁴⁷ Maximum Enrollment represents the largest possible number of students for which the school may receive public funding. It may be higher than the school's targeted or budgeted enrollment, but provides a good proxy for the school's enrollment expectations over time.

⁴⁸ Surplus / (Deficit) is total revenue minus total expenses.

⁴⁹ Number of Days of Cash on Hand equals unrestricted cash and cash equivalents divided by daily operating expenses (which equals annual operating expenses divided by 365 days). It is a measure of the school's ability to pay debts and claims as they come due.

⁵⁰ Net Asset Position equals total assets minus total liabilities.

⁵¹ Primary Reserve Ratio equals total net assets, less intangible assets, divided by total annual expenses.

⁵² A school's current ratio is its current assets divided by current liabilities.

While Achievement Prep PCS's current ratio has varied over the last five years, it has been at least 1.4, indicating that the school's short-term liquidity is adequate. Achievement Prep PCS's cash on hand, while above 55 in 2012, grew to 8 times that in 2016. These metrics provide evidence of continued improvements in overall liquidity.

Liquidity							
	Floor	Target	2012	2013	2014	2015	2016
Current Ratio	<0.7	>1.0	3.8	11.9	3.4	1.4	2.1
Number of Days of Cash on Hand	<15	>45	55	81	61	135	441

A final measure of liquidity is solvency,⁵³ the school's ability to pay outstanding obligations, including amounts due to vendors, employees, and lenders, if the school's charter is revoked. DC PCSB reviewed Achievement Prep PCS's 2016 audited financial statements to determine the risk to third parties in the event of school closure. Should the DC PCSB Board vote to close Achievement Prep PCS, we expect that the school might not be able to meet its operating obligations. Including estimated closure costs, the school might have a shortfall in meeting obligations due to vendors, employees, and lenders. Achievement Prep PCS has a significant amount of fixed assets; however, without a readily discernible fair market value of those fixed assets, we cannot determine whether enough cash would be generated in a liquidation to cover all the school's debt.

Debt Burden

As part of the evaluation of a school's long-term viability, DC PCSB considers a school's debt burden. DC PCSB reviews two debt ratios – the debt ratio⁵⁴ and the debt service coverage ratio.⁵⁵ The debt ratio measures how leveraged a school is, or the extent to which a school relies on borrowed funds to finance its operations. A ratio greater than 0.90 is a cause for concern (the floor for this metric); a ratio below 0.5 is a signal of financial strength (the target). The debt service coverage ratio is a measure of surplus available for debt servicing to interest and principal; a low ratio indicates a school's inability to service its debt. For this metric, a ratio less than 1.0 is a cause for concern (the floor) and a ratio above 1.2 is a sign of strength (the target).

Achievement Prep PCS's debt ratio was at manageable levels until FY 2016 when it reached the floor; based on FY 2016 results, DC PCSB considers the school over-leveraged. However, the school's debt service coverage ratio indicates that it has sufficient ability to service its debt.

⁵³ Except when the school owns a facility, solvency equals unrestricted cash plus receivables with a high probability of collection, minus liabilities and closure expenses.

⁵⁴ Debt Ratio equals the total liabilities divided by the total assets.

⁵⁵ Debt Service Coverage Ratio equals Earnings Before Interest, Depreciation, and Amortization divided by the sum of scheduled principal payments and interest paid (not including balloon payments).

Debt Burden							
	Floor	Target	2012	2013	2014	2015	2016
Debt Ratio	>0.90	<0.5	0.21	0.07	0.23	0.65	0.90
Debt Service Coverage Ratio	<1.0	>1.2	N/A-metric introduced in FY16				3.7

Cost Management

The following table provides an overview of the school's spending decisions over the past five years. Since FY 2012, expenses have grown 252%, compared to 265% growth in revenues. The most significant increase in expenses has been for personnel salaries and benefits, reflecting an investment in human capital. Costs appear to be effectively managed at the school.

Cost Management (\$ in 000s)					
	2012	2013	2014	2015	2016
Salaries and Benefits	\$1,870	\$3,224	\$6,824	\$7,436	\$7,376
Direct Student Costs	\$451	\$527	\$989	\$860	\$933
Occupancy Expenses	\$545	\$851	\$1,212	\$1,285	\$1,828
General Expenses ⁵⁶	\$287	\$428	\$875	\$972	\$953

As a Percent of Expenses						
	2012	2013	2014	2015	2016	FY16 Sector Median
Salaries and Benefits	59%	64%	69%	70%	67%	61%
Direct Student Costs	14%	10%	10%	8%	8%	11%
Occupancy Expenses	17%	17%	12%	12%	16%	16%
General Expenses	9%	9%	9%	9%	9%	11%

Internal Controls

At the highest level, internal controls are processes assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.

Audits of Achievement Prep PCS establish that the school has adhered to GAAP. The school's auditors issued unmodified audit opinions for all years and there were no material weaknesses or other findings identified. Achievement Prep PCS appears to have a strong internal control environment.

⁵⁶ DC PCSB has worked with the Financial Oversight Task Force to revise definitions of cost categories, including combining Office Expenses and General Expenses beginning in FY 2016. Other category definitions have also changed over time.

Internal Controls					
	Audit Year				
	2012	2013	2014	2015	2016
Modified Statement Opinion. The auditor issues an opinion letter on the basic financial statements. An <i>unmodified</i> opinion means the auditor is satisfied professionally that the statements present fairly the financial position of the school and the results of operations. Should there be areas of doubt, the opinion may be <i>modified, adverse, or disclaimed</i> .	No	No	No	No	No
Material Weakness. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the school's financial statements will not be prevented, or detected and corrected in a timely manner.	No	No	No	No	No
Statement Non-Compliance. The auditor tests for compliance with certain provisions of laws, regulations, contracts, and grant agreements. Non-compliance could have a direct and material effect on the determination of financial statement amounts.	No	No	No	No	No
Modified Program Opinion (Uniform Guidance). When expenditures of federal funds are greater than \$750,000, the auditor performs an extended review and issues an opinion letter on compliance with the requirements of laws, regulations, contracts, and grants applicable to each of the school's major federal programs. A <i>modified opinion</i> indicates instances of non-compliance.	No	No	No	No	No
Program Material Weakness (Uniform Guidance). In planning and performing the audit of major federal programs, the auditor considers internal control over compliance with the requirements of applicable laws, regulations, contracts, and grants. A material weakness in internal control indicates that there is a reasonable possibility of material non-compliance with a requirement of a federal program that will not be prevented, or detected and corrected, on a timely basis.	No	No	No	No	No
Findings & Questioned Costs. The auditor discloses audit findings that are important enough to merit attention by those charged with governance, with documentation of corrective action plans noting the responsible party.	0	0	0	0	0
Unresolved Prior Year Findings. The auditor discloses prior year audit findings that have not been corrected.	No	No	No	No	No
Going-Concern Issue. The auditor indicates that the financial strength of the school is questioned.	No	No	No	No	No
Debt-Compliance Issue. The audit discloses that the school was not in compliance with certain debt covenants. A debt-compliance issue may prelude insolvency.	No	No	No	No	No

ECONOMIC VIABILITY

Measures of economic sustainability include earnings and cash flows, reserves, and trends

in both enrollment and revenue. Together, these measures assess the risk that the school will not be able to continue operations. The first set of indicators address earnings and cash flow, specifically the school's "operating results"—how much its total annual revenues exceed its total annual expenditures—and earnings before depreciation and amortization (EBDA).⁵⁷ In general, DC PCSB recommends that a school have positive annual operating results and cash flows; we do not set a target for these ratios.

Based on these measures, Achievement Prep PCS's performance and EBDA have been strong. The school has generated a surplus each year during the period under review.

(\$ in 000s)	Floor	2012	2013	2014	2015	2016
Surplus/Deficit	<0	\$138	\$1,089	\$218	\$1,913	\$880
Earnings before Depreciation and Amortization	<0	\$206	\$1,159	\$471	\$2,212	\$1,577

Additional measures of economic viability include the school's net asset position and primary reserve ratio. DC PCSB would be concerned with net assets reserves below zero, but we do not set a target for this ratio. We expect that schools accrue reserves greater than or equal to 25% of operating expenditures; we are concerned when schools accrue reserves below 0% of operating expenditures.

Achievement Prep PCS's net asset position has grown by 680% between 2012 and 2016 as the school continues to run operating surpluses and add to reserves. The primary reserve ratio, though, varied during the period, but exceeded the 25% target in FY 2013, FY 2015, and FY 2016.

(\$ in 000s)	Floor	Target	2012	2013	2014	2015	2016
Net Asset Position	<0	N/A	\$603	\$1,692	\$1,910	\$3,823	\$4,704
Primary Reserve Ratio	<0	>25%	19%	34%	19%	36%	34%

The final measures of economic viability are trends in enrollment and revenues. Enrollment trends provide information about the school's ability to attract students and receive DC and federal funds for operations. Stable or growing enrollment and revenue indicate that the school is likely to remain financially stable, barring any extraordinary circumstances. Declining enrollment, however, may be cause for concern.

Growth in Achievement Prep PCS's enrollment and revenue was very strong in FY 2012 through FY 2015. Revenue growth slowed in FY 2016 as growth in enrollment stabilized. Achievement Prep PCS has experienced a 43% increase in enrollment in FY 2017, which reflects the school's ability to attract a sizable student population. It is likely that the

⁵⁷EBDA is the change in net assets plus depreciation and amortization.

school will be able to continue to attract students, serve the community, and maintain strong revenues.

Enrollment over Time						
	2012	2013	2014	2015	2016	2017
Enrollment	202	315	615	648	656	937
Growth in Enrollment	46%	56%	95%	5%	1%	43%
Growth in Revenues	44%	86%	65%	23%	(3%)	N/A

From: spearson@dcpcsb.org
To: Lenora Robinson Mills
Subject: Re: Fin/Ops Committee meeting?
Date: 22-Nov-2017 23:22
Attachments: Re: Fin/Ops Committee meeting?.html [\[Save\]](#) [\[Open\]](#)
image003.png [\[Save\]](#) [\[Open\]](#)
image007.png [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image006.png [\[Save\]](#) [\[Open\]](#)
image002.png [\[Save\]](#) [\[Open\]](#)
image004.png [\[Save\]](#) [\[Open\]](#)
image005.png [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 22-Nov-2017 23:22
Store Date: 28-Feb-2018 02:42
Message Id: ff7d472a131ce342b7f120e580c62c9900000000010a#ff7d472a131ce342b7f120e580c62c990000253589b8a

TEXT.htm

ATTACHMENT

Sounds good. Happy thanksgiving.

Scott

Scott Pearson
Executive Director
DC Public Charter School Board
spearson@dcpcsb.org
202-495-8722
www.dcpcsb.org
@sdpearson

From: Lenora Robinson Mills <lmills@dcpcsb.org>
Sent: Wednesday, November 22, 2017 12:28 PM
Subject: FW: Fin/Ops Committee meeting?
To: Scott Pearson <spearson@dcpcsb.org>

FYI – looks like we can cancel the fin/ops meeting and just send an update email next week. We'll send it to you before sending to the board.



Lenora Robinson Mills

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

From: Lenora Robinson Mills <lmills@dcpcsb.org>
Date: Wednesday, November 22, 2017 at 12:26 PM
To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>, John Goldman <jgoldman@dcpcsb.org>
Cc: Marvin Cross <MCross@dcpcsb.org>, Jiselle O'Neal <joneal@dcpcsb.org>
Subject: Re: Fin/Ops Committee meeting?

Ok, great!

Sorry if I didn't make that clear. Scott wanted to know if we could do an email instead of a call this time because we have so many requests of the board members' time over the next few weeks.

Let's plan to send a combined update email next Tuesday or Wednesday if that works for you.

Jiselle, can you cancel this meeting and let the committee members know that we're canceling in an effort to give them an hour back and we'll be sending an fin/ops committee email update next week?



Lenora Robinson Mills

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

From: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Date: Wednesday, November 22, 2017 at 10:23 AM
To: John Goldman <jgoldman@dcpcsb.org>, Lenora Robinson Mills <lmills@dcpcsb.org>
Cc: Marvin Cross <MCross@dcpcsb.org>
Subject: RE: Fin/Ops Committee meeting?

Hi, John,

Yes, I can include all details in a written report. Lenora, I was under the assumption we were joining an already existing call, similar to what we did in April & August.

However, if we're having a call to exclusively discuss school finance concerns, then everything can be done by e-mail. Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpceb.org

From: John Goldman
Sent: Wednesday, November 22, 2017 10:19 AM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Lenora Robinson Mills <lmills@dcpcsb.org>

Cc: Marvin Cross <MCross@dcpcsb.org>

Subject: Re: Fin/Ops Committee meeting?

Mo – is there any way to get all the details in the written report? I think the inclination here is to not have the call, but simply write it up.

John Goldman

DC Public Charter School Board

Desk: 202-328-5545

Twitter: @dcpcsb | Website: dcpcsb.org

From: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Date: Wednesday, November 22, 2017 at 10:15 AM

To: Lenora Robinson Mills <lmills@dcpcsb.org>, John Goldman <jgoldman@dcpcsb.org>

Cc: Marvin Cross <MCross@dcpcsb.org>

Subject: RE: Fin/Ops Committee meeting?

Hi, Lenora,

A few minutes to discuss with the board would be great. I'll send detailed notes by e-mail, but only cover the most important issues during the discussion. Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Lenora Robinson Mills

Sent: Tuesday, November 21, 2017 5:18 PM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>; John Goldman <jgoldman@dcpsb.org>

Cc: Marvin Cross <MCross@dcpsb.org>

Subject: Re: Fin/Ops Committee meeting?

Hi Mo –

Totally fine to share the write up Monday. Was just checking to see if you think we need time to discuss with the board or if the updates could just be written in an email?

Thanks!

Lenora



DC
PUBLIC
CHARTER
SCHOOL
BOARD

Lenora Robinson Mills

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

From: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Date: Tuesday, November 21, 2017 at 1:30 PM
To: John Goldman <jgoldman@dcpcsb.org>
Cc: Lenora Robinson Mills <lmills@dcpcsb.org>, Marvin Cross <MCross@dcpcsb.org>
Subject: RE: Fin/Ops Committee meeting?

Hi, Lenora,

I've reviewed all the 9/30/2017 financials and have a preliminary list. However, I'm still waiting on replies from multiple LEAs that still haven't provided Epicenter submissions.

Can I provide my usual write-up by COB on Monday 11/27/2017? Here's my list so far, pending additional information:

1. WMST
2. Sustainable Futures
3. Rocketship
4. Ideal Academy
5. Democracy Prep

I'm happy to answer any questions in the meantime, just let me know. Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: John Goldman

Sent: Tuesday, November 21, 2017 1:18 PM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>

Subject: FW: Fin/Ops Committee meeting?

What do you think?

John Goldman

DC Public Charter School Board

Desk: 202-328-5545

Twitter: @dcpsb | Website: dcpsb.org

From: Lenora Robinson Mills <lmills@dcpsb.org>

Date: Tuesday, November 21, 2017 at 1:17 PM

To: John Goldman <jgoldman@dcpsb.org>

Cc: Marvin Cross <MCross@dcpsb.org>

Subject: Fin/Ops Committee meeting?

Hi John –

Just following up to see if you've had a chance to think through/discuss if any of the school finance updates warrant a discussion or could be communicated via email.

Thanks,

Lenora



Lenora Robinson Mills

Chief Operating Officer

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

Twitter: @dcpcsb | Website: dcpcsb.org

From: naomi@dcpcsb.org
To: Mohammad Bashshiti, Nicole Streeter, Sarah H. Cheatham, Lenora Robinson Mills, John Goldman, Scott Pearson
Subject: Re: WMST PCHS: Financial Corrective Action Plan
Date: 05-Dec-2017 08:26
Attachments: Re: WMST PCHS: Financial Corrective Action Plan.html [\[Save\]](#) [\[Open\]](#)
image002.png [\[Save\]](#) [\[Open\]](#)
image001.jpg [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 05-Dec-2017 08:26
Store Date: 15-Feb-2018 03:38
Message Id: ff7d472a131ce342b7f120e580c62c990000091267b1#ff7d472a131ce342b7f120e580c62c99000025945fef3

TEXT.htm

ATTACHMENT

Thanks for this head's up, Mo. [REDACTED]

Naomi

Naomi Rubin DeVaux

Deputy Director

DC Public Charter School Board

3333 14th St., NW, Suite 210, Washington DC 20010 – 202-328-2660

From: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Date: Monday, December 4, 2017 at 3:07 PM
To: Scott Pearson <spearson@dcpcsb.org>, Naomi DeVaux <Naomi@dcpcsb.org>, Nicole Streeter <nstreeter@dcpcsb.org>, Lenora Robinson Mills <lmills@dcpcsb.org>, Sarah Cheatham <scheatham@dcpcsb.org>, John Goldman <jgoldman@dcpcsb.org>
Subject: WMST PCHS: Financial Corrective Action Plan

Hi, Scott and everyone else,

I was reviewing WMST's FY 2017 financial audit. Please look for my highlights in the PDF. There are many concerning items we might need to handle through an FCAP:

1. The auditors said the school's significant operating losses raise substantial doubt about its ability to continue as a going concern.
 1. One of the school's "aggressive plans" to remedy this doubt, as outlined in the report, was to "recruit new students to enroll in WMST".
 - i. However, the October 2017 count was down to 228, so that plan hasn't been effective.

▼ Campus	School Year	Audited Enrollment (Prior Year)	Current Enrollment	October Count	Audited Enrollment	LE Enrol Proje
Washington Mathematics Science Technology PCHS	2017-2018	277	221	228	0	3

2. The auditors stated the school "did not properly account for and record payables as part of its year end close process in accordance with U.S. GAAP." Additionally, the school "did not properly account for depreciation on fixed assets in accordance with U.S. GAAP." The errors resulted in **expenses being understated by nearly \$400,000**.
 1. Payables and fixed assets are very straightforward, so the fact that the school had such difficulties is a poor reflection of its accounting staff.
3. The school failed to record deferred revenue in FY18 interim statements. For example, they recorded the entire FY 2018 Q1 payment as July 2017 revenue, which is completely against GAAP. They weren't aware of the error until I told them to correct it.
4. At 9/30/2017, the school is down to about \$79,000 in cash. Please see the e-mail for my correspondence with Mark Addae.

Please let me know if you have any questions or thoughts on how to proceed. Thanks.

Best Regards,

Mo



DC
PUBLIC
CHARTER
SCHOOL
BOARD

Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Scott Pearson

Sent: Friday, August 18, 2017 6:38 PM

To: Naomi R. DeVeaux <Naomi@dcpsb.org>; Nicole Streeter <nstreeter@dcpsb.org>; Lenora Robinson Mills <lmills@dcpsb.org>; Sarah H. Cheatham <scheatham@dcpsb.org>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org>

Subject: Re: READ FW: WMST PCHS: Financial Corrective Action Plan

[REDACTED]

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

spearson@dcpsb.org

202-495-8722

www.dcpsb.org

@sdpearson

From: Naomi R. DeVeaux

Sent: Friday, August 18, 2017 5:53:49 PM

To: Scott Pearson; Nicole Streeter; Lenora Robinson Mills; Sarah H. Cheatham

Cc: Mohammad Bashshiti

Subject: READ FW: WMST PCHS: Financial Corrective Action Plan

Hi Scott,

Naomi

Naomi Rubin DeVeaux
Deputy Director
DC Public Charter School Board
Desk: 202-328-2666
Twitter: @dcpcsb | Website: dcpcsb.org

DC public charter school quality continues to rise, check out the 2016 School Quality Reports here <<http://www.dcpcsb.org/report/school-quality-reports-pmf>> to learn more.

On 8/18/17, 5:43 PM, "Mohammad Bashshiti" <MBashshiti@dcpcsb.org> wrote:

Scott and Naomi,

Mohammad Bashshiti, CPA
School Finance Specialist
DC Public Charter School Board
3333 14th Street NW, Suite 210 | Washington, DC 20010
Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488
Website: www.dcpcsb.org

-----Original Message-----

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]
Sent: Friday, August 18, 2017 5:23 PM
To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Mark Addae <maddae@wmstpchs.net>
Cc: Cindy Gertz <CGertz@dcpcsb.org>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Mr. Bashshiti,

I hope this email finds you well. I just finished a meeting with the WMST Recruitment Team to verify student enrollment count. Attached are the number of students by grade level as of today.

Mr. Addae and I will be working on an adjusted budget to reflect the current enrollment tomorrow. We have made the necessary salaries cut, based on 260 students. Additional salaries cut will take place based on the current enrollment. A letter has been prepared by WMST Legal Counsel to address additional staff lay off (please see attached template). We will address your other questions tomorrow.

Please let us know if you have any questions.

Sincerely,

Dr. Diagne

-----Original Message-----

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpsb.org>]

Sent: Tuesday, August 15, 2017 3:52 PM

To: N'Deye Diagne <ndiagne@wmstpchs.net>; Mark Addae <maddae@wmstpchs.net>

Cc: Cindy Gertz <CGertz@dcpsb.org>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne,

I hope you're well. Cindy and I are still waiting on replies to the e-mails below. Here's a quick summary of what we need:

- 1) All updates on the new facility (developments past the letter of intent stage, timeframe to build, expected move-in date, etc.)
- 2) Why is the recognition of the gain on the building sale in FY 2020, when the move is in FY 2019? How did you come up with \$2.5 million?
- 3) Did you enact cuts in teaching salaries of \$270,000? Or are the cuts contingent on enrollment?
- 4) The FY2017 Q4 Financial Statements. These were due on 7/31/2017, so they're now over two weeks late.
- 5) What is the most recent figure you have for enrollment as of today?

Thanks for your timely attention to these questions.

Best Regards,

Mo

Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010 Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

-----Original Message-----

From: Mohammad Bashshiti

Sent: Monday, August 7, 2017 1:51 PM

To: 'N'Deye Diagne' <ndiagne@wmstpchs.net>; Mikayla Lytton <mlytton@dcpsb.org>; Mark Addae <maddae@wmstpchs.net>

>

Cc: Cindy Gertz <CGertz@dcpsb.org>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi, Dr. Diagne,

I'm sorry to hear about your family emergency. I hope the situation improves. In addition to my questions below, please provide the FY 2017 Q4 Financial Statements as soon as possible. They were due in Epicenter on 7/31/2017.

Looking forward to hearing from you soon. Thanks.

Best Regards,
Mo

Mohammad Bashshiti, CPA
School Finance Specialist
DC Public Charter School Board
3333 14th Street NW, Suite 210 | Washington, DC 20010 Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488
Website: www.dcpsb.org

-----Original Message-----

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]

Sent: Friday, August 4, 2017 11:52 AM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>; Mikayla Lytton <mlytton@dcpsb.org>; Mark Addae <maddae@wmstpchs.net>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Mr. Bashshiti,

I hope all is well. I am sorry for the delay in responding to your request. I am currently out of town for a family emergency. I will be back at the school on August 9th and I will respond to your email before the end of that week.

Sincerely,

Dr. Diagne

From: Mohammad Bashshiti [MBashshiti@dcpsb.org]

Sent: Wednesday, July 26, 2017 2:16 PM

To: N'Deye Diagne; Mikayla Lytton; Mark Addae

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne,

I hope you're doing well. Thank you for providing this information.

Do you have any updates on the new facility? The last time we heard from you, the only thing complete was the letter of intent sent to the developer. Do you expect to be ready for the move 16 months from now? Also, was the gain included in FY 2020 because you anticipate it will take a long time to sell the current property?

I noticed the 3-year projection has \$250,000 in net income for FY18, more than the \$0 in the original budget. I also noticed this was because teacher salaries were cut by \$270,000. Did you already enact these cuts?

I appreciate your help with my questions. Thank you.

Best Regards,

Mo

[cid:image003.png@01D30617.C2A7D5F0]Mohammad Bashshiti, CPA School Finance Specialist DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010 Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org<<http://www.dcpsb.org/>>

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]

Sent: Wednesday, July 5, 2017 6:35 PM

To: Mikayla Lytton <mlytton@dcpsb.org>; Mark Addae <maddae@wmstpchs.net>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org>

amp;nbsp; Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

I hope this email finds you well. Per your request, we are sending you the WMST' three-year financial projections. We have set goals and targets moving forward to increase our net income in order to improve our current ratio, days of cash on hand, and net asset position.

In regard to our facility plan, our tentative date to move to the new facility will be December of 2018 as indicated in our June Board Meeting. We currently have a loan balance of \$ 6,232,179. At a sale price of \$9,000,000, we approximate a gain of \$2,500,000 after closing cost and legal fees which we have included in the 2019-2020 budget. A Letter of Intent has been sent to the Developer and we are currently waiting to hear from them.

This facility will include state-of-the-art equipment; four science labs, a gymnasium, a media center, etc. These new additions enhance our academic and extracurricular programs and allow a more competitive high school experience for students; thus, supporting our efforts to increase enrollment.

Please let us know if there are any additional questions.

We appreciate your continued guidance and support.

Thank you.

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpsb.org>]

Sent: Friday, June 30, 2017 3:56 PM

To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi Dr. Diagne,

No problem. Take care and have a lovely weekend.

[cid:image004.png@01D30617.C2A7D5F0]

Mikayla Lytton

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]

Sent: Friday, June 30, 2017 3:56 PM

To: Mikayla Lytton <mlytton@dcpsb.org<<mailto:mlytton@dcpsb.org>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

I am reaching out to request for an extension to submit WMST' three-year financial projections on Wednesday, July 5, 2017. Please let us know if this work for you.

Have a great weekend.

Sincerely,

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpsb.org>]

Sent: Monday, June 26, 2017 6:09 PM

To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Wonderful. Thanks Dr. Diagne. Hope you had a lovely weekend.

[[cid:image004.png@01D30617.C2A7D5F0](#)]

Mikayla Lytton

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]

Sent: Monday, June 26, 2017 4:58 PM

To: Mikayla Lytton <mlytton@dcpsb.org<<mailto:mlytton@dcpsb.org>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

I hope this email finds you well. I apologize for the delay in responding to your email. I was at my Mid-Year Residency for the DCPS EML Program at Georgetown University. With regard to WMST' three-year financial projections, June 30 seems reasonable.

We appreciate your continued support.

Sincerely,

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpcsb.org>]

Sent: Wednesday, June 21, 2017 11:18 PM

To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org<<mailto:MBashshiti@dcpcsb.org>>>

Subject: Re: WMST PCHS: Financial Corrective Action Plan

Thank you, Dr. Diagne, and apologies for me taking a few extra days to respond. We're still discussing your response internally; in the meantime, do you have a timeline of when we can review your three-year financial projections? Does June 30 seem reasonable?

Best,

Mikayla

Mikayla Lytton

Senior Manager, Finance and Strategy Team DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

From: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>

Sent: Friday, June 16, 2017 2:39 PM

To: Mikayla Lytton; Mark Addae

Cc: Mohammad Bashshiti

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

Thank you for providing a summary of our most recent meeting regarding WMST' Finances as well as providing an example of a Financial Corrective Action Plan.

Attached is our response to your request.

If you have questions or clarifications regarding our submission, please do not hesitate to contact me directly.

We appreciate your continued support.

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpcsb.org>]
Sent: Thursday, June 15, 2017 3:24 PM
To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>
Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org<<mailto:MBashshiti@dcpcsb.org>>>
Subject: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne and Mr. Addae,

We appreciate the time you took to meet with us on 5/10/2017. Please see the notes from our meeting and let us know if anything should be corrected for our records: <https://dcpcsb.egnyte.com/dl/62RAoEspdA>

As we discussed over the phone earlier today, and as I hope you understood from our meeting, we are very concerned with the school's financial status and projections. We plan to recommend that the PCSB Board cite the school for an instance of fiscal mismanagement. Revenues have significantly declined the past three years, while expenses have continued to grow, and now the school is in a negative net asset position.

Along with the recommendation of an instance of fiscal mismanagement, we'd like to work with you to develop a Financial Corrective Action Plan (FCAP), setting specific targets for improving WMST's financial health -- to be measured by current ratio, days of cash on hand, and net asset position -- over the next two or three fiscal years. We'd like to start that process by reviewing your financial projections for the next three years, so we can set reasonable targets in the FCAP.

In addition to the projections, we'd also like some brief written comments about the current status of your facility, what you hope to do with it, and what your plans are to relocate.

We'll hope to receive these two things (three-year financial projections; facility status/plans) by June 30. We're also still expecting a contingency budget for FY18 and updated enrollment expectations for 2017-18 from you.

Please let me know if you have questions or concerns. We're happy to meet again in person or find time to talk over the phone.

Best,

Mikayla

I'm also sharing an example of a recent Financial Corrective Action Plan and its monitoring materials, regarding Ideal PCS:

- March 2016: citation for an instance of fiscal mismanagement<<http://www.livebinders.com/media/get/MTMzNjY4NDU=>>, including FCAP requirement
- June 2016: board vote<<http://www.livebinders.com/media/get/MTQwMzY4NjM=>> to approve the FCAP
- November 2016: FY17 Q1 monitoring report<<http://www.livebinders.com/media/get/MTQ4NzcwODY=>> on the FCAP

[cid:image005.png@01D30617.C2A7D5F0]

Mikayla Lytton

Senior Manager, Finance and Strategy Team

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

Campus	School Year	Audited Enrollment (Prior Year)	Current Enrollment	October Count	Audited Enrollment	LEA Enrollment Projection	Final Enrollment Projection
Washington Mathematics Science Technology PCHS	2017-2018	277	221	228	0	317	284

From: nstreeter@dcpcsb.org
To: Sarah H. Cheatham, Taunya Nesin
CC: Pete Petrin, Naomi R. DeVeaux, Scott Pearson
Subject: Re: January review reports
Date: 21-Dec-2017 09:35
Attachments: Re: January review reports .html [\[Save\]](#) [\[Open\]](#)
2017-18 EW Stokes 20 year Preliminary Review Report DRAFT 121617 nls shc.docx [\[Save\]](#) [\[Open\]](#)
2017-18 WMST 20 year Preliminary Review Report DRAFT 12-13-17 nls.docx [\[Save\]](#) [\[Open\]](#)
Creation Date: 21-Dec-2017 09:33
Store Date: 13-Jan-2018 20:03
Message Id: d06f93b2b00c8147b996a9e1bc763756000000416dbb#5f982f16faeec746bb85cec04baec5b7000273e6c9ec

TEXT.htm

ATTACHMENT

Hi Taunya -

[REDACTED]

N-

From: Taunya Nesin
Sent: Wednesday, December 20, 2017 6:35 PM
To: Nicole Streeter; Sarah H. Cheatham; Daniel Quandt
Cc: Naomi R. DeVeaux; Pete Petrin
Subject: Re: January review reports

Hi,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Thanks,

Taunya

Taunya Nesen, Ed.D.

DC PCSB

Desk: 202-330-4049

Cell: 202-696-2829

Twitter: @dcpcsb | Website: dcpcsb.org

From: Taunya Nesen <tnesin@dcpcsb.org>

Date: Sunday, December 17, 2017 at 6:22 PM

To: Nicole Streeter <nstreeter@dcpcsb.org>, "Sarah H. Cheatham" <scheatham@dcpcsb.org>, Daniel Quandt <dquandt@dcpcsb.org>

Cc: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Sujan Sedhai <ssedhai@dcpcsb.org>

Subject: January review reports

Hello,

[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Thanks,

Taunya

Taunya Nesin, Ed.D.

Manager, School Quality and Accountability

DC Public Charter School Board

Desk: 202-330-4049

Cell: 202-696-2829

3333 14th St., NW,

Suite 201 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

From: spearson@dcpcsb.org
To: Nicole Streeter, John Goldman, Naomi R. DeVeaux
CC: Mohammad Bashshiti, Sarah H. Cheatham
Subject: Re: WMST Section 3
Date: 08-Jan-2018 09:22
Attachments: Re: WMST Section 3.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 08-Jan-2018 09:22
Store Date: 13-Jan-2018 20:04
Message Id: d06f93b2b00c8147b996a9e1bc76375600001e4f19a5#5f982f16faeec746bb85cec04baec5b700027fb5d0b4

TEXT.htm

ATTACHMENT

[REDACTED]
[REDACTED]
Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>

Date: Saturday, January 6, 2018 at 3:49 PM

To: Scott Pearson <spearson@dcpcsb.org>, John Goldman <jgoldman@dcpcsb.org>, Nicole Streeter <nstreeter@dcpcsb.org>

Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org>, Sarah Hampton Cheatham <scheatham@dcpcsb.org>

Subject: Fwd: WMST Section 3

Hi Scott and Nicole,

[REDACTED]
[REDACTED]
[REDACTED]

Naomi

Naomi DeVeaux

Deputy Director

DC Public Charter School Board

From: John Goldman

Sent: Saturday, January 6, 2018 3:12:07 PM

To: Naomi R. DeVeaux

Cc: Mohammad Bashshiti; Taunya Nesin

Subject: WMST Section 3

Good afternoon!

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Standing by!

Thanks,

John

PS: The enrollment figures I used here are confirmed by Jessica on Friday and should be used in other locations within the report as needed.

PPS: Thank you to Mo for getting the financial numbers and calculations together late afternoon on Friday.

John Goldman

Senior Manager, Finance and Strategy

DC Public Charter School Board

#xD;

Desk: 202-328-5545

3333 14th St., NW, Suite 201 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

From: dsnyder@dcpcsb.org
To: Ricarda Ganjam, Board, Steve Bumbaugh, Tomeika Bowden, Saba Bireda, Naomi Shelton, Darren Woodruff, Scott Pearson
Subject: RE: Suggested edits to Scott's testimony on the Grosso discipline bill
Date: 30-Jan-2018 08:49
Attachments: RE: Suggested edits to Scott's testimony on the Grosso discipline bill.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
1-30-18 Fair Access to Schools FINAL.pdf [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
image002.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 30-Jan-2018 08:49
Store Date: 03-Feb-2018 16:34
Message Id: 562bd5f5a77f5940bd4b2498305d0ac50000006212b3#1477c5e40f145244beead2f755f0f5ac00028431f1bd

TEXT.htm

ATTACHMENT

Hi all,

Please see the attached final version.

Thanks,

Drew

Drew B. Snyder

Government Relations Liaison

DC Public Charter School Board

Desk: 202-328-5540 | Cell: 202-696-2815

From: Darren Woodruff [mailto:dwoodruff@wethinkshift.org]

Sent: Monday, January 29, 2018 6:51 PM

To: Steve Bumbaugh <sbumbaugh@dcpcsb.org>; Naomi Shelton <nshelton@dcpcsb.org>; Ricarda Ganjam <rganjam@dcpcsb.org>; Scott Pearson <spearson@dcpcsb.org>; Saba Bireda <SBireda@dcpcsb.org>; Board <board@dcpcsb.org>; Tomeika Bowden <tbowden@dcpcsb.org>; Drew Snyder <dsnyder@dcpcsb.org>

Subject: RE: Suggested edits to Scott's testimony on the Grosso discipline bill

Drew – can you send everyone a copy of the final testimony when you're finished with the edits? Thanks!

Darren

From: Steve Bumbaugh [<mailto:sbumbaugh@dcpcsb.org>]

Sent: Monday, January 29, 2018 5:47 PM

To: Naomi Shelton <nshelton@dcpcsb.org>; Ricarda Ganjam <rganjam@dcpcsb.org>; Darren Woodruff <dwoodruff@wethinkshift.org>; Scott Pearson <spearson@dcpcsb.org>; Saba Bireda <SBireda@dcpcsb.org>; Board <board@dcpcsb.org>; Tomeika Bowden <tbowden@dcpcsb.org>; Drew Snyder <dsnyder@dcpcsb.org>

Subject: Re: Suggested edits to Scott's testimony on the Grosso discipline bill

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Get [Outlook for iOS](#)

From: Naomi Shelton

Sent: Monday, January 29, 2018 6:32:48 PM

To: Ricarda Ganjam; Darren Woodruff; Scott Pearson; Saba Bireda; Board; Tomeika Bowden; Drew Snyder

Subject: Re: Suggested edits to Scott's testimony on the Grosso discipline bill

[REDACTED]

Best of luck tomorrow, Scott.

Based on what we've noted here, what are the next steps in our internal discussion following the hearing?

Best,

NNS

Get [Outlook for iOS](#)

From: Ricarda Ganjam

Sent: Monday, January 29, 2018 6:03:29 PM

To: Darren Woodruff; Scott Pearson; Saba Bireda; Board; Naomi Shelton; Tomeika Bowden; Drew Snyder

Subject: Re: Suggested edits to Scott's testimony on the Grosso discipline bill

[REDACTED]

[REDACTED]

Thanks, Ricarda

From: Darren Woodruff <dwoodruff@wethinkshift.org>

Sent: Monday, January 29, 2018 5:09:53 PM

To: Scott Pearson; Saba Bireda; Board; Naomi Shelton; Tomeika Bowden; Drew Snyder

Subject: RE: Suggested edits to Scott's testimony on the Grosso discipline bill

[REDACTED]

Scott - Good luck with the hearing,

Darren

From: Scott Pearson [<mailto:spearson@dcpcsb.org>]

Sent: Monday, January 29, 2018 4:03 PM

To: Saba Bireda <SBireda@dcpcsb.org>; Darren Woodruff <dwoodruff@wethinkshift.org>; Board <board@dcpcsb.org>; Naomi Shelton <nshelton@dcpcsb.org>; Tomeika Bowden <tbowden@dcpcsb.org>; Drew Snyder <dsnyder@dcpcsb.org>

Subject: Re: Suggested edits to Scott's testimony on the Grosso discipline bill

Perfect.

Copying Drew who has the pen right now.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Saba Bireda <SBireda@dcpcsb.org>

Date: Monday, January 29, 2018 at 4:57 PM

To: Darren Woodruff <dwoodruff@wethinkshift.org>, Scott Pearson <spearson@dcpcsb.org>, Board <board@dcpcsb.org>, Naomi Shelton <nshelton@dcpcsb.org>, Tomeika Bowden <tbowden@dcpcsb.org>

Subject: Re: Suggested edits to Scott's testimony on the Grosso discipline bill

Would this work?

[REDACTED]

From: Darren Woodruff <dwoodruff@wethinkshift.org>
Sent: Sunday, January 28, 2018 8:22:46 PM
To: Scott Pearson; Board; Naomi Shelton; Tomeika Bowden
Subject: RE: Suggested edits to Scott's testimony on the Grosso discipline bill#xD;

[REDACTED]

[REDACTED]

[REDACTED]

Thanks,

Darren

From: Scott Pearson [<mailto:spearson@dcpcsb.org>]
Sent: Sunday, January 28, 2018 6:44 PM

To: Darren Woodruff <dwoodruff@wethinkshift.org>; Board <board@dcpcsb.org>; Naomi Shelton <nshelton@dcpcsb.org>; Tomeika Bowden <tbowden@dcpcsb.org>

Subject: Re: Suggested edits to Scott's testimony on the Grosso discipline bill

Darren. Thank you for your thoughtful edits. I'd like to suggest some modifications based on three things:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Thanks. Scott

From: Darren Woodruff <dwoodruff@wethinkshift.org>
Sent: Sunday, January 28, 2018 4:09:54 PM
To: Board; Naomi Shelton; Tomeika Bowden
Subject: Suggested edits to Scott's testimony on the Grosso discipline bill

Good afternoon,

Thanks to Scott and Tomeika for the thoughtful testimony they have prepared for this Tuesday's discipline hearing. I'd like our entire board to review the testimony, be familiar with our position, and be comfortable with responding if asked about it. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Please take a look and provide any feedback that you think would be helpful. Tomeika – please provide the final version ahead of the hearing.

