



Premier High Schools

## Attachment 25

RESPONSIVE 

The logo icon consists of two interlocking puzzle pieces, one light blue and one dark blue, forming a stylized 'E' or 'D' shape.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

## PROPOSAL OVERVIEW AND ENROLLMENT PROJECTIONS

**Legal Name of group applying for charter(s):** Responsive Education Solutions

**Names, roles, and current employment  
For all persons on applicant team:**

Chuck Cook, CEO, District Superintendent  
Robert Davison, Chief Operating Officer  
Dr. Alan Wimberley, Chief Learning Officer  
Rosalinda Gonzalez, Chief Academic Officer  
James Taylor, Chief Financial Officer  
Chris Baumann, Chief Legal Officer  
Julie Conde, Director of Accountability / ELL

**Designated applicant representative:** Chuck Cook

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Lewisville, Texas 75029

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**Email address:** [ccook@responsiveed.com](mailto:ccook@responsiveed.com)

**Provide the requested information for each school included in this proposal.**  
 (You may add lines to the table if needed)

Proposed School Name	Opening Year	School Model (e.g., college prep, dropout recovery)	Geographic Community	School District(s) in Proposed Location	Grade Levels at Full Enrollment
Premier High School of Gary	2013	Dropout Recovery	Gary, IN	Gary Community School Corporation	9 - 12
Premier High School of Evansville	2013	Dropout Recovery	Evansville, IN	Evansville Vanderburgh School Corporation	9 - 12
Premier High School of Indianapolis	2013	Dropout Recovery	Indianapolis, IN	Indianapolis Public Schools	9 - 12

**Proposed Grade Levels and Student Enrollment**

<b>Proposed School Name:</b>	Premier High School of Gary	
<b>Academic Year</b>	<b>Grade Levels</b>	<b>Student Enrollment (Planned/Maximum)</b>
Year 1 – 2013/2014	9-12	125 / 125
Year 2	9-12	144 / 144
Year 3	9-12	168 / 168
Year 4	9-12	196 / 196
Year 5	9-12	200 / 200
At capacity	9-12	200 / 200

<b>Proposed School Name:</b>	Premier High School of Evansville	
<b>Academic Year</b>	<b>Grade Levels</b>	<b>Student Enrollment (Planned/Maximum)</b>
Year 1 – 2013/2014	9-12	125 / 125
Year 2	9-12	144 / 144
Year 3	9-12	168 / 168
Year 4	9-12	196 / 196
Year 5	9-12	200 / 200
At capacity	9-12	200 / 200

<b>Proposed School Name:</b>	Premier High School of Indianapolis	
<b>Academic Year</b>	<b>Grade Levels</b>	<b>Student Enrollment (Planned/Maximum)</b>
Year 1 – 2013/2014	9-12	125 / 125
Year 2	9-12	144 / 144
Year 3	9-12	168 / 168
Year 4	9-12	196 / 196
Year 5	9-12	200 / 200
At capacity	9-12	200 / 200

Do any of the proposed schools expect to contract or partner with an Education Service Provider (ESP) or other organization for school Management? Yes \_\_\_\_\_ No  X

Will an application for the same charter school(s) be submitted to another authorizer in the near future? Yes \_\_\_\_\_ No  X

If yes, identify the authorizer(s): \_\_\_\_\_

Planned submission date(s): \_\_\_\_\_

**Please list the number of (previous) submissions for request to authorize this(ese) charter school(s) over the past five years, as required under IC 20-24-3-4. Include the following information:**

**Authorizer(s):** \_\_\_\_\_ Not Applicable \_\_\_\_\_

**Submission date(s):** \_\_\_\_\_ Not Applicable \_\_\_\_\_

## EXECUTIVE SUMMARY

### Mission and Vision for Growth in Indiana

Responsive Education Solutions (hereafter “ResponsiveEd”) proposes to establish three high performing high school charters to serve Indiana students in the communities of Evansville, Gary and Indianapolis. The three Premier High Schools (hereafter “PHS”) will focus on dropout prevention and recovery. Additionally, these charter schools will be designed to engage or re-engage students in an effective learning process aligned with the mission “*to provide hope for students through an innovative, encouraging, character-based and individualized learning environment where they are academically successful and develop into lifelong learners.*”

ResponsiveEd has developed a strategic five-year growth plan for developing schools in Indiana, anticipating the establishment of 10 successful schools by the academic year 2016-17. Utilizing a proven system of school organization and operation, these schools will function as part of a dynamic network composed of more than 50 current schools in Texas and more than 125 operating schools in multiple states by the end of the 2016-17 academic year. The school starts in Indiana will be established according to the following schedule:

YEAR	OPENING DATE	NUMBER OF SCHOOLS
2013 – 2014	August 2013	4
2014 – 2015	August 2014	4
2016 – 2017	August 2016	2

### Educational Need

According to a national analysis conducted by John Hopkins University in 2007, ten Indiana high schools were considered “dropout factories”, meaning that 60% or less of students who entered the school did not make it to their senior year. Of the ten schools, six were located in Indianapolis and two in Gary. Additionally, a review of the published graduation rates for that same period indicates low outcomes for Indianapolis (47%) and Gary (57.1%). These distressing findings prompted action on the part of educators and legislators to identify a solution to this crisis.

On January 13, 2009, the Indiana General Assembly introduced House Bill 1343, authored by State Representative Cherrish Pryor, to address Indiana’s dropout crisis. The Bill “created the dropout prevention fund. . . . to (1) provide money for school corporation programs that identify students who are at risk of dropping out of school; and (2) provide appropriate interventions for those students. The Bill was adopted into law on July 1, 2009, and now operates under IC 20-20-37.

Today, while the state has experienced improvements from the staggering 2007 performance report, Indiana students are still in need of high quality academic programs geared at ensuring high school completion. A recent report released by America’s Promise Alliance on performance through 2010 confirmed that improvements had been made but went on to state that “Indiana is among 13 states that need to be aggressive in accelerating their graduation rate”.

Evansville: Evansville, situated on the southwest border of Kentucky, is an urban community with a documented need for academic intervention. According to the U.S. Census Bureau, in 2010, the population of Evansville was 117,429 of which 82% are White, 12.6% are African American and 2.6% are Hispanic. Of the total population, approximately 22.1% of the community’s residents are under 18 years of age.

Poverty is prevalent in Evansville with 19.5% recognized as living below the poverty level. A closer look at the poverty demographics reveals that 22.9% of all families with children under the age of 18 years of age are living below the poverty level.

The Evansville Vanderburgh School Corporation is the third largest school district in the state of Indiana. While the overall average graduation rate for the district does not appear disconcerting, several individual schools struggle with students completing high school. For example, for the 2010-2011 academic year, Benjamin Bosse High School had a graduation rate of only 70.8%, a decrease of 14.2% under the previous year. Furthermore, across the district, there has been a dramatic increase in the number of dropout students in recent years as illustrated in the following table:

SCHOOL	08-09	09-10	10-11
Benjamin Bosse High School	14	14	43
Central High School	14	26	54
North High School	30	20	68
Francis Joseph Reitz High School	6	4	14
William Henry Harrison High School	23	7	33
<b>TOTALS</b>	87	71	212

Gary: Gary is located in the southeastern portion of the Chicago metropolitan area and is 25 miles from downtown Chicago. According to the 2010 U.S. Census Bureau report, the city is home to 80,294 residents of which 84.8% of residents are African American, 10.7% are White and 5.1% are Hispanic. Of this total population, 28.1% of residents are under the age of 18 years.

Poverty is a major crisis for this community. An alarming 34.2% of all residents and 42.9% of families with children under the age of 18 live in poverty. A closer look at the socioeconomic status of families reveals that 53.7% of families with female head of households with no husband present live below the poverty level.

The academic norm in Gary is discouraging with only 82.6% of the population 25 years and older as high school graduates and 11.6% who hold their bachelor’s degree or higher. Furthermore, as previously stated, Gary high schools have been labeled “dropout factories” based on the fact that 60% or less of students who enter their schools do not make it to their senior year.

Indianapolis: Located in central Indiana, Indianapolis is the capital and largest city in the State. According to the 2010 U.S. Census, the city was home to 820,445 residents of which 61.8% were White, 27.5% were African American and 9.4% were Hispanic. Of the total population, 25% of residents are under the age of 18.

While not as alarming as Evansville and Gary, the city does have a substantial incidence of economic disadvantage with 17.9% of the population living below the poverty level. However, the prevalence of poverty in homes with children does significantly increase with 22.3% of homes with children under the age of 18 living below the poverty level and 40.4% with female head of household with children under the age of 18 living in poverty.

According to 2010 accountability reports, Indianapolis Public Schools had a graduation rate of only 58.3% and experienced a dropout rate of 24.6%. Additionally, as referenced above, in 2008, six of the Indianapolis high schools were considered “dropout factories” due to the overwhelming number of students who begin high school and fail to complete it.

### **Target Population**

ResponsiveEd has a proven, successful system of dropout prevention and recovery schools operating within a high quality framework designed and implemented since 1999, structuring a program that researches, develops and implements quality practice specifically for the population identified as those with the greatest need. This system blends effective instructional strategies with individualized and personalized educational plans that focus on the needs and unique learning capacity of each student. The identified populations of disengaged and dropout students residing within the regions of the three Indiana communities of Evansville, Gary and Indianapolis will receive the opportunity to benefit from the ResponsiveEd system and established program of success. PHS will serve a target student population that includes at-risk, credit-recovery students, grades 9-12, to students with the capacity to effectively accelerate their education.

### **Community Engagement**

The administration at each school will create connections with families and local stakeholders that will enhance the school climate and increase effective collaboration. Systemic processes will be embedded within the practice and life of each school:

- On-site informational campus meetings
- Planned gatherings allowing questions and parental/community feedback
- District-wide informational newsletter available on-campus for distribution
- Web-based communication of campus/district news
- Prompt email and telephone communication with all levels of school personnel

Additionally, parents and/or guardians will regularly be provided the opportunity to participate in the school Community Advisory Committee (CAC) and volunteer their time or resources to further the vision of PHS. Examples will include aiding in organization of on-campus activities and expanding the opportunity to communicate the mission of the school.

The Regional Director appointed to serve the Indiana schools will be responsible for developing and managing relationships within the community. To that end, each school will seek to establish partnerships with local youth-serving organizations (i.e., Boys & Girls Clubs, YMCAs, etc.) to make them aware of the schools and how the schools can benefit students that they may serve who may be interested or benefit from attending the schools. In addition, beginning in January of 2013, each school will launch a community awareness campaign to ensure that local education organizations, parents and businesses are familiar with the schools and the academic services we will offer for local students.

## **Education Plan / School Design**

Traditional educational systems are typically regulated by a fixed, sequential pacing and strict scope of content that is solely dependent on a teacher. In such a system, teachers have been trained to believe that their primary role is to possess content knowledge and to spend the maximum portions of their workday delivering that knowledge to students through verbal instruction. The students must “catch” content and participate in reinforcing exercises such as note-taking or textbook reviews and replicate the “learned content” on tests, quizzes or homework. Consequently, such a system is “teacher-centric”, focusing on the teaching process and making the teacher the primary centerpiece in this process.