Thanks,

Darren

Outlier Schools: For SY 2016 – 17 there were 118 charter school campuses. The average suspension rate for all schools (EC, Elem, MS, HS, Adult, Alt.)SY 2016-17 was 9.3%. The top 10 suspending schools, representing 6 charter LEAs, have rates 3 to 4 times the sector average and up to 5 times the sector average for students with disabilities.

Top 10 outlier schools

Source: <https://osse.dc.gov/page/2016-17-school-year-equity-reports>

School	Ward	Grades	% African American Students	% of All Students Suspended	% of Students with Disabilities Suspended
KIPP College Prep	5	9-12	99.5%	37.9%	42.5%
KIPP Key	7	5-8	98.2%	37.7%	53.4%
SEED	7	9-12	98.9%	32.4%	49.3%
National Collegiate	8	9-12	100%	31.6%	48.2%
DC Prep Edgewood	5	4-8	88.8%	31.5%	54.5%
Democracy Prep	8	PK3-8	97.1%	30.8%	54.5%
KIPP Aim	8	5-8	100%	30.0%	36.7%
KIPP Will	6	5-8	97.4%	29.8%	44.2%
KIPP Valor	7	5-8	98.2%	28.3%	35.6%
Paul	4	6-8	81.8%	28.1%	42.9%

Low suspension schools, all with rates below the sector average of 9.3%, may be sources of info on effective alternative discipline practices

Source: <https://osse.dc.gov/page/2016-17-school-year-equity-reports>

School	Ward	Grades	% African American Students	% of All Students Suspended	% of Students with Disabilities Suspended
BASIS	1	5-12	35.8%	3.7%	13.3%
Friendship Chamberlain	6	4-8	99.4%	3.9%	6.7%
Friendship Tech Prep	8	6-8	100%	6.6%	12.7%
DC International	4	6-10	35.2%	6.9%	14.1%
Chavez Prep	1	6-9	20.9%	7.2%	6.5%
WMST	5	9-12	98.4%	7.2%	7.4%
Washington Latin	4	5-8	37%	7.5%	17.0%



**Testimony of Scott Pearson
Executive Director
DC Public Charter School Board**

**Student Fair Access to School Act of 2017
Committee on Education
January 30, 2018**

Chairman Grosso, members of the Education Committee, thank you for the opportunity to testify today. My name is Scott Pearson, Executive Director of the DC Public Charter School Board.

The Student Fair Access to School Act of 2017 is a bill which aims to reduce the use of exclusionary discipline in schools, an issue that is very personal to me. You see, I was a "discipline" problem when I was an adolescent. I was suspended multiple times, and, probably would have been expelled had it not been for the intervention of my teacher, Dr. Lorber, who believed I deserved another chance. My school had the choice to expel me and there were moments when perhaps they should have. As I think back, I wasn't expelled for several reasons. One of the reasons was the trusting relationship between me and my teacher mattered. But so too were the wake-up calls I and my parents received when I was suspended. Frankly, for me they served as a strong warning that some of my riskier behaviors would not be tolerated and that I needed to change.

Many years later, as an official in the Obama Administration managing the federal charter school program, I saw how some charter schools were using school discipline as a way to avoid their obligations as public schools. I am a passionate supporter of charter schools as a way to improve public schools but I am equally passionate that they are public schools who need to serve all children.

Because of my experiences as a student and my work at the Department of Education, school discipline was a priority for me from the moment I began as PCSB's Executive Director in 2012. Immediately after joining, we reorganized the agency by creating a team focused exclusively on non-academic matters, like discipline. We immediately began publishing discipline data that had previously been hidden, and we created strict data submission policies to be sure we were getting timely and accurate data. We introduced Equity Reports to the city, which published suspension rates by subgroup for every school, comparing them with citywide averages. Our staff meet monthly to review suspension and expulsion data and we notify outlier schools to tell them their rates are high or disproportionate. We

created an audit policy to more deeply investigate disproportionate suspensions. We created and have held dozens of “board to board meetings” where our board raises the issue of high or disproportionate rates directly with school’s boards. We review every school’s discipline policies every year, to be sure they offer due process protections, safeguards for students with disabilities, and clarity for the school community. We have sponsored many professional development sessions on reducing out-of-school discipline.

This focus has produced meaningful, significant results. In school year 2011, public charter schools expelled 395 students – more than 1% of their student body. Last year, despite serving more than 10,000 additional students than in 2011, expulsions fell to just 90, or one fifth of one percent. We are now well below the national average for similar populations.

Regarding suspensions, since school year 12-13 suspension rates have fallen by more than half in public charter schools, from 14.3% of all students suspended to 9.3% in 16-17. Based on data through December, we forecast this year to be around 7%. A specific challenge that our board is actively addressing is reducing suspensions at a small group of outlier schools. In spite of our overall progress with reducing suspensions we have a small number of schools with highly disproportionate suspension rates between subgroups, including students with disabilities, African American males, and at-risk students. Highly disproportionate rates of exclusionary discipline concern us and we will examine the cause of this disproportionality in order to ensure that students are being disciplined in a fair and equitable manner. We are working with school leaders to address this challenge without disrupting the good work and steady progress occurring at the majority of our schools.

To summarize: expulsions are down more than 80% and suspensions have been cut in half.

We are proud of these results, even as we recognize that we have further to go. We are confident that the approach we have taken will continue to produce meaningful declines in suspension rates.

But as proud as we are of the reduction in suspensions and expulsions, we are equally proud of the WAY we achieved these results. We put in place no edicts, no requirements, no numerical limits, no top-down mandates. Through transparency, dialogue, best-practice sharing, good data, and focused attention, we have brought about change in a way that honors each school’s mission and community. Moreover, we have avoided the negative effects we have been hearing about all day that strict mandates can produce.

While our education community has slashed student suspension and expulsion numbers, test scores at our schools continue to rise even as our schools serve an increasingly vulnerable student population. Due to their flexibility, public charter schools evolved their practices, their philosophies, and their cultures using their own methods in response to each individual school's changing student demographics. They have moved deliberately, ensuring that teachers and staff had the training and the resources they need.

The thoughtful evolution of these practices would not have been possible if, instead of being allowed the liberty to study the problem and craft their own solution, schools were forced to cede day-to-day decisions made by educators to the Wilson building.

I and our school leaders agree with the spirit and goals of reducing disciplinary rates. But we are concerned we are pressing the gas pedal as we are heading toward a curve. The proposals in this bill could put our progress at risk and undo the excellent work being done at the school level.

We must heed the warnings from other jurisdictions. In Highline, Washington, Philadelphia, Pennsylvania, and Los Angeles, California, school discipline reform occurred abruptly and without adequate funding. Teachers were not trained in alternative discipline methods and school climates had to adjust overnight. Because of this, these districts have seen a higher than average teacher turnover rate and an increase in in-class disruption. I appreciate the desire to go faster and push harder but I urge this Council to pause and not tie the hands of educators. Where Council can help students, teachers and school leaders most is to support the core social and emotional needs of students in the District.

Our schools work with a high percentage of at-risk students and we know many inappropriate classroom behaviors can be attributed to underlying issues. Increasingly, schools are asked to address the non-academic issues facing our students. Those same schools are not necessarily equipped with teachers and proper supports to handle some of those new expectations. As you may have seen reported in the Washington Post, 47% of students in the District have faced some sort of trauma. Students are dealing with myriad issues before they even enter a school building and often struggle to get in the best position to learn. Homelessness, poverty, and safe passage, along with mental and physical health are taking their toll on a school's ability to educate its students. If we as a city want to truly create equity and see DC on the rise, we need to reimagine support for public schools that helps students outside of the classroom. Without this, I fear we will not be able to make the progress this city's residents expect, deserve and fund.

As an alternative to this legislation, which I believe is the least helpful approach to accomplishing the goal of reducing exclusionary discipline, I am asking Council to take a more deliberate approach to this important issue. We need an approach that supports schools instead of tying their hands. That approach needs to include parent and student representation, which I would note, was lacking in this summer's working group meetings.

Our great city is well-positioned financially to meet the challenges we face. We need meaningful mental healthcare. We need to make sure students not only feel but *are* safe traveling to and from school. We need to make sure housing in this city is affordable and that our housing policies aren't destabilizing student's school experiences. We need to empower DC nonprofits who are supporting schools and students every day in so many areas. So, I ask you, before the upcoming budget season, please look at areas where each Council committee can help contribute to making sure the whole child is taken care of and schools can get down to the business of educating DC's students.

Thank you again for the opportunity to testify. I am happy to answer any questions that you may have.

From: lmills@dcpcsb.org
To: Scott Pearson
CC: Anne Tomkinson
Subject: Fw: Interim Support
Date: 08-Feb-2018 21:37
Attachments: Fw: Interim Support.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
image002.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 08-Feb-2018 21:37
Store Date: 15-Feb-2018 21:32
Message Id: 39a1028d41e938458b7f091ac89b1057000005ec69b2#39a1028d41e938458b7f091ac89b1057000130b9424b

TEXT.htm

ATTACHMENT

Scott,

Please see the chain below. [REDACTED]

Thanks,
Lenora

From: Naomi R. DeVeaux
Sent: Thursday, February 8, 2018 8:56 PM
To: Lenora Robinson Mills; Anne Tomkinson
Subject: Re: Interim Support

Hi Lenora,
We did exactly that. [REDACTED]
[REDACTED] Happy to talk through with you.
Naomi

Naomi Rubin DeVeaux
Deputy Director, DC PCSB
From: Lenora Robinson Mills
Sent: Thursday, February 8, 2018 3:57:41 PM
To: Anne Tomkinson; Naomi R. DeVeaux
Subject: Re: Interim Support

Naomi,

I just reviewed the list of to-dos from Mo below. Would it be helpful for me to meet with you and Mo to talk through what could be prioritized, taken on by a temp without PCSB knowledge or potentially supported by other PCSB staff?



Lenora Robinson Mills

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

From: Anne Tomkinson <ATomkinson@dcpcsb.org>

Date: Thursday, February 8, 2018 at 3:44 PM

To: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>

Cc: Lenora Robinson Mills <l mills@dcpcsb.org>

Subject: Re: Interim Support

Hi Naomi,

[REDACTED]

Anne



Anne Tomkinson

DC Public Charter School Board

Desk: 202-328-2668

Twitter: @dcpcsb | Website: dcpcsb.org

From: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>
Date: Wednesday, February 7, 2018 at 3:00 PM
To: Anne Tomkinson <ATomkinson@dcpcsb.org>
Subject: Interim Support

Hi Anne,

[REDACTED]

Naomi

Mo

2/5/2018

Things that need to get done:

- Review reports revising the initial versions drafted this summer
- Review reports for FY18-19 (start after FAR is up)
- FY17 FAR – comparing school data with audited data. 40 hours/uninterrupted time; calculate ratios and metrics, observations, printer. Pending audit from Maya. End of March deadline (maybe April).
- Somerset PCS—Scott lead (hire Cindy?)

- December 2017 Interim Financials (all 66 LEAs (second quarter FY18). Need to review all of them (were due on 1/31)
- Board Meeting (February)
 - Richard Wright PCS—complied with FCAP targets
 - Ideal PCS—remove FCAP
 - Maya Angelou PCS—notice of concern (8 week delinquent)
- Board Meeting (September)
 - Richard Wright PCS
- Meridian PCS (unwinding tax credit now)
- WMST may be on an FCAP
- Board meeting minutes
- Mystery Caller
- Financial Amendment Request Analysis
- FY18 Approved Auditors List
- FY17 Procurement Reconciliation (new hire)
- FY18 Procurement Contract Submissions
- New Procurement Contract Policy and Process (Mo/Dan and Naomi need to brief him/her on recent task force meetings and the latest updates.)
- Enrollment Projections (currently on FOSI)
- Charter Applications Financial Section Reviews (Can this be outsourced? Cindy?)
- DC Budget built on projections (Adam and Alex)

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

3333 14th St., NW, Suite 210, Washington DC 20010 – 202-328-2660

From: lmills@dcpcsb.org
To: Anne Tomkinson, Naomi R. DeVeaux
CC: Scott Pearson
Subject: Re: Interim Support
Date: 09-Feb-2018 12:11
Attachments: Re: Interim Support.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
image002.png [\[Save\]](#) [\[Open\]](#)
image003.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 09-Feb-2018 12:11
Store Date: 21-Feb-2018 03:16
Message Id: 39a1028d41e938458b7f091ac89b1057000005ec69b2#39a1028d41e938458b7f091ac89b105700013403a828

TEXT.htm

ATTACHMENT

Hi Naomi and Anne,

Scott would like to move forward with hiring Anne part-time. Anne, can you please reach out to Cindy and work with Naomi to start the process?



Lenora Robinson Mills

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

From: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>
Date: Thursday, February 8, 2018 at 8:56 PM
To: Lenora Robinson Mills <lmills@dcpcsb.org>, Anne Tomkinson <ATomkinson@dcpcsb.org>
Subject: Re: Interim Support

Hi Lenora,

[REDACTED]

Naomi

Naomi Rubin DeVeaux

Deputy Director, DC PCSB

From: Lenora Robinson Mills

Sent: Thursday, February 8, 2018 3:57:41 PM

To: Anne Tomkinson; Naomi R. DeVeaux

Subject: Re: Interim Support

Naomi,

I just reviewed the list of to-dos from Mo below. Would it be helpful for me to meet with you and Mo to talk through what could be prioritized, taken on by a temp without PCSB knowledge or potentially supported by other PCSB staff?



Lenora Robinson Mills

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

From: Anne Tomkinson <ATomkinson@dcpesb.org>

Date: Thursday, February 8, 2018 at 3:44 PM

To: "Naomi R. DeVeaux" <Naomi@dcpsb.org>
Cc: Lenora Robinson Mills <lmills@dcpsb.org>;
Subject: Re: Interim Support

Hi Naomi,

[REDACTED]

Anne



Anne Tomkinson

DC Public Charter School Board

Desk: 202-328-2668

Twitter: @dcpsb | Website: dcpsb.org

From: "Naomi R. DeVeaux" <Naomi@dcpsb.org>
Date: Wednesday, February 7, 2018 at 3:00 PM
To: Anne Tomkinson <ATomkinson@dcpsb.org>
Subject: Interim Support

Hi Anne,

amp;nbsp;

Naomi

Mo

2/5/2018

Things that need to get done:

- Review reports revising the initial versions drafted this summer
- Review reports for FY18-19 (start after FAR is up)
- FY17 FAR – comparing school data with audited data. 40 hours/uninterrupted time; calculate ratios and metrics, observations, printer. Pending audit from Maya. End of March deadline (maybe April).
- Somerset PCS—Scott lead (hire Cindy?)
- December 2017 Interim Financials (all 66 LEAs (second quarter FY18). Need to review all of them (were due on 1/31)
- Board Meeting (February)
 - Richard Wright PCS—complied with FCAP targets
 - Ideal PCS—remove FCAP
 - Maya Angelou PCS—notice of concern (8 week delinquent)
- Board Meeting (September)
 - Richard Wright PCS
- Meridian PCS (unwinding tax credit now)
- WMST may be on an FCAP
- Board meeting minutes
- Mystery Caller
- Financial Amendment Request Analysis
- FY18 Approved Auditors List
- FY17 Procurement Reconciliation (new hire)
- FY18 Procurement Contract Submissions
- New Procurement Contract Policy and Process (Mo/Dan and Naomi need to brief him/her on recent task force meetings and the latest updates.)
- Enrollment Projections (currently on FOSI)
- Charter Applications Financial Section Reviews (Can this be outsourced? Cindy?)
- DC Budget built on projections (Adam and Alex)

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

3333 14th St., NW, Suite 210, Washington DC 20010 – 202-328-2660

From: ssedhai@dcpcsb.org
To: Paul Kihn, Navarro, Sarah (DCPS), Naomi R. DeVeaux
CC: Alyssa Noth, Gaal, Michael (DCPS), Rashida Tyler, Taunya Nesin, Pick, Brian (DCPS), Scott Pearson
Subject: Re: <Update> Credit Recovery RSVP
Date: 09-Feb-2018 07:54
Attachments: Re: <Update> Credit Recovery RSVP.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 09-Feb-2018 07:54
Store Date: 17-Feb-2018 17:17
Message Id: b7396cd8dedc5b4b858a48fe424cc502000000b89436#1578272e81d453498cdb0424d32624ea00028f0d3bf9

TEXT.htm

ATTACHMENT

Hi all,

Below are some options. Sarah/Paul, let me know what will work on your end.

Monday, 2/12: 1-2 or 3-4

Tuesday, 2/13: 3:30-5

Wednesday, 2/14: anytime 12-4

Best,

Sujan Sedhai

DC Public Charter School Board

Direct (202) 328-3865 | Cell (202) 696-2852

Twitter: @dcpcsb | Website: dcpcsb.org

DC public charter school quality continues to rise, check out the 2016 School Quality Reports [here](#) to learn more.

From: Sarah Navarro <sarah.navarro@dc.gov>

Date: Thursday, February 8, 2018 at 9:16 PM

To: Naomi DeVeaux <Naomi@dcpcsb.org>, Paul Kihn <paulkihn@gmail.com>

Cc: Alyssa Noth <ANoth@dcpcsb.org>, Michael Gaal <michael.gaal@dc.gov>, Rashida Tyler

<rtyler@dcpsb.org>, Scott Pearson <spearson@dcpsb.org>, Sujan Sedhai <ssedhai@dcpsb.org>, Taunya Nesin <tnesin@dcpsb.org>, Brian Pick <Brian.Pick@dc.gov>

Subject: RE: <Update> Credit Recovery RSVP

Thanks, Sujan and Paul — Brian and I are in too! Just let us know some times that work and we'll get it on the books.

From: Naomi R. DeVeaux [mailto:Naomi@dcpsb.org]

Sent: Wednesday, February 7, 2018 10:27 PM

To: Paul Kihn <paulkihn@gmail.com>

Cc: Alyssa Noth <ANoth@dcpsb.org>; Gaal, Michael (DCPS) <michael.gaal@dc.gov>; Rashida Tyler <rtyler@dcpsb.org>; Navarro, Sarah (DCPS) <sarah.navarro@dc.gov>; Pearson, Scott (DCPCSB) <spearson@dcpsb.org>; Sujan Sedhai <ssedhai@dcpsb.org>; Taunya Nesin <tnesin@dcpsb.org>; Pick, Brian (DCPS) <Brian.Pick@dc.gov>

Subject: Re: <Update> Credit Recovery RSVP

I'm all in! Thanks, Sujan and Paul, for scheduling. Brian and Sarah, does this work for you?
Naomi

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

3333 14th St., NW, Suite 210, Washington DC 20010 – 202-328-2660

From: Paul Kihn <paulkihn@gmail.com>

Date: Thursday, February 1, 2018 at 6:03 PM

To: Naomi DeVeaux <Naomi@dcpsb.org>

Cc: Alyssa Noth <ANoth@dcpsb.org>, Michael Gaal <michael.gaal@dc.gov>, Rashida Tyler <rtyler@dcpsb.org>, Sarah Navarro <sarah.navarro@dc.gov>, Scott Pearson <spearson@dcpsb.org>, Sujan Sedhai <ssedhai@dcpsb.org>, Taunya Nesin <tnesin@dcpsb.org>, Brian Pick <Brian.Pick@dc.gov>

Subject: Re: <Update> Credit Recovery RSVP

Hi Naomi - nothing scheduled yet. Why don't we just try to convene as you suggest if folks on this email agree -- and I'll then take this up with Sujan. Brian - I'm also very happy to talk in advance of a group planning discussion, to share context and material if you'd find that useful.

Take care,

Paul

On Wed, Jan 31, 2018 at 9:37 AM Naomi R. DeVeaux <Naomi@dcpsb.org> wrote:

Hi Paul,

Looping in Brian on this email so that we are all (DCPS and PCSB) on one chain. I am in favor of keeping the agenda more or less the same as originally planned but think it's wise to revisit. Perhaps it would be most productive (and time-saving) if you met with Sarah and Brian along with Rashida Tyler (who is *almost* back from maternity leave), Alyssa, and/or me (depending on Rashida's schedule). This way we can come to a final agenda and powerpoint jointly. I think that may be easier for you, too. I am happy to offer Sujan's time (thanks, sujan,) to help schedule time when we are all free. Also happy to host an in-person meeting here or to travel to DCPS or to convene by phone.

Do you have a date yet with Sarah and Brian? Perhaps we can schedule a joint meeting after you have had a chance to meet with them?

Best,

Naomi

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

3333 14th St., NW, Suite 210, Washington DC 20010 – [202-328-2660](tel:202-328-2660)

From: Paul Kihn <paulkihn@gmail.com>

Date: Tuesday, January 30, 2018 at 9:46 PM

To: Naomi DeVeaux <Naomi@dcpsb.org>

Cc: Alyssa Noth <ANoth@dcpsb.org>, Michael Gaal <michael.gaal@dc.gov>, Rashida Tyler <rt Tyler@dcpsb.org>, Sarah Navarro <sarah.navarro@dc.gov>, Scott Pearson <spearson@dcpsb.org>, Sujan Sedhai <ssedhai@dcpsb.org>, Taunya Nesin <tnesin@dcpsb.org>

Subject: Re: FW: <Update> Credit Recovery RSVP

[Hi Naomi -](#)

I don't yet have a presentation since we are in the middle of confirming the agenda, per my discussions with Scott last Tuesday and Sarah last Thursday. Sarah took as a next step to convene a call with me and her and Brian Pick, who now owns credit recovery at DCPS, which seems like a good idea. However if you and/or Michael and/or Scott have an agenda in mind or want to use the one I developed before (attached), let me know - or if you have another process going please just let me know what you need. For reference, I'm attaching here the old presentation -- and I imagine the content will stay largely the same, but we still need to confirm based on our objectives for the gathering.

As a note, the couple of important framing points we've now said we want to hit include: credit recovery is for students who have failed a class; and also that our credit recovery discussion is grounded in the fact that we've got to ensure the same rigor as is offered in traditional courses. (Both of these things were implicit in the earlier work, but we likely need to make these a written, explicit part of what we show.)

Paul

On Tue, Jan 30, 2018 at 8:53 PM Naomi R. DeVeaux <Naomi@dcpsb.org> wrote:

Hi Paul,

Can you please send all of us on this email chain the powerpoint that you plan to use for the convening? DCPS would like to run it by DME, I understand, and that will need a few day turn-around. Thank you!
Naomi

Naomi Rubin DeVeaux

Deputy Director

3333 14th St., NW, Suite 210, Washington DC 20010 – [202-328-2660](tel:202-328-2660)

From: Sujan Sedhai <ssedhai@dcpsb.org>

Date: Tuesday, January 30, 2018 at 4:08 PM

To: Sarah Navarro <sarah.navarro@dc.gov>, Michael Gaal <michael.gaal@dc.gov>, Naomi DeVeaux <Naomi@dcpsb.org>, "Ferguson, Ursula (DCPS)" <Ursula.Ferguson@dc.gov>, Scott Pearson <spearson@dcpsb.org>, Paul Kihn <paulkihn@gmail.com>

Cc: Alyssa Noth <ANoth@dcpsb.org>, Rashida Tyler <rtyler@dcpsb.org>

Subject: <Update> Credit Recovery RSVP

Hello everyone,

Please see below for the most recent RSVP updates as well as questions/comments submitted from both PCSB and DCPS school leaders. Paul- When you get chance, can you send over the PowerPoint?

Next steps-I will follow up a week prior to the event with the livebinder link which will contain the finalized PowerPoint, agenda, and any additional logistical information. Meantime, please let me know if there is anything I can assist with.

-Sujan

Attending PCSB	School Leader	Attending DCPS
Cesar Chavez- Capitol Hill HS PCS	Sarah Lehar	Anacostia HS
DC International School PCS	Simon Rodberg	Anacostia HS
DC International School PCS	Deidra Bailey	Anacostia HS

E.L. Haynes PCS	Hilary Darilek	Cardozo EC
Friendship PCS	Patricia Brantley	Columbia Heights EC
National Collegiate Prep PCS	Alicia Waldon	DCPS-Central Office
Parkside HS-Cesar Chavez PCS	William Massey	DCPS-Central Office
Paul PCS	Tracy Wright	DCPS-Central Office
Paul PCS	Charlotte Spann	DCPS-Central Office
Thurgood Marshall Academy PCS	Richard Pohlman	DCPS-Central Office
Goodwill Excel Center PCS	Catherine Meloy	Dunbar HS
IDEA PCS	Justin Rydstrom	H.D. Woodson HS
KIPP DC PCS	Susan Toth	IYP & YSC
National Collegiate Prep PCS	Alicia Waldon	Luke C. Moore HS
National Collegiate Prep PCS	Jennifer Ross	Luke C. Moore HS
National Collegiate Prep PCS	Dr. Dianne Brown	Roosevelt Stay HS
Washington Leadership Academy	Stacy Kane	
Capital City PCS	Karen Dresden	
Washington Latin PCS	James Kelly	
WMST-HS PCS	Ndeye Diagne	

Total- 15 LEAs

Total- 8 Schools

Please list any questions or concerns you have regarding credit recovery and your school.

Credit recovery is a major challenge for us, looking forward to learning from others.

Credit Recovery options for students in different situations: Failure due to Attendance versus Failure due to Competency.

For a single-site LEA, how can we collaborate with others in a reasonable way to offer credit recovery?

How do we approach credit recovery in a mastery-based grading system?

I am concerned about the budget.

I am concerned that the budget is not big enough to hire all the teachers and support to run an effective credit recovery program.

I want to ensure that everyone who touches credit recovery in the school or centralized office are clear on the scope of credit recovery and what does the work mean. Having a form of knowledge and understanding of the groundwork are two different things. I appreciate the opportunity to be on a platform of discussing credit recovery for DCPS.

Very interested in how schools can partner to offer courses that fewer students (at our LEA) may need. It is resource-wise to offer courses when only a few students need to make it up.

Other questions-- how could courses be standards-based to students work on the standards they need to ensure that credit recovery courses have same rigor/high expectations? How might online courses be an issue and not involve students traveling as much for courses?

What is the 80% mastery requirement for credit recovery?

Seat hours - is it a requirement for ECR?

What are some take aways you would like to get from attending this meeting?

Address alternative tracks towards HS diploma for the over aged -under credit students.

An open and collaborative conversation with clear steps of moving forward.

Available resources for support.

Best practices for structuring credit recovery.

Best practices nationally, and where we are seeing the most promising practices locally.

Clarification of expectations of Credit Recovery/ attendance policy/ Grading.

Clarity on remaining issues, support from Central Office.

Clear policies, guidelines, and next steps

I want to be properly informed and trained on the policies so I can make sure my school is always

I would love to learn about opportunities for cross-LEA collaboration on credit recovery.

Knowledge of some of the other best practices across the district.

Looking forward to learning strong practices in this area.

People are more informed about the work and the efforts that the DCPS Credit Recovery Center /TW Coordinators and their teams have put into the development of credit recovery within DCPS challenges and successes and we feel we and the work we do need to be supported.

Understanding how schools can work in partnership. Learn more about what high schools are doing and what resources are available to support.

Various models for credit recovery for students with truancy issues

Ways in which others have handled similar issues at other schools. What common issues deserve oversight entities.

Best,

Sujan Sedhai

From: ndiagne@wmstpchs.net
To: Taunya Nesin
CC: Nicole Streeter, Sarah H. Cheatham, Mohammad Bashshiti, Pete Petrin, Naomi R. DeVeaux, deneen_long@yahoo.com, Scott Pearson
Subject: RE: WMST PCS 20-year Preliminary Review Report and Appendix
Date: 13-Feb-2018 16:40
Attachments: RE: WMST PCS 20-year Preliminary Review Report and Appendix.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 13-Feb-2018 16:40
Store Date: 17-Feb-2018 17:18
Message Id: b7396cd8dedc5b4b858a48fe424cc502000000b89436#1578272e81d453498cdb0424d32624ea000292b978c5

TEXT.htm

ATTACHMENT

Hello Ms. Nesin:

Please forgive my delay in sending this response. I was attending meetings and observing classes all day. We appreciate your attention in reading our responses and providing additional feedback. In an effort to provide a full response to your questions and concerns, we would appreciate additional time to complete that tasks. Thus, we ask that you delay the vote until the March 19th Board Meeting.

Thank you for your willingness to accommodate our requests.

Sincerely,

Dr. Diagne

From: Taunya Nesin [mailto:tnesin@dcpcsb.org]
Sent: Friday, February 09, 2018 12:17 PM
To: N'Deye Diagne <ndiagne@wmstpchs.net>
Cc: Scott Pearson <spearson@dcpcsb.org>; Naomi R. DeVeaux <Naomi@dcpcsb.org>; Nicole Streeter <nstreeter@dcpcsb.org>; Sarah H. Cheatham <scheatham@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Pete Petrin <PPetrin@dcpcsb.org>; deneen_long@yahoo.com
Subject: Re: WMST PCS 20-year Preliminary Review Report and Appendix

Dear Dr. Diagne,

Thank you for your feedback on the preliminary report.

Section 1 and Section 2

We appreciate the additional information. We are happy to include your response as part of the Appendix to the report. However, the content of the report and the conditions will remain the same.

Section 3

The report will remain as is (including the condition related to school finance) until DC PCSB obtains concrete evidence that the building is going to be sold at the stated price of \$9 million. The FY 2017 financial statement audit revealed significant concerns surrounding the economic viability of the school. If you require more time, we can hold your vote during the **March 19, 2018** board meeting. Please let us know if you would like to discuss this further with Mohammad Bashshiti (copied here). Also let me know if you would like to move your vote to the March date.

Best,

Taunya

Taunya Nesin, Ed.D.

DC PCSB

Desk: 202-330-4049

Cell: 202-696-2829

Twitter: @dcpcsb | Website: dcpcsb.org

From: N'Deye Diagne <ndiagne@wmstpchs.net>

Date: Monday, February 5, 2018 at 6:17 PM

To: Taunya Nesin <tnesin@dcpcsb.org>

Cc: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, "Sarah H. Cheatham" <scheatham@dcpcsb.org>, Pete Petrin <PPetrin@dcpcsb.org>, "deneen_long@yahoo.com" <deneen_long@yahoo.com>, Scott Pearson <spearson@dcpcsb.org>

Subject: RE: WMST PCS 20-year Preliminary Review Report and Appendix

Good Evening Ms. Nesin,

This note is written to confirm that we have reviewed the DC Public Charter School Board 2017-18 Preliminary Twenty-Year Charter Renewal Report for WMST PCHS. Per your request, we have attached a response to each of your concerns/areas presented in that document. If you have any additional questions, need more clarity or would like added responses, please do not hesitate to contact me at the above email address or by the school's telephone member at (202) 636-8011. If preferred, I am willing to meet with you to discuss these responses as well.

Sincerely,

N'Deye, Diagne, Ph.D.

From: Taunya Nesin [<mailto:tnesin@dcpcsb.org>]

Sent: Friday, January 26, 2018 10:04 AM

To: N'Deye Diagne <ndiagne@wmstpchs.net>

Cc: Naomi R. DeVeaux <Naomi@dcpcsb.org>; Sarah H. Cheatham <scheatham@dcpcsb.org>; Pete Petrin <PPetrin@dcpcsb.org>

Subject: Re: WMST PCS 20-year Preliminary Review Report and Appendix

Dear Dr. Diagne,

Hope all is well.

I wanted to touch base about the review report. Would you be able to provide any feedback by COB **Monday, January 29**? Also please let me know if you would like to schedule a meeting to discuss the report.

Best,

Taunya

Taunya Nesin, Ed.D.

DC PCSB

Desk: 202-330-4049

Cell: 202-696-2829

Twitter: @dcpcsb | Website: dcpcsb.org

From: N'Deye Diagne <ndiagne@wmstpchs.net>

Date: Friday, January 19, 2018 at 6:42 PM

To: Taunya Nesin <tnesin@dcpcsb.org>

Cc: Scott Pearson <spearson@dcpcsb.org>, "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Nicole Streeter <nstreeter@dcpcsb.org>, "Sarah H. Cheatham" <scheatham@dcpcsb.org>

Subject: RE: WMST PCS 20-year Preliminary Review Report and Appendix

Good Evening Dr. Nesin:

This note is written to confirm that we have reviewed the DC Public Charter School Board 2017-18 Preliminary Twenty-Year Charter Renewal Report for WMST PCSH. Per your request, we are in the process of creating a response to each of your concerns/areas presented in that document. However, in order to adequately provide feedback that fully address each of those questions and/or concerns, we request more time to complete that document. Please let us know if you are able to grant our request.

Thank you for your attention to this matter.

Best,

Dr. Diagne

From: Taunya Nesin [<mailto:tnesin@dcpcsb.org>]

Sent: Wednesday, January 17, 2018 7:44 AM

To: N'Deye Diagne <ndiagne@wmstpchs.net>

Cc: Scott Pearson <spearson@dcpcsb.org>; Naomi R. DeVeaux <Naomi@dcpcsb.org>; Nicole Streeter <nstreeter@dcpcsb.org>; Sarah H. Cheatham <scheatham@dcpcsb.org>

Subject: WMST PCS 20-year Preliminary Review Report and Appendix

Dear Dr. Diagne,

On behalf of DC PCSB, please use the links below to download the preliminary review report and appendix for WMST PCS.

WMST PCS – Preliminary Review Report

<https://dcpcsb.egnyte.com/dl/DGIOHXb6bC>

WMST PCS – Appendix

<https://dcpcsb.egnyte.com/dl/nXhwfKHact>

We call the report preliminary because we welcome your feedback on it. Please let me know if you have any trouble with the links. Last week you said you could give me the number of participants in various programs that you offer. I left the table in this version if you can provide the numbers.

The DC PCSB Board is scheduled to vote on this charter review at its **January 22** meeting. At the meeting, we will summarize the report findings. Before the DC PCSB Board votes on your charter's continuance, board members will most likely have questions for you - either about the report findings, or about your program in general.

Please let me know if you have any feedback or questions by **Friday, January 19**.

Best,

Taunya Nesin

Taunya Nesin, Ed.D.

Manager, School Quality and Accountability

DC Public Charter School Board


Desk: 202-330-4049

Cell: 202-696-2829

3333 14th St., NW,

Suite 201 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

From: mbashshiti@dcpcsb.org
To: Alexandra Foust, Lenora Robinson Mills, Naomi R. DeVeaux, Scott Pearson
Subject: FW: WMST PCHS: Financial Corrective Action Plan
Date: 21-Feb-2018 15:29
Attachments: FW: WMST PCHS: Financial Corrective Action Plan.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image002.jpg [\[Save\]](#) [\[Open\]](#)
2017-2018 Monthly Financial Statements December(GBFQ)(WashinMathSciencTechnoPCS).xlsx [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
WMST FY17 Financial Audit.pdf [\[Save\]](#) [\[Open\]](#)
Forwarded:  RE: WMST - Q1 2018 Financial Statements
Creation Date: 21-Feb-2018 15:29
Store Date: 26-Feb-2018 15:01
Message Id: ff7d472a131ce342b7f120e580c62c990000091267b1#ff7d472a131ce342b7f120e580c62c99000028e4a6fe1

TEXT.htm

ATTACHMENT

Hi, everyone,

Scott just came by my office and we're attempting to meet soon before the board meeting, because I'm not confident WMST will make it through the year. Forwarding this e-mail from about 3 months ago.

Also attached the most recent *unaudited* financials (12/31/2017), which I don't particularly trust given WMST's history of providing unreliable numbers. For example, the Statement of Activities shows the school running a surplus of \$341,828, which is highly unlikely given the weak enrollment trends. These financials do highlight a number of concerns, including 9 days of cash on hand, a current ratio of 0.35, a debt ratio of 1.11, etc.

Hoping we can all meet tomorrow. Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist



3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Mohammad Bashshiti

Sent: Monday, December 4, 2017 5:07 PM

To: Scott Pearson <spearson@dcpsb.org>; Naomi R. DeVeaux <Naomi@dcpsb.org>; Nicole Streeter <nstreeter@dcpsb.org>; Lenora Robinson Mills <lmills@dcpsb.org>; Sarah H. Cheatham <scheatham@dcpsb.org>; John Goldman <jGoldman@dcpsb.org>

Subject: WMST PCHS: Financial Corrective Action Plan

Hi, Scott and everyone else,

I was reviewing WMST's FY 2017 financial audit. Please look for my highlights in the PDF. There are many concerning items we might need to handle through an FCAP:

1. The auditors said the school's significant operating losses raise substantial doubt about its ability to continue as a going concern.
 1. One of the school's "aggressive plans" to remedy this doubt, as outlined in the report, was to "recruit new students to enroll in WMST".
 - i. However, the October 2017 count was down to 228, so that plan hasn't been effective.

▼ Campus	School Year	Audited Enrollment (Prior Year)	Current Enrollment	October Count	Audited Enrollment	LE Enroll Proje
Washington Mathematics Science Technology PCHS	2017-2018	277	221	228	0	3

2. The auditors stated the school "did not properly account for and record payables as part of its year end close process in accordance with U.S. GAAP." Additionally, the school "did not properly account for depreciation on fixed assets in accordance with U.S. GAAP." The errors resulted in **expenses being understated by nearly \$400,000.**
 1. Payables and fixed assets are very straightforward, so the fact that the school had such difficulties is a poor reflection of its accounting staff.

3. The school failed to record deferred revenue in FY18 interim statements. For example, they recorded the entire FY 2018 Q1 payment as July 2017 revenue, which is completely against GAAP. They weren't aware of the error until I told them to correct it.
4. At 9/30/2017, the school is down to about \$79,000 in cash. Please see the e-mail for my correspondence with Mark Addae.

Please let me know if you have any questions or thoughts on how to proceed. Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Scott Pearson

Sent: Friday, August 18, 2017 6:38 PM

To: Naomi R. DeVaux <Naomi@dcpsb.org>; Nicole Streeter <nstreeter@dcpsb.org>; Lenora Robinson Mills <lmills@dcpsb.org>; Sarah H. Cheatham <scheatham@dcpsb.org>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org>

Subject: Re: READ FW: WMST PCHS: Financial Corrective Action Plan

[REDACTED]

Scott

Scott Pearson
Executive Director
DC Public Charter School Board
spearson@dcpsb.org
202-495-8722
www.dcpsb.org
@sdpearson

From: Naomi R. DeVeaux
Sent: Friday, August 18, 2017 5:53:49 PM
To: Scott Pearson; Nicole Streeter; Lenora Robinson Mills; Sarah H. Cheatham
Cc: Mohammad Bashshiti
Subject: READ FW: WMST PCHS: Financial Corrective Action Plan

Hi Scott,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Naomi

Naomi Rubin DeVeaux
Deputy Director
DC Public Charter School Board
Desk: 202-328-2666
Twitter: @dcpsb | Website: dcpsb.org

DC public charter school quality continues to rise, check out the 2016 School Quality Reports here <<http://www.dcpsb.org/report/school-quality-reports-pmf>> to learn more.