Based upon the following *non-negotiable core values* of ResponsiveEd, the PHS schools will serve the targeted population in a proven system of success:

### **THE PROMISE**

- We put the student first.
- We practice the belief that every student can learn.
- We expect student ownership of the learning process.
- We value the learning process as the primary goal.
- We value the student as an individual with unique needs and approaches to learning.

### **THE PROFESSIONALS**

- We value and expect all educators to first love students, treating them with respect and patience.
- We respect, honor and commit to staff members as professionals who make life long differences by putting students first.
- We expect compassion and continuous improvement in all ResponsiveEd professionals who make life long commitments to students.
- We work in collaborative teams to assess learning and assign interventions.
- We view the education process as a sacred calling and hold those who choose it in high regard.

### **THE PRACTICE**

- We develop and utilize innovative methodologies and reinforce individualized learning environments.
- We employ the use of proven diagnostics and assessment.
- We hold consistent measurement of learning as an integral component of the academic process.
- We create targeted systems of learning and interventions to ensure success when students aren't learning.
- We use relevant data focusing on results to guide campus decisions.

The system of education at ResponsiveEd follows *seven major principles*:

1. Comprehensive diagnosis & measurement
2. Personalized academic plan
3. Rigorous and relevant learning opportunities
4. Differentiated and self-directed instruction
5. Collaborative learning environment
6. Caring and compassionate staff
7. Smaller schools by design

The unique quality of PHS is its distinct focus on the learning process rather than the teaching process. PHS incorporates the *3D Learning System*:

- *Diagnostics* - an effective battery of tests utilized to accurately assess a student's current academic status, determine the student's greatest need and place the student in an academic plan that re-engages the learner
- *Delivery* – the process of blending instruction strategies that are individualized and promote effective teacher to student interaction
- *Data* – the process of gathering information, evaluating embedded assessments and structuring student progress plans that are targeted and effective

PHS best practice applies these principles and processes within the following *framework of academic operations*:

*Personalized Learning*  
*Aggressive Commitment*  
*Single-Minded Focus*  
*High Expectations*  
*Consistent Respect*  
*Personal Choice*  
*Adaptive Strategies*

### **Network Governance and Leadership**

ResponsiveEd is managed under the direction of a five member Board of Directors. The Board of Directors is comprised of a team of individuals that represent the education, business and legal sectors. The Board of Directors will work closely with the Indiana administrative team to monitor and promote school goal achievement, student academic achievement and the ongoing alignment with the schools' mission and vision. The board will focus on policy issues and will entrust the day-to-day management of the school to the Campus Directors who will be accountable to the Regional Director and Board of Directors for the overall performance.

ResponsiveEd will employ a high quality team of professionals to manage and implement the proposed PHS schools. Overseeing the state network, a Regional Director will supervise the launch and on-going implementation of all charter schools within Indiana. A Campus Director will be hired for each site and will be responsible for the school's daily operations and programs, including the day-to-day management of staff and students.

## SECTION I: EVIDENCE OF CAPACITY

### FOUNDING GROUP

#### **Founding Group Membership**

***1. Identify the key members of the Founding Group for the proposed school(s).***

The following individuals serve as the Founding Group members:

- \* Chuck Cook - Chief Executive Officer / District Superintendent / Board Member
- \* Robert Davison - Chief Operating Officer
- \* Dr. Alan Wimberley - Chief Learning Officer
- \* Rosalinda Gonzalez - Chief Academic Officer
- \* James Taylor - Chief Financial Officer
- \* Chris Baumann - Chief Legal Officer
- \* Julie Conde - Director of Accountability / ELL

Please see Attachment 1 for resumes for each Founding Member.

***2. Identify any organizations, agencies or consultants that are partners in planning and establishing the school(s) proposed, along with a brief description of their current and planned role and any resources they have contributed or plan to contribute to school development.***

ResponsiveEd will be implementing the proposed charter school system independently.

***3. Explain the circumstances and motivations that brought the Founding Group together to propose this school replication plan.***

The Founding Group has carefully considered the expansion of ResponsiveEd and the strategic plan for growth into Indiana. The organization consistently monitors the success of the students who are educated at ResponsiveEd schools and believes that the significant academic gains that have been demonstrated could be replicated to benefit Indiana students. In particular, the Founding Group has assessed the needs of various schools districts across the state and, due to the specific academic needs of the identified communities, has determined to replicate proven effective schools in an effort to bring hope and academic success to the struggling learners of Indiana.

## **School Leader & Leadership Team**

- 1. For the first proposed school described in this application, identify the Principal/Head of School candidate and explain why this individual is well qualified to lead the school in achieving its mission. Summarize the proposed leader's academic and organizational leadership record. Provide specific evidence that demonstrates the leader's capacity to design, launch, and manage a high-performing charter school. If the proposed leader has never run a school, describe any leadership training programs that he/she has completed or is currently participating in. Also provide, as Attachment 2, the qualifications and resume for this individual. If no candidate is yet identified, explain your timeline, criteria, and process for recruiting and hiring the school leader.***

Each PHS will be managed under the leadership of a Campus Director. The Campus Director will be responsible to promote the success of every student by facilitating the development, articulation, implementation and stewardship of a vision for learning that is shared and supported by students, their parents, the community, peers, administrative staff, Regional Director and ResponsiveEd's schools. Furthermore, the role will require the promotion and encouragement of the success of every student by advocating, nurturing and sustaining a school culture and instructional program conducive to student learning and staff professional growth.