On 8/18/17, 5:43 PM, "Mohammad Bashshiti" <MBashshiti@dcpsb.org> wrote:

Scott and Naomi,

[REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Mohammad Bashshiti, CPA
School Finance Specialist
DC Public Charter School Board
3333 14th Street NW, Suite 210 | Washington, DC 20010
Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488
Website: www.dcpsb.org

-----Original Message-----

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]
Sent: Friday, August 18, 2017 5:23 PM
To: Mohammad Bashshiti <MBashshiti@dcpsb.org>; Mark Addae <maddae@wmstpchs.net>
Cc: Cindy Gertz <CGertz@dcpsb.org>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Mr. Bashshiti,

I hope this email finds you well. I just finished a meeting with the WMST Recruitment Team to verify student enrollment count. Attached are the number of students by grade level as of today.

Mr. Addae and I will be working on an adjusted budget to reflect the current enrollment tomorrow. We have made the necessary salaries cut, based on 260 students. Additional salaries cut will take place based on the current enrollment. A letter has been prepared by WMST Legal Counsel to address additional staff lay off (please see attached template). We will address your other questions tomorrow.

Please let us know if you have any questions.

Sincerely,

Dr. Diagne

-----Original Message-----

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpsb.org>]
Sent: Tuesday, August 15, 2017 3:52 PM
To: N'Deye Diagne <ndiagne@wmstpchs.net>; Mark Addae <maddae@wmstpchs.net>
Cc: Cindy Gertz <CGertz@dcpsb.org>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne,

I hope you're well. Cindy and I are still waiting on replies to the e-mails below. Here's a quick summary of what we need:

- 1) All updates on the new facility (developments past the letter of intent stage, timeframe to build, expected move-in date, etc.)
- 2) Why is the recognition of the gain on the building sale in FY 2020, when the move is in FY 2019? How did you come up with \$2.5 million?
- 3) Did you enact cuts in teaching salaries of \$270,000? Or are the cuts contingent on enrollment?

4) The FY2017 Q4 Financial Statements. These were due on 7/31/2017, so they're now over two weeks late.

5) What is the most recent figure you have for enrollment as of today?

Thanks for your timely attention to these questions.

Best Regards,
Mo

Mohammad Bashshiti, CPA
School Finance Specialist
DC Public Charter School Board
3333 14th Street NW, Suite 210 | Washington, DC 20010 Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488
Website: www.dcpsb.org

-----Original Message-----

From: Mohammad Bashshiti

Sent: Monday, August 7, 2017 1:51 PM

To: 'N'Deye Diagne' <ndiagne@wmstpchs.net>; Mikayla Lytton <mlytton@dcpsb.org>; Mark Addae <maddae@wmstpchs.net>

>

Cc: Cindy Gertz <CGertz@dcpsb.org>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi, Dr. Diagne,

I'm sorry to hear about your family emergency. I hope the situation improves. In addition to my questions below, please provide the FY 2017 Q4 Financial Statements as soon as possible. They were due in Epicenter on 7/31/2017.

Looking forward to hearing from you soon. Thanks.

Best Regards,
Mo

Mohammad Bashshiti, CPA
School Finance Specialist
DC Public Charter School Board
3333 14th Street NW, Suite 210 | Washington, DC 20010 Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488
Website: www.dcpsb.org

-----Original Message-----

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]

Sent: Friday, August 4, 2017 11:52 AM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>; Mikayla Lytton <mlytton@dcpsb.org>; Mark Addae <maddae@wmstpchs.net>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Mr. Bashshiti,

I hope all is well. I am sorry for the delay in responding to your request. I am currently out of town for a family emergency. I will be back at the school on August 9th and I will respond to your email before the end of that week.

Sincerely,

Dr. Diagne

From: Mohammad Bashshiti [MBashshiti@dcpcsb.org]
Sent: Wednesday, July 26, 2017 2:16 PM
To: N'Deye Diagne; Mikayla Lytton; Mark Addae
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne,
I hope you're doing well. Thank you for providing this information.

Do you have any updates on the new facility? The last time we heard from you, the only thing complete was the letter of intent sent to the developer. Do you expect to be ready for the move 16 months from now? Also, was the gain included in FY 2020 because you anticipate it will take a long time to sell the current property?

I noticed the 3-year projection has \$250,000 in net income for FY18, more than the \$0 in the original budget. I also noticed this was because teacher salaries were cut by \$270,000. Did you already enact these cuts?

I appreciate your help with my questions. Thank you.

Best Regards,
Mo

[cid:image003.png@01D30617.C2A7D5F0]Mohammad Bashshiti, CPA School Finance Specialist DC Public Charter School Board
3333 14th Street NW, Suite 210 | Washington, DC 20010 Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488
Website: www.dcpcsb.org<<http://www.dcpcsb.org>>

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]
Sent: Wednesday, July 5, 2017 6:35 PM
To: Mikayla Lytton <mlytton@dcpcsb.org>; Mark Addae <maddae@wmstpchs.net>
Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

I hope this email finds you well. Per your request, we are sending you the WMST' three-year financial projections. We have set goals and targets moving forward to increase our net income in order to improve our current ratio, days of cash on hand, and net asset position.

In regard to our facility plan, our tentative date to move to the new facility will be December of 2018 as indicated in our June Board Meeting. We currently have a loan balance of \$ 6,232,179. At a sale price of \$9,000,000, we approximate a gain of \$2,500,000 after closing cost and legal fees which we have included in the 2019-2020 budget. A Letter of Intent has been sent to the Developer and we are currently waiting to hear from them.

This facility will include state-of-the-art equipment; four science labs, a gymnasium, a media center, etc. These new additions enhance our academic and extracurricular programs and allow a more competitive high school experience for students; thus, supporting our efforts to increase enrollment.

Please let us know if there are any additional questions.

We appreciate your continued guidance and support.

Thank you.

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpsb.org>]

Sent: Friday, June 30, 2017 3:56 PM

To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Hi Dr. Diagne,

No problem. Take care and have a lovely weekend.

[[cid:image004.png@01D30617.C2A7D5F0](#)]

Mikayla Lytton

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]

Sent: Friday, June 30, 2017 3:56 PM

To: Mikayla Lytton <mlytton@dcpsb.org<<mailto:mlytton@dcpsb.org>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

I am reaching out to request for an extension to submit WMST' three-year financial projections on Wednesday, July 5, 2017. Please let us know if this work for you.

Have a great weekend.

Sincerely,

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpsb.org>]

Sent: Monday, June 26, 2017 6:09 PM

To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Wonderful. Thanks Dr. Diagne. Hope you had a lovely weekend.

[[cid:image004.png@01D30617.C2A7D5F0](#)]

Mikayla Lytton

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

From: N'Deye Diagne [<mailto:ndiagne@wmstpchs.net>]

Sent: Monday, June 26, 2017 4:58 PM

To: Mikayla Lytton <mlytton@dcpsb.org<<mailto:mlytton@dcpsb.org>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>

Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

I hope this email finds you well. I apologize for the delay in responding to your email. I was at my Mid-Year Residency for the DCPS EML Program at Georgetown University. With regard to WMST' three-year financial projections, June 30 seems reasonable.

We appreciate your continued support.

Sincerely,

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpsb.org>]

Sent: Wednesday, June 21, 2017 11:18 PM

To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>

Cc: Mohammad Bashshiti <MBashshiti@dcpsb.org<<mailto:MBashshiti@dcpsb.org>>>

Subject: Re: WMST PCHS: Financial Corrective Action Plan

Thank you, Dr. Diagne, and apologies for me taking a few extra days to respond. We're still discussing your response internally; in the meantime, do you have a timeline of when we can review your three-year financial projections? Does June 30 seem reasonable?

Best,

Mikayla

Mikayla Lytton

amp;nbsp; Senior Manager, Finance and Strategy Team DC Public Charter School Board
Desk: 202-328-5545
Cell: 202-696-2414
3333 14th St., NW, Suite 210 | Washington, DC 20010
Twitter: @dcpcsb | Website: dcpcsb.org

From: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>
Sent: Friday, June 16, 2017 2:39 PM
To: Mikayla Lytton; Mark Addae
Cc: Mohammad Bashshiti
Subject: RE: WMST PCHS: Financial Corrective Action Plan

Good Afternoon Ms. Lytton,

Thank you for providing a summary of our most recent meeting regarding WMST' Finances as well as providing an example of a Financial Corrective Action Plan.

Attached is our response to your request.

If you have questions or clarifications regarding our submission, please do not hesitate to contact me directly.

We appreciate your continued support.

Dr. Diagne

From: Mikayla Lytton [<mailto:mlytton@dcpcsb.org>]
Sent: Thursday, June 15, 2017 3:24 PM
To: N'Deye Diagne <ndiagne@wmstpchs.net<<mailto:ndiagne@wmstpchs.net>>>; Mark Addae <maddae@wmstpchs.net<<mailto:maddae@wmstpchs.net>>>
Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org<<mailto:MBashshiti@dcpcsb.org>>>
Subject: WMST PCHS: Financial Corrective Action Plan

Hello, Dr. Diagne and Mr. Addae,

We appreciate the time you took to meet with us on 5/10/2017. Please see the notes from our meeting and let us know if anything should be corrected for our records: <https://dcpsb.egnyte.com/dl/62RAoEspdA>

As we discussed over the phone earlier today, and as I hope you understood from our meeting, we are very concerned with the school's financial status and projections. We plan to recommend that the PCSB Board cite the school for an instance of fiscal mismanagement. Revenues have significantly declined the past three years, while expenses have continued to grow, and now the school is in a negative net asset position.

Along with the recommendation of an instance of fiscal mismanagement, we'd like to work with you to develop a Financial Corrective Action Plan (FCAP), setting specific targets for improving WMST's financial health -- to be measured by current ratio, days of cash on hand, and net asset position -- over the next two or three fiscal years. We'd like to start that process by reviewing your financial projections for the next three years, so we can set reasonable targets in the FCAP.

In addition to the projections, we'd also like some brief written comments about the current status of your facility, what you hope to do with it, and what your plans are to relocate.

We'll hope to receive these two things (three-year financial projections; facility status/plans) by June 30. We're also still expecting a contingency budget for FY18 and updated enrollment expectations for 2017-18 from you.

Please let me know if you have questions or concerns. We're happy to meet again in person or find time to talk over the phone.

Best,

Mikayla

I'm also sharing an example of a recent Financial Corrective Action Plan and its monitoring materials, regarding Ideal PCS:

- March 2016: citation for an instance of fiscal mismanagement<<http://www.livebinders.com/media/get/MTMzNjY4NDU=>>, including FCAP requirement

#xD;

- June 2016: board vote<<http://www.livebinders.com/media/get/MTQwMzY4NjM=>> to approve the FCAP

- November 2016: FY17 Q1 monitoring report<<http://www.livebinders.com/media/get/MTQ4NzcwODY=>> on the FCAP

[cid:image005.png@01D30617.C2A7D5F0]

Mikayla Lytton

Senior Manager, Finance and Strategy Team

DC Public Charter School Board

Desk: 202-328-5545

Cell: 202-696-2414

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

Enter School Name
Enter Fiscal Year: 2018 Enter Period: 1st Quarter Balance Sheet

	FY Prior Year	As of 7/31	As of 8/31	Q1 As of 9/30	As of 10/31	As of 11/30	Q2 As of 12/31	Q3 As of 3/31	Q4 As of 6/30
ASSETS									
Current Assets									
Cash and cash equivalents	166,200	983,784	458,028	79,686	660,783	285,957	154,029	-	-
Accounts receivables	-	-	-	-			-	-	-
Prepaid expenses	-	-	-	-			-	-	-
Other current assets	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	-
TOTAL CURRENT ASSETS	\$ 167,200.38	\$ 984,783.94	\$ 459,027.92	\$ 80,686.00	\$ 661,782.65	\$ 286,957.23	\$ 155,029.43	\$ -	\$ -
PROPERTY, BUILDING AND EQUIPMENT, net									
	5,993,869	5,960,594	5,927,609	5,890,734	5,797,416	5,757,807	5,718,198	-	-
OTHER ASSETS									
	-	-	-	-			-	-	-
TOTAL ASSETS	\$ 6,161,069.71	\$ 6,945,378.16	\$ 6,386,636.91	\$ 5,971,419.88	\$ 6,459,198.94	\$ 6,044,764.54	\$ 5,873,227.76	\$ -	\$ -
LIABILITIES AND NET ASSETS									
Current Liabilities									
Accrued payroll and benefits	244,490	71,105	63,786	48,897	31,458	13,940	13,940	-	-
Accounts payable and accrued expenses	154,291	2,526	899	15,540			61,930	-	-
Deferred Revenue	-	1,280,724	640,362	-	760,358	380,179	-	-	-
Current maturities of long-term debt	-	-	-	-			-	-	-
Other current liabilities	300,000	-	-	31,598	31,598	31,598	363,196	-	-
TOTAL CURRENT LIABILITIES	\$ 698,781.48	\$ 1,354,354.70	\$ 705,046.86	\$ 96,035.26	\$ 823,413.75	\$ 425,717.03	\$ 439,066.01	\$ -	\$ -
Long-term Liabilities									
Long-term debt, net of current portion	6,207,630	6,183,009	6,158,857	6,134,641	6,109,830	6,085,483	6,060,545	-	-
Other long-term liabilities	-	-	-	-			-	-	-
TOTAL LONG-TERM LIABILITIES	\$ 6,207,630.45	\$ 6,183,008.68	\$ 6,158,857.28	\$ 6,134,641.20	\$ 6,109,830.26	\$ 6,085,482.89	\$ 6,060,544.55	\$ -	\$ -
TOTAL LIABILITIES	\$ 6,906,411.93	\$ 7,537,363.38	\$ 6,863,904.14	\$ 6,230,676.46	\$ 6,933,244.01	\$ 6,511,199.92	\$ 6,499,610.56	\$ -	\$ -
Net Assets									
Unrestricted	(745,342)	(591,985)	(477,267)	(259,257)	(474,045)	(466,435)	(626,383)	-	-
Temporarily restricted	-	-	-	-			-	-	-
Permanently restricted	-	-	-	-			-	-	-
TOTAL NET ASSETS	\$ (745,342.22)	\$ (591,985.22)	\$ (477,267.23)	\$ (259,256.58)	\$ (474,045.07)	\$ (466,435.38)	\$ (626,382.83)	\$ -	\$ -
TOTAL LIABILITIES AND NET ASSETS	\$ 6,161,069.71	\$ 6,945,378.16	\$ 6,386,636.91	\$ 5,971,419.88	\$ 6,459,198.94	\$ 6,044,764.54	\$ 5,873,227.73	\$ -	\$ -

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**

**Annual Financial and Compliance Audit
For the Year Ended June 30, 2017**

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**

FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Supplementary Information:	
Schedules of Functional Expenses	15
Compliance and Internal Control	
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 <i>Government Auditing Standards</i>	16
Schedule of Findings and Responses	18
Summary Schedule of Prior Audit Findings and Current Status	20



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Washington Math Science Technology
Public Charter High School, Inc.
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Washington Math Science Technology Public Charter High School, Inc. (the "School"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements.

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 the School as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

The accompanying financial statements have been prepared assuming that the School will continue as a going concern. As discussed in Note 11 to the financial statements, the School's significant operating losses raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

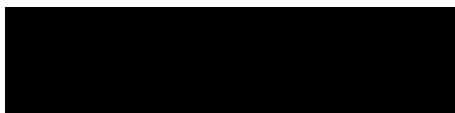
Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 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.



Washington, D.C.
October 26, 2017

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017**

ASSETS

Current Assets:

Cash and cash equivalents	\$ 36,337
Restricted cash	2,872
Due from District of Columbia	127,992
Total Current Assets	<u>167,201</u>

Noncurrent Assets:

Deferred charges, net	93,194
Property and equipment, net	5,855,169
Total Noncurrent Assets	<u>5,948,363</u>

TOTAL ASSETS	<u>\$ 6,115,564</u>
---------------------	----------------------------

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 234,391
Accrued expenses	164,391
Line of credit	300,000
Notes payable	299,709
Total Current Liabilities	<u>998,491</u>

Noncurrent Liabilities:

Note payable	5,907,922
Total Noncurrent Liabilities	<u>5,907,922</u>

TOTAL LIABILITIES	<u>6,906,413</u>
--------------------------	-------------------------

NET ASSETS

Unrestricted	(790,849)
TOTAL NET ASSETS	<u>(790,849)</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,115,564</u>
---	----------------------------

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

REVENUES

Unrestricted Revenue:

Per pupil allotment	\$ 5,558,684
Federal	643,476
Grants and contributions	101,708
Fund raising	14,952
Other	23,688
Toatal Unrestricted Revenue	<u>6,342,508</u>

EXPENSES

Program services	5,208,175
General and administration	1,932,520
Fundraising	8,306
TOTAL EXPENSES	<u>7,149,001</u>
Change in net assets	(806,493)
NET ASSETS, BEGINNING OF YEAR	15,644
NET ASSETS, END OF YEAR	<u><u>\$ (790,849)</u></u>

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (806,493)
Adjustments to Reconcile Change in Net Assets to Net Cash provided by perating Activities:	
Depreciation and amortization	452,961
Change in:	
Receivables	45,906
Accounts payable	218,480
Accrued expenses	(50,927)
Net cash used in operating activities	<u>(140,073)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(88,823)
Net cash used in investing activities	<u>(88,823)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowing on line of credit	300,000
Payments on note payable	(287,828)
Net cash provided in financing activities	<u>12,172</u>
DECREASE IN CASH	(216,724)
CASH, BEGINNING OF YEAR	<u>255,933</u>
CASH, END OF YEAR	<u><u>\$ 39,209</u></u>
Supplemental Disclosure	
Interest paid	<u><u>\$ 200,922</u></u>

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Washington Math Science Technology Public Charter High School, Inc. (WMST or the School) is an independent public charter school incorporated on January 29, 1998, under the laws of the District of Columbia (DC or District) as specified in the District of Columbia School Reform Act. The school was granted its public charter by the District of Columbia Public Charter School Board on March 23, 1998, and operates under terms and conditions specified in the Charter School Agreement dated September 4, 1998. The school currently serves 277 students. The School's major source of funding is an annual per pupil allotment from the Government of the District of Columbia (District). The school also receives federal funding from the federal government, student fees, and activities. These funds are expended on programs and activities designed to provide educational and related services to the School's students.

Basis of Accounting and Presentation

The financial statements of the School were prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States (U.S. GAAP). The Financial Accounting Standards Board (FASB) is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

The School is required by U.S. GAAP to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as defined below:

Unrestricted net assets– These are resources that are not subject to donor-imposed stipulations and can be used for the general operations of the School. Unrestricted net assets may be designated for specific purpose by action of the Board of Directors. At June 30, 2017, the School's unrestricted net assets was in a net deficit position of \$790,849.

Temporarily restricted – These are resources that are subject to donor-imposed stipulations that may or will be met, either by actions of the School and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The School did not have any temporarily restricted net assets at June 30, 2017.

Permanently restricted – These are net assets required to be maintained in perpetuity with only the income to be used for the School's activities due to donor-imposed restrictions. There were no permanently restricted net assets at June 30, 2017.

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**
NOTES OF FINANCIAL STATEMENTS
JUNE 30, 2017

In addition, the School is required by FASB Accounting Standards Codification (ASC) Topic 958-205, *Not-for-Profit Entities-Presentation of Financial Statements*, to present statements of activities and cash flows.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The School considers all monies in banks and highly liquid investment instruments with an original maturity of three months or less from the date of purchase to be cash equivalents. The carrying value approximates fair value because of the short maturities of those financial instruments. The school did not have any cash equivalents as of June 30, 2017.

Receivables

Grants receivable consists of outstanding collections from federal entitlements and is stated at net realizable value. On a periodic basis, management evaluates its receivable balances and establishes an allowance for doubtful accounts based on management's analysis of possible bad debts. It is the School's policy to write off uncollectible balances receivable when management determines that the receivable will not be collected.

Property and Equipment

The school capitalizes all property and equipment which include land and improvements, buildings and improvements, and furniture and equipment, are reported in the financial statements. The school capitalizes all property and equipment with an individual cost of more than \$1,000. Such assets are recorded at historical cost and are depreciated over the estimated useful lives of the assets, which range from three to twenty years, using the straight-line method of depreciation. Leasehold improvements are depreciated over the life of the lease. Expenditures for additions, major renewals and betterments are capitalized. Maintenance and repairs are charged to expense as incurred. Donations of assets are recorded as direct additions to net assets at fair value at the date of donation, which is then treated as cost.

Per Pupil Appropriations

The School receives a per student allocation from the District of Columbia to cover the cost of academic and facilities expenses. Pupil allocation revenue is recognized in the period when it is earned, which is the school year for which the allocation is made. Unearned pupil allocation collections are recorded as deferred revenue.

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**
NOTES OF FINANCIAL STATEMENTS
JUNE 30, 2017

Contributions and Grants

The School accounts for contributions in accordance with FASB ASC Topic 958-605, Not-for-Profit Entities-Revenue Recognition. In accordance with FASB ASC Topic 958-605, contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily restricted or permanently restricted net assets in the reporting period in which the support is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Tax

The School is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The exemption from District of Columbia income taxes was granted to the School effective May, 2000. Accordingly, income taxes are not provided for in the accompanying financial statements. In addition, the School qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Code.

The School applies the provisions of FASB ASC 740, Income Taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The School believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The School's Federal income tax returns for the years 2014 through 2016 remain open to examination by IRS, and District authorities for three years after they are filed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates included in the School's financial statements are related to the School's estimate of revenue and receivable for Per Pupil Appropriations, depreciation expense and the functional allocation of expenses.

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.
NOTES OF FINANCIAL STATEMENTS
JUNE 30, 2017**

Functional allocation of Expenses

The costs of providing the various programs and other activities have been summarized as additional information on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

New Accounting Pronouncement

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02 – Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated balance sheets for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statements of activities. The new standard is effective for WMST for the fiscal year beginning July 1, 2020. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. WMST is currently evaluating the impact of the pending adoption of the new standard.

NOTE 2: CONCENTRATION OF CREDIT RISK

The School maintains its cash in financial institutions where, at times, balances may exceed the federally insured limit of \$250,000. The School has not experienced losses on such accounts and management believes that the risk of loss, if any, is minimal. The School had no uninsured balances exceeding the federally insured limit in 2017.

NOTE 3: RESTRICTED CASH

The school is required to maintain a separate escrow account for payment of its mortgage principal and interest. At June 30, 2017 the balance was \$2,872.

NOTE 4: DUE FROM DISTRICT GOVERNMENT

The school receives an annual per pupil allotment and federal funds as a pass-through from the District. At June 30, 2017, the amount due from the District was \$127,992.

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.
NOTES OF FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5: DEFERRED CHARGES

Deferred charges represent costs related to mortgage issuance costs. The costs are amortized over the life of the note.

Deferred Charges	\$	145,952
Accumulated Amortization		<u>(52,758)</u>
Net Deferred Charges	\$	<u>93,194</u>

Depreciation and amortization expenses was \$6,054 for the year ended June 30, 2017.

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2017 :

Land and improvements	\$	327,600
Building and improvements		8,887,139
Furniture and equipment		1,227,617
Computers and network costs		324,872
Textbooks		<u>63,168</u>
Total property and equipment		10,830,396
Less: Accumulated depreciation		<u>(4,975,227)</u>
Property and equipment, net	\$	<u>5,855,169</u>

Depreciation was \$446,907 for the year ended June 30, 2017.

NOTE 7: LINE OF CREDIT

The School maintains a \$300,000 revolving line-of-credit with an annual renewal option and interest charged on any outstanding principal balance at the prime rate plus 1%. The outstanding balance as of June 30, 2017 was \$300,000.

NOTE 8: NOTE PAYABLE

In 2008 the School converted a notes payable into a debt instrument to consolidate its debt and obtain more favorable interest rates. The conversion resulted in the issuance of \$8,048,000 tax free, twenty-five year Series 2008 District Revenue Bonds (the "Bonds") due August 1, 2033, with Amortization Payment Dates within those years. The term of these bonds is twenty-five years at an interest rate of 3.11% per annum.

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.
NOTES OF FINANCIAL STATEMENTS
JUNE 30, 2017**

All costs associated with the debt conversion including issuance costs, but excluding certain fees, have been capitalized for amortization over the life of the Bond. The debt is collateralized by the School's building and certain other assets. Bond issuance costs balance was \$93,194 at June 30, 2017. Amortization of bond issuance costs was \$6,054 for the year ended June 30, 2017. The interest paid during the fiscal year was \$200,707 the custodian of the loan is United Bank. At June 30, 2017, the total amount payable under the note was \$6,207,631.

Annual debt service requirements to maturity of the loans payable are as follows:

Year Ending June 30	Principal	Interest	Total
2018	\$ 299,709	\$ 188,826	\$ 488,535
2019	309,164	179,371	488,535
2020	318,918	169,617	488,535
2021	328,979	159,556	488,535
2022	339,357	149,178	488,535
Thereafter	4,611,504	854,922	5,466,426
Total	<u>\$ 6,207,631</u>	<u>\$ 1,701,470</u>	<u>\$ 7,909,101</u>

The School is subject to compliance with a minimum debt service coverage ratio of 1.2 to 1 and maintaining a net asset balance above \$150,000. At June 30, 2017, the School was not in compliance with the debt covenants. The School received a waiver from United Bank.

NOTE 9: RETIREMENT PLAN

The School established a Simplified Employee Pension/Teachers' Retirement Association (SEP/TRA) Qualified Retirement Plan (Plan) on behalf of its teachers and other employees completing six months of service. The Plan provides for discretionary employer contributions. During fiscal year 2017, the School contributed \$150,306 to the plan.

NOTE 10: PER PUPIL ALLOTMENT

The School receives an annual per pupil allotment from the District that is based on its student enrollment. The pupil allotment represented about 88% of the School's total revenue.

The per pupil allotment consist of the following for the fiscal year ended June 30, 2017:

Education	\$ 4,693,336
Facilitites	865,348
	<u>\$ 5,558,684</u>

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**
NOTES OF FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11: CONTINGENCIES, RISKS AND UNCERTAINTIES

Emphasis of Matter:

As indicated in the accompanying financial statements, the School has experienced an operating loss during the year ended June 30, 2017, of \$806,493. This loss resulted in a net asset deficit of \$790,849 as of June 30, 2017. These factors create uncertainty about the School's ability to continue as a going concern.

Management and the Board of Directors have evaluated these conditions and determined that a reduction of expenses would alleviate this uncertainty. As a result of this loss, WMST's financial statements reflect a net deficit in unrestricted assets at June 30, 2017. To counter the liquidity risk and eliminate operating losses WMST, management has initiated an aggressive plan to:

1. Reducing staff members
2. Recruit new students to enroll in WMST
3. Sale our school facility
4. Select a new School facility

Beginning in August of this academic school year, WMST reduced the number of staff members from 61 to 45. Mindful and deliberate attention was given to the specific content areas, areas of expertise and value added to determine which staff members remained. Meticulous analysis and study was given to ensure that each decision made did not inhibit/hinder existing academic and social programs.

Our second focus has been to recruit new students to enroll in WMST. That effort is evidenced, first, through our increased and innovative effort to broaden communication across a wider audience about our school and its offerings. Recently, we have updated our webpage, utilized social media sites like "twitter" and are in the process of designing a WMST online newsletter. Additionally, WMST's Board of Trustees distributed brochures at nearby community shopping centers and WMST staff (teachers, counselors, security, etc.) are scheduled to visit neighborhood middle schools and attend several recruitment fairs, like EdFest in the near future.

Our endeavor to increase recruitment efforts extends beyond visits, publications and fairs. WMST's Board of Trustees and our Leadership Team have selected a new school facility. Our hope is to enter that facility within one year, based on the projection schedule of renovation. That newly renovated facility will offer features such as a state-of-the-art gymnasium, a media center and larger classroom sizes, features that we are not able to offer in our present school building. It is important to note that these added features, within themselves, are attractive to students considering a school of choice. Additionally, leaving our present area, an area that is desolated by the abandonment of Walmart and saturated with industrial and commercial development, is a welcomed change and an automatic cause of attraction to potential new

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.
NOTES OF FINANCIAL STATEMENTS
JUNE 30, 2017**

recruits. Additionally, the selling of our present dwelling, affords WMST a surplus of profit that will financially benefit us for at least another school year.

In addition to the attractive new features that WMST's new school site will provide, we are excited that it is located in a portion of Washington DC that is near a large residential/apartment community and is conveniently close to two elementary schools and one middle school. Both the residents of that community and the presence of feeder schools offer numerous recruitment opportunities for WMST as well as increased PR and communication advantages.

Lastly, WMST has taken added measures to retain its present student population. To that end, we have initiated the following ingenuities to fit the specific academic needs of our students:

- Online classes to allow students to receive credit for courses either previously failed or not completed
- Twilight Program courses to allow credit recovery for students that have not yet fulfilled their requirement for a targeted graduation date.
- Parent Cafes each month that allow parents to voice their concerns and needs of their students.
- Student "Meets" where students are able to speak directly with the Head of School regarding their needs and concerns on each Tuesday.
- "Talk to the Boss" where teachers are able to meet with the Head of School during lunch on a weekly basis to discuss concerns, needs or wishes that they may not be able to voice in a public forum.
- The WMST Board of Trustees will begin to meet with the student government officers to better understand their perspective of WMST and forge a plan to drive student recruitment from a student & community perspective.

It is important to note that our efforts to balance the budget, increase enrollment and retain present students is a continual work in progress. We will continue to explore new opportunities, invent and create new territories and solicit suggestions and new networks in order to reach intended result.

Other Matters:

The School was granted its charter by the District of Columbia Public Charter School Board, authorized under the District of Columbia School Reform Act of 1995, Public Law 104-134, as amended. The School has no reason to believe that this relationship will be discontinued in the foreseeable future. However, any interruption of this relationship (i.e., the failure to continue this charter authorization or withholding funds) could adversely affect the School's ability to finance ongoing operations.

The School depends on per pupil allocations, grants, and contributions for a significant portion of its revenues. The ability of the sources of revenues to continue giving amounts comparable with

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.
NOTES OF FINANCIAL STATEMENTS
JUNE 30, 2017**

prior years may be dependent upon future economic conditions and continued deductibility for income tax purposes of grants and contributions to the School. While the School's board of directors and management believes the School has the resources to continue its programs, its ability to do so, and the extent to which it continues, may be dependent on the above factors.

Federal grants

The School participates in federally assisted grant programs, which are subject to financial and compliance audits by the grantors or their representative. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result of such audits.

NOTE 12: SUBSEQUENT EVENTS

The school has evaluated any subsequent events through October 26, 2017, which is the date the financial statements were available to be issued. This review and evaluation revealed no material events that would have an effect on the accompanying financial statements.

SUPPLEMENTARY INFORMATION

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**

**Schedule of Functional Expenses
For the Year Ended June 30, 2017**

	Program Services	General and Administration	Fundraising	Total
Personnel, Salaries and Benefits				
Salaries	\$ 2,522,236	\$ 951,828	\$ -	\$ 3,474,064
Payroll taxes	160,060	108,108	-	268,168
Fringe benefits	460,064	274,200	-	734,264
Training and development	61,478	36,589	-	98,067
Consultants	-	8,694	-	8,694
Total Personnel, Salaries and Benefits	3,203,838	1,379,419	-	4,583,257
Direct Student Cost				
Contracted instructional fees	688,065	-	-	688,065
Supplies and materials	169,472	-	-	169,472
Miscellaneous student activity	70,511	-	-	70,511
Textbooks	6,521	-	-	6,521
AVID program	4,669	-	-	4,669
IB program	26,216	-	-	26,216
Student transportation	33,347	-	-	33,347
Other student costs	10,161	-	-	10,161
Student sports expense	30,936	-	-	30,936
Teacher and student recruitment	1,303	-	-	1,303
Total Direct Student Costs	1,041,201	-	-	1,041,201
Occupancy Expenses				
Mortgage interest	147,138	53,569	-	200,707
Repairs and maintenance	46,856	17,058	-	63,914
Janitorial expenses	9,552	3,477	-	13,029
Utilities	61,441	22,368	-	83,809
Depreciation - facilities	236,000	118,726	-	354,726
Total Office Expenses	500,987	215,198	-	716,185
Office Expenses				
Supplies and materials	14,671	24,947	-	39,618
Equipment rental	8,400	14,283	-	22,683
Telephone	34,798	12,404	-	47,202
Printing and reproduction	9,226	16,130	590	25,946
Postage	3,430	5,215	-	8,645
Computers	-	6,731	-	6,731
Dues and subscriptions	947	6,546	-	7,493
Total Office Expenses	71,472	86,256	590	158,318
General Expenses				
Depreciation and amortization	35,571	62,664	-	98,235
Food services and lunch program	229,942	-	-	229,942
Insurance	26,894	16,768	-	43,662
Catering	-	26,018	-	26,018
Other general expenses	23,963	26,311	7,716	57,990
Legal audit fees	36,650	47,840	-	84,490
Charter admin and program fees	-	63,667	-	63,667
School crossing	37,657	-	-	37,657
Bank fees	-	8,164	-	8,164
Interest	-	215	-	215
Total General Expenses	390,677	251,647	7,716	650,040
Total Expenses	\$ 5,208,175	\$ 1,932,520	\$ 8,306	\$ 7,149,001

COMPLIANCE AND INTERNAL CONTROLS



**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***

To the Board of Directors of
Washington Math Science Technology
Public Charter High School, Inc.

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 Washington Math Science Technology Public Charter High School, Inc. (the "School"), which comprise the statement of financial position as of June 30, 2017, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2017 which contained an unmodified opinion on these financial statements.

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 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. We consider the deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as finding No. 2017-01 to be a significant deficiency in internal control over financial reporting.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

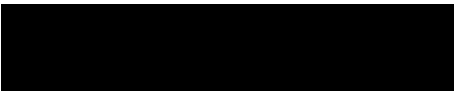
deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 instance of noncompliance or other matters that is 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Washington, D. C.
October 26, 2017

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**

**Summary Schedule of Findings and Responses
For the Year Ended June 30, 2017**

PART 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statement Section

- | | |
|--|------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a) Material weaknesses identified? | No |
| b) Significant deficiencies identified which are not considered to be material weaknesses? | Yes |
| c) Noncompliance material to the financial statements noted? | No |

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**

**Summary Schedule of Findings and Responses
For the Year Ended June 30, 2017**

PART II: FINDINGS – FINANCIAL STATEMENT

Finding No. 2017-001: Significant Deficiency in Internal Controls Over Financial Reporting

Condition: During the course of our audit procedures, we noted the following:

1. The School did not properly account for and record payables as part of its year end close process in accordance with U.S. GAAP. During the course of our audit, it was noted that the School failed to accrue salaries and related benefits as well as retirement contributions.
2. The School did not properly account for depreciation on fixed assets in accordance with U.S. GAAP. While it was noted that depreciation was not recorded on existing depreciable assets in the current year.

Criteria: Effective internal controls over financial reporting include proper recording of transactions in the general ledger, adequate supervision and review of transactions to assure the completeness and accuracy of financial information.

Cause: The School has a deficient system of internal controls with respect to recording transactions in accordance with U.S. GAAP.

Effect: Significant misstatements in the general ledger were noted. For the year ended June 30, 2017, salaries and related employee benefits as well as annual retirement contribution were understated by approximately \$326,700. In addition, there was an understatement of depreciation expense and the corresponding accumulated depreciation by approximately \$45,500.

Recommendations: We recommend that the School strengths its existing policies and procedures that ensure that accruals and depreciations are properly stated.

Views of Responsible Officials and Planned Corrective Action:

The School agrees with the recommendation and in process of implementation of additional policies and procedures. The School will correct their depreciation schedules to reflect the accurate depreciable useful lives and record timely such rates thereafter so that by the year 2016-2017, all schedules will be in accordance with US GAAP.

**WASHINGTON MATH SCIENCE TECHNOLOGY
PUBLIC CHARTER HIGH SCHOOL, INC.**

**Summary Schedule of Prior year Findings and Current Status
For the Year Ended June 30, 2016**

PART III: STATUS OF PRIOR YEAR FINDINGS

Finding No. 2016-001: Accurate Reporting of Paid Compensation

The School did not adhere to the best and required practices in the accounting for and disbursements of various types of compensation. We understand that the School believes that it had followed long established policies and guidance. However, we believe that the School must immediately cease its current practices. All remuneration should be reported as compensation and reported in the period of payment and the prescribed payroll information form. Such reporting must encompass all payments including those for extra services and non-salaried positions.

Every effort should be taken to ensure that the appropriate taxes are withheld and reported. All payments for services should be documented accordingly reported.

Current Status: The School has already begun the process of ensuring that all remuneration is reported as compensation through categorizing qualifying vendor's payments and services as Form 1099 recipients.

Auditor's Note: The finding is resolved.

Campus	School Year	Audited Enrollment (Prior Year)	Current Enrollment	October Count	Audited Enrollment	LEA Enrollment Projection	Final Enrollment Projection
Washington Mathematics Science Technology PCHS	2017-2018	277	221	228	0	317	284

From: lmills@dcpcsb.org
To: Scott Pearson
CC: Marvin Cross, Mohammad Bashshiti
Subject: Re: Fin/Ops Call before budget hearing?
Date: 22-Feb-2018 16:38
Attachments: Re: Fin/Ops Call before budget hearing?.html [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image002.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 22-Feb-2018 16:38
Store Date: 23-Feb-2018 23:58
Message Id: d5c346c85dd75d4bb23cdab0f948f01100000083fcc7#7246d4f03031bb44a56e676e716a054300029675283d

TEXT.htm

ATTACHMENT

Yes, I know.



Lenora Robinson Mills

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

From: Scott Pearson <spearson@dcpcsb.org>
Date: Thursday, February 22, 2018 at 4:37 PM
To: Lenora Robinson Mills <lmills@dcpcsb.org>
Cc: Marvin Cross <MCross@dcpcsb.org>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Subject: Re: Fin/Ops Call before budget hearing?

Yes – sure. And I guess it will be you and Rick testifying...

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Lenora Robinson Mills <lmills@dcpcsb.org>

Date: Thursday, February 22, 2018 at 4:28 PM

To: Scott Pearson <spearson@dcpcsb.org>

Cc: Marvin Cross <MCross@dcpcsb.org>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Subject: Fin/Ops Call before budget hearing?

Hi Scott,

We decided to do a fin/ops email update in December instead of a call. So, we haven't met in a while. Rick is good with the FY19 draft budget, but wants to discuss and be prepared to message the FY20 admin fee prior to the hearing. Given this and the WMST conversation this morning, should we schedule a Fin/Ops committee meeting before the budget hearing in late March?

Lenora



Lenora Robinson Mills

Chief Operating Officer

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

Twitter: @dcpcsb | Website: dcpcsb.org

From: kbone@stoneturn.com
To: Mohammad Bashshiti, Scott Pearson
CC: Lenora Robinson Mills, Naomi R. DeVeaux
Subject: Re: WMST Financial
Date: 23-Feb-2018 15:47
Attachments: Re: WMST Financial.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 23-Feb-2018 15:47
Store Date: 07-Mar-2018 12:09
Message Id: ff7d472a131ce342b7f120e580c62c990000091267b1#ff7d472a131ce342b7f120e580c62c99000028e921744

TEXT.htm

ATTACHMENT

Thank you Mo. Should we plan to meet or have a call on Monday? I unfortunately am going out of town for business Wed - Fri next week. Ideally we could meet Monday and get out to the school also on Monday or Tuesday. We will work with what is convenient for you.

Thanks
Kristin

Sent from my Verizon LG Smartphone

----- Original message-----

From: Mohammad Bashshiti
Date: Fri, Feb 23, 2018 3:26 PM
To: Scott Pearson; Kristin Bone;
Cc: Lenora Robinson Mills; Naomi R. DeVeaux;
Subject: RE: WMST Financial

Hi, Kristin,

Looking forward to working with you. Once we get the agreement executed, I'll send you the relevant documents. Thanks for everything.

Best Regards,

Mo



Mohammad Bashshiti, CPA
School Finance Specialist

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Scott Pearson

Sent: Friday, February 23, 2018 2:56 PM

To: Kristin Bone <kbone@stoneturn.com>

Cc: Lenora Robinson Mills <lmills@dcpsb.org>; Mohammad Bashshiti <MBashshiti@dcpsb.org>; Naomi R. DeVeaux <Naomi@dcpsb.org>

Subject: Re: WMST Financial

Mo can give you all the background.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Feb 23, 2018, at 2:48 PM, Kristin Bone <kbone@stoneturn.com> wrote:

Scott,

I am looking forward to meeting your team and getting started. Anything you can provide upon execution of the agreement will be helpful so that we can hit the ground running.

Let me know if you need anything else in the meantime.

Regards

Kristin

Sent from my Verizon LG Smartphone

----- Original message-----

From: Scott Pearson

Date: Fri, Feb 23, 2018 2:37 PM

To: Kristin Bone;

Cc: Lenora Robinson Mills; Mohammad Bashshiti; Naomi R. DeVeaux;

Subject: Re: WMST Financial

Dear Kristin -

Thank you. This looks fine. Lenora will follow up to execute this. Meanwhile I will send an email to the school, copying you, to get the work started. I've spoken with both Dr. N'Deye Diagne, the ED, and Dr. Deneen Long-White, the board chair, and they are amenable.

We look forward to working with you.

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Feb 23, 2018, at 11:57 AM, Kristin Bone <kbone@stoneturn.com> wrote:

Scott

It was nice speaking with you yesterday. As I promised, attached is a proposal and an estimate. Please let me know if you have any questions about the proposal. I look forward to working with you again.

Regards,

Kristin

Kristin N. Bone

Partner

T: +1 202 349 3743

M: +1 202 738 2134

E: kbone@stoneturn.com

StoneTurn

2099 Pennsylvania Avenue, NW

6th Floor

Washington, DC 20006

www.stoneturn.com

From: Scott Pearson [<mailto:spearson@dcpcsb.org>]

Sent: Thursday, February 22, 2018 5:16 PM

To: Kristin Bone <kbone@stoneturn.com>

Cc: Lenora Robinson Mills <lmills@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Naomi R. DeVeaux <Naomi@dcpcsb.org>
Subject: FW: WMST Financial

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>

Date: Thursday, February 22, 2018 at 10:38 AM

To: Lenora Robinson Mills <lmills@dcpcsb.org>, Scott Pearson <spearson@dcpcsb.org>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Subject: WMST Financial

1. PCSB to hire outside firm as our agent (Stoneturn)

2. With our agent, WMST will:

- a. confirm accuracy of interim financials
- b. put together weekly cash flow forecast through 6/30
- c. create budget with scenarios for 18-19
- d. create financial plan/financing plan for new facility

3. Based on 2 (above) PCSB will develop FCAP metrics

4. Our agent will monitor weekly through 6/30 and as needed during FY18, 19

5. Strongly recommend using outside firm for back office for FY19 and for budget prep until then.

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

Desk: 202-328-2666

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

DC public charter school quality continues to rise, check out the 2016 School Quality Reports [here](#) to learn more.

<StoneTurn Proposal for DCPCSB 2.23.pdf>

From: kbone@stoneturn.com
To: Mohammad Bashshiti, Scott Pearson
CC: Lenora Robinson Mills, Naomi R. DeVeaux
Subject: Re: WMST Financial
Date: 23-Feb-2018 16:06
Attachments: Re: WMST Financial.html [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 23-Feb-2018 16:06
Store Date: 07-Mar-2018 12:09
Message Id: ff7d472a131ce342b7f120e580c62c990000091267b1#ff7d472a131ce342b7f120e580c62c99000028e921745

TEXT.htm

ATTACHMENT

Mo

That works for me. I will be accompanied by my colleague Hunt Prothro. Let's plan on 1:00 on Monday.

We look forward to meeting you.

Kristin

Sent from my Verizon LG Smartphone

----- Original message-----

From: Mohammad Bashshiti
Date: Fri, Feb 23, 2018 3:59 PM
To: Kristin Bone; Scott Pearson;
Cc: Lenora Robinson Mills; Naomi R. DeVeaux;
Subject: RE: WMST Financial

Hi, Kristin,

I would love to meet with you on Monday. Can we do sometime between 1 and 3?

I also agree we need to get out to the school on Tuesday morning. I have to be back by 12:30 that day, so should we aim for 9 or so? Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Kristin Bone [mailto:kbone@stoneturn.com]

Sent: Friday, February 23, 2018 3:48 PM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>; Scott Pearson <spearson@dcpsb.org>

Cc: Lenora Robinson Mills <lmills@dcpsb.org>; Naomi R. DeVeaux <Naomi@dcpsb.org>

Subject: Re: WMST Financial

Thank you Mo. Should we plan to meet or have a call on Monday? I unfortunately am going out of town for business Wed - Fri next week. Ideally we could meet Monday and get out to the school also on Monday or Tuesday. We will work with what is convenient for you.

Thanks

Kristin

Sent from my Verizon LG Smartphone

----- Original message-----

From: Mohammad Bashshiti

Date: Fri, Feb 23, 2018 3:26 PM

To: Scott Pearson; Kristin Bone;

Cc: Lenora Robinson Mills; Naomi R. DeVeaux;

Subject: RE: WMST Financial

Hi, Kristin,

Looking forward to working with you. Once we get the agreement executed, I'll send you the relevant documents. Thanks for everything.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Scott Pearson

Sent: Friday, February 23, 2018 2:56 PM

To: Kristin Bone <kbone@stoneturn.com>

Cc: Lenora Robinson Mills <lmills@dcpsb.org>; Mohammad Bashshiti <MBashshiti@dcpsb.org>; Naomi R. DeVeaux <Naomi@dcpsb.org>

Subject: Re: WMST Financial

Mo can give you all the background.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Feb 23, 2018, at 2:48 PM, Kristin Bone <kbone@stoneturn.com> wrote:

Scott,

I am looking forward to meeting your team and getting started. Anything you can provide upon execution of the agreement will be helpful so that we can hit the ground running.

Let me know if you need anything else in the meantime.

Regards

Kristin

Sent from my Verizon LG Smartphone

----- Original message-----

From: Scott Pearson

Date: Fri, Feb 23, 2018 2:37 PM

To: Kristin Bone;

Cc: Lenora Robinson Mills; Mohammad Bashshiti; Naomi R. DeVeaux;

Subject: Re: WMST Financial

Dear Kristin -

Thank you. This looks fine. Lenora will follow up to execute this. Meanwhile I will send an email to the school, copying you, to get the work started. I've spoken with both Dr. N'Deye Diagne, the ED, and Dr. Deneen Long-White, the board chair, and they are amenable.

We look forward to working with you.

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Feb 23, 2018, at 11:57 AM, Kristin Bone <kbone@stoneturn.com> wrote:

Scott

It was nice speaking with you yesterday. As I promised, attached is a proposal and an estimate. Please let me know if you have any questions about the proposal. I look forward to working with you again.

Regards,

Kristin

Kristin N. Bone

Partner

T: +1 202 349 3743

M: +1 202 738 2134

E: kbone@stoneturn.com

StoneTurn

2099 Pennsylvania Avenue, NW

6th Floor

Washington, DC 20006

www.stoneturn.com

From: Scott Pearson [<mailto:spearson@dcpcsb.org>]
Sent: Thursday, February 22, 2018 5:16 PM
To: Kristin Bone <kbone@stoneturn.com>
Cc: Lenora Robinson Mills <lmills@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Naomi R. DeVeaux <Naomi@dcpcsb.org>
Subject: FW: WMST Financial

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>
Date: Thursday, February 22, 2018 at 10:38 AM
To: Lenora Robinson Mills <lmills@dcpcsb.org>, Scott Pearson <spearson@dcpcsb.org>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Subject: WMST Financial

1. PCSB to hire outside firm as our agent (Stoneturn)

2. With our agent, WMST will:

- a. confirm accuracy of interim financials
 - b. put together weekly cash flow forecast through 6/30
 - c. create budget with scenarios for 18-19
 - d. create financial plan/financing plan for new facility
3. Based on 2 (above) PCSB will develop FCAP metrics
4. Our agent will monitor weekly through 6/30 and as needed during FY18, 19
5. Strongly recommend using outside firm for back office for FY19 and for budget prep until then.

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

Desk: 202-328-2666

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpcsb | Website: dcpcsb.org

DC public charter school quality continues to rise, check out the 2016 School Quality Reports [here](#) to learn more.

<StoneTurn Proposal for DCPCSB 2.23.pdf>

From: jabolling@gmail.com
To: Deneen Long
CC: Nicole Streeter, Mohammad Bashshiti, Sarah H. Cheatham, Lenora Robinson Mills, N Diagne, maddae@wmstpchs.net, Kristin Bone, Naomi R. DeVeaux, Scott Pearson
Subject: Re: WMST / PCSB financial work needed
Date: 24-Feb-2018 23:05
Attachments: Re: WMST / PCSB financial work needed.html [Save] [Open]
headers.822 [Save] [Open]
Creation Date: 24-Feb-2018 23:05
Store Date: 27-Feb-2018 06:44
Message Id: d06f93b2b00c8147b996a9e1bc763756000000416db9#5f982f16faeec746bb85cec04baec5b700029e3677aa

TEXT.htm

ATTACHMENT

All,

I stand ready to assist Ms. Bone in her endeavors of supporting WMST. If you should have any comments, concerns, or questions please feel free to reach out to me.

Thank you,

Dr. B

Jerry A. Bolling, D. Mgmt, EA
(301) 906-9439
jabolling@gmail.com
www.linkedin.com/in/drjerrybolling

On Feb 23, 2018, at 15:51, Deneen Long <deneen_long@yahoo.com> wrote:

Good Afternoon Scott:

As discussed earlier today, we share the Charter Board's concerns regarding our current financial situation. We welcome this strategy along with others measures that we have implemented to help us again reach financial health. I have included our Board Treasurer, Dr. Jerry Bolling, on the email. Please let us know when specifically to expect Ms. Bone next week and what documents/files we need to pull for her to begin to examine. We will also identify a place for her to work.

Thank you for your assistance.

deneen

From: Scott Pearson <spearson@dcpcsb.org>
To: N Diagne <ndiagne@wmstpchs.net>; Deneen Long-White <deneen_long@yahoo.com>; Kristin Bone <kbone@stoneturn.com>

Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Lenora Robinson Mills <lmills@dcpcsb.org>; " maddae@wmstpchs.net" <maddae@wmstpchs.net>; Naomi R. DeVeaux <Naomi@dcpcsb.org>; Nicole Streeter <nstreeter@dcpcsb.org>; Sarah H. Cheatham <scheatham@dcpcsb.org>
Sent: Friday, February 23, 2018 2:55 PM
Subject: WMST / PCSB financial work needed

Dear Dr. Diagne and Dr. Long-White,

As we discussed today, we are gravely concerned about the school's ability to remain solvent through the school year. We want to see the school return to financial health while executing its move to the High Roads building.

To assist in this effort, we have contracted with Kristin Bone of the StoneTurn Group. We have asked her to work with you and your team, on site, to do the following as part of our oversight:

1. Confirm the accuracy of the most recent interim financials you have provided us
2. Develop by our March 19 board meeting a weekly cash flow forecast for the school through June 30.
3. Create a fiscally sound budget for school year 2018-19, including contingencies if enrollment falls further, and if the building move does not occur.
4. Develop a fiscally sound budget and financing plan for the sale of your current building, the purchase and move to the High Roads Building, and the necessary site renovations and improvements.
5. Monitor your financials weekly through 6/30/18 and as needed beyond 6/30.

Based on the budgets you prepare together, PCSB will develop a Financial Corrective Action Plan, or FCAP. The FCAP will lay out financial targets that must be reached each quarter, such as days of cash on hand, current ratio, and funds surplus. Once the school accepts, and our board votes on the FCAP, the school will need to hit these quarterly targets or be cited for fiscal mismanagement.

As for the original citation of fiscal mismanagement for the school's "going concern" note in its FY17 audit, which we are planning to issue this March, I will discuss your concerns with my board. It will be helpful to see progress against the above objectives prior to my raising this issue with them.

Kristin's work will be overseen by Mohammad Bashshiti from our staff. I'm hoping this work can begin early next week.

Please reach out with any questions or concerns.

Sincerely yours,

Scott Pearson
Executive Director

DC Public Charter School Board
202-328-2662
Cell 202-495-8722

From: ndiagne@wmstpchs.net
To: Scott Pearson
CC: jabolling@gmail.com, Mohammad Bashshiti, Lenora Robinson Mills, Mark Addae, Naomi R. DeVeaux, Kristin Bone, deneen_long@yahoo.com
Subject: RE: WMST Document Requests and Visit on 2/27/2018
Date: 26-Feb-2018 17:27
Attachments: RE: WMST Document Requests and Visit on 2/27/2018.html [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 26-Feb-2018 17:27
Store Date: 07-Mar-2018 12:09
Message Id: ff7d472a131ce342b7f120e580c62c990000091267b1#ff7d472a131ce342b7f120e580c62c99000290298d35

TEXT.htm

ATTACHMENT

Good Evening Mr. Pearson,

In light of your response, we will make arrangement to meet with Mr. Bashshiti and Ms. Bone tomorrow at 9:00 am.

Sincerely,

Dr. Diagne

From: Scott Pearson [mailto:spearson@dcpcsb.org]
Sent: Monday, February 26, 2018 4:19 PM
To: N'Deye Diagne <ndiagne@wmstpchs.net>
Cc: Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Naomi R. DeVeaux <Naomi@dcpcsb.org>; Lenora Robinson Mills <lmills@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>; Mark Addae <maddae@wmstpchs.net>; jabolling@gmail.com; deneen_long@yahoo.com
Subject: Re: WMST Document Requests and Visit on 2/27/2018

Dr. Diagne - we are extremely disappointed by this delay and this only raises our concerns about the school's approach to your financial issues. As I communicated to you and to Dr. Long-White, we are gravely

concerned that the school will run out of cash before the end of the year and need to work quickly to avoid this outcome.

You pleaded with me on Friday to not cite the school for fiscal mismanagement. While I cannot promise what our board will decide when I speak with them, I can assure you that the delay you propose will not help your case.

I would like to appeal to you and to your board to allow us to begin our work tomorrow. I look forward to hearing back from you at the soonest.

Sincerely yours,

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Feb 26, 2018, at 4:01 PM, N'Deye Diagne <ndiagne@wmstpchs.net> wrote:

Good Afternoon Mr. Bashshiti,

It is not convenient for us to meet with you tomorrow. We can meet with you either Thursday or Friday of next week. In the meantime, we will start to gather the documents you have requested so they will be ready when you and Ms. Bone come to the school.

Please advise us as to the purpose of your visit so that we have a better understanding of the financial information you need and why. We would also like to meet with you and Ms. Bone when you are here next week so that we can work together to ensure that you will be providing us with the technical support we need and address PCSB's concerns about our financial situation.

We look forward to meeting you next week.

Sincerely,

Dr. N'Deye Diagne

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]

Sent: Monday, February 26, 2018 9:28 AM

To: N'Deye Diagne <ndiagne@wmstpchs.net>; Mark Addae <maddae@wmstpchs.net>; jabolling@gmail.com; deneen_long@yahoo.com

Cc: Scott Pearson <spearson@dcpcsb.org>; Naomi R. DeVeaux <Naomi@dcpcsb.org>; Lenora Robinson Mills <lmills@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>

Subject: WMST Document Requests and Visit on 2/27/2018

Hi, Dr. Diagne, Mr. Addae, Dr. Bolling, and Dr. Long-White,

I hope you had a good weekend. Ms. Kristin Bone and I plan to visit the school tomorrow morning at 9. In preparation for our visit, please compile the following documents:

- 1) Most recent financial statements
- 2) General Ledger and Trial Balance (electronic if available)
- 3) Most recent bank statements
- 4) List of outstanding checks
- 5) Copies of contracts with vendors
- 6) Payroll records that demonstrate monthly spend
- 7) Schedule of expected cash inflows for the rest of the school year
- 8) Invoices to be paid
- 9) List of any commitments for this school year and next school year
- 10) Appraisal for current location and any commitments/offers to purchase
- 11) Lease commitment for new facility, if leasing

Please note that this list isn't final and we may request further documentation. If you have any questions, please contact me at your convenience. Looking forward to seeing you soon!

Best Regards,

Mo



DC
PUBLIC
CHARTER
SCHOOL
BOARD

Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: rtyler@dcpcsb.org
To: Audrey A. Williams, Naomi R. DeVeaux, Scott Pearson
CC: Nicole Streeter, Angela Kim, School Performance Department, Daniel Quandt
Subject: RE: 2nd quarter board meeting minutes
Date: 27-Feb-2018 10:33
Attachments: RE: 2nd quarter board meeting minutes.html [\[Save\]](#) [\[Open\]](#)
 image003.png [\[Save\]](#) [\[Open\]](#)
 headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 27-Feb-2018 10:33
Store Date: 06-Mar-2018 07:59
Message Id: 2cdb28fb7b04a041b888d1b60659c23c00000041211c#34c5d3113ad41f41b5fb492e194109fa00029a269010

TEXT.htm

ATTACHMENT

Thank you, Audrey.



Rashida Tyler

Senior School Performance Advisor

Equal Employment Opportunity (EEO) Counselor

DC Public Charter School Board

Cell: 202-696-2832

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: [@dcpcsb](#) | Website: [dcpcsb.org](#)

From: Audrey A. Williams

Sent: Tuesday, February 27, 2018 10:27 AM

To: Rashida Tyler <rtyler@dcpcsb.org>; Scott Pearson <spearson@dcpcsb.org>; Naomi R. DeVeaux <Naomi@dcpcsb.org>

Cc: School Performance Department <SPDListserv@dcpcsb.org>; Nicole Streeter <nstreeter@dcpcsb.org>; Daniel Quandt <dquandt@dcpcsb.org>; Angela Kim <akim@dcpcsb.org>

Subject: RE: 2nd quarter board meeting minutes

Democracy Prep does have 40 hours of coverage in the nursing suite. 24 hours of clinical nurse and 16 hours of allied health professional. They have had full coverage for the past 2-3 months. Remember these notes were from September.



Audrey Williams

Senior Manager, Intergovernmental Relations

DC Public Charter School Board

Desk: 202-328-2748 | Cell: 202-696-2855

3333 14th St., NW, Suite 210 | Washington, DC 20010

Twitter: @dcpcsb | Website: www.dpcsb.org

From: Rashida Tyler

Sent: Tuesday, February 27, 2018 9:10 AM

To: Scott Pearson <spearson@dcpcsb.org>; Naomi R. DeVaux <Naomi@dcpcsb.org>

Cc: School Performance Department <SPDListserv@dcpcsb.org>; Nicole Streeter <nstreeter@dcpcsb.org>; Daniel Quandt <dquandt@dcpcsb.org>; Audrey A. Williams <AWilliams@dcpcsb.org>; Angela Kim <akim@dcpcsb.org>

Subject: 2nd quarter board meeting minutes

Hello,

Thank you, SPD, for your thorough read of the 2nd quarter board meeting minutes. I've identified potential flags for staff members that may/may not have come up during our whole-group recap. Please review and follow-up with me if you have questions about anything below.

Flags

G-Team Academy of Hope, Carlos Rosario, DC Scholars, Kingsman, National Collegiate, Rocketship, SEED

Legal Basis, Carlos Rosario

Audrey	Democracy Prep
Teri	Briya, Howard University, IDEA, LAYC, Lee Montessori, SELA, YouthBuild
Jessica	Briya, Monument, Sustainable Futures
Avni/Katie	Hope
EFA	Somerset
SQA	LAYC

Minutes Recap

LEA Name 2nd Quarter Reviewer Notes

November 18, 2017

Academy of
Hope Adult PCS

- AOH will hold a January graduation ceremony for 15 graduates
- Ward 8 building lease is extended to end of this year
- Board voted to discontinue regular meetings of the Executive Committee

(Flag – G-Team)

December 23, 2017

Achievement
Preparatory
Academy PCS

- LaRuby May became a board member
- Executive session to discuss ES campus conditions and enrollment decrease with Stephen Marcus
- Board voted on response to DC PCSB


November 28, 2017

AppleTree Early
Learning PCS

- Chief of Schools, Anne Malone, is stepping down at the end of the school year

November 9, 2017

BASIS DC PCS

- 
- Continuing discussion about expansion application.

Breakthrough
Montessori PCS

No notes for Quarter 2

Bridges PCS

No notes for Quarter 2

November 8, 2017

Briya PCS

- School is unsure how DC PCSB is going to use data... to calculate the count (Flag - Jessica)
- Board voted on new mission statement: "To strengthen families through culturally responsive two-generation education." (Flag – Teri)
- Board in need of DC residents to fill upcoming vacancies (including Board Chair Joel Goering)

October 10, 2017

- Two parents were approved as board members

November 14, 2017

Cesar Chavez
PCS for Public
Policy

- Board Chair Sulee Clay's seat will be open in January

December 2017

- Meeting cancelled in lieu of conversations with PCSB. School believes Achievement Prep's continuance gives them a chance to keep PSM open.

November 8, 2017

- Capital City PCS
- Received \$167K SPED OSSE grant to enhance secondary transition

August 26, 2017

- Sonia Gutierrez mentioned the Community Capital Corporation that took care of school repairs, supporting the school with activities and that CCC changed to a new security company

(Flag – G-Team, Legal regarding Sonia Gutierrez's affiliation with the corporation)

- Carlos Rosario
International PCS
- Moving forward with ParaPro paraeducator program
 - Completing accreditation self-review from Middle States Association

December 6, 2017

- Voted to approve charter goals amendment adjusting charter goals: switching from Supera assessment to Spark 3000
- \$1.5 mil more in revenue than projected, originally projected a budget net loss
- Again, school shared updates from the Community Capital Corporation

November 21, 2017

- Cedar Tree
Academy PCS
- Positive financial position

September 20, 2017

Center City PCS

- Voted to approve new 2017-18 board members
- Presentation of PARCC results and trends, has resulted in implementing interventionists for ELA at all campuses
- Enrollment is ahead of projected 1400 student enrollment
- Expected to break even in FY18
- Considering purchasing buses

October 9, 2017

- Looking for partners for before and after school care

November 13, 2017

Children's Guild
DC PCS

- Teaching positions open in SPED, OT, behavioral aides, science

November 27, 2017

- Paid less than full management fee to Children's Guild to remain financially sound, school expects to be able to pay the full amount in the next year

October 18, 2017

City Arts & Prep
PCS

- Fell short of PMF goal score of 55, concerned that "shifting calculations" will "be changed or delayed without warning" and expressed interest in pulling out of PMF as Goals.
- Did not fill all preschool slots, enrollment fell 6 students below expected amount
- Interviewing for 4 teacher vacancies
- SPED costs expected to rise - Changes in debt agreements in order to access additional funds from United Bank

October 27, 2017

Community
College
Preparatory
Academy PCS

- Approved new student representative on Board
- Received 78K SOAR grant to improve teacher performance
- Focusing on improving GED performance, concerned that annual changes in floors have direct impact on tier performance

September 25, 2017

- Board member Jeanie Carr resigned

Creative Minds
International PCS

December 11, 2017

- New board member Rahul Sinha approved

November 7, 2017

DC Bilingual PCS

- Motion passed to increase enrollment by 250 students
- Two new board members

November 17, 2017

DC Prep PCS

- Discussed possible conflict of interest: contracting former employee, Wendy Scott, for six months to mentor and train successor Kumasi Vines

September 13, 2017

- New board members approved- Peter Kolker and Janelle Suggs

November 8, 2017

DC Scholars
PCS

- Report out from DCPS - Stanton Elementary principal on Stanton's academic priorities
- ACS Contract (for IT services) voted and approved. This is a contract with the company where their COO is Mr. Lars Beck, who was the former CEO of Scholars Academies from 2010-16.

December 1, 2017

- Joint meeting of DC Scholars Public Charter School and DC Scholars Community Schools (**Flag G-Team - Minutes do not delineate actions for corresponding boards**)

September 27, 2017

- School is only staffed for 24 hours a week of nursing services in the health suite (they're supposed to have 40 hours). School notes flagging for PCSB, but says we didn't have a comprehensive strategy. School notes other schools with similar frustrations and plans to reach out to DOH. (**Flag – Audrey**)
- Parents are concerned with overcrowding and unreliable service on the W4 bus line which impacts attendance. (**Audrey reported that METRO has since added additional buses to route**)

Democracy Prep
Congress
Heights PCS

October 25, 2017

- The board and network may wish to revise some language in the management agreement regarding depreciation
- The network had decreased the management fee to prevent the school from running a deficit in its end of year financials, per the terms of the management agreement

October 13, 2017

District of
Columbia
International
School

- [REDACTED]

October 19, 2017

- School is \$1m over budget for facility renovation

November 16, 2017

- School is searching for a new ED

September 21, 2017

- Concerns with drop in reenrollment, rise in SPED and ESL populations
- PCSB may be concerned with debt ratio - anticipate debt will decline once Kansas Ave lease "has been unwound"

E.L. Haynes PCS

November 16, 2017

- Discussion about Washington Teacher Union retroactive raises for further years (for DCPS and charter LEAs) - and compensation structures
- Board voted to approve PMF as charter goals for 15 year renewal

December 7, 2017

Eagle Academy
PCS

- New board member, Ed Mouton
- New school construction will begin April 2018

November 2017

Early Childhood
Academy PCS

- Presentation by TenSquare about developing new building by June 2019

September 2017

Elsie Whitlow
Stokes
Community
Freedom PCS

- School submitting application for authorization with the International Baccalaureate/Primary Years Programme, full authorization expected before 2019-20 school year
- School has identified a site for expansion, Charter School Growth fund providing financial support for expansion
- Received 75K Soar Grant and Education Forward grant

August 2017

- Students not in correct dress code were placed in alternative learning environments
- New elementary campus principal
- There was a 48% decline in 7th grade PARCC scores as compared to SY 15-16 due to not having a math teacher in Middle School

October 2, 2017

Excel Academy
PCS

- No quorum
- Annual deficit from SY2016-17 of \$378K

October 28, 2017

- New board members elected, parent rep resigned
- Vote to fight for a continuance of the charter

December 4, 2017

- Discussion about revocation vote
- Board chair intends to step down at end of SY2017-18

October 26, 2017

Friendship PCS Nothing noteworthy.

September 26, 2017

Goodwill Excel
Center PCS

- Discussed potential future Goodwill Excel Center expansion in the District and Maryland, as well as potential criteria for expansion.
- Student board member resigned

October 5, 2017

Harmony DC
PCS

- Juliet will consult the Harmony DC PCS Board by-laws for language related to confidentiality, and will add a confidentiality agreement to next week's agenda for each Board member to sign
- Since 09/14 school has lost six students – enrollment at 94
- Table further discussion of a Pre-K amendment for this year as the PCSB is unlikely to approve. The Board will consider the addition of 6th grade for the 18-19 SY (school claims already covered by current charter)

November 9, 2017

- Current budget shows 11 days of cash – board agreed that 132K is what is needed to fundraise to get through 06/01/2018.

October 24, 2017

- “Money collected in May and June were deposited very late in September although the policy is to deposit money weekly. The employee responsible for making these audits was suspended until further investigation. Shortly after the suspension both the Business Manager and assistant resigned. After their departure, two folders full of unreconciled financial office documents and invoices were discovered.”

Hope
Community PCS

- The drop in enrollment at Tolson from 560 students to 467 was alarming to the Board. Despite enrollment declines, no staffing or fixed costs have been reduced.
- New board member Rebecca Doherty

November 28, 2017

- Board Chair opened about the financial management of Hope and asked what is the value and necessity of Imagine as a CMO
- OSSE will be conducting on-site monitoring with emphasis on SPED and EL because school was flagged as high risk (Flag – Avni, Katie)

November 13, 2017

Howard
University Middle
School of
Mathematics and
Science PCS

- The board discussed revision of the bylaws (Flag – Teri)
- Discussion about adding grade 5, 9, high school, becoming two LEA's
- Plans to complete renovation of the Minor building for SY19-20

September 29, 2017

IDEA PCS

- New board member, Mr. Andargeh, was approved
- Student enrollment budget goal of 279 students had been exceeded with an enrollment of 307 students
- Concern about the reduction of credits for the ACAD classes from one credit to ½ credit with the attendant impact that it will now take students four years to get credentialed (Flag – Teri)
- Exploring the use of church-owned buses to bring students to Idea

October 10, 2017

Ideal Academy
PCS

- No quorum – informal meeting
- Discussion with solar company deferred until school settles debt w /OSSE and gets clearance from PCSB

- Board discussed change in net assets and statement of position, increase in total cash on hand and total current assets

October 11, 2017

Ingenuity Prep
PCS

- Discussed decision not to proceed with ECI request; can ask for the ECI when students reach 4th grade instead
- Board Member Jimmy Henderson introduced his new position at EdOps – currently EdOPs school

November 27, 2017

Inspired
Teaching
Demonstration
PCS

- Discussed ongoing intellectual property issues in connection with the Center for Inspired Teaching
- Discussed the school's policy of taking new students late in middle school

No Date

Kingsman
Academy PCS

- Two new parent board members
- moved to expand the maximum size of the Board to 11 (flag G-Team)

September 13, 2017

KIPP DC PCS

- Consent calendar vote to revise KIPP DC bylaws, Conflicts of Interest, amended Articles of Incorporation (Flag – Teri, G-Team)
- Discussion about ECI approval and Fletcher-Johnson campus

October 19, 2017

- Plan to amend charter to adopt PMF as goals
- Kingsbury--some members of community oppose LAMB moving there due to noise, traffic, safety concerns. There were 30 suggestions from the community and LAMB agreed to 28 of them.

Latin American
Montessori
Bilingual PCS

October 17, 2017

- Board had discussion about urgent need to bring on new members
- Reviewed a sample policy on employer response to domestic violence, sexual violence and stalking

- [REDACTED]

August 3, 2017

- 8 departures, 4 more positions to fill: SPED Instructor and Para, Director of Student Support, Director of Academics
- On July 25th, CityBridge requested that LAYCCA return the \$50,000 awarded to date.

LAYC Career
Academy PCS

October 12, 2017

- New board member, Linda Moore
- Full accreditation expected July 2019 (Flag – SQA (condition of review), Teri)

November 14, 2017

- Discussion about options about CMO to bring services in house or find another provider at favorable price – agreement in need of re-negotiation

October 25, 2017

Lee Montessori
PCS

- Vague notes about opening a middle school and a charter amendment (Flag – Teri)

November 14, 2017

- New board member, Imani Edwards

Mary McLeod
Bethune Day
Academy PCS

- Discussed sharp decline in PMF results
- Enrollment of 459 is 52 students more than last year

Maya Angelou
PCS


No notes for Quarter 2

October 17, 2017

Meridian PCS

- Two board members resigned, new board chair elected, Edie Ashton
- The school's enrollment submitted for the enrollment count is 637, below the budget target

December 12, 2017

- 

Monument
Academy PCS

January 17, 2018

- Emily shared that she and Paul had met with Scott and Naomi from the PCSB, and understood that the high school application may be submitted as late as next September. She also shared that the PCSB may grant extension charters where the school has hit all its goals or where there is a demonstrated need.

October 5, 2017

- Small enrollment decline in grades 4 & 5, ED says school not filling immediately.
- Concerns about current cash position – much more needed to be done re: fundraising

Mundo Verde
Bilingual PCS

November 28, 2017

- Loss of Title I funding impacted last year's budget

National
Collegiate
Preparatory
PCHS

December 11, 2017

- Two board members gave their proxies in advance "should it be needed for voting" (Flag for G-Team)

October 24, 2017

- Due to an increase in English learners, the school has increased its number of self-contained classes and lesson modifications.

Paul PCS

November 28, 2017

- Dr. Wright said that she was aware that some teachers are not timely entering their grades, and her Executive Team will take steps to get teachers to correct this deficiency

August 15, 2017

- The middle school is seeking accreditation through Middle States

Perry Street
Preparatory PCS

October 17, 2017

- Board members discussed that LAMB plans to end its lease with Perry Street soon to move all three of its campuses under one roof into a new location

Richard Wright
PCS for
Journalism and
Media Arts

No date

- Approved for Middle States accreditation

August 23, 2017

- New board member, Jean-Claude Brizard
- Closed session with legal counsel regarding potential litigation concerning Rocketship's Redwood City site

Rocketship DC
PCS

November 10, 2017

- Board approved the opening of a second school in Milwaukee for SY 2018-19 (Flag G-Team: Minutes submitted appear to NOT be for local Rocketship DC board)

November 17, 2017

Roots PCS

- Board approved charter amendment of student progress goal
- Meeting began with an opening prayer

December 7, 2017

SEED Public
Charter School
of Washington,
DC

- November 1, 2017 meeting minutes were approved by the Board but not submitted to EpiCenter (Flag G-Team)
- Board member, Brooke Coburn resigned

October 19, 2017

- Upcoming board member resignation, Christina Austin
- Discussed implementing a 90/10 Hebrew immersion model

November 9, 2017

- Appealing enrollment audit numbers

Sela PCS

- Paul interested in adding Hebrew
- Jenifer thinks families would love to see Sela add a middle school, but the biggest challenge would be finding enough Hebrew teachers, when we are having a hard time finding enough teachers for elementary school.
- DCI partnership “no-go”

December 14, 2017

- School is waiting to hear from PCSB about whether they are required to get accreditation this year or whether charters are able to wait until their 7th year to get accredited (Flag - Teri)
- Recapped discussion with PCSB about a feeder relationship with a middle school (Washington Latin)

No date

Shining Stars
Montessori
Academy PCS

- School discussed challenges with only receiving 55 total points on the PMF since they don't receive points for growth or gateway indicators
- School is reviewing becoming a Montessori Teacher Training Center by 2019-20 to grow their own talent

October 18, 2017

- Closure by PCSB is not a likely decision
- “ALC program up and running... kids are in there for 4½ weeks...” (Flag – EFA)

Somerset
Preparatory
Academy PCS

January 11, 2018

- Board is hiring a third-party company to analyze school records on operating relationships with vendors

September 19, 2017

- Peggy O'Brien, president agreed to serve an additional three-year term
- Staff developing details of how enrollment preference will be administered

November 14, 2017

St. Coletta
Special
Education PCS

- Chip Hesternburg agreed to new, two-year term as Secretary
- Group has identified parent member for review to be voted on by email
- UPSFF payment shortage because of two misclassified students
- OSSE notified us that the gap payment negotiated at the founding of the Charter school will end in two years. It will be fully funded for FY 18 & 19. Over time, we have reduced the amount of gap funding significantly, but this may present a shortfall in funding for the program.
- Board voted unanimously to approve AAF measures and goals

November 29, 2017

- Attendance rate is in the 40% range
- Two new board members, Patrice Wedderburn and Katie Kaplun

December 19, 2017

Sustainable
Futures PCS

- "Staff asked to donate portion of pay to contracted contractor for holiday week coverage"
- **Student work products on websites can count as attendance (Flag – Jessica)**
- Staying in All Souls additional year

January 16, 2018

- Resignation of Natasha Warsaw

January 10, 2018

The Next Step/EI
PrÃ³ximo Paso
PCS

- Board member, Will Ragland, resigned
- [REDACTED]
- New ED, Jonathan Mathis, begins 1/29

September 14, 2017

- New board member Danielle Bierzynski
- Rick Roe made a voting member

October 12, 2017

Thurgood
Marshall
Academy PCS

- Jonathan Stohl elected board chair effective Jan 2018
- Not moving forward with high school opening, interested in middle school takeover
- [REDACTED]

October 2, 2017

- Two Rivers PCS
- Applied for a SOAR grant to increase number of classrooms at Young campus

November 28, 2017

Washington
Global PCS

- School received two OSSE grants for 70K

	<ul style="list-style-type: none"> • School received two OSSE grants for 70K
Washington Latin PCS	<p>November 2, 2017</p> <ul style="list-style-type: none"> • School working on corrective action plan pursuant to issues flagged in SY13-14 and SY14-15 by OSSE <p>December 7, 2017</p> <ul style="list-style-type: none"> • Discussion about SRA Funding Legislation lawsuit appeal • Discussion about teacher/administrator frustrations with disciplinary issues
Washington Leadership Academy PCS	Nothing noteworthy
Washington Mathematics Science Technology PCHS	<p>October 25, 2017</p> <ul style="list-style-type: none"> • Three-year decline in enrollment • "WMST is currently experiencing a financial strain" • New board member, N. Bridges • Actively working on new facility at 711 Edgewood NE • "Wants to offer online courses for students... without expanding staff"
Washington Yu Ying PCS	<p>October 11, 2017</p> <ul style="list-style-type: none"> • New board member, Kelly Yee <p>November 14, 2017</p> <ul style="list-style-type: none"> • Board voted to create new non-profit <p>December 12, 2017</p> <ul style="list-style-type: none"> • School wants to improve performance management before replicating • Discussion, no vote, about anti-harassment policy
YouthBuild PCS	<p>October 19, 2017</p> <ul style="list-style-type: none"> • Plan to submit amendment for a name change- dropping LAYC, changing bylaws and articles (currently working with Nicole S.) and asking for enrollment increase by December 8 (Flag – Teri)

From: mbashshiti@dcpcsb.org
To: Scott Pearson
CC: Lenora Robinson Mills, Naomi R. DeVeaux
Subject: RE: Meeting
Date: 28-Feb-2018 00:09
Attachments: RE: Meeting.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 28-Feb-2018 00:09
Store Date: 07-Mar-2018 12:09
Message Id: ff7d472a131ce342b7f120e580c62c990000091267b1#ff7d472a131ce342b7f120e580c62c990000290298d38

TEXT.htm

ATTACHMENT

Hi, Scott,

On your first point, completely agree. I'm reviewing all my notes from the meeting, and Dr. Diagne stated the building is **not** move-in ready. She specifically mentioned how the windows all need to be lowered. WMST couldn't provide a dollar amount for all the LHI work, but it will be expensive. Mark Addae is researching and we should know more soon.