Qualified candidates must have a Bachelor's degree from a four-year accredited college or university (Master's degree preferred), have a minimum of four years teaching experience (preferred) and hold a current Indiana Principal License (preferred). In addition, preference will be given to individuals whose graduate degree or program of study is reflective of the current Indiana leadership standards for school leaders and principals. Finally, the Campus Director must have minimum of five years of experience in supervising a staff of five or more individuals, managing budgets and effectively overseeing vendor relations.

ResponsiveEd will task the Indiana Regional Director, in partnership with the Human Resources Department, with recruiting and retaining qualified Campus Directors for the proposed schools. The recruitment and hiring process is scheduled to occur between March and April of 2013.

- 2. Who will work on a full-time or nearly full-time basis immediately after approval to lead development of the school? How will this person be compensated?***

Upon notification of charter approval from the Indiana Charter School Board (ICSB) for the proposed schools, ResponsiveEd will immediately recruit and retain a highly qualified candidate to oversee the launch and on-going implementation of ResponsiveEd charter schools within Indiana. This position – Regional Director – will be a full-time position with the individual receiving a salary and full benefit package.

3. ***Describe the responsibilities and qualifications of the first proposed school's administrative/management team (beyond the school leader). If known, identify the individuals who will fill these positions, as Attachment 3, and provide resumes and/or job descriptions. If the positions are not yet filled, explain the timeline, criteria and process for recruiting and hiring.***

ResponsiveEd will employ the following professionals to manage and implement the proposed PHS schools:

**Founding Group:** The Founding Group will oversee the primary financial and administrative management responsibility for the ResponsiveEd Indiana charter system, which will include, but not be limited to, the following responsibilities:

1. Personnel and payroll administration;
2. Professional development/training;
3. Curriculum and testing;
4. Contract administration
5. Accounting, budgeting, cash management and financial reporting;
6. Management information systems;
7. Insurance;
8. Child nutrition management services;
9. Parent/student/community activities;
10. Marketing and recruitment; and
11. Public relations activities.

**Regional Director:** The Regional Director will have primary responsibility for the implementation of the academic programs and systems, will oversee all professional development, will assume responsibility for the educational welfare of the students and will lead in the development of the educational goals of the community. The Regional Director will oversee the development of the culture of the school and will ensure that an appropriate balance of time and energy is devoted to goals in the areas of intellectual, physical, social, vocational, emotional and ethical developmental needs. The individual will regularly monitor implementation of the academic programs and systems with frequent on-site visits and meetings with staff. Finally, the Regional Director will be responsible for the hiring and firing of all Campus Directors at ResponsiveEd sites within Indiana.

**Campus Director:** The Campus Director will have primary responsibility for all aspects of the school's daily operations and programs, including the day-to-day management of staff and students. The teachers and staff of PHS will report directly to the Campus Directors. Similarly, the Campus Director will have the responsibility to hire and/or fire campus staff – including teachers, Administrative Assistant and instructional aides.

**Teacher:** All PHS teachers will meet the requirements of Highly Qualified (HQ) in accordance with No Child Left Behind (NCLB) regulations. Furthermore, ResponsiveEd will ensure that teachers are certified as required by Indiana state law. Teachers serve as the learning facilitators in the school who maintain direct contact with each student under their care on a moment-by-moment and day-to-day basis. Each teacher is responsible to monitor academic progress, assist the students in overcoming learning difficulties, provide motivation and encouragement in general and create an environment of care and support. Furthermore, the teacher is responsible to work with the parents and students to provide and implement individualized instruction to meet the unique needs of all students.

**Special Education Teacher:** The Special Education Teacher will ensure that the school’s special education program provides all required services for students with disabilities. In this capacity, the incumbent will work with parents, general education teachers and administrators to develop and implement Individualized Education Plans (IEPs) to meet the unique needs of each student with disabilities and will ensure that the school is implementing a special education program in compliance with all federal, state and district special education requirements.

The qualified candidate must meet the requirements as HQ in accordance with NCLB regulations. In addition, the Special Education Teacher must hold a Bachelor’s degree from a four-year accredited college or university, must have a current Indiana standard teaching license in special education, must demonstrate content knowledge in subject area(s) and must have teaching experience in a public or private school (preferred).

**Paraprofessional:** The Paraprofessional is responsible to assist teachers with monitoring the learning center and facilitating students’ learning progress. The Paraprofessional should hold an Associate degree or equivalent from an accredited college or university (preferred) or, at minimum, is required to have completed at least two years of college (48 semester hours) or five years of related experience. Additionally, preference will be given to individuals who hold a teacher’s certification, but certification is not required. Qualified candidates must successfully pass the ParaPro test and have a minimum of six months of experience working in a public or private school.

**Administrative Assistant:** The Administrative Assistant is responsible to assist the Campus Director with daily operations and perform administrative duties accordingly. The qualified candidate must have a one-year certificate from a college or technical school or three to six months of related experience and/or training or an equivalent combination of education and experience.

***Recruiting & Hiring Timeline:*** The Regional Director will be responsible to oversee the startup phase of the Indiana school openings. Upon notification of charter approval, ResponsiveEd will launch an aggressive recruitment process to identify and hire a qualified candidate to fill this role. Additional school-based support staff roles (teachers, paraprofessionals, administrative assistant, etc.) will be recruited and hired between April and May of 2013.

## GOVERNANCE

### **Legal Status & Governing Documents**

Please see Attachment 4 to review the following documents:

- 501(c)(3) Letter of Determination
- Copy of the Articles of Incorporation
- Copy of Board Bylaws\*

\* NOTE: Should it be awarded a charter by the Indiana Charter School Board, ResponsiveEd will revise its Bylaws to include a clause per Indiana Code 20-24-3-3, ensuring that, upon dissolution, all remaining funds received from the Indiana Department of Education shall be returned to the department within 30 days.

Please see Attachment 5 to review the Statement of Assurances

## **Governing Board**

### ***1. Governance Structure and Composition***

ResponsiveEd is managed under the auspices of a five member Board of Directors. The Board of Directors is comprised of a team of individuals that represent the education, business and legal sectors. The Board of Directors will work closely with the Regional Director and Campus Directors to monitor and promote school goal achievement, student academic achievement and the ongoing alignment with the schools' mission and vision. The board will focus on policy issues and will entrust the day-to-day management of the school to the Campus Directors who will be accountable to the Regional Director and Board of Directors for the overall performance.

According to the Bylaws, the Board of Directors shall consist of a number of members to be determined by the board, but not have less than five directors. Each director shall hold office for a term of three years unless he/she resigns, dies or become incapacitated or is removed by the board. A director may be re-elected an unlimited number of times.

Please see Attachment 6 for signed Board Member Information Sheets.

### ***2. Pre-Existing Nonprofit Organization***

ResponsiveEd is an existing non-profit agency, with determination as a 501(c)(3) by the Internal Revenue Service. Please note that ResponsiveEd was originally established under the legal name Eagle Educational Reform Learning Systems, Inc. and was officially changed to Responsive Education Solutions on March 19, 2007 (see Attachment 4).

### ***3. Governing Entity's Responsibilities***

In accordance with the organization's Bylaws, all business of the corporation is managed by the Board of Directors. The Board of Directors will be accountable to the people for whose benefit the schools will be established and has the overall responsibility for ensuring that the students attending Indiana PHS' will be provided with a quality education. Accordingly, the board will maintain the following powers and responsibilities:

1. the board as a corporate body has the power and duty to govern and oversee the management of PHS;
2. the board shall determine the organization and support the mission of the PHS;
3. the board shall approve and cause to be submitted charter-related documents to the ICSB;
4. the board shall set policies for PHS operation, ensuring conformance with the provisions of the contract for charter and applicable laws;
5. the board shall approve an official budget to operate PHS while maintaining fiscal responsibility;
6. the board shall establish the short- and long-range goals for PHS' and shall monitor progress toward the achievement of those goals;
7. the board shall appoint and regularly receive information and recommendations from a Community Advisory Council (established for each charter);
8. the board shall ensure that fiscal operations satisfy general accounting standards of fiscal management;
9. the board shall ensure that ResponsiveEd remains in good standing as an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code;
10. the board shall approve and ratify all contracts;

11. the board shall adopt an annual budget for each school and shall regularly review financial statements;
12. the board shall ensure that all schools maintain adequate resources for school activities; and

The Board of Directors will strive to model and promote a shared mission and vision among all members and stakeholders through its work, practices and achievements. The board will concern itself first and foremost with student achievement, financial sound management and how to assist in establishing a sense of community for each student and stakeholder. To that end, the board will involve teachers, parents and students in the governance, operations and planning procedures of each PHS and every effort will be made to create an environment in which students can experience a sense of community and involvement that addresses their needs and interests.

Board members will exercise their authority as a board member and have one vote equally as will the President of the board. Members will exercise their authority through meaningful discussion and voting during board meetings. Board members will have no individual authority outside the meetings to make authorizations or commitments on behalf of the individual charter schools. Board members will speak as a body in all decision-making.

#### ***4. Procedures***

In order to monitor the charter network and provide a continuous cycle for improvement, the ResponsiveEd Board of Directors meets consistently throughout the year on a quarterly basis with special meetings called as needed. The Board of Directors does not currently include any standing subcommittees, nor does it intend to establish any in the near future.

All PHS schools and the ResponsiveEd Board of Directors will make available public records, upon request, in accordance with the regulations set forth in Indiana's Public Access Laws as described within IC 5-14.

#### ***5. Ethics and Conflicts of Interest***

***Ethical Standards:*** The Board of Directors has adopted and adheres to the "Code of Ethics and Standards" which states:

The Educator shall comply with standard practices and ethical conduct toward students, professional colleagues, school officials, parents and members of the community and shall safeguard academic freedom. The Educator, in maintaining the dignity of the profession, shall respect and obey the law, demonstrate personal integrity and exemplify honesty. The Educator, in exemplifying ethical relations with colleagues, shall extend just and equitable treatment to all members of the profession. The Educator, in accepting a position of public trust, shall measure success by the progress of each student toward realization of his or her potential as an effective citizen. The Educator, in fulfilling responsibilities in the community, shall cooperate with parents and others to improve the public schools of the community.

**Conflicts of Interest:** The Board of Directors abides by a written policy to prevent potential conflicts of interest. Accordingly, the policy is as follows:

If a director has a substantial interest in a business entity or real property, he shall file before a vote or decision on any matter involving the business entity or real property an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if the action will have a special economic effect on the business entity or it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the real property distinguishable from its effect on the public. The affidavit must be filed with the Secretary of the board. If a majority of the directors are required to and file affidavits of similar interest, the director is not required thereafter to abstain.

Please see Attachment 7 for Code of Ethics and Conflict of Interest policy.