Regarding the gym: Dr. Diagne stated the new building will **not** have one, but she wants to build it in the **second** year of the lease. You can imagine my confusion given how she's previously made the gym a selling point.

Correct, enrollment is based on the per-pupil amounts. Kristin, Hunt, and I worked through this several times during the meeting, and best case scenario shows no more than 218 students next year will enroll when the school needs over 330...

To answer your final question: the school must have a debt service coverage ratio of 1.20 and a net asset position of \$150,000. They violated both covenants, but received a waiver from United Bank. Unless the covenants change, the school will violate them again at 6/30/2018.

Please let me know if this helps. See you soon. Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Scott Pearson

Sent: Tuesday, February 27, 2018 9:54 PM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>

Cc: Naomi R. DeVeaux <Naomi@dcpsb.org>; Lenora Robinson Mills <lmills@dcpsb.org>

Subject: Re: Meeting

We should probably confirm the leasehold improvement estimates. Who knows - maybe the building is in move-in condition but if it's going to cost \$1mm or more to make it habitable we should know that.

Also, I believe their plan was to build a gym or theater or multipurpose room. Is this even feasible? Without it, it's hard to imagine them hitting their enrollment target. (Even with it it's hard to imagine).

When we say what enrollment they will need, is that based on the per-pupil? They can go north of this, of course.

Are they in violation of any debt covenants?

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Feb 27, 2018, at 8:20 PM, Mohammad Bashshiti <MBashshiti@dcpcsb.org> wrote:

Hi, Scott, Naomi, and Lenora

Kristin and Hunt have provided a summary of today's work below. I was extremely worried when I departed the school. Please see my highlights in the e-mail below. To summarize:

1. The school will have negative cash between \$188k and \$268k by 3/31/2018, and they knew about it.
2. The offer to buy the current building wasn't \$9 million, but \$6 million.
3. The lease for the new building will require a deposit of nearly \$700k.
4. The school will need to operate close to max building capacity (i.e., 450) to be able to afford the occupancy costs.

Please let me know if you'd like to discuss this information tomorrow. Hope you have a great evening.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

From: Kristin Bone [<mailto:kbone@stoneturn.com>]
Sent: Tuesday, February 27, 2018 6:01 PM
To: Mohammad Bashshiti <MBashshiti@dpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>; Kristin Bone <kbone@stoneturn.com>
Subject: RE: Meeting

Confidential

Mo,

Hunt and I had a very productive day at the school. The following is a summary of what we worked on, our preliminary observations/concerns, and plan for tomorrow:

Activity

1. Interviews/discussions with Dr. Diagne and Mark Addae.
2. Review of financial documents requested including but not limited to:
 1. General Ledger and Trial Balance YTD
 2. Proposed 17-18 budget
 3. Budget to Actual as of Jan 31
 4. Bank statement as of Feb 26
 5. Current payables (aging report)
 6. Most recent payroll report
 7. LOI for the sale of current location and for the lease of new facility
3. High level cash flow analysis
4. High level calculation of targeted enrollment to cover new facility costs
5. Identified 3 scenarios for the cash flow analyses

Observations/Concerns

1. The cash situation is such that the school will **not be able to pay all of its obligations for March and beginning of April** until the Per Pupil & Facilities payments are received April 13. We based our calculation and projection of expenses on the proposed budget and from discussions with Mark. He indicated that he foresees being able to defer some of these projected expenses and we will discuss the details with him tomorrow. We estimate **by March 31 there would be a negative cash position**

of approximately \$188k - \$268k depending on whether the school receives (as believed) \$80k in Title/SOAR/CTE money. We spoke with Dr. Diagne and Mark to discuss their plan on how to cover this negative cash and understand that WMST's Board is meeting tomorrow night and will discuss this issue. It was a **known issue prior to us arriving today.**

2. Our review of the sale/lease situation:

a. Current Location

i. There is a interested buyer who has made an offer for \$6.0 million. The school has countered at \$8.5 million. Tomorrow (Wednesday) the school's real estate broker and the buyer are meeting to discuss price. Given that the school has a mortgage of \$6.0 million and a collateralized line of credit for \$0.3 million, the **offer of \$6.0 million is not sufficient.**

amp;nbsp; ii. The line of credit of \$0.3 million is due paid in full by June 30, 2018. This is regardless of having the property sold. This addition \$0.3 million is a debt that we will factor into the June cash flow analysis.

iii. Should the school stay at the current location and not sell, then Dr. Diagne commented that there would need to be investment in the repairs and upgrades to the current facility. We will ask for a projected cost to do this work, if one exists.

2. New Facility

i. High level analysis indicates that to cover facility costs of the new facility, the school would need enrollment of 331 students. Current enrollment is 211 students. There are 74 students slated to graduate. There is a 75% - 80% historical re-enrollment rate. Based on this, the reenrollment can be projected at approx. 103-110. There are 108 new applications for the 18-19 school year that have indicated WMST as one of their 3 top picks. Assuming all are matched to WMST and all accept, then enrollment would calculate out at 211 – 218.

1. The amounts included in the high level analysis includes property taxes that the school would be exempt from paying. At this time, it is unknown how much that amount would be. The lease indicates an estimate of 7% for operating expenses and property taxes, and does not provide a breakdown between the two.

ii. Dr. Diagne indicated that the school is actively going into the community to recruit new students. She believes that should they have the new facility, then that would be a positive recruiting factor. However, there is **a risk that the new "recruits" may not show interest in enrollment until the 19-20 school year.** And if they did a mid-year transfer into the school, then the October audit of enrollment would have already passed and not be counted in the per

pupil payments for the Q3 and Q4 payments. The **goal would be to have new enrollment prior to October where the students would start at the old location and then move mid-year.**

iii. The lease includes rent abatement. The rent for the first 6 months of the first two years is reduced by 50%. However, effective starting the third year, the rent is no longer abated and increases by 2.5% annually. Thus, the **enrollment would need to increase to cover for the additional expense – approx. 419** (note: this is a back of the envelope calculation)

iv. The **security deposit for the new facility is \$680,000**. This amount, as agreed by Dr. Diagne and Mark Addae, would need to come from the proceeds of the sale of the current facility. As previously mentioned, the mortgage obligation of \$6.3 million would need to also be covered by the sales proceeds. Combined the amount is at roughly \$7.0 million.

v. The LOI for the lease indicates Tenant has financial responsibility to partially contribute leasehold improvements. We have asked Mark about this estimate for this and he is researching.

vi. The lease term is 25 years with an option to purchase for \$15 million any time within the first 5 years of the lease.

Next Steps This Week

1. Hunt will work with Mark on-site to obtain the details on future expenses for a weekly cash flow projection for 3 scenarios at 4 sale prices (\$6.5, \$7.0, \$7.5, \$8.0 million):
 1. Sell building before June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 2. Sell building after June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 3. No sale and remain in current location (payoff for LOC is June 30 for \$0.3 million)
2. Dr. Diagne will report to us on the results of tomorrow(Wednesday's) meeting between the school's real estate agent and the prospective buyer of the current location. We expect that there will be another counteroffer from the buyer.
3. Dr. Diagne will report to us on the Board meeting discussion about negative cash flow.
4. Hunt will request a schedule of estimated costs to repair/upgrade the current location should a sale not occur.
5. Mark is researching the cost for leasehold improvements for the new facility. Additionally, we will request estimate for the move (e.g. moving company)
6. Hunt will work on a high level analysis this week of how many students the school would need to be enrolled to cover costs should the school stay in the current location.

I will be traveling tomorrow arriving at my destination around 3:00 EST. Hunt will be on-site tomorrow. Both of us will be accessible during these times. We will plan to provide you daily updates similar to this one to keep you informed of our progress and the school's movements around negative cash flow for March and the sale/lease situation.

Regards,

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]
Sent: Tuesday, February 27, 2018 3:47 PM
To: Kristin Bone <kbone@stoneturn.com>; Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Hi, Kristin & Hunt,

This is deeply concerning. \$681,000 is a massive deposit. Didn't Dr. Diagne verbally state the offer was \$6.5 – \$7 million and the counteroffer \$8.8 million? Instead, it's \$6 million and \$8.5 million, respectively. Fairly substantial difference.

Curious to see what the leasehold improvement costs are, so keep me posted...also, the rent abatement is **6** months total, not 12 months the way Mr. Addae stated...

Not sure their plan to move is feasible unless the offer price increases by *at least* \$1.2 million+. Hoping for some good news tomorrow.

Best Regards,

Mo



DC
PUBLIC
CHARTER
SCHOOL
BOARD

Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Kristin Bone [<mailto:kbone@stoneturn.com>]
Sent: Tuesday, February 27, 2018 3:03 PM
To: Mohammad Bashshiti <MBashshiti@dcpsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.P.S The \$6.3 m includes the \$300,000 line of credit which Mark just told us is due in June.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 2:50 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.S. The highlighting and handwriting on the LOI I sent is mine.

Also, you may want to look at the Security Deposit term for the new location which is equal to 8 mos rent (approx. \$680,000). We spoke with Mark and he said that in order to pay that they will need to get the funds from the sale of their current building. The offer to purchase the current location that Dr. Diagne sent us today shows \$6.0 million which is less than the outstanding mortgage, but the school countered at over \$8 million. The meeting with the prospective buyer is Wednesday and so they should have some further insight on price. If the mortgage is \$6.3 m + deposit of \$0.7 m then they need at least (after closing costs) \$7 million. And that doesn't take into account any other costs to getting the new facility in-shape. We're getting something from Mark that should project that cost. Stand by for more information.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 1:49 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Mo

I'm sending you a couple of items for you to consider:

1. Copy of the LOI – new location 711 Edgewood Place NE
2. Back of the envelope calculation for just the facilities cost for the new location to get at a target pupil number based on per pupil facilities revenue amount

We have a list of questions for Mark on the LOI terms – which may have to be elevated to someone negotiating the terms. The answers may impact the back of the envelope calculation.

We plan on running scenarios for (1) staying put at current location and (2) moving to new location in December. And any others should they present themselves.

Regards

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]
Sent: Tuesday, February 27, 2018 1:41 PM
To: Kristin Bone <kbone@stoneturn.com>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Hi, Kristin and Hunt,

No doubt the enrollment matter is very serious. 300 students seems unattainable, let alone filling the 450 capacity of the new facility.

If the school is staying at the current location through at least December 2018, how would that attract *more* students to enroll? In fact, don't you assume they'd have less than the current 211? Enrollment may go up after the new facility, but if payments are based on October 2018 enrollment counts taken at the current location, the school *wouldn't* be paid for the additional students, as far as I know.

Another important fact I need to share: the Q1 payment for FY19 (to occur around July 15, 2018) will be based on the school's projected enrollment of 211. This link from FY18 is helpful to explain how payments occur: <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/2017-18%20UPSFF%20Payment%20Letter.pdf>

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Kristin Bone [<mailto:kbone@stoneturn.com>]
Sent: Tuesday, February 27, 2018 11:40 AM
To: Mohammad Bashshiti <MBashshiti@dcpsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: Meeting

Mo

I think the meeting went well this morning. We should discuss the enrollment issue further as there clearly is reason for concern. I would like to get your thoughts and maybe Scott's also on this as we move forward.

Thank you

Kristin

Kristin N. Bone

Partner

T: +1 202 349 3743

M: +1 202 738 2134

E: kbone@stoneturn.com

StoneTurn

2099 Pennsylvania Avenue, NW

6th Floor

Washington, DC 20006

www.stoneturn.com

<New Facility Costs.xlsx>

<Doc - Feb 27 2018 - 12-57 PM.PDF>

From: spearson@dcpcsb.org
To: Daniel Quandt, Mohammad Bashshiti, Kristin Bone, Sarah H. Cheatham, hprothro@stoneturn.com, seniorteam
CC: Rick Cruz
Subject: Re: WMST Update - 2/28/18
Date: 01-Mar-2018 21:09
Attachments: Re: WMST Update - 2/28/18.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 01-Mar-2018 21:09
Store Date: 03-Mar-2018 11:26
Message Id: 562bd5f5a77f5940bd4b2498305d0ac50000006212b3#1477c5e40f145244beead2f755f0f5ac0002990c5e35

TEXT.htm

ATTACHMENT

[REDACTED]

[REDACTED]

[REDACTED]

Nicole – are you back in the office Friday to discuss?

Thanks

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Scott Pearson <spearson@dcpcsb.org>

Date: Wednesday, February 28, 2018 at 8:13 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>, Kristin Bone <kbone@stoneturn.com>, "hprothro@stoneturn.com" <hprothro@stoneturn.com>, seniorteam <seniorteam@dcpcsb.org>, Sarah Hampton Cheatham <scheatham@dcpcsb.org>, Dan Quandt <dquandt@dcpcsb.org>

Cc: Rick Cruz <rcruz@dcpcsb.org>

Subject: Re: WMST Update - 2/28/18

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

spearson@dcpcsb.org

202-495-8722

www.dcpcsb.org

@sdpearson

From: Mohammad Bashshiti <mbashshiti@dcpcsb.org>

Sent: Wednesday, February 28, 2018 5:51 PM

Subject: FW: WMST Update - 2/28/18

To: Scott Pearson <spearson@dcpcsb.org>, Naomi R. DeVeaux <naomi@dcpcsb.org>, Lenora Robinson Mills <lmills@dcpcsb.org>

Hi, Scott, Naomi, and Lenora,

Here's the StoneTurn update from today. I will be at WMST tomorrow for at least part of the day. Please see my highlights below. To summarize:

1. The school will be completely out of money after payroll is paid next week on March 9. The school has to meet two more payrolls, plus other obligations, before the Q4 per-pupil payment comes in sometime in mid-April. They won't be able to sustain themselves since the line of credit is maxed out.
2. The school is late on paying vendor invoices and in some cases has accumulated balances from prior months.
3. The school has yet to provide an estimate of the renovation costs of the new facility.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Hunt Prothro [mailto:hprothro@stoneturn.com]

Sent: Wednesday, February 28, 2018 5:28 PM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>

Cc: Kristin Bone <kbone@stoneturn.com>

Subject: WMST Update - 2/28/18

Confidential

Hi Mo,

Here's an update for today:

1. I built out an early draft of the weekly cash flow projections based on expected revenue as well as actual and expected weekly expenses. The early returns are showing they will go negative in cash next week after the payroll cycle and paying about \$66k in expenses that are due. (This assumes no changes that might occur, such as deferring the mortgage payment or other expenses.) I'm then showing they'll stay negative in cash for 5 weeks from about March 9 to April 13 until the expected per pupil allotment from DC arrives on or around April 13. There will be two payroll cycles that occur during this time of negative cash, on March 23 and April 6. It's worth noting these observations are estimates and depend on a lot of variables/assumptions.
 1. My cash flow projection does not yet include any of the building sale scenarios, but I hope to build that out in the next day or two.
2. Mark and I went through their current outstanding invoices. A few of the invoices are late and include a balance from the prior month. Mark said they will discuss expenses with the board tonight and do some thinking on if they can defer any.
3. I requested a projected cost to renovate the new facility. I also requested a projected cost to renovate/upgrade the current facility should a sale not occur. Mark said he will discuss with the board tonight.

I'll be here tomorrow morning by 9:00. If you have time either before or after our 10:00 meeting with Dr. Diagne and Mark, I'd like to discuss a couple things with you as well as walk through the cash flow projection I've worked on so far.

Thanks,

Hunt Prothro

Senior Consultant

T:+1 202 349 3807

M:+1 202 455 0605

E:hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Kristin Bone

Sent: Tuesday, February 27, 2018 6:01 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Cc: Hunt Prothro <hprothro@stoneturn.com>; Kristin Bone <kbone@stoneturn.com>

Subject: RE: Meeting

Confidential

Mo,

Hunt and I had a very productive day at the school. The following is a summary of what we worked on, our preliminary observations/concerns, and plan for tomorrow:

Activity

1. Interviews/discussions with Dr. Diagne and Mark Addae.
2. Review of financial documents requested including but not limited to:
 1. General Ledger and Trial Balance YTD
 2. Proposed 17-18 budget
 3. Budget to Actual as of Jan 31
 4. Bank statement as of Feb 26
 5. Current payables (aging report)
 6. Most recent payroll report
 7. LOI for the sale of current location and for the lease of new facility
3. High level cash flow analysis
4. High level calculation of targeted enrollment to cover new facility costs
5. Identified 3 scenarios for the cash flow analyses

Observations/Concerns

1. The cash situation is such that the school will not be able to pay all of its obligations for March and beginning of April until the Per Pupil & Facilities payments are received April 13. We based our calculation and projection of expenses on the proposed budget and from discussions with Mark. He indicated that he foresees being able to defer some of these projected expenses and we will discuss the details with him tomorrow. We estimate by March 31 there would be a negative cash position of approximately \$188k - \$268k depending on whether the school receives (as believed) \$80k in Title/SOAR/CTE money. We spoke with Dr. Diagne and Mark to discuss their plan on how to cover this negative cash and understand that WMST's Board is meeting tomorrow night and will discuss this issue. It was a known issue prior to us arriving today.
2. Our review of the sale/lease situation:
 - a. Current Location
 - i. There is a interested buyer who has made an offer for \$6.0 million. The school has countered at \$8.5 million. Tomorrow (Wednesday) the school's real estate broker and the buyer are meeting to discuss price. Given that the school has a mortgage of \$6.0 million and a collateralized line of credit for \$0.3 million, the offer of \$6.0 million is not sufficient.
 - ii. The line of credit of \$0.3 million is due paid in full by June 30, 2018. This is regardless of having the property sold. This addition \$0.3 million is a debt that we will factor into the June cash flow analysis.

iii. Should the school stay at the current location and not sell, then Dr. Diagne commented that there would need to be investment in the repairs and upgrades to the current facility. We will ask for a projected cost to do this work, if one exists.

b. New Facility

i. High level analysis indicates that to cover facility costs of the new facility, the school would need enrollment of 331 students. Current enrollment is 211 students. There are 74 students slated to graduate. There is a 75% - 80% historical re-enrollment rate. Based on this, the reenrollment can be projected at approx. 103-110. There are 108 new applications for the 18-19 school year that have indicated WMST as one of their 3 top picks. Assuming all are matched to WMST and all accept, then enrollment would calculate out at 211 – 218.

1. The amounts included in the high level analysis includes property taxes that the school would be exempt from paying. At this time, it is unknown how much that amount would be. The lease indicates an estimate of 7% for operating expenses and property taxes, and does not provide a breakdown between the two.

ii. Dr. Diagne indicated that the school is actively going into the community to recruit new students. She believes that should they have the new facility, then that would be a positive recruiting factor. However, there is a risk that the new “recruits” may not show interest in enrollment until the 19-20 school year. And if they did a mid-year transfer into the school, then the October audit of enrollment would have already passed and not be counted in the per pupil payments for the Q3 and Q4 payments. The goal would be to have new enrollment prior to October where the students would start at the old location and then move mid-year.

iii. The lease includes rent abatement. The rent for the first 6 months of the first two years is reduced by 50%. However, effective starting the third year, the rent is no longer abated and increases by 2.5% annually. Thus, the enrollment would need to increase to cover for the additional expense – approx. 419 (note: this is a back of the envelope calculation)

iv. The security deposit for the new facility is \$680,000. This amount, as agreed by Dr. Diagne and Mark Addae, would need to come from the proceeds of the sale of the current facility. As previously mentioned, the mortgage obligation of \$6.3 million would need to also be covered by the sales proceeds. Combined the amount is at roughly \$7.0 million.

v. The LOI for the lease indicates Tenant has financial responsibility to partially contribute leasehold improvements. We have asked Mark about this estimate for this and he is researching.

vi. The lease term is 25 years with an option to purchase for \$15 million any time within the first 5 years of the lease.

1. Hunt will work with Mark on-site to obtain the details on future expenses for a weekly cash flow projection for 3 scenarios at 4 sale prices (\$6.5, %7.0, \$7.5, \$8.0 million):
 1. Sell building before June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 2. Sell building after June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 3. No sale and remain in current location (payoff for LOC is June 30 for \$0.3 million)
2. Dr. Diagne will report to us on the results of tomorrow(Wednesday's) meeting between the school's real estate agent and the prospective buyer of the current location. We expect that there will be another counteroffer from the buyer.
3. Dr. Diagne will report to us on the Board meeting discussion about negative cash flow.
4. Hunt will request a schedule of estimated costs to repair/upgrade the current location should a sale not occur.
5. Mark is researching the cost for leasehold improvements for the new facility. Additionally, we will request estimate for the move (e.g. moving company)
6. Hunt will work on a high level analysis this week of how many students the school would need to be enrolled to cover costs should the school stay in the current location.

I will be traveling tomorrow arriving at my destination around 3:00 EST. Hunt will be on-site tomorrow. Both of us will be accessible during these times. We will plan to provide you daily updates similar to this one to keep you informed of our progress and the school's movements around negative cash flow for March and the sale/lease situation.

Regards,

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]
Sent: Tuesday, February 27, 2018 3:47 PM
To: Kristin Bone <kbone@stoneturn.com>; Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Hi, Kristin & Hunt,

This is deeply concerning. \$681,000 is a massive deposit. Didn't Dr. Diagne verbally state the offer was \$6.5 – \$7 million and the counteroffer \$8.8 million? Instead, it's \$6 million and \$8.5 million, respectively. Fairly substantial difference.

Curious to see what the leasehold improvement costs are, so keep me posted...also, the rent abatement is 6 months total, not 12 months the way Mr. Addae stated...

Not sure their plan to move is feasible unless the offer price increases by *at least* \$1.2 million+. Hoping for some good news tomorrow.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Kristin Bone [<mailto:kbone@stoneturn.com>]

Sent: Tuesday, February 27, 2018 3:03 PM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>

Cc: Hunt Prothro <hprothro@stoneturn.com>

Subject: RE: Meeting

P.P.S The \$6.3 m includes the \$300,000 line of credit which Mark just told us is due in June.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 2:50 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.S. The highlighting and handwriting on the LOI I sent is mine.

Also, you may want to look at the Security Deposit term for the new location which is equal to 8 mos rent (approx. \$680,000). We spoke with Mark and he said that in order to pay that they will need to get the funds from the sale of their current building. The offer to purchase the current location that Dr. Diagne sent us today shows \$6.0 million which is less than the outstanding mortgage, but the school countered at over \$8 million. The meeting with the prospective buyer is Wednesday and so they should have some further insight on price. If the mortgage is \$6.3 m + deposit of \$0.7 m then they need at least (after closing costs) \$7 million. And that doesn't take into account any other costs to getting the new facility in-shape. We're getting something from Mark that should project that cost. Stand by for more information.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 1:49 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Mo

I'm sending you a couple of items for you to consider:

1. Copy of the LOI – new location 711 Edgewood Place NE
2. Back of the envelope calculation for just the facilities cost for the new location to get at a target pupil number based on per pupil facilities revenue amount

We have a list of questions for Mark on the LOI terms – which may have to be elevated to someone negotiating the terms. The answers may impact the back of the envelope calculation.

We plan on running scenarios for (1) staying put at current location and (2) moving to new location in December. And any others should they present themselves.

Regards

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]

Sent: Tuesday, February 27, 2018 1:41 PM

To: Kristin Bone <kbone@stoneturn.com>

Cc: Hunt Prothro <hprothro@stoneturn.com>

Subject: RE: Meeting

Hi, Kristin and Hunt,

No doubt the enrollment matter is very serious. 300 students seems unattainable, let alone filling the 450 capacity of the new facility.

If the school is staying at the current location through at least December 2018, how would that attract *more* students to enroll? In fact, don't you assume they'd have less than the current 211? Enrollment may go up after the new facility, but if payments are based on October 2018 enrollment counts taken at the current location, the school *wouldn't* be paid for the additional students, as far as I know.

Another important fact I need to share: the Q1 payment for FY19 (to occur around July 15, 2018) will be based on the school's projected enrollment of 211. This link from FY18 is helpful to explain how payments occur: <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/2017-18%20UPSFF%20Payment%20Letter.pdf>

Best Regards,

Mo



Mohammad Bashshiti, CPA



School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Kristin Bone [<mailto:kbone@stoneturn.com>]

Sent: Tuesday, February 27, 2018 11:40 AM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>

Cc: Hunt Prothro <hprothro@stoneturn.com>

Subject: Meeting

Mo

I think the meeting went well this morning. We should discuss the enrollment issue further as there clearly is reason for concern. I would like to get your thoughts and maybe Scott's also on this as we move forward.

Thank you

Kristin

Kristin N. Bone

Partner

T: +1 202 349 3743

M: +1 202 738 2134

E: kbone@stoneturn.com

StoneTurn

2099 Pennsylvania Avenue, NW

6th Floor

Washington, DC 20006

www.stoneturn.com

From: mcross@dcpcsb.org
To: Lenora Robinson Mills
CC: Scott Pearson
Subject: Re: Oversight fee
Date: 02-Mar-2018 10:03
Attachments: Re: Oversight fee.html [Save] [Open]
headers.822 [Save] [Open]
Creation Date: 02-Mar-2018 10:03
Store Date: 11-Mar-2018 00:51
Message Id: ff7d472a131ce342b7f120e580c62c99000009126790#ff7d472a131ce342b7f120e580c62c9900002916679b3

TEXT.htm

ATTACHMENT

Ok, will do.

Marvin D. Cross

DC Public Charter School Board

3333 14th Street NW, Suite 210

Washington, DC 20010

202.328.2667 desk

301.442.3016 cell

202.328.2661 fax

www.dcpceb.org

On Mar 2, 2018, at 9:51 AM, Lenora Robinson Mills <lmills@dcpceb.org> wrote:

Ok. Makes sense. Marvin, can you adjust the budget please?

Get [Outlook for iOS](#)

From: Scott Pearson

Sent: Friday, March 2, 2018 8:50:26 AM

To: Lenora Robinson Mills; Marvin Cross

Subject: Oversight fee

Just spoke with Rick about WMST. He feels that, given the potential for PCSB to have to spend \$1mm or more to keep WMST from shutting its doors, we should keep the oversight fee at 9%.

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

3333 14th St., NW, Suite 201 | Washington, DC 20010

Twitter: @sdpearson | Website: dcpcsb.org

From: spearson@dcpcsb.org
To: Mohammad Bashshiti, Hunt Prothro
CC: Lenora Robinson Mills, Kristin Bone
Subject: Re: WMST Update - 3/2/18
Date: 02-Mar-2018 23:53
Attachments: Re: WMST Update - 3/2/18.html [\[Save\]](#) [\[Open\]](#)
image001.jpg [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image002.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 02-Mar-2018 23:53
Store Date: 11-Mar-2018 00:51
Message Id: ff7d472a131ce342b7f120e580c62c99000291665952#ff7d472a131ce342b7f120e580c62c99000293094441

TEXT.htm

ATTACHMENT

Hunt – this is very helpful. However to get a full sense of our exposure we need to add the employee salary costs through the end of their 12-month contracts. Payments in July and August will likely need to be pulled forward to ensure employees don't quit. The other element of our exposure is the closure/winddown costs, which Lenora probably has a good estimate of.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Hunt Prothro <hprothro@stoneturn.com>
Date: Friday, March 2, 2018 at 6:01 PM
To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Cc: Kristin Bone <kbone@stoneturn.com>
Subject: WMST Update - 3/2/18

Confidential

Hi Mo,

I'm sorry in advance for the long email, but here's today's update:

1. Attached is a copy of my weekly cash flow projection (first tab) and a cash flow summary based on prioritizing certain expenses as Scott had requested. I'll explain these further below. If you want to get to the most important information in my opinion, jump to 4b.
2. As I mentioned earlier today, the school lost power this morning due to the weather and I left around 11:00 a.m. since I could not access internet. Prior to leaving, I talked with Dr. Diagne and Mr. Addae about our next steps and what I needed from them today—namely, their proposed reductions/eliminations to certain expenses going forward (e.g., administrative fee to PCSB). Dr. Diagne said that if power was not restored and they couldn't access internet at the school, she would work from home to get me what I needed. Although I sent follow up emails this afternoon, I have not heard from them or received any information on this matter.
3. Re: #2, this means that my weekly cash flow projection could be off, potentially by a large amount (though I would guess not by more than \$50-100k). As I've explained to you, my forecast for future expenses is based on dividing the YTD actual expenses from July-January by the number of weeks over that time period (31 weeks). With those average weekly expenses, I then allocated a weekly amount going forward from April-June.
 1. In some cases, as Dr. Diagne and Mr. Addae explained, certain expenses are front-loaded in the school year (e.g., textbooks, administrative/program fees, etc.) and there will not be any future costs in those areas. I told them I would need them to document the specific line items they disagreed with along with the proposed amounts for the rest of the year. This is what I was mentioning in #2 that I have not yet received. Without this information, my projection may be too high.
 2. Similar to 3a., they are also supposed to provide me information on the due dates of future expenses. For example, certain payments might be made monthly (power bills) or quarterly (unemployment tax). Since I don't have information on when those payments are actually made, I allocated a smaller amount to each week. For example, let's say the power bill is \$4,000 due on the 15th of the month. Because I have not received the due date information from Mr. Addae, I would just allocate \$1,000/week to the power bill, which admittedly is not the most accurate way to forecast expenses. To improve the accuracy of my forecast, I really need expected payment dates from them.

4. [REDACTED]
[REDACTED]
[REDACTED]

1. [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

■ [REDACTED]
[REDACTED]
[REDACTED]

2. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

■ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

1. [REDACTED]
[REDACTED]

■ [REDACTED]
[REDACTED]

■ [REDACTED]
[REDACTED]

■ [REDACTED]
[REDACTED]

■ [REDACTED]

[REDACTED]

I know this was a lot of information. If you have any questions and want to discuss prior to Monday's 9:30 call, you can email me this weekend. If not, I will talk to you Monday morning.

Thanks and have a nice weekend!

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Hunt Prothro
Sent: Thursday, March 1, 2018 6:42 PM
To: 'MBashshiti@dcpcsb.org' <MBashshiti@dcpcsb.org>
Cc: Kristin Bone <kbone@stoneturn.com>
Subject: WMST Update - 3/1/18

Confidential

Hi Mo,

Here's an update for today:

1. Attached is a draft copy of the weekly cash flow projection through the end of March. While we have forecasted out through June 30, Dr. Diagne and Mr. Addae are currently reviewing the projections and we plan to discuss tomorrow morning. They are identifying areas where they expect some expenses can be reduced or eliminated through the end of the school year. However, for your insight, I wanted to provide the attachment through the end of March since that timeframe is more accurate/predictable. Currently, all bills received through yesterday are included in this attached list, so the expenses are likely more accurate than what we have projected from April-June at this time.
 1. The two largest costs for this week and next are the \$41k mortgage payment and the \$48k Benefits Mall payment. As Dr. Diagne said this morning, they are discussing options for deferring the expenses with Benefits Mall. She also said she would discuss the mortgage payment with the bank during her meeting today, but I am not sure of the outcome of that discussion.
 2. I'm going to work with Mark tomorrow to nail down estimated dates of future payments to make my expense projections more accurate.
 3. Once I receive their proposed reductions/eliminations of expenses, I hope to send you an updated version of my cash flow projections by tomorrow around lunchtime.
2. I know you attended the meeting this morning, but just to summarize from my notes:
 1. They received a counter offer of \$6.95 million with a leaseback option of \$65k through July 2019. Dr. Diagne said they plan to counter around \$7.1-7.2 million with a leaseback of \$60k. As we discussed, they have not yet received an estimated cost to renovate the new facility. I have also not received an estimated cost to renovate/upgrade the current facility should they not sell this building.
 2. Benefits Mall and bank meeting summarized above in 1a.
 3. They are considering letting 3 staff members go, which they estimate will save them roughly \$50k in expenses from April through June after the 30 days' notice. I have not received documented estimates of these amounts so I have not included them in my projections yet. Further, I'm not sure if this might increase their unemployment payments, so I will follow up with them tomorrow.

I will be back at the school tomorrow morning and I'll be in touch once I receive WMST's proposed reductions /eliminations/deferrals of expenses. Let me know if you have questions about any of this.

Thank you,

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Hunt Prothro
Sent: Wednesday, February 28, 2018 5:28 PM
To: MBashshiti@dcpcsb.org
Cc: Kristin Bone <kbone@stoneturn.com>
Subject: WMST Update - 2/28/18

Confidential

Hi Mo,

Here's an update for today:

1. I built out an early draft of the weekly cash flow projections based on expected revenue as well as actual and expected weekly expenses. The early returns are showing they will go negative in cash next week after the payroll cycle and paying about \$66k in expenses that are due. (This assumes no changes that might occur, such as deferring the mortgage payment or other expenses.) I'm then showing they'll stay negative in cash for 5 weeks from about March 9 to April 13 until the expected per pupil allotment from DC arrives on or around April 13. There will be two payroll cycles that occur during this time of negative cash, on March 23 and April 6. It's worth noting these observations are estimates and depend on a lot of variables/assumptions.
 1. My cash flow projection does not yet include any of the building sale scenarios, but I hope to build that out in the next day or two.
2. Mark and I went through their current outstanding invoices. A few of the invoices are late and include a balance from the prior month. Mark said they will discuss expenses with the board tonight and do some thinking on if they can defer any.
3. I requested a projected cost to renovate the new facility. I also requested a projected cost to renovate/upgrade the current facility should a sale not occur. Mark said he will discuss with the board tonight.

I'll be here tomorrow morning by 9:00. If you have time either before or after our 10:00 meeting with Dr. Diagne and Mark, I'd like to discuss a couple things with you as well as walk through the cash flow projection I've worked on so far.

Thanks,

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Kristin Bone

Sent: Tuesday, February 27, 2018 6:01 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Cc: Hunt Prothro <hprothro@stoneturn.com>; Kristin Bone <kbone@stoneturn.com>

Subject: RE: Meeting

Confidential

Mo,

Hunt and I had a very productive day at the school. The following is a summary of what we worked on, our preliminary observations/concerns, and plan for tomorrow:

Activity

1. Interviews/discussions with Dr. Diagne and Mark Addae.
2. Review of financial documents requested including but not limited to:

1. General Ledger and Trial Balance YTD
2. Proposed 17-18 budget
3. Budget to Actual as of Jan 31
4. Bank statement as of Feb 26
5. Current payables (aging report)
6. Most recent payroll report
7. LOI for the sale of current location and for the lease of new facility
3. High level cash flow analysis
4. High level calculation of targeted enrollment to cover new facility costs
5. Identified 3 scenarios for the cash flow analyses

Observations/Concerns

1. The cash situation is such that the school will not be able to pay all of its obligations for March and beginning of April until the Per Pupil & Facilities payments are received April 13. We based our calculation and projection of expenses on the proposed budget and from discussions with Mark. He indicated that he foresees being able to defer some of these projected expenses and we will discuss the details with him tomorrow. We estimate by March 31 there would be a negative cash position of approximately \$188k - \$268k depending on whether the school receives (as believed) \$80k in Title/SOAR/CTE money. We spoke with Dr. Diagne and Mark to discuss their plan on how to cover this negative cash and understand that WMST's Board is meeting tomorrow night and will discuss this issue. It was a known issue prior to us arriving today.
2. Our review of the sale/lease situation:

1. Current Location

- i. There is a interested buyer who has made an offer for \$6.0 million. The school has countered at \$8.5 million. Tomorrow (Wednesday) the school's real estate broker and the buyer are meeting to discuss price. Given that the school has a mortgage of \$6.0 million and a collateralized line of credit for \$0.3 million, the offer of \$6.0 million is not sufficient.
- ii. The line of credit of \$0.3 million is due paid in full by June 30, 2018. This is regardless of having the property sold. This addition \$0.3 million is a debt that we will factor into the June cash flow analysis.
- iii. Should the school stay at the current location and not sell, then Dr. Diagne commented that there would need to be investment in the repairs and upgrades to the current facility. We will ask for a projected cost to do this work, if one exists.

2. New Facility

- i. High level analysis indicates that to cover facility costs of the new facility, the school would need enrollment of 331 students. Current enrollment is 211 students. There are 74 students slated to graduate. There is a 75% - 80% historical re-enrollment rate. Based on this, the reenrollment can be projected at approx. 103-110. There are 108 new applications for the 18-19 school year that have indicated WMST as one of their 3 top picks. Assuming all are matched to WMST and all accept, then enrollment would calculate out at 211 - 218.

1. The amounts included in the high level analysis includes property taxes that the school would be exempt from paying. At this time, it is unknown how much that

amount would be. The lease indicates an estimate of 7% for operating expenses and property taxes, and does not provide a breakdown between the two.

ii. Dr. Diagne indicated that the school is actively going into the community to recruit new students. She believes that should they have the new facility, then that would be a positive recruiting factor. However, there is a risk that the new “recruits” may not show interest in enrollment until the 19-20 school year. And if they did a mid-year transfer into the school, then the October audit of enrollment would have already passed and not be counted in the per pupil payments for the Q3 and Q4 payments. The goal would be to have new enrollment prior to October where the students would start at the old location and then move mid-year.

iii. The lease includes rent abatement. The rent for the first 6 months of the first two years is reduced by 50%. However, effective starting the third year, the rent is no longer abated and increases by 2.5% annually. Thus, the enrollment would need to increase to cover for the additional expense – approx. 419 (note: this is a back of the envelope calculation)

iv. The security deposit for the new facility is \$680,000. This amount, as agreed by Dr. Diagne and Mark Addae, would need to come from the proceeds of the sale of the current facility. As previously mentioned, the mortgage obligation of \$6.3 million would need to also be covered by the sales proceeds. Combined the amount is at roughly \$7.0 million.

v. The LOI for the lease indicates Tenant has financial responsibility to partially contribute leasehold improvements. We have asked Mark about this estimate for this and he is researching.

vi. The lease term is 25 years with an option to purchase for \$15 million any time within the first 5 years of the lease.

Next Steps This Week

1. Hunt will work with Mark on-site to obtain the details on future expenses for a weekly cash flow projection for 3 scenarios at 4 sale prices (\$6.5, \$7.0, \$7.5, \$8.0 million):
 1. Sell building before June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 2. Sell building after June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 3. No sale and remain in current location (payoff for LOC is June 30 for \$0.3 million)
2. Dr. Diagne will report to us on the results of tomorrow(Wednesday’s) meeting between the school’s real estate agent and the prospective buyer of the current location. We expect that there will be another counteroffer from the buyer.
3. Dr. Diagne will report to us on the Board meeting discussion about negative cash flow.
4. Hunt will request a schedule of estimated costs to repair/upgrade the current location should a sale not occur.
5. Mark is researching the cost for leasehold improvements for the new facility. Additionally, we will request estimate for the move (e.g. moving company)
6. Hunt will work on a high level analysis this week of how many students the school would need to be enrolled to cover costs should the school stay in the current location.