## **6. Advisory Bodies**

ResponsiveEd believes that parents/guardians, students, staff and community leaders will be an integral component of the school governance at each of the three PHS'. The Regional Director and Campus Directors at each of the schools, with support from the Board of Directors, will develop a Campus Advisory Committee (CAC) for the following purposes:

1. Providing ongoing input and participation in the operation of the PHS;
2. Review of PHS policies to ensure consistency with the school's mission;
3. Make recommendations on policy issues to the board;
4. Assist in developing long-range strategic plans for the PHS; and
5. Review and make recommendations for performance standards to measure PHS success.

The CAC will serve as a site-based resource to assist the Campus Director in the implementation of an effective and appropriate learning program for each student attending a PHS. The CAC will also serve as an intermediary to help address local issues before they are brought before the Board of Directors for final resolution. A technological function will be provided that will allow input by the CACs to the Board of Directors during official meetings. The same communication avenues will be open to the CACs to enable exchanges of information with the Regional Director.

While parents do not have any official authority in the operation and administration of PHS, their involvement through the CAC will enable their contribution as invaluable problem-solving advisors in assisting the Campus Director and the Board of Directors in conducting a high-quality and appropriate learning program for students.

Each CAC will be comprised of two student volunteers, two volunteer parents/guardians of PHS students, two staff members and two community leaders. The CAC will meet regularly and will provide continuous communication to the Board of Directors on their activity.

## **7. Grievance Process**

Within the *Parent and Student Handbook* the "Student or Parent Complaints and Concerns" policy is outlined to provide, at the lowest possible administrative level, prompt and equitable resolution of student or parent complaints and/or concerns. Usually, student or parent complaints can be resolved simply by an informal call or conference with the teacher or Campus Director who is the subject of the complaint. Generally, should the complaint involve a problem with a teacher, the student or parent is expected to

discuss the matter with the teacher before requesting a conference with the Campus Director. For those complaints that cannot be handled informally, the school has adopted the following grievance policy:

Level I: A student or parent who has a complaint that could not be resolved informally shall request a conference with the Campus Director by filing the complaint in writing on a form provided by the school. The form must be filed with the school office within seven days of the time the student or parent know, or should have known, of the event or series of events about which the student or parent is complaining. Copies of any documents that support the complaint should be attached to the complaint form. If the student or parent does not have copies of these documents, they may be presented at the Level One conference. After the Level One conference, no new documents may be submitted unless the student or parent did not know the documents existed before the Level One conference. A complaint form that is incomplete in any material way may be dismissed, but may be re-filed with all the requested information if the re-filing is within the designated time for filing a complaint.

The Campus Director shall hold a conference with the student or parent within seven days of the request. The seven day timeframe for holding the Level One conference may be extended if mutually agreed to by both the student or parent and the Campus Director. An adult may represent a student at this and any level of the complaint.

The Campus Director shall have seven days following the Level One conference within which to respond. Announcement of a decision in the student or parent's presence shall constitute communication of a decision.

Should the complaint involve a problem with the Campus Director, then the Level One complaint form should be submitted to the Regional Director at the following address:

Responsive Education Solutions  
Complaint: Level One  
Attn: Human Resources Department  
P.O. Box 292730  
Lewisville, Texas 75029

Level Two: If the outcome of the Level One conference with the Campus Director is not to the student's or parent's satisfaction or the time for a response has expired, the student or parent may appeal the Level One decision to the Regional Director by filing the appeal notice in writing on a form provided by the school. *Note: In the event that the Level One conference was held by the Regional Director or designee, the Level Two conference shall be held by another Regional Director or designee.*

The appeal notice must include a copy of the Level One complaint, a copy of the Level One decision being appealed (if applicable) and a copy of any documents presented at the Level One conference.

The appeal notice must be postmarked to the following address within seven days following receipt of a response or, if no response is received, within seven days of the response deadline:

Responsive Education Solutions  
Complaint: Level Two  
Attn: Human Resources Department  
P.O. Box 292730  
Lewisville, Texas 75029

The Regional Director or designee shall hold a conference with the student or parent within seven days of the appeal notice. The seven day timeframe for holding the Level Two conference may be extended if mutually agreed to by both the student or parent and the Regional Director or designee.

The Regional Director or designee shall have seven days following the Level Two conference within which to respond. Announcement of a decision in the student or parent's presence shall constitute communication of the decision.

Level Three: If the outcome of the Level Two conference with the Regional Director or designee is not to the student's or parent's satisfaction or the time for a response has expired, the student or parent may appeal the Level Two decision to the CEO/Superintendent by filing the appeal notice in writing on a form provided by the school. The appeal notice must include a copy of the Level One complaint, a copy of the Level Two appeal notice, a copy of the Level One and Level Two decisions being appealed (if applicable) and a copy of any documents presented at the Level One and Level Two conferences.

The appeal notice must be postmarked to the following address within seven days following receipt of a response or, if no response is received, within seven days of the response deadline:

Responsive Education Solutions  
Complaint: Level Three  
Attn: Human Resources Department  
P.O. Box 292730  
Lewisville, Texas 75029

The CEO/Superintendent or designee shall hold a conference with the student or parent within 14 days of the appeal notice. The 14 day timeframe for holding the Level Three conference may be extended if mutually agreed to by both the student or parent and the CEO/Superintendent or designee. The Level Three conference may be held via telephone or videoconference at the discretion of the CEO/Superintendent.

The CEO/Superintendent or designee shall have seven days following the Level Three conference to respond. Announcements of a decision in the student or parent's presence shall constitute communication of the decision.

Level Four: If the outcome of the Level Three conference with the CEO/Superintendent or designee is not to the student's or parent's satisfaction or the time for a response has expired, the student or parent may appeal the Level Three decision to the Board of Directors by filing the appeal notice in writing on a form provided by the school. The appeal notice must include a copy of the Level One complaint; a copy of the Level Two and Level Three appeal notices; a copy of the Level One, Level Two and Level Three decisions being appealed (if applicable); and a copy of any documents presented at the Level One, Level Two and the Level Three conferences.

The appeal notice must be postmarked to the following address within seven days following receipt of a response or, if no response is received, within seven days of the response deadline:

Responsive Education Solutions  
Complaint: Level Four  
Attn: Human Resources Department  
P.O. Box 292730  
Lewisville, Texas 75029

The appeal will then be placed on the agenda of a future board meeting. The Regional Director or designee shall inform the student or parent of the date, time and place of the meeting. The Board of Directors is not required to consider documentation not previously submitted or issues not previously presented. The presiding officer may set reasonable time limits. The Board of Directors shall hear the complaint and may request a response from the school. The school shall make an audiotape record of the Level Four proceedings before the Board of Directors. The Board of Directors shall then make and communicate its decision orally or in writing at any time up to and including the next regularly scheduled board meeting. If, for any reason, the Board of Directors fails to reach a decision regarding the complaint by the end of the next regularly scheduled board meeting, the lack of response by the Board of Directors upholds the decisions at Level Three.

If the complaint involves concerns or charges regarding an employee, it shall be heard by the Board of Directors in closed meeting unless the employee to whom the complaint pertains requests that it be heard in public.

*Note: When the school determines, in its sole discretion, that two or more individual complaints are sufficiently similar in nature and remedy to permit their resolution through one proceeding, the complaints may be consolidated. Furthermore, the CEO/Superintendent may, at his sole discretion, modify this complaint process or require an alternative process, so long as the Board of Directors retains final authority to hear and decide complaints and concerns brought hereunder.*

#### **School Management Contracts**

Not applicable

## NETWORK VISION, GROWTH PLAN & CAPACITY

1. Provide, as Attachment 9, the organization's 5-year business plan addressing the plan for network expansion in Indiana (and in other states, if applicable). If no business plan has been developed, please answer the remaining questions in this section.

Please see responses below

2. If not clearly described in Attachment 9, or if no business plan exists, describe the organization's strategic vision, desired impact, and five-year growth plan for developing new schools in Indiana and other states, if applicable. Include: number and types of schools, planned opening years, all currently targeted geographies and criteria for selecting them, projected number of students, and measurable impact on student achievement.

ResponsiveEd – headquartered in Lewisville, Texas, just north of the Dallas/Fort Worth Metroplex – currently operates the largest system of open-enrollment charter schools in the state of Texas. After much thought and consideration, the company has made plans to branch out beyond the borders of Texas and expand into the state of Indiana and other regions where there is a documented need for proven-effective programs. Accordingly, ResponsiveEd has established the following network expansion goals, including current plans to establish new sites within Indiana:

YEAR	OPENING DATE	NUMBER OF SCHOOLS	REGION
2012 – 2013	August 2012	9	Texas
2013 – 2014	August 2013	12	Texas
		3	Arkansas
		2	New Mexico
		4	Indiana
2014 – 2015	August 2014	10	Texas
		2	Arkansas
		3	New Mexico
		4	Indiana
		1	Louisiana
2015 – 2016	August 2015	1	Oklahoma
	August 2015	10	Texas
2016 – 2017	August 2016	10	Texas
		3	Arkansas
		3	New Mexico
		2	Indiana
		1	Louisiana
		1	Oklahoma

ResponsiveEd has not yet determined the geographic locations or the school brand that it intends to establish in each of the targeted states. As the name implies, the company responds to need. Accordingly, as ResponsiveEd moves into the planning phase for each year, the leadership will carefully analyze the needs of the states and particular regions to determine where their academic programs can have the greatest impact and will establish the plan accordingly.

ResponsiveEd anticipates that the proposed PHS schools will achieve the following measurable outcomes on student achievement:

1. 90% of students enrolled for one or more years will pass or show growth on the state assessment tests
2. 100% of students enrolled for two or more years will be required during their senior year to enroll in a minimum of one dual credit course
3. Each year, the schools will demonstrate an overall performance improvement on SAT and ACT college entrance examinations over the previous year
4. 100% of students enrolled for two or more years will apply to an institution of high education upon graduation

- 3. If not clearly described in Attachment 9, or if no business plan exists, summarize the organization's capacity to support and ensure the quality and long-term success of the new school(s) proposed. If the organization's existing portfolio or growth plan includes schools in other states, explain how Indiana fits into the larger growth plan and how the organization will support and ensure quality in the schools planned for Indiana.***

In November of 1998, the Texas State Board of Education authorized ResponsiveEd to open an unprecedented 15 schools. Fourteen years later, ResponsiveEd now operates 50 open-enrollment public charter schools. ResponsiveEd enrollment has grown from 726 students in 1999-2000 to over 9,000 students enrolled in 2011. In addition, the total number of ResponsiveEd graduates now exceeds 4,700 through the 2010-2011 academic year. The network's total Texas Assessment of Knowledge and Skills (TAKS) passing average for the school year of 2010-2011 was 93% for the "All Student" population. ResponsiveEd TAKS Progress Indicators have consistently exceeded Texas state averages by approximately ten percentage points. As one of the few charter school systems accredited by the Southern Association of Colleges and Schools (AdvancEd), the ResponsiveEd family of schools far exceeds the standard and creates a greater definition of excellence and quality.