I will be traveling tomorrow arriving at my destination around 3:00 EST. Hunt will be on-site tomorrow. Both of us will be accessible during these times. We will plan to provide you daily updates similar to this one to keep you informed of our progress and the school's movements around negative cash flow for March and the sale/lease situation.

Regards,

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]
Sent: Tuesday, February 27, 2018 3:47 PM
To: Kristin Bone <kbone@stoneturn.com>; Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Hi, Kristin & Hunt,

This is deeply concerning. \$681,000 is a massive deposit. Didn't Dr. Diagne verbally state the offer was \$6.5 – \$7 million and the counteroffer \$8.8 million? Instead, it's \$6 million and \$8.5 million, respectively. Fairly substantial difference.

Curious to see what the leasehold improvement costs are, so keep me posted...also, the rent abatement is **6** months total, not 12 months the way Mr. Addae stated...

Not sure their plan to move is feasible unless the offer price increases by *at least* \$1.2 million+. Hoping for some good news tomorrow.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Kristin Bone [<mailto:kbone@stoneturn.com>]
Sent: Tuesday, February 27, 2018 3:03 PM
To: Mohammad Bashshiti <MBashshiti@dcpsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.P.S The \$6.3 m includes the \$300,000 line of credit which Mark just told us is due in June.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 2:50 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.S. The highlighting and handwriting on the LOI I sent is mine.

Also, you may want to look at the Security Deposit term for the new location which is equal to 8 mos rent (approx. \$680,000). We spoke with Mark and he said that in order to pay that they will need to get the funds from the sale of their current building. The offer to purchase the current location that Dr. Diagne sent us today shows \$6.0 million which is less than the outstanding mortgage, but the school countered at over \$8 million. The meeting with the prospective buyer is Wednesday and so they should have some further insight on price. If the mortgage is \$6.3 m + deposit of \$0.7 m then they need at least (after closing costs) \$7

million. And that doesn't take into account any other costs to getting the new facility in-shape. We're getting something from Mark that should project that cost. Stand by for more information.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 1:49 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Mo

I'm sending you a couple of items for you to consider:

1. Copy of the LOI – new location 711 Edgewood Place NE
2. Back of the envelope calculation for just the facilities cost for the new location to get at a target pupil number based on per pupil facilities revenue amount

We have a list of questions for Mark on the LOI terms – which may have to be elevated to someone negotiating the terms. The answers may impact the back of the envelope calculation.

We plan on running scenarios for (1) staying put at current location and (2) moving to new location in December. And any others should they present themselves.

Regards

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]
Sent: Tuesday, February 27, 2018 1:41 PM
To: Kristin Bone <kbone@stoneturn.com>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Hi, Kristin and Hunt,

No doubt the enrollment matter is very serious. 300 students seems unattainable, let alone filling the 450 capacity of the new facility.

If the school is staying at the current location through at least December 2018, how would that attract *more* students to enroll? In fact, don't you assume they'd have less than the current 211? Enrollment may go up after the new facility, but if payments are based on October 2018 enrollment counts taken at the current location, the school *wouldn't* be paid for the additional students, as far as I know.

Another important fact I need to share: the Q1 payment for FY19 (to occur around July 15, 2018) will be based on the school's projected enrollment of 211. This link from FY18 is helpful to explain how payments occur: <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/2017-18%20UPSFF%20Payment%20Letter.pdf>

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Kristin Bone [<mailto:kbone@stoneturn.com>]

Sent: Tuesday, February 27, 2018 11:40 AM

To: Mohammad Bashshiti <MBashshiti@dcpsb.org>

Cc: Hunt Prothro <hprothro@stoneturn.com>

Subject: Meeting

Mo

I think the meeting went well this morning. We should discuss the enrollment issue further as there clearly is reason for concern. I would like to get your thoughts and maybe Scott's also on this as we move forward.

Thank you

Kristin

Kristin N. Bone

Partner

T: +1 202 349 3743

M: +1 202 738 2134

E: kbone@stoneturn.com

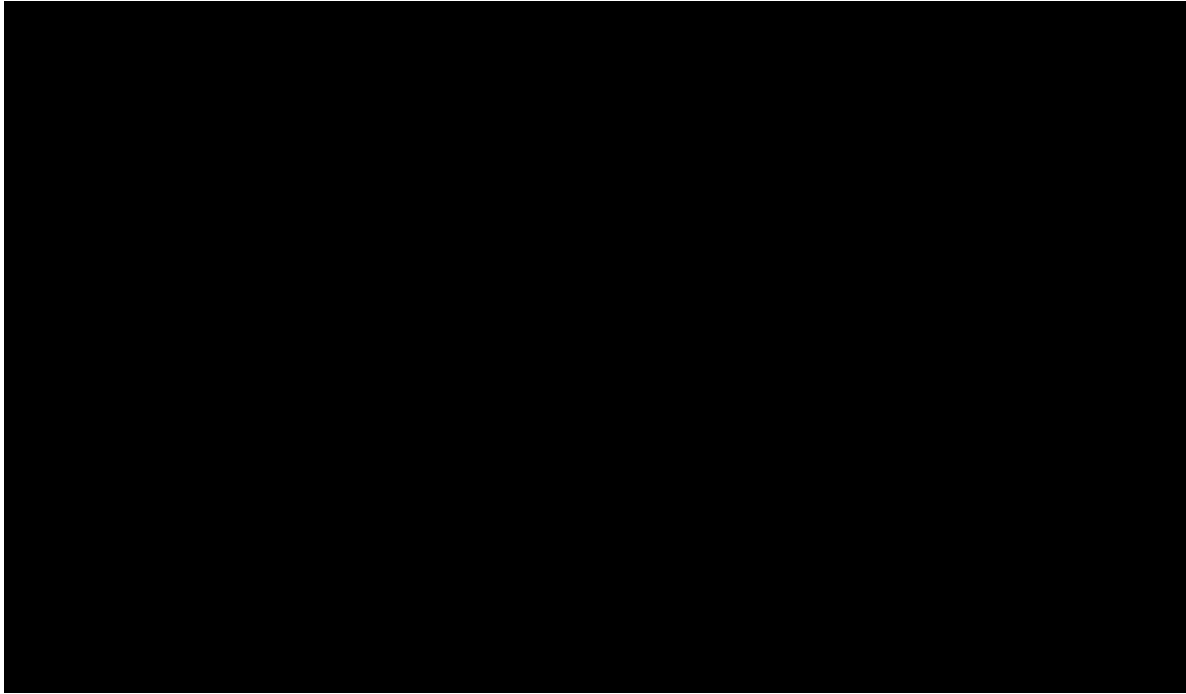
StoneTurn

2099 Pennsylvania Avenue, NW

6th Floor

Washington, DC 20006

www.stoneturn.com



From: spearson@dcpcsb.org
To: Nicole Streeter
CC: Naomi R. DeVeaux
Subject: Re: WMST Update - 2/28/18
Date: 02-Mar-2018 13:21
Attachments: Re: WMST Update - 2/28/18.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
image003.png [\[Save\]](#) [\[Open\]](#)
image004.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 02-Mar-2018 13:21
Store Date: 05-Mar-2018 08:20
Message Id: d06f93b2b00c8147b996a9e1bc76375600001e4f19a5#5f982f16faeec746bb85cec04baec5b70002a14296e2

TEXT.htm

ATTACHMENT

Ok – I'll try around 2:30 or 3

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Nicole Streeter <nstreeter@dcpcsb.org>

Date: Friday, March 2, 2018 at 11:18 AM

To: "Naomi R. DeVeaux" <Naomi@dcpcsb.org>, Dan Quandt <dquandt@dcpcsb.org>, seniorteam <seniorteam@dcpcsb.org>, Scott Pearson <spearson@dcpcsb.org>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>, Sarah Hampton Cheatham <scheatham@dcpcsb.org>

Cc: Rick Cruz <rcruz@dcpcsb.org>

Subject: Re: WMST Update - 2/28/18

I can talk later this afternoon.

N-

Get [Outlook for iOS](#)

From: Naomi R. DeVeaux

Sent: Friday, March 2, 2018 8:54:06 AM

To: Scott Pearson; Nicole Streeter; Mohammad Bashshiti; seniorteam; Sarah H. Cheatham; Daniel Quandt

Cc: Rick Cruz

Subject: Re: WMST Update - 2/28/18

[REDACTED]

Naomi

Naomi Rubin DeVeaux

Deputy Director, DC PCSB

From: Scott Pearson

Sent: Friday, March 2, 2018 10:09:33 AM

To: Nicole Streeter; Mohammad Bashshiti; seniorteam; Sarah H. Cheatham; Daniel Quandt


Cc: Rick Cruz

Subject: Re: WMST Update - 2/28/18

Thanks, Nicole.

[REDACTED]

[REDACTED]



Let me know when you're free to discuss.

Thanks

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Nicole Streeter <nstreeter@dcpcsb.org>

Date: Friday, March 2, 2018 at 8:25 AM

To: Scott Pearson <spearson@dcpcsb.org>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>, seniorteam <seniorteam@dcpcsb.org>, Sarah Hampton Cheatham <scheatham@dcpcsb.org>, Dan Quandt <dquandt@dcpcsb.org>

Cc: Rick Cruz <rcruz@dcpcsb.org>

Subject: Re: WMST Update - 2/28/18

Good Morning -



[REDACTED]

[REDACTED]

[REDACTED]

N-

From: Scott Pearson

Sent: Thursday, March 1, 2018 9:09 PM

To: Mohammad Bashshiti; Kristin Bone; hprothro@stoneturn.com; seniorteam; Sarah H. Cheatham; Daniel Quandt

Cc: Rick Cruz

Subject: Re: WMST Update - 2/28/18

[REDACTED]

[REDACTED]

[REDACTED]

Nicole – are you back in the office Friday to discuss?

Thanks

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Scott Pearson <spearson@dcpcsb.org>

Date: Wednesday, February 28, 2018 at 8:13 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>, Kristin Bone <kbone@stoneturn.com>, "hprothro@stoneturn.com" <hprothro@stoneturn.com>, seniorteam <seniorteam@dcpcsb.org>, Sarah Hampton Cheatham <scheatham@dcpcsb.org>, Dan Quandt <dquandt@dcpcsb.org>

Cc: Rick Cruz <rcruz@dcpcsb.org>

Subject: Re: WMST Update - 2/28/18

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

spearson@dcpcsb.org

202-495-8722

www.dcpcsb.org

@sdpearson

From: Mohammad Bashshiti <mbashshiti@dcpcsb.org>

Sent: Wednesday, February 28, 2018 5:51 PM

Subject: FW: WMST Update - 2/28/18

To: Scott Pearson <spearson@dcpcsb.org>, Naomi R. DeVeaux <naomi@dcpcsb.org>, Lenora Robinson Mills <l mills@dcpcsb.org>

Hi, Scott, Naomi, and Lenora,

Here's the StoneTurn update from today. I will be at WMST tomorrow for at least part of the day. Please see my highlights below. To summarize:

1. The school will be completely out of money after payroll is paid next week on March 9. The school has to meet two more payrolls, plus other obligations, before the Q4 per-pupil payment comes in sometime in mid-April. They won't be able to sustain themselves since the line of credit is maxed out.
2. The school is late on paying vendor invoices and in some cases has accumulated balances from prior months.
3. The school has yet to provide an estimate of the renovation costs of the new facility.

Best Regards,

Mo



DC
PUBLIC
CHARTER
SCHOOL
BOARD

Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

District of Columbia Public Charter School Board

www.dcpsb.org

DC public charter school board facts and figures. Learn about public charter market share, demographics, and other data trends. See more facts and figures

From: Hunt Prothro [mailto:hprothro@stoneturn.com]
Sent: Wednesday, February 28, 2018 5:28 PM
To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Cc: Kristin Bone <kbone@stoneturn.com>
Subject: WMST Update - 2/28/18

Confidential

Hi Mo,

Here's an update for today:

1. I built out an early draft of the weekly cash flow projections based on expected revenue as well as actual and expected weekly expenses. The early returns are showing they will go negative in cash next week after the payroll cycle and paying about \$66k in expenses that are due. (This assumes no changes that might occur, such as deferring the mortgage payment or other expenses.) I'm then showing they'll stay negative in cash for 5 weeks from about March 9 to April 13 until the expected per pupil allotment from DC arrives on or around April 13. There will be two payroll cycles that occur during this time of negative cash, on March 23 and April 6. It's worth noting these observations are estimates and depend on a lot of variables/assumptions.
 1. My cash flow projection does not yet include any of the building sale scenarios, but I hope to build that out in the next day or two.
2. Mark and I went through their current outstanding invoices. A few of the invoices are late and include a balance from the prior month. Mark said they will discuss expenses with the board tonight and do some thinking on if they can defer any.
3. I requested a projected cost to renovate the new facility. I also requested a projected cost to renovate/upgrade the current facility should a sale not occur. Mark said he will discuss with the board tonight.

I'll be here tomorrow morning by 9:00. If you have time either before or after our 10:00 meeting with Dr. Diagne and Mark, I'd like to discuss a couple things with you as well as walk through the cash flow projection I've worked on so far.

Thanks,

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M:+1 202 455 0605

E:hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Kristin Bone

Sent: Tuesday, February 27, 2018 6:01 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Cc: Hunt Prothro <hprothro@stoneturn.com>; Kristin Bone <kbone@stoneturn.com>

Subject: RE: Meeting

Confidential

Mo,

Hunt and I had a very productive day at the school. The following is a summary of what we worked on, our preliminary observations/concerns, and plan for tomorrow:

Activity

1. Interviews/discussions with Dr. Diagne and Mark Addae.
2. Review of financial documents requested including but not limited to:
 1. General Ledger and Trial Balance YTD
 2. Proposed 17-18 budget
 3. Budget to Actual as of Jan 31
 4. Bank statement as of Feb 26
 5. Current payables (aging report)
 6. Most recent payroll report
 7. LOI for the sale of current location and for the lease of new facility

3. High level cash flow analysis
4. High level calculation of targeted enrollment to cover new facility costs
5. Identified 3 scenarios for the cash flow analyses

Observations/Concerns

1. The cash situation is such that the school will not be able to pay all of its obligations for March and beginning of April until the Per Pupil & Facilities payments are received April 13. We based our calculation and projection of expenses on the proposed budget and from discussions with Mark. He indicated that he foresees being able to defer some of these projected expenses and we will discuss the details with him tomorrow. We estimate by March 31 there would be a negative cash position of approximately \$188k - \$268k depending on whether the school receives (as believed) \$80k in Title/SOAR/CTE money. We spoke with Dr. Diagne and Mark to discuss their plan on how to cover this negative cash and understand that WMST's Board is meeting tomorrow night and will discuss this issue. It was a known issue prior to us arriving today.

2. Our review of the sale/lease situation:

- a. Current Location

- i. There is a interested buyer who has made an offer for \$6.0 million. The school has countered at \$8.5 million. Tomorrow (Wednesday) the school's real estate broker and the buyer are meeting to discuss price. Given that the school has a mortgage of \$6.0 million and a collateralized line of credit for \$0.3 million, the offer of \$6.0 million is not sufficient.

- ii. The line of credit of \$0.3 million is due paid in full by June 30, 2018. This is regardless of having the property sold. This addition \$0.3 million is a debt that we will factor into the June cash flow analysis.

amp;nbsp;

- iii. Should the school stay at the current location and not sell, then Dr. Diagne commented that there would need to be investment in the repairs and upgrades to the current facility. We will ask for a projected cost to do this work, if one exists.

- b. New Facility

- i. High level analysis indicates that to cover facility costs of the new facility, the school would need enrollment of 331 students. Current enrollment is 211 students. There are 74 students slated to graduate. There is a 75% - 80% historical re-enrollment rate. Based on this, the reenrollment can be projected at approx. 103-110. There are 108 new applications for the 18-19 school year that have indicated WMST as one of their 3 top picks. Assuming all are matched to WMST and all accept, then enrollment would calculate out at 211 – 218.

1. The amounts included in the high level analysis includes property taxes that the school would be exempt from paying. At this time, it is unknown how much that amount would be. The lease indicates an estimate of 7% for operating expenses and property taxes, and does not provide a breakdown between the two.

- ii. Dr. Diagne indicated that the school is actively going into the community to recruit new students. She believes that should they have the new facility, then that would be a positive recruiting factor. However, there is a risk that the new “recruits” may not show interest in enrollment until the 19-20 school year. And if they did a mid-year transfer into the school, then the October audit of enrollment would have already passed and not be counted in the per pupil payments for the Q3 and Q4 payments. The goal would be to have new enrollment prior to October where the students would start at the old location and then move mid-year.
- iii. The lease includes rent abatement. The rent for the first 6 months of the first two years is reduced by 50%. However, effective starting the third year, the rent is no longer abated and increases by 2.5% annually. Thus, the enrollment would need to increase to cover for the additional expense – approx. 419 (note: this is a back of the envelope calculation)
- iv. The security deposit for the new facility is \$680,000. This amount, as agreed by Dr. Diagne and Mark Addae, would need to come from the proceeds of the sale of the current facility. As previously mentioned, the mortgage obligation of \$6.3 million would need to also be covered by the sales proceeds. Combined the amount is at roughly \$7.0 million.
- v. The LOI for the lease indicates Tenant has financial responsibility to partially contribute leasehold improvements. We have asked Mark about this estimate for this and he is researching.
- vi. The lease term is 25 years with an option to purchase for \$15 million any time within the first 5 years of the lease.

Next Steps This Week

1. Hunt will work with Mark on-site to obtain the details on future expenses for a weekly cash flow projection for 3 scenarios at 4 sale prices (\$6.5, \$7.0, \$7.5, \$8.0 million):
 1. Sell building before June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 2. Sell building after June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 3. No sale and remain in current location (payoff for LOC is June 30 for \$0.3 million)
2. Dr. Diagne will report to us on the results of tomorrow(Wednesday’s) meeting between the school’s real estate agent and the prospective buyer of the current location. We expect that there will be another counteroffer from the buyer.
3. Dr. Diagne will report to us on the Board meeting discussion about negative cash flow.
4. Hunt will request a schedule of estimated costs to repair/upgrade the current location should a sale not occur.
5. Mark is researching the cost for leasehold improvements for the new facility. Additionally, we will request estimate for the move (e.g. moving company)
6. Hunt will work on a high level analysis this week of how many students the school would need to be enrolled to cover costs should the school stay in the current location.

I will be traveling tomorrow arriving at my destination around 3:00 EST. Hunt will be on-site tomorrow. Both of us will be accessible during these times. We will plan to provide you daily updates similar to this one to keep you informed of our progress and the school's movements around negative cash flow for March and the sale/lease situation.

Regards,

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]
Sent: Tuesday, February 27, 2018 3:47 PM
To: Kristin Bone <kbone@stoneturn.com>; Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Hi, Kristin & Hunt,

This is deeply concerning. \$681,000 is a massive deposit. Didn't Dr. Diagne verbally state the offer was \$6.5 – \$7 million and the counteroffer \$8.8 million? Instead, it's \$6 million and \$8.5 million, respectively. Fairly substantial difference.

Curious to see what the leasehold improvement costs are, so keep me posted...also, the rent abatement is 6 months total, not 12 months the way Mr. Addae stated...

Not sure their plan to move is feasible unless the offer price increases by *at least* \$1.2 million+. Hoping for some good news tomorrow.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

District of Columbia Public Charter School Board

www.dcpsb.org

DC public charter school board facts and figures. Learn about public charter market share, demographics, and other data trends. See more facts and figures

From: Kristin Bone [<mailto:kbone@stoneturn.com>]
Sent: Tuesday, February 27, 2018 3:03 PM
To: Mohammad Bashshiti <MBashshiti@dcpsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.P.S The \$6.3 m includes the \$300,000 line of credit which Mark just told us is due in June.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 2:50 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.S. The highlighting and handwriting on the LOI I sent is mine.

Also, you may want to look at the Security Deposit term for the new location which is equal to 8 mos rent (approx. \$680,000). We spoke with Mark and he said that in order to pay that they will need to get the funds from the sale of their current building. The offer to purchase the current location that Dr. Diagne sent us today shows \$6.0 million which is less than the outstanding mortgage, but the school countered at over \$8 million. The meeting with the prospective buyer is Wednesday and so they should have some further insight on price. If the mortgage is \$6.3 m + deposit of \$0.7 m then they need at least (after closing costs) \$7 million. And that doesn't take into account any other costs to getting the new facility in-shape. We're getting something from Mark that should project that cost. Stand by for more information.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 1:49 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Mo

I'm sending you a couple of items for you to consider:

1. Copy of the LOI – new location 711 Edgewood Place NE
2. Back of the envelope calculation for just the facilities cost for the new location to get at a target pupil number based on per pupil facilities revenue amount

We have a list of questions for Mark on the LOI terms – which may have to be elevated to someone negotiating the terms. The answers may impact the back of the envelope calculation.

We plan on running scenarios for (1) staying put at current location and (2) moving to new location in December. And any others should they present themselves.

Regards

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]
Sent: Tuesday, February 27, 2018 1:41 PM
To: Kristin Bone <kbone@stoneturn.com>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Hi, Kristin and Hunt,

No doubt the enrollment matter is very serious. 300 students seems unattainable, let alone filling the 450 capacity of the new facility.

If the school is staying at the current location through at least December 2018, how would that attract *more* students to enroll? In fact, don't you assume they'd have less than the current 211? Enrollment may go up after the new facility, but if payments are based on October 2018 enrollment counts taken at the current location, the school *wouldn't* be paid for the additional students, as far as I know.

Another important fact I need to share: the Q1 payment for FY19 (to occur around July 15, 2018) will be based on the school's projected enrollment of 211. This link from FY18 is helpful to explain how payments occur: <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/2017-18%20UPSFF%20Payment%20Letter.pdf>

To: Charter LEA leaders - osse.dc.gov

osse.dc.gov

To: Charter LEA leaders From: Jennie Niles, Deputy Mayor for Education Hanseul Kang, State Superintendent of Education CC: Scott Pearson, Executive Director of the DC ...

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

District of Columbia Public Charter School Board

www.dcpsb.org

DC public charter school board facts and figures. Learn about public charter market share, demographics, and other data trends. See more facts and figures

From: Kristin Bone [<mailto:kbone@stoneturn.com>]
Sent: Tuesday, February 27, 2018 11:40 AM
To: Mohammad Bashshiti <MBashshiti@dcpsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: Meeting

Mo

I think the meeting went well this morning. We should discuss the enrollment issue further as there clearly is reason for concern. I would like to get your thoughts and maybe Scott's also on this as we move forward.

Thank you

Kristin

Kristin N. Bone

Partner

T: +1 202 349 3743

M: +1 202 738 2134

E: kbone@stoneturn.com

StoneTurn

2099 Pennsylvania Avenue, NW

6th Floor

Washington, DC 20006

www.stoneturn.com

StoneTurn - Turn to Us

www.stoneturn.com

StoneTurn is a leading forensic accounting, corporate compliance & expert services firm that assists attorneys, corporations & government agencies on a range of high ...

From: spearson@dcpcsb.org
To: Hunt Prothro
CC: Mohammad Bashshiti, Lenora Robinson Mills, Kristin Bone
Subject: Re: WMST Update - 3/2/18
Date: 03-Mar-2018 17:09
Attachments: Re: WMST Update - 3/2/18.html [\[Save\]](#) [\[Open\]](#)
image001.jpg [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image003.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 03-Mar-2018 17:09
Store Date: 11-Mar-2018 00:51
Message Id: ff7d472a131ce342b7f120e580c62c99000291665952#ff7d472a131ce342b7f120e580c62c99000293094445

TEXT.htm

ATTACHMENT

Also accrued vacation pay!

Scott Pearson
Executive Director
DC Public Charter School Board
202-328-2662

On Mar 3, 2018, at 11:46 AM, Hunt Prothro <hprothro@stoneturn.com> wrote:

Hi all,

Thanks for your feedback—I will update my forecast and get something back to you today.

Can you provide some specifics on the 12-month employee salary contracts:

- In this scenario, will they actually receive paychecks in July/August? Or will the payments come in a lump sum at the end of June, or even be spread out over the course of May/June?
- Through what date are they paid full salary? August 31?
- If not, how many paychecks will they receive after the June 29 payroll cycle I have on my forecast?

Additionally, I received WMST's updates this morning from Dr. Diagne. Their server was down yesterday from the power outage, so they could not send or receive emails.

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Lenora Robinson Mills [<mailto:lmills@dcpcsb.org>]

Sent: Saturday, March 3, 2018 7:29 AM

To: Scott Pearson <spearson@dcpcsb.org>; Hunt Prothro <hprothro@stoneturn.com>;
Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Cc: Kristin Bone <kbone@stoneturn.com>

Subject: Re: WMST Update - 3/2/18

Based on past closures, major closure expenses are the final audit, student record digitizing, and the salaries of staff to execute closure tasks beyond June 30 (audit, special education records support, tax and W-2 support).

My estimates based on past closures are below:

Final audit: \$35,000

Digitizing records: \$15,000

Staff through September: \$30,000 (depending salaries and # of staff who remain)

Lenora Robinson Mills

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

From: Scott Pearson <spearson@dcpcsb.org>

Date: Friday, March 2, 2018 at 11:53 PM

To: Hunt Prothro <hprothro@stoneturn.com>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>

>

Cc: Kristin Bone <kbone@stoneturn.com>, Lenora Robinson Mills <lmills@dcpcsb.org>

Subject: Re: WMST Update - 3/2/18

Hunt – this is very helpful. However to get a full sense of our exposure we need to add the employee salary costs through the end of their 12-month contracts. Payments in July and August will likely need to be pulled forward to ensure employees don't quit. The other element of our exposure is the closure/winddown costs, which Lenora probably has a good estimate of.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Hunt Prothro <hprothro@stoneturn.com>

Date: Friday, March 2, 2018 at 6:01 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Cc: Kristin Bone <kbone@stoneturn.com>

Subject: WMST Update - 3/2/18

Confidential

Hi Mo,

I'm sorry in advance for the long email, but here's today's update:

1. Attached is a copy of my weekly cash flow projection (first tab) and a cash flow summary based on prioritizing certain expenses as Scott had requested. I'll explain these further below. If you want to get to the most important information in my opinion, jump to 4b.
2. As I mentioned earlier today, the school lost power this morning due to the weather and I left around 11:00 a.m. since I could not access internet. Prior to leaving, I talked with Dr. Diagne and Mr. Addae about our next steps and what I needed from them today—namely, their proposed reductions/eliminations to certain expenses going forward (e.g., administrative fee to PCSB). Dr. Diagne said that if power was not restored and they couldn't access internet at the school, she would work from home to get me what I needed. Although I sent follow up emails this afternoon, I have not heard from them or received any information on this matter.
3. Re: #2, this means that my weekly cash flow projection could be off, potentially by a large amount (though I would guess not by more than \$50-100k). As I've explained to you, my forecast for future expenses is based on dividing the YTD actual expenses from July-January by the number of weeks over that time period (31 weeks). With those average weekly expenses, I then allocated a weekly amount going forward from April-June.
 1. In some cases, as Dr. Diagne and Mr. Addae explained, certain expenses are front-loaded in the school year (e.g., textbooks, administrative/program fees, etc.) and there will not be any future costs in those areas. I told them I would need them to document the specific line items they disagreed with along with the proposed amounts for the rest of the year. This is what I was mentioning in #2 that I have not yet received. Without this information, my projection may be too high.
 2. Similar to 3a., they are also supposed to provide me information on the due dates of future expenses. For example, certain payments might be made monthly (power bills) or quarterly (unemployment tax). Since I don't have information on when those payments are actually made, I allocated a smaller amount to each week. For example, let's say the power bill is \$4,000 due on the 15th of the month. Because I have not received the due date information from Mr. Addae, I would just allocate \$1,000/week to the power bill, which admittedly is not the most accurate way to forecast expenses. To improve the accuracy of my forecast, I really need expected payment dates from them.

4. [REDACTED]
[REDACTED]
[REDACTED]
 1. [REDACTED]
[REDACTED]
[REDACTED]

- i. [REDACTED]
[REDACTED]
[REDACTED]
- ii. [REDACTED]
[REDACTED]
- iii. [REDACTED]
[REDACTED]
[REDACTED]
- 2. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- ii. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- iii. [REDACTED]
[REDACTED]
[REDACTED]
- ii. [REDACTED]
[REDACTED]
[REDACTED]
- iii. [REDACTED]
[REDACTED]
- ii. [REDACTED]
[REDACTED]
[REDACTED]
- iii. [REDACTED]
[REDACTED]
- ii. [REDACTED]
[REDACTED]
- iii. [REDACTED]

<image001.jpg>

I know this was a lot of information. If you have any questions and want to discuss prior to Monday's 9:30 call, you can email me this weekend. If not, I will talk to you Monday morning.

Thanks and have a nice weekend!

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Hunt Prothro
Sent: Thursday, March 1, 2018 6:42 PM
To: 'MBashshiti@dcpcsb.org' <MBashshiti@dcpcsb.org>
Cc: Kristin Bone <kbone@stoneturn.com>
Subject: WMST Update - 3/1/18

Confidential

Hi Mo,

Here's an update for today:

1. Attached is a draft copy of the weekly cash flow projection through the end of March. While we have forecasted out through June 30, Dr. Diagne and Mr. Addae are currently reviewing the projections and we plan to discuss tomorrow morning. They are identifying areas where they expect some expenses can be reduced or eliminated through the end of the school year. However, for your insight, I wanted to provide the attachment through the end of March since that timeframe is more accurate/predictable. Currently, all bills received through yesterday are included in this attached list, so the expenses are likely more accurate than what we have projected from April-June at this time.

1. The two largest costs for this week and next are the \$41k mortgage payment and the \$48k Benefits Mall payment. As Dr. Diagne said this morning, they are discussing options for deferring the expenses with Benefits Mall. She also said she would discuss the mortgage payment with the bank during her meeting today, but I am not sure of the outcome of that discussion.
 2. I'm going to work with Mark tomorrow to nail down estimated dates of future payments to make my expense projections more accurate.
 3. Once I receive their proposed reductions/eliminations of expenses, I hope to send you an updated version of my cash flow projections by tomorrow around lunchtime.
2. I know you attended the meeting this morning, but just to summarize from my notes:
1. They received a counter offer of \$6.95 million with a leaseback option of \$65k through July 2019. Dr. Diagne said they plan to counter around \$7.1-7.2 million with a leaseback of \$60k. As we discussed, they have not yet received an estimated cost to renovate the new facility. I have also not received an estimated cost to renovate/upgrade the current facility should they not sell this building.
 2. Benefits Mall and bank meeting summarized above in 1a.
 3. They are considering letting 3 staff members go, which they estimate will save them roughly \$50k in expenses from April through June after the 30 days' notice. I have not received documented estimates of these amounts so I have not included them in my projections yet. Further, I'm not sure if this might increase their unemployment payments, so I will follow up with them tomorrow.

I will be back at the school tomorrow morning and I'll be in touch once I receive WMST's proposed reductions/eliminations/deferrals of expenses. Let me know if you have questions about any of this.

Thank you,

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

From: Hunt Prothro
Sent: Wednesday, February 28, 2018 5:28 PM
To: MBashshiti@dcpcsb.org
Cc: Kristin Bone <kbone@stoneturn.com>
Subject: WMST Update - 2/28/18

Confidential

Hi Mo,

Here's an update for today:

1. I built out an early draft of the weekly cash flow projections based on expected revenue as well as actual and expected weekly expenses. The early returns are showing they will go negative in cash next week after the payroll cycle and paying about \$66k in expenses that are due. (This assumes no changes that might occur, such as deferring the mortgage payment or other expenses.) I'm then showing they'll stay negative in cash for 5 weeks from about March 9 to April 13 until the expected per pupil allotment from DC arrives on or around April 13. There will be two payroll cycles that occur during this time of negative cash, on March 23 and April 6. It's worth noting these observations are estimates and depend on a lot of variables/assumptions.
 1. My cash flow projection does not yet include any of the building sale scenarios, but I hope to build that out in the next day or two.
2. Mark and I went through their current outstanding invoices. A few of the invoices are late and include a balance from the prior month. Mark said they will discuss expenses with the board tonight and do some thinking on if they can defer any.
3. I requested a projected cost to renovate the new facility. I also requested a projected cost to renovate/upgrade the current facility should a sale not occur. Mark said he will discuss with the board tonight.

I'll be here tomorrow morning by 9:00. If you have time either before or after our 10:00 meeting with Dr. Diagne and Mark, I'd like to discuss a couple things with you as well as walk through the cash flow projection I've worked on so far.

Thanks,

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Kristin Bone

Sent: Tuesday, February 27, 2018 6:01 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Cc: Hunt Prothro <hprothro@stoneturn.com>; Kristin Bone <kbone@stoneturn.com>

Subject: RE: Meeting

Confidential

Mo,

Hunt and I had a very productive day at the school. The following is a summary of what we worked on, our preliminary observations/concerns, and plan for tomorrow:

Activity

1. Interviews/discussions with Dr. Diagne and Mark Addae.
2. Review of financial documents requested including but not limited to:
 1. General Ledger and Trial Balance YTD
 2. Proposed 17-18 budget
 3. Budget to Actual as of Jan 31
 4. Bank statement as of Feb 26

5. Current payables (aging report)
6. Most recent payroll report
7. LOI for the sale of current location and for the lease of new facility
3. High level cash flow analysis
4. High level calculation of targeted enrollment to cover new facility costs
5. Identified 3 scenarios for the cash flow analyses

Observations/Concerns

1. The cash situation is such that the school will not be able to pay all of its obligations for March and beginning of April until the Per Pupil & Facilities payments are received April 13. We based our calculation and projection of expenses on the proposed budget and from discussions with Mark. He indicated that he foresees being able to defer some of these projected expenses and we will discuss the details with him tomorrow. We estimate by March 31 there would be a negative cash position of approximately \$188k - \$268k depending on whether the school receives (as believed) \$80k in Title/SOAR/CTE money. We spoke with Dr. Diagne and Mark to discuss their plan on how to cover this negative cash and understand that WMST's Board is meeting tomorrow night and will discuss this issue. It was a known issue prior to us arriving today.
2. Our review of the sale/lease situation:
 - a. Current Location
 - i. There is a interested buyer who has made an offer for \$6.0 million. The school has countered at \$8.5 million. Tomorrow (Wednesday) the school's real estate broker and the buyer are meeting to discuss price. Given that the school has a mortgage of \$6.0 million and a collateralized line of credit for \$0.3 million, the offer of \$6.0 million is not sufficient.
 - ii. The line of credit of \$0.3 million is due paid in full by June 30, 2018. This is regardless of having the property sold. This addition \$0.3 million is a debt that we will factor into the June cash flow analysis.
 - iii. Should the school stay at the current location and not sell, then Dr. Diagne commented that there would need to be investment in the repairs and upgrades to the current facility. We will ask for a projected cost to do this work, if one exists.
 - b. New Facility
 - i. High level analysis indicates that to cover facility costs of the new facility, the school would need enrollment of 331 students. Current enrollment is 211 students. There are 74 students slated to graduate. There is a 75% - 80% historical re-enrollment rate. Based on this, the reenrollment can be projected at approx. 103-110. There are 108 new applications for the 18-19 school year that have indicated WMST as one of their 3 top picks. Assuming all are

matched to WMST and all accept, then enrollment would calculate out at 211 – 218.

1. The amounts included in the high level analysis includes property taxes that the school would be exempt from paying. At this time, it is unknown how much that amount would be. The lease indicates an estimate of 7% for operating expenses and property taxes, and does not provide a breakdown between the two.
 - ii. Dr. Diagne indicated that the school is actively going into the community to recruit new students. She believes that should they have the new facility, then that would be a positive recruiting factor. However, there is a risk that the new “recruits” may not show interest in enrollment until the 19-20 school year. And if they did a mid-year transfer into the school, then the October audit of enrollment would have already passed and not be counted in the per pupil payments for the Q3 and Q4 payments. The goal would be to have new enrollment prior to October where the students would start at the old location and then move mid-year.
 - iii. The lease includes rent abatement. The rent for the first 6 months of the first two years is reduced by 50%. However, effective starting the third year, the rent is no longer abated and increases by 2.5% annually. Thus, the enrollment would need to increase to cover for the additional expense – approx. 419 (note: this is a back of the envelope calculation)
 - iv. The security deposit for the new facility is \$680,000. This amount, as agreed by Dr. Diagne and Mark Addae, would need to come from the proceeds of the sale of the current facility. As previously mentioned, the mortgage obligation of \$6.3 million would need to also be covered by the sales proceeds. Combined the amount is at roughly \$7.0 million.
 - v. The LOI for the lease indicates Tenant has financial responsibility to partially contribute leasehold improvements. We have asked Mark about this estimate for this and he is researching.
 - vi. The lease term is 25 years with an option to purchase for \$15 million any time within the first 5 years of the lease.

Next Steps This Week

1. Hunt will work with Mark on-site to obtain the details on future expenses for a weekly cash flow projection for 3 scenarios at 4 sale prices (\$6.5, \$7.0, \$7.5, \$8.0 million):
 1. Sell building before June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 2. Sell building after June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 3. No sale and remain in current location (payoff for LOC is June 30 for \$0.3 million)

2. Dr. Diagne will report to us on the results of tomorrow(Wednesday's) meeting between the school's real estate agent and the prospective buyer of the current location. We expect that there will be another counteroffer from the buyer.
3. Dr. Diagne will report to us on the Board meeting discussion about negative cash flow.
4. Hunt will request a schedule of estimated costs to repair/upgrade the current location should a sale not occur.
5. Mark is researching the cost for leasehold improvements for the new facility. Additionally, we will request estimate for the move (e.g. moving company)
6. Hunt will work on a high level analysis this week of how many students the school would need to be enrolled to cover costs should the school stay in the current location.

I will be traveling tomorrow arriving at my destination around 3:00 EST. Hunt will be on-site tomorrow. Both of us will be accessible during these times. We will plan to provide you daily updates similar to this one to keep you informed of our progress and the school's movements around negative cash flow for March and the sale/lease situation.

Regards,

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]

Sent: Tuesday, February 27, 2018 3:47 PM

To: Kristin Bone <kbone@stoneturn.com>; Hunt Prothro <hprothro@stoneturn.com>

Subject: RE: Meeting

Hi, Kristin & Hunt,

This is deeply concerning. \$681,000 is a massive deposit. Didn't Dr. Diagne verbally state the offer was \$6.5 – \$7 million and the counteroffer \$8.8 million? Instead, it's \$6 million and \$8.5 million, respectively. Fairly substantial difference.

Curious to see what the leasehold improvement costs are, so keep me posted...also, the rent abatement is 6 months total, not 12 months the way Mr. Addae stated...

Not sure their plan to move is feasible unless the offer price increases by *at least* \$1.2 million+. Hoping for some good news tomorrow.

Best Regards,

Mo

<image003.png>Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpcsb.org

From: Kristin Bone [<mailto:kbone@stoneturn.com>]
Sent: Tuesday, February 27, 2018 3:03 PM
To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.P.S The \$6.3 m includes the \$300,000 line of credit which Mark just told us is due in June.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 2:50 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.S. The highlighting and handwriting on the LOI I sent is mine.

Also, you may want to look at the Security Deposit term for the new location which is equal to 8 mos rent (approx. \$680,000). We spoke with Mark and he said that in order to pay that they will need to get the funds from the sale of their current building. The offer to purchase the current location that Dr. Diagne sent us today shows \$6.0 million which is less than the outstanding mortgage, but the school countered at over \$8 million. The meeting with the prospective buyer is Wednesday and so they should have some further insight on price. If the mortgage is \$6.3 m + deposit of \$0.7 m then they need at least (after closing costs) \$7 million. And that doesn't take into account any other costs to getting the new facility in-shape. We're getting something from Mark that should project that cost. Stand by for more information.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 1:49 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Mo

I'm sending you a couple of items for you to consider:

1. Copy of the LOI – new location 711 Edgewood Place NE
2. Back of the envelope calculation for just the facilities cost for the new location to get at a target pupil number based on per pupil facilities revenue amount

We have a list of questions for Mark on the LOI terms – which may have to be elevated to someone negotiating the terms. The answers may impact the back of the envelope calculation.

We plan on running scenarios for (1) staying put at current location and (2) moving to new location in December. And any others should they present themselves.

Regards

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpcsb.org>]
Sent: Tuesday, February 27, 2018 1:41 PM
To: Kristin Bone <kbone@stoneturn.com>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Hi, Kristin and Hunt,

No doubt the enrollment matter is very serious. 300 students seems unattainable, let alone filling the 450 capacity of the new facility.

If the school is staying at the current location through at least December 2018, how would that attract *more* students to enroll? In fact, don't you assume they'd have less than the current 211? Enrollment may go up after the new facility, but if payments are based on October 2018 enrollment counts taken at the current location, the school *wouldn't* be paid for the additional students, as far as I know.

Another important fact I need to share: the Q1 payment for FY19 (to occur around July 15, 2018) will be based on the school's projected enrollment of 211. This link from FY18 is helpful to explain how payments occur: <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/2017-18%20UPSFF%20Payment%20Letter.pdf>

Best Regards,

Mo

<image003.png>Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpceb.org

From: Kristin Bone [<mailto:kbone@stoneturn.com>]
Sent: Tuesday, February 27, 2018 11:40 AM
To: Mohammad Bashshiti <MBashshiti@dcpceb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: Meeting

Mo

I think the meeting went well this morning. We should discuss the enrollment issue further as there clearly is reason for concern. I would like to get your thoughts and maybe Scott's also on this as we move forward.

Thank you

Kristin

Kristin N. Bone

Partner

T: +1 202 349 3743

M: +1 202 738 2134

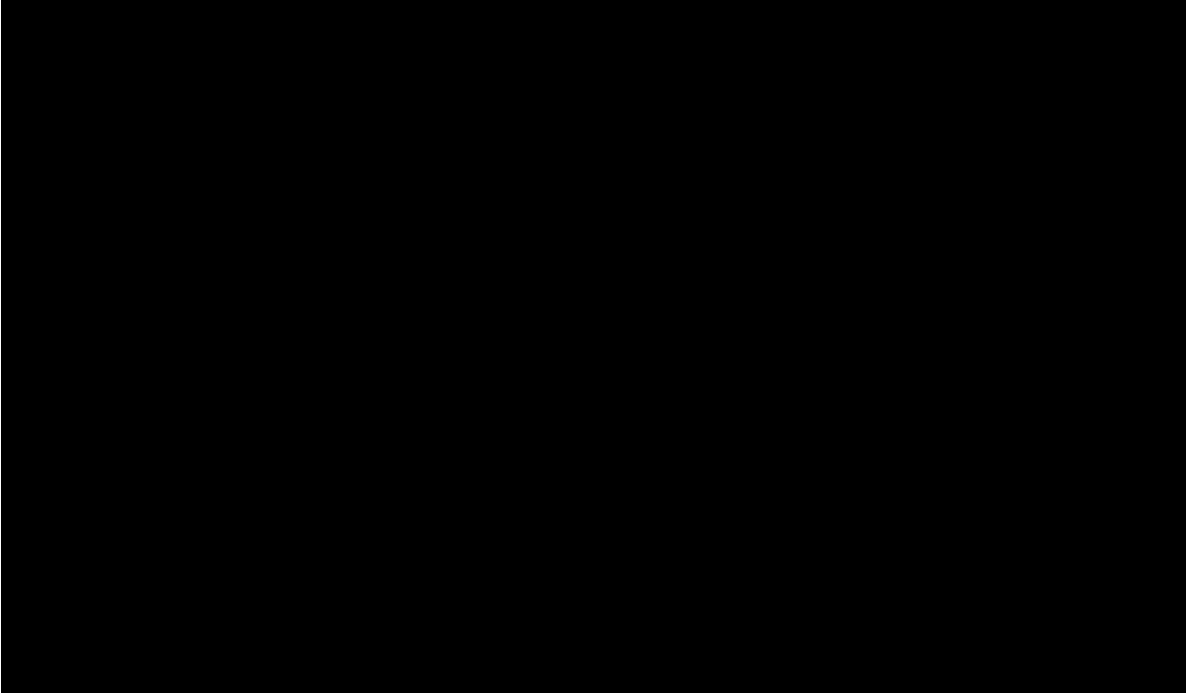
E: kbone@stoneturn.com

StoneTurn

2099 Pennsylvania Avenue, NW

6th Floor

Washington, DC 20006



From: spearson@dcpcsb.org
To: Lenora Robinson Mills
CC: Alexandra Foust
Subject: Re: WMST Involency
Date: 03-Mar-2018 09:39
Attachments: Re: WMST Involency.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 03-Mar-2018 09:39
Store Date: 11-Mar-2018 00:51
Message Id: ff7d472a131ce342b7f120e580c62c99000291665952#ff7d472a131ce342b7f120e580c62c99000293094440

TEXT.htm

ATTACHMENT

I have not. That's great if you can do so. But this is all preliminary until we've reached an agreement with the school. Otherwise we're depriving them of due process.

Scott Pearson
Executive Director
DC Public Charter School Board
202-328-2662

On Mar 3, 2018, at 6:28 AM, Lenora Robinson Mills <lmills@dcpcsb.org> wrote:

Has anyone already reached out to MSDC about the 108 students in the lottery? We can if not.

Lenora Robinson Mills

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

From: Scott Pearson <spearson@dcpcsb.org>
Date: Saturday, March 3, 2018 at 12:24 AM
To: Board <board@dcpcsb.org>
Cc: seniorteam <seniorteam@dcpcsb.org>, Courtney Dyer <cdyer@omm.com>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Subject: WMST Involency

Dear Board Members,

I write with some disappointing news: we have determined that Washington Math Science Technology high school is insolvent. They are unable to pay their bills and will likely need significant assistance from DC PCSB to keep their doors open until the end of the school year.

What Happened?

WMST has seen their enrollment decline steadily from 351 in 2012-13 to 228 today. They own their building so have fixed occupancy costs. They have not reduced other expenses commensurate with their declining enrollment. Also, they have a very weak finance staff that has produced bad information. As recently as two weeks ago the school provided us with interim financials showing they would finish the year with a surplus.

Mohammed Bashshiti on our finance team flagged this concern late last year. I did not act on it aggressively enough because I believed that the school's building had appreciated significantly and so in a worst case they could borrow against the building equity (as Ideal PCS just did).

Late last week Mohammed expressed to me his concerns that the school's financials could be inaccurate and that they could face insolvency. We immediately hired a forensic accounting firm, StoneTurn to review the school's books. StoneTurn staff have been working at the school all this week and have determined that the school is insolvent. Indeed, they may not be able to make payroll as early as Monday, March 21. Also, based on the offer they have received so far for their building, it has not appreciated nearly enough to cover their shortfalls.

Implications

Insolvency requires charter revocation. We therefore expect the school to either relinquish their charter or for the PCSB board to revoke the school's charter at our March 21 board meeting. Our top priority is keeping the school doors open through the end of the year. This will likely require a large PCSB cash infusion. We are still calculating our possible exposure, but at this point believe it will be \$500,000 to \$1,250,000. While painful, it is within our means. As of 9/30/17 PCSB had a fund balance of \$4.8 million and that amount has since grown. We had been planning to further cut our oversight fee next year to 0.85% but instead will keep it at the current rate of 0.90%. This will generate an additional \$400,000 in revenues for us next year.

Precedence

In school year 2011-12 PCSB funded approximately \$438,000 of closure costs for Nia PCS, including covering salary and other expenses necessary to keep the school open until the end of the school year.

Next Steps

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

Enrollment

There are currently 136 students enrolled in grades 9, 10 and 11 who will need to find another school for next year, in addition to any seniors who are not on track to graduating. We will need to deploy enrollment specialists right away to help these students and their families. While the deadline for the lottery has closed, we expect most DCPS high schools, and several charter schools, including Friendship and Chavez, to have available seats. Many charter schools do not admit seniors, and some do not admit juniors or seniors.

Also, there are 108 students in the lottery who have named WMST a top three choice. We will work with My School DC to ensure that these families have the opportunity to reorder their preferences before the lottery draw.

I'm sorry to bring you this news. I can answer any questions you have, either by email or phone.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

3333 14th St., NW, Suite 201 | Washington, DC 20010

Twitter: @sdpearson | Website: dcpcsb.org

From: hprothro@stoneturn.com
To: Scott Pearson
CC: Mohammad Bashshiti, Lenora Robinson Mills, Kristin Bone
Subject: RE: WMST Update - 3/4/18
Date: 04-Mar-2018 14:33
Attachments: RE: WMST Update - 3/4/18.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image001.jpg [\[Save\]](#) [\[Open\]](#)
DRAFT - Weekly Cash Flow Projection - 2018 03 04.xlsx [\[Save\]](#) [\[Open\]](#)
image005.jpg [\[Save\]](#) [\[Open\]](#)
image002.jpg [\[Save\]](#) [\[Open\]](#)
Creation Date: 04-Mar-2018 14:33
Store Date: 11-Mar-2018 00:51
Message Id: ff7d472a131ce342b7f120e580c62c99000291665952#ff7d472a131ce342b7f120e580c62c9900029309443c

TEXT.htm

ATTACHMENT

Hi Scott,



Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Scott Pearson [mailto:spearson@dcpcsb.org]

Sent: Sunday, March 4, 2018 9:48 AM

To: Hunt Prothro <hprothro@stoneturn.com>

Cc: Lenora Robinson Mills <lmills@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>

Subject: Re: WMST Update - 3/4/18

Thanks, Hunt.

Can you run it assuming everything is paid except the mortgage and the LOC? It's hard for me to imagine them foreclosing before the end of the school year. Thus under this scenario all expenses are paid related to the running of the school, but not related to the debt.

My estimate is this gets our exposure to about \$850,000.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Hunt Prothro <hprothro@stoneturn.com>

Date: Sunday, March 4, 2018 at 8:27 AM

To: Scott Pearson <spearson@dcpcsb.org>

Cc: Lenora Robinson Mills <lmills@dcpcsb.org>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>, Kristin Bone <kbone@stoneturn.com>

Subject: WMST Update - 3/4/18

Good morning,

See attached for an updated forecast.

1. I received the information yesterday from Dr. Diagne and Mr. Addae related to expenses they could reduce or eliminate the rest of the year. These expenses fall in the tiers 3-5 range and reduce those amounts, the cumulative effect of which is about \$75k by the end of the school year (Tier 5 yesterday was \$975k vs \$900k now).
 1. This does not include any potential staffing cuts as Dr. Diagne has mentioned, which she stated could save up to \$50k.
2. Tier 6 is where I put all the school closure costs (see below). I'm estimating a total of around \$430k. I calculated the staff salaries from July 1 to August 15 based on the regular payroll. I don't have a copy of a teacher contract but I can request one from the school on Monday if you'd like.

<i>Tier 6 - School closure costs</i>	
July and August staff salaries	330,862
Accrued vacation payable	20,968
Final audit	35,000
Digitizing records	15,000
Staff to execute closure tasks	30,000
Tier 6 Total	431,829

From: Scott Pearson [<mailto:spearson@dcpcsb.org>]
Sent: Saturday, March 3, 2018 5:09 PM
To: Hunt Prothro <hprothro@stoneturn.com>
Cc: Lenora Robinson Mills <lmills@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>
Subject: Re: WMST Update - 3/2/18

Also accrued vacation pay!

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Mar 3, 2018, at 11:46 AM, Hunt Prothro <hprothro@stoneturn.com> wrote:

Hi all,

Thanks for your feedback—I will update my forecast and get something back to you today.

Can you provide some specifics on the 12-month employee salary contracts:

- In this scenario, will they actually receive paychecks in July/August? Or will the payments come in a lump sum at the end of June, or even be spread out over the course of May/June?
- Through what date are they paid full salary? August 31?
- If not, how many paychecks will they receive after the June 29 payroll cycle I have on my forecast?

Additionally, I received WMST's updates this morning from Dr. Diagne. Their server was down yesterday from the power outage, so they could not send or receive emails.

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Lenora Robinson Mills [<mailto:lmills@dcpcsb.org>]

Sent: Saturday, March 3, 2018 7:29 AM

To: Scott Pearson <spearson@dcpcsb.org>; Hunt Prothro <hprothro@stoneturn.com>;
Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Cc: Kristin Bone <kbone@stoneturn.com>

Subject: Re: WMST Update - 3/2/18

Based on past closures, major closure expenses are the final audit, student record digitizing, and the salaries of staff to execute closure tasks beyond June 30 (audit, special education records support, tax and W-2 support).

My estimates based on past closures are below:

Final audit: \$35,000

Digitizing records: \$15,000

Staff through September: \$30,000 (depending salaries and # of staff who remain)

Lenora Robinson Mills

DC Public Charter School Board

Desk: 202-328-5544 | Cell: 804-512-3763

From: Scott Pearson <spearson@dcpcsb.org>

Date: Friday, March 2, 2018 at 11:53 PM

To: Hunt Prothro <hprothro@stoneturn.com>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>

>

Cc: Kristin Bone <kbone@stoneturn.com>, Lenora Robinson Mills <lmills@dcpcsb.org>

Subject: Re: WMST Update - 3/2/18

Hunt – this is very helpful. However to get a full sense of our exposure we need to add the employee salary costs through the end of their 12-month contracts. Payments in July and August will likely need to be pulled forward to ensure employees don't quit. The other element of our exposure is the closure/winddown costs, which Lenora probably has a good estimate of.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Hunt Prothro <hprothro@stoneturn.com>

Date: Friday, March 2, 2018 at 6:01 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Cc: Kristin Bone <kbone@stoneturn.com>

Subject: WMST Update - 3/2/18

Confidential

Hi Mo,

I'm sorry in advance for the long email, but here's today's update:

1. Attached is a copy of my weekly cash flow projection (first tab) and a cash flow summary based on prioritizing certain expenses as Scott had requested. I'll explain these further below. If you want to get to the most important information in my opinion, jump to 4b.
2. As I mentioned earlier today, the school lost power this morning due to the weather and I left around 11:00 a.m. since I could not access internet. Prior to leaving, I talked with Dr. Diagne and Mr. Addae about our next steps and what I needed from them today—namely, their proposed reductions/eliminations to certain expenses going forward (e.g., administrative fee to PCSB). Dr. Diagne said that if power was not restored and they couldn't access internet at the school, she would work from home to get me what I needed. Although I sent follow up emails this afternoon, I have not heard from them or received any information on this matter.
3. Re: #2, this means that my weekly cash flow projection could be off, potentially by a large amount (though I would guess not by more than \$50-100k). As I've explained to you, my forecast for future expenses is based on dividing the YTD actual expenses from July-January by the number of weeks over that time period (31 weeks). With those average weekly expenses, I then allocated a weekly amount going forward from April-June.
 1. In some cases, as Dr. Diagne and Mr. Addae explained, certain expenses are front-loaded in the school year (e.g., textbooks, administrative/program fees, etc.) and there will not be any future costs in those areas. I told them I would need them to document the specific line items they disagreed with along with the proposed amounts for the rest of the year. This is what I was mentioning in #2 that I have not yet received. Without this information, my projection may be too high.
 2. Similar to 3a., they are also supposed to provide me information on the due dates of future expenses. For example, certain payments might be made monthly (power bills) or quarterly (unemployment tax). Since I don't have information on when those payments are actually made, I allocated a smaller amount to each week. For example, let's say the power bill is \$4,000 due on the 15th of the month. Because I have not received the due date information from Mr. Addae, I would just allocate \$1,000/week to the power bill, which admittedly is not the most accurate way to forecast expenses. To improve the accuracy of my forecast, I really need expected payment dates from them.

4. [REDACTED]
[REDACTED]
[REDACTED]

1. [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

2. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

<image001.jpg>

I know this was a lot of information. If you have any questions and want to discuss prior to Monday's 9:30 call, you can email me this weekend. If not, I will talk to you Monday morning.

Thanks and have a nice weekend!

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Hunt Prothro
Sent: Thursday, March 1, 2018 6:42 PM
To: 'MBashshiti@dcpcsb.org' <MBashshiti@dcpcsb.org>
Cc: Kristin Bone <kbone@stoneturn.com>
Subject: WMST Update - 3/1/18

Confidential

Hi Mo,

Here's an update for today:

1. Attached is a draft copy of the weekly cash flow projection through the end of March. While we have forecasted out through June 30, Dr. Diagne and Mr. Addae are currently reviewing the projections and we plan to discuss tomorrow morning. They are identifying areas where they

expect some expenses can be reduced or eliminated through the end of the school year. However, for your insight, I wanted to provide the attachment through the end of March since that timeframe is more accurate/predictable. Currently, all bills received through yesterday are included in this attached list, so the expenses are likely more accurate than what we have projected from April-June at this time.

1. The two largest costs for this week and next are the \$41k mortgage payment and the \$48k Benefits Mall payment. As Dr. Diagne said this morning, they are discussing options for deferring the expenses with Benefits Mall. She also said she would discuss the mortgage payment with the bank during her meeting today, but I am not sure of the outcome of that discussion.
 2. I'm going to work with Mark tomorrow to nail down estimated dates of future payments to make my expense projections more accurate.
 3. Once I receive their proposed reductions/eliminations of expenses, I hope to send you an updated version of my cash flow projections by tomorrow around lunchtime.
2. I know you attended the meeting this morning, but just to summarize from my notes:
1. They received a counter offer of \$6.95 million with a leaseback option of \$65k through July 2019. Dr. Diagne said they plan to counter around \$7.1-7.2 million with a leaseback of \$60k. As we discussed, they have not yet received an estimated cost to renovate the new facility. I have also not received an estimated cost to renovate/upgrade the current facility should they not sell this building.
 2. Benefits Mall and bank meeting summarized above in 1a.
 3. They are considering letting 3 staff members go, which they estimate will save them roughly \$50k in expenses from April through June after the 30 days' notice. I have not received documented estimates of these amounts so I have not included them in my projections yet. Further, I'm not sure if this might increase their unemployment payments, so I will follow up with them tomorrow.

I will be back at the school tomorrow morning and I'll be in touch once I receive WMST's proposed reductions/eliminations/deferrals of expenses. Let me know if you have questions about any of this.

Thank you,

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Hunt Prothro
Sent: Wednesday, February 28, 2018 5:28 PM
To: MBashshiti@dcpcsb.org
Cc: Kristin Bone <kbone@stoneturn.com>
Subject: WMST Update - 2/28/18

Confidential

Hi Mo,

Here's an update for today:

1. I built out an early draft of the weekly cash flow projections based on expected revenue as well as actual and expected weekly expenses. The early returns are showing they will go negative in cash next week after the payroll cycle and paying about \$66k in expenses that are due. (This assumes no changes that might occur, such as deferring the mortgage payment or other expenses.) I'm then showing they'll stay negative in cash for 5 weeks from about March 9 to April 13 until the expected per pupil allotment from DC arrives on or around April 13. There will be two payroll cycles that occur during this time of negative cash, on March 23 and April 6. It's worth noting these observations are estimates and depend on a lot of variables/assumptions.
 1. My cash flow projection does not yet include any of the building sale scenarios, but I hope to build that out in the next day or two.
2. Mark and I went through their current outstanding invoices. A few of the invoices are late and include a balance from the prior month. Mark said they will discuss expenses with the board tonight and do some thinking on if they can defer any.
3. I requested a projected cost to renovate the new facility. I also requested a projected cost to renovate/upgrade the current facility should a sale not occur. Mark said he will discuss with the board tonight.

I'll be here tomorrow morning by 9:00. If you have time either before or after our 10:00 meeting with Dr. Diagne and Mark, I'd like to discuss a couple things with you as well as walk through the cash flow projection I've worked on so far.

Thanks,

Hunt Prothro

Senior Consultant

T: +1 202 349 3807

M: +1 202 455 0605

E: hprothro@stoneturn.com

This e-mail message and any attachments are confidential. If you are not the intended recipient, please notify StoneTurn immediately by replying to this message—and destroy all copies of this message and any attachments. Thank you.

For more information about StoneTurn, please visit our website at StoneTurn.com

From: Kristin Bone

Sent: Tuesday, February 27, 2018 6:01 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Cc: Hunt Prothro <hprothro@stoneturn.com>; Kristin Bone <kbone@stoneturn.com>

Subject: RE: Meeting

Confidential

Mo,

Hunt and I had a very productive day at the school. The following is a summary of what we worked on, our preliminary observations/concerns, and plan for tomorrow:

Activity

1. Interviews/discussions with Dr. Diagne and Mark Addae.
2. Review of financial documents requested including but not limited to:
 1. General Ledger and Trial Balance YTD
 2. Proposed 17-18 budget
 3. Budget to Actual as of Jan 31
 4. Bank statement as of Feb 26
 5. Current payables (aging report)
 6. Most recent payroll report
 7. LOI for the sale of current location and for the lease of new facility
3. High level cash flow analysis
4. High level calculation of targeted enrollment to cover new facility costs
5. Identified 3 scenarios for the cash flow analyses

Observations/Concerns

1. The cash situation is such that the school will not be able to pay all of its obligations for March and beginning of April until the Per Pupil & Facilities payments are received April 13. We based our calculation and projection of expenses on the proposed budget and from discussions with Mark. He indicated that he foresees being able to defer some of these projected expenses and we will discuss the details with him tomorrow. We estimate by March 31 there would be a negative cash position of approximately \$188k - \$268k depending on whether the school receives (as believed) \$80k in Title/SOAR/CTE money. We spoke with Dr. Diagne and Mark to discuss their plan on how to cover this negative cash and understand that WMST's Board is meeting tomorrow night and will discuss this issue. It was a known issue prior to us arriving today.
2. Our review of the sale/lease situation:
 - a. Current Location
 - i. There is a interested buyer who has made an offer for \$6.0 million. The school has countered at \$8.5 million. Tomorrow (Wednesday) the school's real estate broker and the buyer are meeting to discuss price. Given that the school has a mortgage of \$6.0 million and a collateralized line of credit for \$0.3 million, the offer of \$6.0 million is not sufficient.

ii. The line of credit of \$0.3 million is due paid in full by June 30, 2018. This is regardless of having the property sold. This addition \$0.3 million is a debt that we will factor into the June cash flow analysis.

iii. Should the school stay at the current location and not sell, then Dr. Diagne commented that there would need to be investment in the repairs and upgrades to the current facility. We will ask for a projected cost to do this work, if one exists.

b. New Facility

i. High level analysis indicates that to cover facility costs of the new facility, the school would need enrollment of 331 students. Current enrollment is 211 students. There are 74 students slated to graduate. There is a 75% - 80% historical re-enrollment rate. Based on this, the reenrollment can be projected at approx. 103-110. There are 108 new applications for the 18-19 school year that have indicated WMST as one of their 3 top picks. Assuming all are matched to WMST and all accept, then enrollment would calculate out at 211 – 218.

1. The amounts included in the high level analysis includes property taxes that the school would be exempt from paying. At this time, it is unknown how much that amount would be. The lease indicates an estimate of 7% for operating expenses and property taxes, and does not provide a breakdown between the two.

ii. Dr. Diagne indicated that the school is actively going into the community to recruit new students. She believes that should they have the new facility, then that would be a positive recruiting factor. However, there is a risk that the new “recruits” may not show interest in enrollment until the 19-20 school year. And if they did a mid-year transfer into the school, then the October audit of enrollment would have already passed and not be counted in the per pupil payments for the Q3 and Q4 payments. The goal would be to have new enrollment prior to October where the students would start at the old location and then move mid-year.

iii. The lease includes rent abatement. The rent for the first 6 months of the first two years is reduced by 50%. However, effective starting the third year, the rent is no longer abated and increases by 2.5% annually. Thus, the enrollment would need to increase to cover for the additional expense – approx. 419 (note: this is a back of the envelope calculation)

iv. The security deposit for the new facility is \$680,000. This amount, as agreed by Dr. Diagne and Mark Addae, would need to come from the proceeds of the sale of the current

facility. As previously mentioned, the mortgage obligation of \$6.3 million would need to also be covered by the sales proceeds. Combined the amount is at roughly \$7.0 million.

v. The LOI for the lease indicates Tenant has financial responsibility to partially contribute leasehold improvements. We have asked Mark about this estimate for this and he is researching.

vi. The lease term is 25 years with an option to purchase for \$15 million any time within the first 5 years of the lease.

Next Steps This Week

1. Hunt will work with Mark on-site to obtain the details on future expenses for a weekly cash flow projection for 3 scenarios at 4 sale prices (\$6.5, \$7.0, \$7.5, \$8.0 million):
 1. Sell building before June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 2. Sell building after June 30, leaseback until after the move Dec 31, and lease new facility starting Dec 1
 3. No sale and remain in current location (payoff for LOC is June 30 for \$0.3 million)
2. Dr. Diagne will report to us on the results of tomorrow(Wednesday's) meeting between the school's real estate agent and the prospective buyer of the current location. We expect that there will be another counteroffer from the buyer.
3. Dr. Diagne will report to us on the Board meeting discussion about negative cash flow.
4. Hunt will request a schedule of estimated costs to repair/upgrade the current location should a sale not occur.
5. Mark is researching the cost for leasehold improvements for the new facility. Additionally, we will request estimate for the move (e.g. moving company)
6. Hunt will work on a high level analysis this week of how many students the school would need to be enrolled to cover costs should the school stay in the current location.

I will be traveling tomorrow arriving at my destination around 3:00 EST. Hunt will be on-site tomorrow. Both of us will be accessible during these times. We will plan to provide you daily updates similar to this one to keep you informed of our progress and the school's movements around negative cash flow for March and the sale/lease situation.

Regards,

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dpcsb.org>]
Sent: Tuesday, February 27, 2018 3:47 PM
To: Kristin Bone <kbone@stoneturn.com>; Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Hi, Kristin & Hunt,

This is deeply concerning. \$681,000 is a massive deposit. Didn't Dr. Diagne verbally state the offer was \$6.5 – \$7 million and the counteroffer \$8.8 million? Instead, it's \$6 million and \$8.5 million, respectively. Fairly substantial difference.

Curious to see what the leasehold improvement costs are, so keep me posted...also, the rent abatement is **6** months total, not 12 months the way Mr. Addae stated...

Not sure their plan to move is feasible unless the offer price increases by *at least* \$1.2 million+. Hoping for some good news tomorrow.

Best Regards,

Mo

<image003.png>Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dpcsb.org

From: Kristin Bone [<mailto:kbone@stoneturn.com>]
Sent: Tuesday, February 27, 2018 3:03 PM
To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.P.S The \$6.3 m includes the \$300,000 line of credit which Mark just told us is due in June.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 2:50 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

P.S. The highlighting and handwriting on the LOI I sent is mine.

Also, you may want to look at the Security Deposit term for the new location which is equal to 8 mos rent (approx. \$680,000). We spoke with Mark and he said that in order to pay that they will need to get the funds from the sale of their current building. The offer to purchase the current location that Dr. Diagne sent us today shows \$6.0 million which is less than the outstanding mortgage, but the school countered at over \$8 million. The meeting with the prospective buyer is Wednesday and so they should have some further insight on price. If the mortgage is \$6.3 m + deposit of \$0.7 m then they need at least (after closing costs) \$7 million. And that doesn't take into account any other costs to getting the new facility in-shape. We're getting something from Mark that should project that cost. Stand by for more information.

From: Kristin Bone
Sent: Tuesday, February 27, 2018 1:49 PM
To: 'Mohammad Bashshiti' <MBashshiti@dcpcsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Mo

I'm sending you a couple of items for you to consider:

1. Copy of the LOI – new location 711 Edgewood Place NE
2. Back of the envelope calculation for just the facilities cost for the new location to get at a target pupil number based on per pupil facilities revenue amount

We have a list of questions for Mark on the LOI terms – which may have to be elevated to someone negotiating the terms. The answers may impact the back of the envelope calculation.

We plan on running scenarios for (1) staying put at current location and (2) moving to new location in December. And any others should they present themselves.

Regards

Kristin

From: Mohammad Bashshiti [<mailto:MBashshiti@dcpsb.org>]
Sent: Tuesday, February 27, 2018 1:41 PM
To: Kristin Bone <kbone@stoneturn.com>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: RE: Meeting

Hi, Kristin and Hunt,

No doubt the enrollment matter is very serious. 300 students seems unattainable, let alone filling the 450 capacity of the new facility.

If the school is staying at the current location through at least December 2018, how would that attract *more* students to enroll? In fact, don't you assume they'd have less than the current 211? Enrollment may go up after the new facility, but if payments are based on October 2018 enrollment counts taken at the current location, the school *wouldn't* be paid for the additional students, as far as I know.

Another important fact I need to share: the Q1 payment for FY19 (to occur around July 15, 2018) will be based on the school's projected enrollment of 211. This link from FY18 is helpful

to explain how payments occur: <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/2017-18%20UPSFF%20Payment%20Letter.pdf>

Best Regards,

Mo

<image003.png>Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: Kristin Bone [<mailto:kbone@stoneturn.com>]
Sent: Tuesday, February 27, 2018 11:40 AM
To: Mohammad Bashshiti <MBashshiti@dcpsb.org>
Cc: Hunt Prothro <hprothro@stoneturn.com>
Subject: Meeting

Mo

I think the meeting went well this morning. We should discuss the enrollment issue further as there clearly is reason for concern. I would like to get your thoughts and maybe Scott's also on this as we move forward.

Thank you

Kristin

Kristin N. Bone

Partner

T: +1 202 349 3743

M: +1 202 738 2134

E: kbone@stoneturn.com

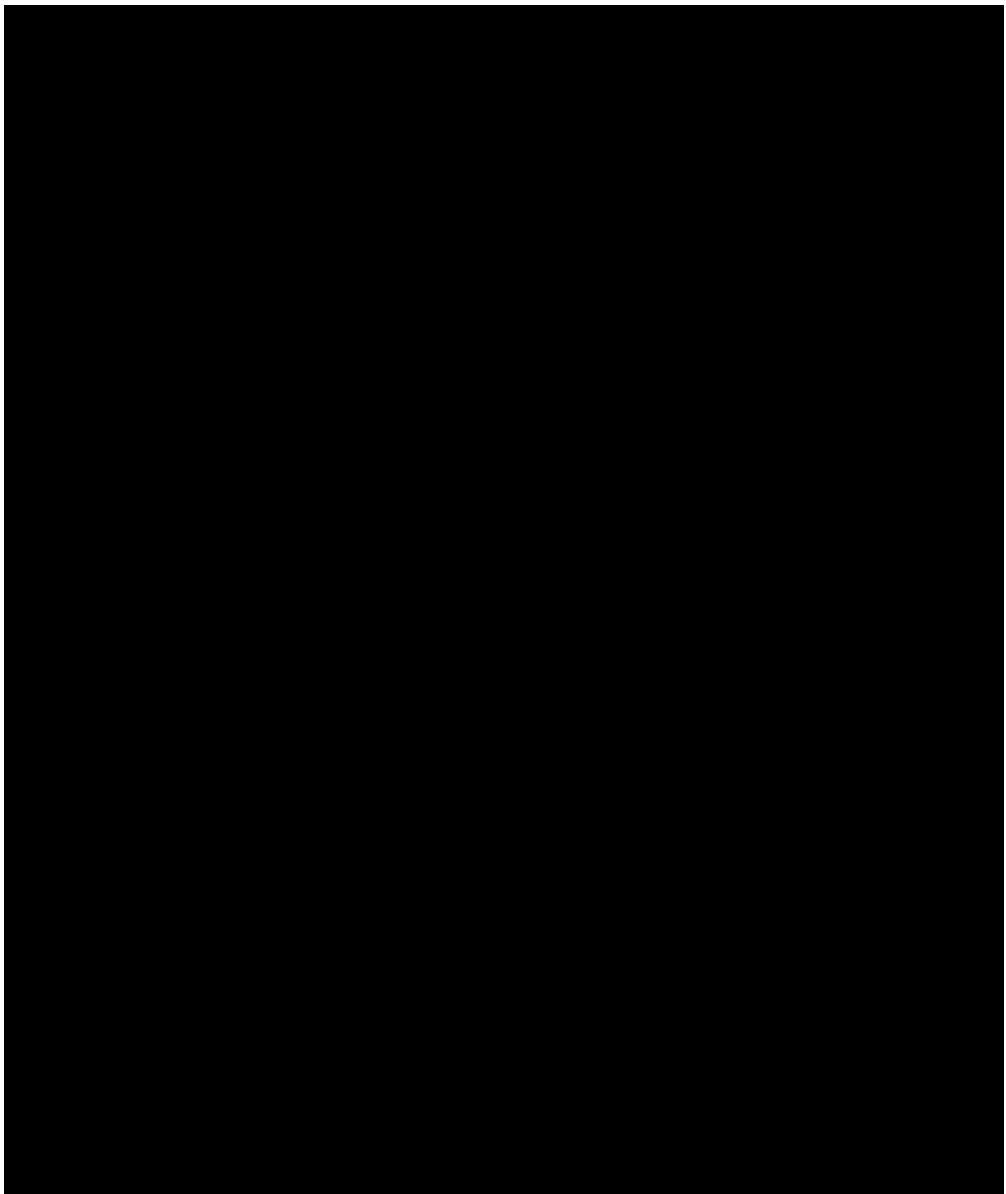
StoneTurn

2099 Pennsylvania Avenue, NW

6th Floor

Washington, DC 20006

www.stoneturn.com



Tier 6 - School closure costs

July and August staff salaries	330,862
Accrued vacation payable	20,968
Final audit	35,000
Digitizing records	15,000
Staff to execute closure tasks	30,000
Tier 6 Total	431,829

WMST Public Charter School***Summary Cash Flow Prioritizing Essential Costs****through June 30, 2018**Fewest expenses < < < < < < > > > > > > Most expenses***Tier 1****Tier 2****Tier 3****Tier 4****Tier 5****Tier 6****Cash on hand (beginning of week)**

216,713

216,713

216,713

216,713

216,713

216,713

CASH RECEIPTS**TOTAL CASH RECEIPTS****1,125,125****1,125,125****1,125,125****1,125,125****1,125,125****1,125,125****CASH DISBURSEMENTS****SUBTOTAL - PERSONNEL**

1,001,659

1,001,659

1,279,928

1,279,928

1,289,428

1,289,428

SUBTOTAL - OCCUPANCY

51,758

255,313

266,330

266,330

572,010

572,010

SUBTOTAL - OFFICE

0

0

0

29,127

70,954

70,954

SUBTOTAL - STUDENT

189,821

189,821

189,821

189,821

223,844

223,844

SUBTOTAL - GENERAL

51,425

51,425

51,425

51,425

85,800

85,800

TOTAL CASH DISBURSEMENTS**1,294,664****1,498,219****1,787,503****1,816,630****2,242,035****2,673,864****Total****Total****Total****Total****Total****Total****Cash on hand (end of week)****47,175****(156,380)****(445,665)****(474,792)****(900,197)****(1,332,026)**

From: spearson@dcpcsb.org
To: Nicole Streeter
Subject: Re: WMST Involency
Date: 04-Mar-2018 22:00
Attachments: Re: WMST Involency.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 04-Mar-2018 22:00
Store Date: 12-Mar-2018 19:03
Message Id: d06f93b2b00c8147b996a9e1bc76375600001e4f19a5#5f982f16faeec746bb85cec04baec5b70002a2c8ce43

TEXT.htm

ATTACHMENT

This is super helpful. Thank you. A couple of things

- [REDACTED]

Thanks! We'll have time tomorrow to discuss more

Scott

Scott Pearson
Executive Director
DC Public Charter School Board
spearson@dcpcsb.org
202-495-8722
www.dpcsb.org
@sdpearson

From: Nicole Streeter
Sent: Saturday, March 3, 2018 12:54:35 PM
To: Scott Pearson
Subject: Re: WMST Involency

Hi Scott -

I thought about this strategy more during my long journey back home last night and early this am. Here's what I think:

- [REDACTED]
- [REDACTED]

-
-
-
-
-

Happy to discuss further on Monday.

Nicole

From: Scott Pearson
Sent: Saturday, March 3, 2018 12:24 AM
To: Board
Cc: seniorteam; Courtney Dyer; Mohammad Bashshiti
Subject: WMST Involency

Dear Board Members,

I write with some disappointing news: we have determined that Washington Math Science Technology high school is insolvent. They are unable to pay their bills and will likely need significant assistance from DC PCSB to keep their doors open until the end of the school year.

What Happened?

WMST has seen their enrollment decline steadily from 351 in 2012-13 to 228 today. They own their building so have fixed occupancy costs. They have not reduced other expenses commensurate with their declining enrollment. Also, they have a very weak finance staff that has produced bad information. As recently as two weeks ago the school provided us with interim financials showing they would finish the year with a surplus.

Mohammed Bashshiti on our finance team flagged this concern late last year. I did not act on it aggressively enough because I believed that the school's building had appreciated significantly and so in a worst case they could borrow against the building equity (as Ideal PCS just did).

Late last week Mohammed expressed to me his concerns that the school's financials could be inaccurate and that they could face insolvency. We immediately hired a forensic accounting firm, StoneTurn to review the school's books. StoneTurn staff have been working at the school all this week and have determined that the school is insolvent. Indeed, they may not be able to make payroll as early as Monday, March 21. Also, based on the offer they have received so far for their building, it has not appreciated nearly enough to cover their shortfalls.

Implications

Insolvency requires charter revocation. We therefore expect the school to either relinquish their charter or for the PCSB board to revoke the school's charter at our March 21 board meeting. Our top priority is keeping the school doors open through the end of the year. This will likely require a large PCSB cash infusion. We are still calculating our possible exposure, but at this point believe it will be \$500,000 to \$1,250,000. While painful, it is within our means. As of 9/30/17 PCSB had a fund balance of \$4.8 million and that amount has since grown. We had been planning to further cut our oversight fee next year to 0.85% but instead will keep it at the current rate of 0.90%. This will generate an additional \$400,000 in revenues for us next year.

Precedence

In school year 2011-12 PCSB funded approximately \$438,000 of closure costs for Nia PCS, including covering salary and other expenses necessary to keep the school open until the end of the school year.

Next Steps

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Enrollment

There are currently 136 students enrolled in grades 9, 10 and 11 who will need to find another school for next year, in addition to any seniors who are not on track to graduating. We will need to deploy enrollment specialists right away to help these students and their families. While the deadline for the lottery has closed, we expect most DCPS high schools, and several charter schools, including Friendship and Chavez, to have available seats. Many charter schools do not admit seniors, and some do not admit juniors or seniors.

Also, there are 108 students in the lottery who have named WMST a top three choice. We will work with My School DC to ensure that these families have the opportunity to reorder their preferences before the lottery draw.

I'm sorry to bring you this news. I can answer any questions you have, either by email or phone.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

3333 14th St., NW, Suite 201 | Washington, DC 20010

Twitter: @sdpearson | Website: dcpcsb.org

From: spearson@dcpcsb.org
To: Rick Cruz, Naomi R. DeVeaux
CC: Avni Murray, SPDLeadership, Board, Don Soifer
Subject: Re: WMST Involency
Date: 05-Mar-2018 09:10
Attachments: Re: WMST Involency.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 05-Mar-2018 09:10
Store Date: 06-Mar-2018 20:52
Message Id: 562bd5f5a77f5940bd4b2498305d0ac50000006212b3#1477c5e40f145244beead2f755f0f5ac00029b897de4

TEXT.htm

ATTACHMENT

[REDACTED]

Scott Pearson
Executive Director
DC Public Charter School Board
spearson@dcpcsb.org
202-495-8722
www.dcpcsb.org
@sdpearson

From: Rick Cruz
Sent: Monday, March 5, 2018 8:48:22 AM
To: Naomi R. DeVeaux
Cc: Don Soifer; Scott Pearson; Board; Avni Murray; SPDLeadership
Subject: Re: WMST Involency

All - Scott and I had an opportunity to talk through the WMST situation on Friday and, while we all wish that it hadn't come to this, I believe that he and the team have it in hand. Once the plan is shared on Friday I'd encourage you to reach out with any questions.

Scott - It seems that things will be moving fast, so please flag the Board on anything where you want our input this week and in the run up to the meeting on the 19th.

[REDACTED]

Thanks,
Rick

On Mar 5, 2018, at 7:12 AM, Naomi R. DeVeaux <Naomi@dcpcsb.org> wrote:

Hi Don,

[REDACTED]

[REDACTED]

Please note that while you have read their review report, you have not voted on their continuance. The review report was held back per the school's request and we have further investigated their financial standing.

Naomi

Naomi Rubin DeVeaux

Deputy Director

DC Public Charter School Board

3333 14th St., NW, Suite 210, Washington DC 20010

202-328-2660

From: Don Soifer <dsoifer@dcpcsb.org>

Date: Sunday, March 4, 2018 at 1:17 PM

To: Scott Pearson <spearson@dcpcsb.org>, Board <board@dcpcsb.org>

Cc: seniorteam <seniorteam@dcpcsb.org>, Courtney Dyer <cdyer@omm.com>, Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Subject: Re: WMST Involency

[REDACTED]

[REDACTED]

I appreciate your candor regarding what we might have seen and acted on earlier. When we undertook the WMST review in January there were shortfalls identified and discussed in that process that it's tempting to see now as warning signs. But the timeframe we felt for any potential default based on the information before us then would have at least gotten us through the end of the year.

This may be an expensive recovery, but anything we can do to ensure it is at least one where safety at the school is maintained, disruptions in students' lives minimized and appropriate lessons learned for us and applied moving forward feel well worth prioritizing here.

<image002.png>

From: Scott Pearson

Sent: Friday, March 2, 2018 9:24:43 PM

To: Board

Cc: seniorteam; Courtney Dyer; Mohammad Bashshiti

Subject: WMST Involency

Dear Board Members,

I write with some disappointing news: we have determined that Washington Math Science Technology high school is insolvent. They are unable to pay their bills and will likely need significant assistance from DC PCSB to keep their doors open until the end of the school year.

What Happened?

WMST has seen their enrollment decline steadily from 351 in 2012-13 to 228 today. They own their building so have fixed occupancy costs. They have not reduced other expenses commensurate with their declining enrollment. Also, they have a very weak finance staff that has produced bad information. As recently as two weeks ago the school provided us with interim financials showing they would finish the year with a surplus.

Mohammed Bashshiti on our finance team flagged this concern late last year. I did not act on it aggressively enough because I believed that the school's building had appreciated significantly and so in a worst case they could borrow against the building equity (as Ideal PCS just did).

Late last week Mohammed expressed to me his concerns that the school's financials could be inaccurate and that they could face insolvency. We immediately hired a forensic accounting firm, StoneTurn to review the school's books. StoneTurn staff have been working at the school all this week and have determined that the school is insolvent. Indeed, they may not be able to make payroll as early as

Monday, March 21. Also, based on the offer they have received so far for their building, it has not appreciated nearly enough to cover their shortfalls.

Implications

Insolvency requires charter revocation. We therefore expect the school to either relinquish their charter or for the PCSB board to revoke the school's charter at our March 21 board meeting. Our top priority is keeping the school doors open through the end of the year. This will likely require a large PCSB cash infusion. We are still calculating our possible exposure, but at this point believe it will be \$500,000 to \$1,250,000. While painful, it is within our means. As of 9/30/17 PCSB had a fund balance of \$4.8 million and that amount has since grown. We had been planning to further cut our oversight fee next year to 0.85% but instead will keep it at the current rate of 0.90%. This will generate an additional \$400,000 in revenues for us next year.

Precedence

In school year 2011-12 PCSB funded approximately \$438,000 of closure costs for Nia PCS, including covering salary and other expenses necessary to keep the school open until the end of the school year.

Next Steps

- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]

Enrollment

There are currently 136 students enrolled in grades 9, 10 and 11 who will need to find another school for next year, in addition to any seniors who are not on track to graduating. We will need to deploy enrollment specialists right away to help these students and their families. While the deadline for the lottery has closed, we expect most DCPS high schools, and several charter schools, including Friendship and Chavez, to have available seats. Many charter schools do not admit seniors, and some do not admit juniors or seniors.

Also, there are 108 students in the lottery who have named WMST a top three choice. We will work with My School DC to ensure that these families have the opportunity to reorder their preferences before the lottery draw.

I'm sorry to bring you this news. I can answer any questions you have, either by email or phone.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

3333 14th St., NW, Suite 201 | Washington, DC 20010

Twitter: @sdpearson | Website: dcpcsb.org

From: spearson@dcpcsb.org
To: Daniel Quandt
CC: Nicole Streeter, Sarah H. Cheatham, Lenora Robinson Mills
Subject: FW: EdOps Proposal Attached | Re: WMST
Date: 08-Mar-2018 14:40
Attachments: FW: EdOps Proposal Attached | Re: WMST.html [\[Save\]](#) [\[Open\]](#)
EdOps - PCSB proposal for WMST.pdf [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
Creation Date: 08-Mar-2018 14:40
Store Date: 14-Mar-2018 12:45
Message Id: ff7d472a131ce342b7f120e580c62c99000291665952#ff7d472a131ce342b7f120e580c62c99000297abf669

TEXT.htm

ATTACHMENT



Thanks

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: 202-328-2662 | Cell: 202-495-8722

Twitter: @sdpearson | Website: dcpcsb.org

From: Brad Olander <brad@ed-ops.com>
Date: Thursday, March 8, 2018 at 1:23 PM
To: Scott Pearson <spearson@dcpcsb.org>
Subject: EdOps Proposal Attached | Re: WMST

Hi Scott,

Hope you are well. Thank you for sending the MOU and the report from Stoneturn, they were helpful.

I think the MOU and discussion of the agent role is consistent with what you and I discussed earlier in the week.

I have attached our proposal to support you in this work. Please let me know if you think anything is missing or inconsistent with your expectations or needs.

We look forward to the prospect of working with you.

I would love to have a quick (5 mins) call with you this afternoon if you have any availability. Or tomorrow morning if not. I could talk anytime between 2:30 PM and 3 PM or between 4:30 PM and 6 PM today.

Best,

Brad

On Thu, Mar 8, 2018 at 10:19 AM, Scott Pearson <spearson@dcpcsb.org> wrote:

Hi Brad –

Thanks for your email. I'm so sorry but hadn't noticed the voicemail on my cell phone so hadn't listened to it when I sent the below email to you. I have listened to it now and it sounds broadly fine, though it will help to see it on paper.

Below is a very rough draft version of an MOU we are working on to share with the school. (They haven't seen this yet.) As you can see, your role (as our agent) is spelled out. I think it aligns pretty well with your voicemail, so you can use this to help ensure that your proposal aligns with our thinking. If there are things in this draft MOU that don't align with how you envision working, give me a call or send an email and we can discuss changing the MOU.

Also, I'm attaching the most recent analysis from the Stoneturn Group. They have done a thorough assessment of all of the payables and receivables through the end of the year, and so should set you up fairly well to hit the ground running. If there is any information you would like to have upon walking in the door, let me know and I can have them collect it all to be ready for you.

Thanks

[REDACTED]

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]

[REDACTED]

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]

1. [REDACTED]
2. [REDACTED]

4. [REDACTED]

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1. [REDACTED]

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]

2. [REDACTED]

3. [REDACTED]

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]

4. [REDACTED]

5. [REDACTED]

6. [REDACTED]

[REDACTED]

[REDACTED]

Scott Pearson

Executive Director

DC Public Charter School Board

Desk: [202-328-2662](tel:202-328-2662) | Cell: [202-495-8722](tel:202-495-8722)

Twitter: [@sdpearson](https://twitter.com/sdpearson) | Website: dcpcsb.org

From: Brad Olander <brad@ed-ops.com>
Date: Thursday, March 8, 2018 at 7:27 AM
To: Scott Pearson <spearson@dcpcsb.org>
Subject: Re: WMST

[Hi Scott,](#)

Sure - I am happy to submit a proposal. I wasn't sure if you wanted to chat first about the VM I left you, but I will go ahead and put together a proposal and send it to you today. It will reflect what I left in the VM. Thanks again for thinking of us.

Best,

Brad

On Wed, Mar 7, 2018 at 9:47 PM, Scott Pearson <spearson@dcpcsb.org> wrote:

Hi. Just checking if you are still planning to submit a proposal. Thanks. Scott

Scott Pearson

Executive Director

DC Public Charter School Board

spearson@dcpcsb.org

[202-495-8722](tel:202-495-8722)

www.dcpsb.org

@sdpearson

From: Brad Olander <brad@ed-ops.com>
Sent: Monday, March 5, 2018 6:57:27 AM
To: Scott Pearson
Subject: Re: WMST

Sounds good. Will do.

On Mon, Mar 5, 2018 at 6:54 AM, Scott Pearson <spearson@dcpsb.org> wrote:

Great. Why don't you call me then. [202-495-8722](tel:202-495-8722)

Scott Pearson

Executive Director

DC Public Charter School Board

[202-328-2662](tel:202-328-2662)

On Mar 4, 2018, at 10:23 PM, Brad Olander <brad@ed-ops.com> wrote:

Hi Scott,

Yes - I could talk anytime after 9:15 or so.

Best,

Brad

On Sun, Mar 4, 2018 at 6:34 PM, Scott Pearson <spearson@dcpsb.org> wrote:

Hi Brad - are you free to talk tomorrow AM about WMST?

Thanks
Scott

Scott Pearson
Executive Director
DC Public Charter School Board
[202-328-2662](tel:202-328-2662)

--

Brad Olander

Managing Director
EdOps

[1611 Connecticut Ave NW, Ste 200](#)

[Washington, DC 20009](#)

t: [202-631-2278](tel:202-631-2278)



Operational excellence in support of student achievement

www.ed-ops.com

--

Brad Olander

Managing Director
EdOps

[1611 Connecticut Ave NW, Ste 200](#)

[Washington, DC 20009](#)

t: [202-631-2278](tel:202-631-2278)



Operational excellence in support of student achievement

www.ed-ops.com

--

Brad Olander

Managing Director
EdOps

1611 Connecticut Ave NW, Ste 200

Washington, DC 20009

t: [202-631-2278](tel:202-631-2278)



Operational excellence in support of student achievement

www.ed-ops.com

--

Brad Olander

Managing Director
EdOps

1611 Connecticut Ave NW, Ste 200

Washington, DC 20009

t: 202-631-2278



Operational excellence in support of student achievement

www.ed-ops.com

DC Public Charter School Board

Proposal for Financial Back Office and Facility Disposition Support for Washington Mathematics Science Technology Public Charter School 3/8/18



Overview

EdOps proposes to oversee the financial back office of the Washington Mathematics Science Technology Public Charter School (WMST) as an agent of the Public Charter School Board (PCSB) in their managing WMST to wind down and close the school. EdOps will also manage selling WMST's facility, with the goal of maximizing the value of the sale. During the proposed engagement EdOps will be particularly focused on managing cash, maintaining relationships with vendors and creditors, financial forecasting, and internal controls. EdOps would report to and advise the PCSB as its client in this engagement. EdOps expects the engagement to begin in Mid-March and continue through the early fall of 2018.

Proposed Scope of Work

EdOps proposes to keep the current financial staff at WMST in place. EdOps would focus on adding value where we excel most—at the senior accountant/controller and CFO level—with current WMST staff retaining the day-to-day tactical tasks. EdOps would oversee and review the work performed by WMST staff.

<u>WMST Staff</u>	<u>EdOps</u>
<ul style="list-style-type: none">• Prepare accounts payable	<ul style="list-style-type: none">• Oversee accounts payable, including recommending to the PCSB the most critical items for payment• Ensure the semi-monthly batch of payables for PCSB approval is in good order and complete
<ul style="list-style-type: none">• Prepare payroll file	<ul style="list-style-type: none">• Oversee and review payroll process and final pay file; recommend to PCSB to authorize release after QA/QC of payroll file
<ul style="list-style-type: none">• Prepare grant draws	<ul style="list-style-type: none">• Oversee grant management, including reviewing grant draws• Oversee grant tracking and spend
<ul style="list-style-type: none">• Prepare financial close each month• 	<ul style="list-style-type: none">• Review financial close• Prepare monthly financial statements including income statement, balance sheet, cash flow statement• Prepare/update monthly cash flow and cash balance forecast
<ul style="list-style-type: none">• Other miscellaneous tasks as necessary	<ul style="list-style-type: none">• Oversee miscellaneous tasks and review miscellaneous deliverables as necessary• Assist in developing final closeout plan

EdOps is open to adjusting its scope of responsibilities as the engagement progresses, if necessary.

In addition to overseeing the financial back office and performing all financial reporting and forecasting, EdOps will manage the sale of WMST's facility. EdOps will review current loan documents (including line of credit agreements) and engage in conversations with creditors to work to maintain positive

relationships during the wind down process and sale of the building. EdOps will advise the PCSB on approaches to balance credit default and exposure to lender remedies with the current liquidity constraints and insolvency of WMST.

About EdOps

Since 2002 EdOps has worked with some of the best DC charter schools, applicants, and education-focused non-profits. Our team members come from a variety of backgrounds, most with advanced degrees, all committed to our mission of providing outstanding service to our clients. We work with schools daily, not just in delivering high value finance and accounting services, but also in helping schools to think strategically about their business and operations. We see many different business models among schools and witness the financial implications of operating, staffing, and facilities-related decisions.

We are a Washington, DC-based social venture assisting clients with a range of services including accounting and bookkeeping, student data management, human resources, procurement, grants management, strategic consulting, and facilities finance support. Our growing team of 50+ professionals now supports more than 60 clients in multiple jurisdictions. EdOps is a Certified B corporation and a District of Columbia Certified Business Enterprise (CBE).

We have business operating experience at senior levels, which colors our view of serving clients with the perspective of a business leader, manager, and operating partner. Our experience with a wide variety of schools enables us to quickly diagnose, understand, and help resolve a school's financial and operational pain points. In helping our clients navigate the facilities and facilities financing landscape in DC we have helped schools determine debt capacity, performed facility financial feasibility studies and helped schools with long-term financial strategic planning. We also, of course, work to obtain financing for our clients, leading the effort from initial marketing to closing the transaction.

Staffing and Pricing

Given the nature of the work, EdOps proposes to staff the engagement with Senior Finance Specialist Joel Goering (with EdOps since 2011) and Managing Director Brad Olander. Joel will lead the financial back office work with Brad providing support and oversight. Brad will manage the work related to the facility and creditors.

We propose to provide the services and deliverables outlined above at the following hourly billing rates:

Brad Olander, Managing Director	\$ [REDACTED]/hour
Joel Goering, Senior Finance Specialist	\$ [REDACTED]/hour

From: spearson@dcpcsb.org
To: Mohammad Bashshiti
CC: Lenora Robinson Mills, Naomi R. DeVeaux
Subject: Re: WMST Update
Date: 08-Mar-2018 16:55
Attachments: Re: WMST Update.html [Save] [Open]
image001.png [Save] [Open]
headers.822 [Save] [Open]
Creation Date: 08-Mar-2018 16:55
Store Date: 14-Mar-2018 12:45
Message Id: ff7d472a131ce342b7f120e580c62c99000291665952#ff7d472a131ce342b7f120e580c62c99000297abf66d

TEXT.htm

ATTACHMENT

Thanks. Just spoke with Kristin.

Scott

Scott Pearson
Executive Director
DC Public Charter School Board
202-328-2662

On Mar 8, 2018, at 4:08 PM, Mohammad Bashshiti <MBashshiti@dcpcsb.org> wrote:

Hi, Scott, Naomi, and Lenora,

I just had a long conversation with Kristin & Hunt from StoneTurn. Kristin will provide more details over the phone to Scott, but she's very concerned because she keeps receiving contradictory / incorrect information from the school.

We also discussed how the school is raising money (<https://www.gofundme.com/putting-the-steam-in-wmst>) without revealing the seriousness of the situation. Is it okay for WMST to claim donations are to "purchase state-of-the-art equipment" and "provide tablets/laptops to all our students" when that isn't what the money will be used for?

This makes me worry that Dr. Diagne's claim that a \$40,000 loan from an anonymous person could be made without revealing the cash flow issues facing the school. Hopefully Kristin reaches out soon. Thanks.

Best Regards,

Mo

<image001.png>Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpsb.org

From: mbashshiti@dcpcsb.org
To: Scott Pearson
CC: Nicole Streeter, Hunt Prothro, Rick Cruz, Kristin Bone, Naomi R. DeVeaux
Subject: RE: Follow up
Date: 10-Mar-2018 16:13
Attachments: RE: Follow up.html [\[Save\]](#) [\[Open\]](#)
image001.png [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 10-Mar-2018 16:13
Store Date: 12-Mar-2018 20:33
Message Id: 562bd5f5a77f5940bd4b2498305d0ac50000006212b3#1477c5e40f145244beead2f755f0f5ac00029da7a009

TEXT.htm

ATTACHMENT

Hi, Scott & everyone,

I'll plan to see you all at the McDonald's around 1. Thanks.

Best Regards,

Mo



Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpcsb.org

From: Scott Pearson

Sent: Saturday, March 10, 2018 1:57 PM

To: Mohammad Bashshiti <MBashshiti@dcpcsb.org>

Cc: Kristin Bone <kbone@stoneturn.com>; Hunt Prothro <hprothro@stoneturn.com>; Naomi R. DeVeaux <Naomi@dcpcsb.org>; Rick Cruz <rcruz@dcpcsb.org>; Nicole Streeter <nstreeter@dcpcsb.org>

Subject: Re: Follow up

To minimize transit time I was thinking we could meet at the McDonalds on NY Ave near the school - perhaps at 1 or 1:30. Depending on what we conclude over the next 23 hours we can decide how much time we need.

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Mar 10, 2018, at 1:48 PM, Mohammad Bashshiti <MBashshiti@dcpcsb.org> wrote:

Hi, everyone,

Is the plan to meet at PCSB tomorrow and have a discussion before heading over to WMST?
Please let me know. I think having some time together before the 2 PM meeting would be great.

Best Regards,

Mo

<image001.png>Mohammad Bashshiti, CPA

School Finance Specialist

DC Public Charter School Board

3333 14th Street NW, Suite 210 | Washington, DC 20010

Work Phone: (202) 328-2676 | Cell Phone: (703) 595-7488

Website: www.dcpesb.org

From: Scott Pearson

Sent: Saturday, March 10, 2018 11:39 AM

To: Kristin Bone <kbone@stoneturn.com>

Cc: Hunt Prothro <hprothro@stoneturn.com>; Mohammad Bashshiti <MBashshiti@dcpesb.org>; Naomi R. DeVeaux <Naomi@dcpesb.org>

Subject: Re: Follow up

Thank you!

One thing to do is look at how much they are forecasting to spend per pupil on various categories and compare it with high school averages for such category spending. Mo can get you this and if he's unavailable I can.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Mar 10, 2018, at 11:27 AM, Kristin Bone <kbone@stoneturn.com> wrote:

Fyi- Hunt and I will be looking at this soon and will get back to you with thoughts.

Sent from my Verizon LG Smartphone

----- Original message-----

From: Scott Pearson

Date: Sat, Mar 10, 2018 10:28 AM

To: Deneen Long;Joe Bruno;Tom Porter;

Cc: Rick Cruz;seniorteam;Mohammad Bashshiti;Kristin Bone;Sarah H. Cheatham;Courtney Dyer;Flor Cabrera;N Diagne;Jerry A. Bolling;Stephen Marcus;

Subject:Re: Follow up

We will dig into it and look forward to seeing you tomorrow.

Can you please send the underlying detail of the model, including staffing assumptions?

Thank you.

Scott

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Mar 10, 2018, at 12:06 AM, Deneen Long <deneen_long@yahoo.com> wrote:

Good Evening Scott:

My apologies for the delay. Attached is the excel file showing WMST budget projections for the remainder of this year and SY18/19. We have obtained a \$300,000 loan for this year. We will share the documentation with you on Sunday. Please do not hesitate to contact me if you have any questions. We look forward to laying out our plan in detail including the change (starting this year and including next year) in our back office accounting services.

deneen

From: Scott Pearson <spearson@dcpcsb.org>
To: Deneen Long <deneen_long@yahoo.com>
Cc: Rick Cruz <rcruz@dcpcsb.org>; seniorteam <seniorteam@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>; Sarah H. Cheatham <scheatham@dcpcsb.org>; Courtney Dyer <cdyer@omm.com>; Flor Cabrera <fcabrera@dcpcsb.org>; N Diagne <ndiagne@wmstpchs.net>; Jerry A. Bolling <jabolling@gmail.com>
Sent: Friday, March 9, 2018 5:51 PM
Subject: Re: Follow up

Thanks for letting me know. Scott

Scott Pearson

Executive Director

DC Public Charter School Board

202-328-2662

On Mar 9, 2018, at 5:45 PM, Deneen Long <deneen_long@yahoo.com> wrote:

Good Evening Scott:

We are still working on the package. We will send it to you soon (tonight). Thank you for your patience.

deneen

From: Scott Pearson <spearson@dcpcsb.org>
To: Deneen Long-White <deneen_long@yahoo.com>
Cc: Rick Cruz <rcruz@dcpcsb.org>; seniorteam <seniorteam@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>; Sarah H. Cheatham <scheatham@dcpcsb.org>; Courtney Dyer <

cdyer@omm.com>; Flor Cabrera <fcabrera@dcpcsb.org>

Sent: Wednesday, March 7, 2018 8:29 AM

Subject: Follow up

Dear Deneen,

I'm writing to follow up on your call yesterday asking for a meeting with your board Monday at 3pm.

As you know we have found the school to be insolvent. We are concerned about the ability of the school to stay open in an orderly way through the end of the school year. If the school closes we want to be sure your existing students have the best opportunity to find a good new school that is right for them. And we are concerned about the families who have applied to WMST in the lottery. If the school will not be open next year, they need adequate opportunity to re-order their lottery preferences. The last day to do this is March 15.

Consequently, we have a great sense of urgency in this matter and believe this matter needs to be resolved by Monday.

I also understand you are awaiting a response from the prospective bidder and that you believe that a substantially higher bid could avoid insolvency. You hope to receive this by Friday.

So here is what I propose:

- I am willing to meet with your board over the weekend. My schedule Saturday and Sunday is wide open and I will meet whenever you wish.

- over the weekend I expect we will first determine if you have a solid and credible plan of solvency, both this year and next. If not, then our discussion should turn to school closure. This would involve the school relinquishing its charter and establishing a plan of closure. This is described in the School Reform Act. This plan would allow PCSB to extend money on school closure activities, including covering expenses needed to complete the year. My goal is that we have an agreed path forward by the end of the weekend.

If we do not have an agreed plan, we will have a board meeting on Monday, March 12 where staff will recommend that the board initiate charter revocation. If the board does vote to initiate revocation, the school will have up to 15 days to request a public hearing. If you request this hearing we will hold it and subsequently hold a final vote on charter revocation. Because of the need for public notice this board meeting will be publicly announced later this week.

Please let me know if you wish to meet over the weekend. In advance of meeting we should exchange whatever documents we have so that the meetings can be as productive as possible.

Sincerely yours,

Scott Pearson

Executive Director

DC Public Charter School Board

spearson@dcpcsb.org

202-495-8722

www.dpcsb.org

@sdpearson

<180309_Financial Projection Model - WMST_Sent-3 (1).xlsx>

From: spearson@dcpcsb.org
To: Joe Bruno, Tom Porter, Deneen Long
CC: Mohammad Bashshiti, Sarah H. Cheatham, seniorteam, N Diagne, Rick Cruz, Stephen Marcus, Courtney Dyer, Flor Cabrera, Kristin Bone, Jerry A. Bolling
Subject: Re: Follow up
Date: 10-Mar-2018 10:28
Attachments: Re: Follow up.html [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 10-Mar-2018 10:28
Store Date: 12-Mar-2018 19:04
Message Id: d06f93b2b00c8147b996a9e1bc76375600001e4f19a5#5f982f16faeec746bb85cec04baec5b70002a7113169

TEXT.htm

ATTACHMENT

We will dig into it and look forward to seeing you tomorrow.

Can you please send the underlying detail of the model, including staffing assumptions?

Thank you.

Scott

Scott Pearson
Executive Director
DC Public Charter School Board
202-328-2662

On Mar 10, 2018, at 12:06 AM, Deneen Long <deneen_long@yahoo.com> wrote:

Good Evening Scott:

My apologies for the delay. Attached is the excel file showing WMST budget projections for the remainder of this year and SY18/19. We have obtained a \$300,000 loan for this year. We will share the documentation with you on Sunday. Please do not hesitate to contact me if you have any questions. We look forward to laying out our plan in detail including the change (starting this year and including next year) in our back office accounting services.
deneen

From: Scott Pearson <spearson@dcpcsb.org>
To: Deneen Long <deneen_long@yahoo.com>
Cc: Rick Cruz <rcruz@dcpcsb.org>; seniorteam <seniorteam@dcpcsb.org>;
Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>; Sarah H. Cheatham <scheatham@dcpcsb.org>; Courtney Dyer <cdyer@omm.com>; Flor Cabrera <fcabrera@dcpcsb.org>; N Diagne <ndiagne@wmstpchs.net>;
Jerry A. Bolling <jabolling@gmail.com>

Sent: Friday, March 9, 2018 5:51 PM

Subject: Re: Follow up

Thanks for letting me know. Scott

Scott Pearson
Executive Director
DC Public Charter School Board
202-328-2662

On Mar 9, 2018, at 5:45 PM, Deneen Long <deneen_long@yahoo.com> wrote:

Good Evening Scott:

We are still working on the package. We will send it to you soon (tonight). Thank you for your patience.

deneen

From: Scott Pearson <spearson@dcpcsb.org>
To: Deneen Long-White <deneen_long@yahoo.com>
Cc: Rick Cruz <rcruz@dcpcsb.org>; seniorteam <seniorteam@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>; Sarah H. Cheatham <scheatham@dcpcsb.org>; Courtney Dyer <cdyer@omm.com>; Flor Cabrera <fcabrera@dcpcsb.org>
Sent: Wednesday, March 7, 2018 8:29 AM
Subject: Follow up

Dear Deneen,

I'm writing to follow up on your call yesterday asking for a meeting with your board Monday at 3pm.

As you know we have found the school to be insolvent. We are concerned about the ability of the school to stay open in an orderly way through the end of the school year. If the school closes we want to be sure your existing students have the best opportunity to find a good new school that is right for them. And we are concerned about the families who have applied to WMST in the lottery. If the school will not be open next year, they need adequate opportunity to re-order their lottery preferences. The last day to do this is March 15.

Consequently, we have a great sense of urgency in this matter and believe this matter needs to be resolved by Monday.

I also understand you are awaiting a response from the prospective bidder and that you believe that a substantially higher bid could avoid insolvency. You hope to receive this by Friday.

So here is what I propose:

- I am willing to meet with your board over the weekend. My schedule Saturday and Sunday is wide open and I will meet whenever you wish.

- over the weekend I expect we will first determine if you have a solid and credibly plan of solvency, both this year and next. If not, then our discussion should turn to school closure. This would involve the school relinquishing it's charter and establishing a plan of closure. This is described in the School Reform Act. This plan would allow PCSB to extend money on school closure activities, including covering expenses needed to complete the year. My goal is that we have an agreed path forward by the end of the weekend.

If we do not have an agreed plan, we will have a board meeting on Monday, March 12 where staff will recommend that the board initiate charter revocation. If the board does vote to initiate revocation, the school will have up to 15 days to request a public hearing. If you request this hearing we will hold it and subsequently hold a final vote on charter revocation. Because of the need for public notice this board meeting will be publicly announced later this week.

Please let me know if you wish to meet over the weekend. In advance of meeting we should exchange whatever documents we have so that the meetings can be as productive as possible.

Sincerely yours,

Scott Pearson
Executive Director
DC Public Charter School Board
spearson@dcpcsb.org
202-495-8722
www.dcpceb.org
@sdpearson

From: deneen_long@yahoo.com
To: Scott Pearson
CC: Mohammad Bashshiti, Sarah H. Cheatham, Stephen Marcus, Courtney Dyer, Flor Cabrera, seniorteam, N Diagne, Rick Cruz, Kristin Bone, Jerry A. Bolling
Subject: Re: Follow up
Date: 11-Mar-2018 07:55
Attachments: Re: Follow up.html [\[Save\]](#) [\[Open\]](#)
180310_Financial Projection Model_sent 3-11-2018.xlsx [\[Save\]](#) [\[Open\]](#)
headers.822 [\[Save\]](#) [\[Open\]](#)
Creation Date: 11-Mar-2018 07:55
Store Date: 14-Mar-2018 12:45
Message Id: ff7d472a131ce342b7f120e580c62c99000291665952#ff7d472a131ce342b7f120e580c62c99000297abf684

TEXT.htm

ATTACHMENT

Good Morning Scott:

Attached is the updated spreadsheet. Yes, the model does assume the sale of the building. We are preparing responses to your other questions for today's meeting.

deneen

From: Scott Pearson <spearson@dcpcsb.org>

To: Deneen Long <deneen_long@yahoo.com>

Cc: Rick Cruz <rcruz@dcpcsb.org>; seniorteam <seniorteam@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>; Sarah H. Cheatham <scheatham@dcpcsb.org>; Courtney Dyer <cdyer@omm.com>; Flor Cabrera <fcabrera@dcpcsb.org>; N Diagne <ndiagne@wmstpchs.net>; Jerry A. Bolling <jabolling@gmail.com>; Stephen Marcus <stephen@marcusfirm.com>

Sent: Saturday, March 10, 2018 11:21 AM

Subject: Re: Follow up

In addition to the details I requested (which should include weekly cash flow, if you have it) we need to understand the contingency if the building sale does not go through or if the buyer, upon due diligence, lowers the price. What sources of cash do you have to avoid default before the school year ends?

This plan only works if the building sale goes through, which is far from a guaranteed proposition.

Scott

Scott Pearson
 Executive Director
 DC Public Charter School Board
 202-328-2662

On Mar 10, 2018, at 12:06 AM, Deneen Long <deneen_long@yahoo.com> wrote:

Good Evening Scott:

My apologies for the delay. Attached is the excel file showing WMST budget projections for the remainder of this year and SY18/19. We have obtained a \$300,000 loan for this year. We will share the documentation with you on Sunday. Please do not hesitate to contact me if you have any questions. We look forward to laying out our plan in detail including the change (starting this year and including next year) in our back office accounting services.
deneen

From: Scott Pearson <spearson@dcpcsb.org>
To: Deneen Long <deneen_long@yahoo.com>
Cc: Rick Cruz <rcruz@dcpcsb.org>; seniorteam <seniorteam@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>; Sarah H. Cheatham <scheatham@dcpcsb.org>; Courtney Dyer <cdyer@omm.com>; Flor Cabrera <fcabrera@dcpcsb.org>; N Diagne <ndiagne@wmstpchs.net>; Jerry A. Bolling <jabolling@gmail.com>
Sent: Friday, March 9, 2018 5:51 PM
Subject: Re: Follow up

Thanks for letting me know. Scott

Scott Pearson
Executive Director
DC Public Charter School Board
202-328-2662

On Mar 9, 2018, at 5:45 PM, Deneen Long <deneen_long@yahoo.com> wrote:

Good Evening Scott:
We are still working on the package. We will send it to you soon (tonight). Thank you for your patience.
deneen

From: Scott Pearson <spearson@dcpcsb.org>
To: Deneen Long-White <deneen_long@yahoo.com>
Cc: Rick Cruz <rcruz@dcpcsb.org>; seniorteam <seniorteam@dcpcsb.org>; Mohammad Bashshiti <MBashshiti@dcpcsb.org>; Kristin Bone <kbone@stoneturn.com>; Sarah H. Cheatham <scheatham@dcpcsb.org>; Courtney Dyer <cdyer@omm.com>; Flor Cabrera <fcabrera@dcpcsb.org>
Sent: Wednesday, March 7, 2018 8:29 AM
Subject: Follow up

Dear Deneen,

I'm writing to follow up on your call yesterday asking for a meeting with your board Monday at 3pm.

As you know we have found the school to be insolvent. We are concerned about the ability of the school to stay open in an orderly way through the end of the school year. If the school closes we want to be sure your

existing students have the best opportunity to find a good new school that is right for them. And we are concerned about the families who have applied to WMST in the lottery. If the school will not be open next year, they need adequate opportunity to re-order their lottery preferences. The last day to do this is March 15.

Consequently, we have a great sense of urgency in this matter and believe this matter needs to be resolved by Monday.

I also understand you are awaiting a response from the prospective bidder and that you believe that a substantially higher bid could avoid insolvency. You hope to receive this by Friday.

So here is what I propose:

- I am willing to meet with your board over the weekend. My schedule Saturday and Sunday is wide open and I will meet whenever you wish.
- over the weekend I expect we will first determine if you have a solid and credibly plan of solvency, both this year and next. If not, then our discussion should turn to school closure. This would involve the school relinquishing it's charter and establishing a plan of closure. This is described in the School Reform Act. This plan would allow PCSB to extend money on school closure activities, including covering expenses needed to complete the year. My goal is that we have an agreed path forward by the end of the weekend.

If we do not have an agreed plan, we will have a board meeting on Monday, March 12 where staff will recommend that the board initiate charter revocation. If the board does vote to initiate revocation, the school will have up to 15 days to request a public hearing. If you request this hearing we will hold it and subsequently hold a final vote on charter revocation. Because of the need for public notice this board meeting will be publicly announced later this week.

Please let me know if you wish to meet over the weekend. In advance of meeting we should exchange whatever documents we have so that the meetings can be as productive as possible.

Sincerely yours,

Scott Pearson
Executive Director
DC Public Charter School Board
spearson@dcpcsb.org
202-495-8722
www.dcpceb.org
@sdpearson

<180309_Financial Projection Model - WMST_Sent-3 (1).xlsx>

Washington Math and Science Public Charter School

DRAFT

			SY2018	SY2019		
	Actual	Forecast	Forecast	Forecast	As a % of revenue	
	Jul-Feb	Mar-Jun	Full Year	Full Year	SY18	SY19
Student Enrollment			225	211		
<u>Summary Income Statement</u>						
Revenue						
Per Pupil Charter Payments	3,689,178.00	1,100,545.78	4,789,724	4,551,896		
Federal Entitlements	381,844.40	103,073.59	484,918	484,918		
Income from Grants and Donations	38,865.22	-	38,865	30,000		
Interest Income	1.81	-	2	-		
Federal School Lunch Program	107,844.85	54,350.52	162,195	152,103		
Other Income	53,775.22	36,928.00	90,703	54,000		
Total Revenue	4,271,510	1,294,898	5,566,407	5,272,917		
Expenses						
Personnel Salaries and Benefits	2,581,400	1,126,880	3,708,280	2,865,775	66.6%	54.3%
Direct Student Costs	551,060.37	200,586.52	751,647	525,666	13.5%	10.0%
Occupancy Expenses	264,031.69	113,001.32	377,033	911,864	6.8%	17.3%
Office Expenses	184,177.51	72,332.00	256,510	246,559	4.6%	4.7%
General Expenses	365,241.85	114,965.00	480,207	439,416	8.6%	8.3%
Operating expenses	3,945,912	1,627,765	5,573,677	4,989,281	100.1%	94.6%
Operating income	325,598	(332,867)	(7,269)	283,636		
Operating margin	7.6%	-25.7%	-0.1%	5.4%		
Interest on new LOC		7,200	7,200		0.1%	0.0%
Depreciation Expense	277,263	198,045	475,308	120,588	8.5%	2.3%
Depreciation	277,263	198,045	475,308	120,588	8.5%	2.3%
Net Income	48,335	(538,112)	(489,777)	163,049		
Net income margin	1.1%	-41.6%	-8.8%	3.1%		

	SY18 Mar 9 - Jun 30	SY19 Jul 1 - Jun 30	
<u>Summary Cash Flow</u>			
Operating activities:	**		
SY18 remaining payments:			
Opex thru end of year	(1,634,965)		
Accounts payable as of 3/9	(183,955)		
April 15th per pupil funding	875,665		
Federal and other grants	327,147		
Net operating income	(616,107)	283,636	
Other expenses			
5% retirement contribution		(145,716)	
Office equipment and furniture	-	(7,500)	
Other expenses	-	(153,216)	
Net cash operating activities	(616,107)	130,420	
Financing/Investing activities:			
Sale of building			
Net proceeds from sale of building less legal	6,920,000	-	
Broker fees		(208,500)	(broker fees are delayed until SY:
Debt			
Pay down existing: United - Mortgage	(6,012,048)	-	
Pay down existing: United - LOC	(300,000)	-	
Draw/pay down new - LOC	60,000	(60,000)	(this is drawn down and paid off
Net cash from financing/investing activities	667,952	(268,500)	
Change in cash	51,845	(138,080)	
Cash, at the beginning of period	88,039	139,884	
Cash, at the end of period	139,884	1,804	

** Note - the cash flow activity in this column reflects the period March 9 through June 30. The beginning cash balance is as of March 9.