As demonstrated by a proven record, ResponsiveEd has the experience and expertise to ensure a high-quality education and long-term success for Indiana students. While the company has identified several target regions for growth, it is committed to establishing and expanding its presence in Indiana.

- 4. If not clearly described in Attachment 9, or if no business plan exists, provide evidence of organizational capacity to open and operate schools successfully in accordance with the growth plan. Explain results of past replication efforts and lessons learned, including how you have addressed replication challenges in other markets.***

As previously mentioned, ResponsiveEd was granted authorization to establish 15 schools in November of 1998. The new charters created a quick response by the network to coordinate all the details required to open the fully operational schools. Since the original charters awarded, ResponsiveEd has expanded the network to include 50 individual charter schools.

As demonstrated by the organization's expansion record, ResponsiveEd has the capacity and experience to effectively and efficiently establish the proposed charter schools. ResponsiveEd currently operates 50 successful open-enrollment charter schools in various types of markets, from large cities to rural towns. Throughout the replication process, ResponsiveEd's staff understand the need for more educational options in all communities, regions and markets. With a strong marketing presence and a history of achieving exemplary results, ResponsiveEd believes that it will demonstrate the same level of success within the proposed communities.

5. *If not clearly described in Attachment 9, or if no business plan exists, describe the greatest anticipated risks and challenges to achieving the organization’s desired outcomes in Indiana. How will the organization meet these challenges and mitigate risks?*

ResponsiveEd anticipates that the greatest challenge the organization will face in the launch of the proposed PHS’ will be the effective integration of the schools into the culture of the local Indiana community. In order to mitigate this potential barrier, the organization has developed an aggressive plan that includes marketing, communication and other awareness efforts (mailings, signage, community meetings, community involvement, etc.) to engage the local community and establish itself as an integral part of the lives of the people in Indiana.

**NETWORK MANAGEMENT**

1. *Explain any shared or centralized support services the network organization (including any ESP partner) will provide. Describe the structure, the services to be provided, the cost of those services, how costs will be allocated, and specific service goals. How does the organization know whether it is successfully delivering these services? (In the case of a governing board proposing to contract with a management organization, service goals should be outlined in the term sheet and draft contract to be provided with the charter application.)*

ResponsiveEd will provide centralized support service for the proposed schools. An administrative overhead rate of 12% will be applied to cover costs for human resources, finance/reporting, information technology, marketing, executive planning, development, child nutrition coordinator, risk management, media relations and other related costs. In addition, a portion of the budget will be utilized to establish an operating reserve/working capital fund to be used for sustainability and improvement requirements in the future.

The Regional Director will be responsible for coordinating services across the schools within the State and will work with ResponsiveEd’s centralized support services to ensure that all administrative activities are coordinated appropriately. Any issues identified will be reported and addressed immediately. In addition, each year, the Regional Director will conduct a performance review, which will assess academic and administrative functions. A report of findings will be presented to the CEO/Superintendent to correct any identified concerns or issues.

2. *Using the table below, define school-and organization-level decision-making authority as it relates to key functions, including curriculum, culture, staffing, corrective actions, etc. Indicate where primary authority for each function resides.*

Function	Network/Management Organization Decision-Making	School Decision-Making
Performance Goals	Chuck Cook, Chief Executive Officer/Superintendent	Campus Director
Curriculum	Rosalinda Gonzalez, Chief Academic Officer	Campus Director
Professional Development	Chris Baumann, Chief Legal Officer	Campus Director
Data Management and Interim Student Assessments	Rosalinda Gonzalez, Chief Academic Officer	Campus Director

Grade Level Promotion Criteria	Rosalinda Gonzalez, Chief Academic Officer	Campus Director
Culture	Dr. Alan Wimberley, Chief Learning Officer	Campus Director
Budgeting, Finance and Accounting	James Taylor, Chief Financial Officer	Campus Director
Student Recruitment	Robert “Grif” Griffin, Chief Communications Officer	Campus Director
School Staff Recruitment and Hiring	Chris Baumann, Chief Legal Officer	Campus Director
HR Services (payroll, benefits, etc.)	Chris Baumann, Chief Legal Officer	Campus Director
Development	Robert Davison, Chief Operating Officer	Campus Director
Community Relations	Robert “Grif” Griffin, Chief Communications Officer	Campus Director
Information Technology	Patrick Tanner, Chief Technology Officer	Campus Director
Facilities Management	Robert Davison, Chief Operating Officer	Campus Director
Vendor Management / Procurement	James Taylor, Chief Financial Officer	Campus Director
Other operational functions, if any	Robert Davison, Chief Operating Officer	Campus Director

3. *Provide, as Attachment 10, the following organizational charts*
- a. *Network as a whole, aligned with the 5-Year Business Plan*
  - b. *School-level organizational chart for School 1 at full capacity*

Please see Attachment 10

## SECTION II: SCHOOL DESIGN

### EDUCATION PLAN

#### Curriculum & Instructional Design

The PHS educational model is directly aligned to the school’s mission to provide hope for students through an *innovative, encouraging, character-based and individualized learning environment where they are academically successful and develop into lifelong learners.*

Innovative: The traditional educational system is regulated by a fixed, sequential pacing and strict scope of content that is solely dependent on a teacher. In such a system, teachers have been trained to believe that their primary role is to possess content knowledge and to spend the maximum portions of their workday delivering that knowledge to students through verbal instruction. The students must “catch” content and participate in reinforcing exercises such as note-taking or textbook reviews and replicate the “learned content” on tests, quizzes or homework. Consequently, such a system is “teacher-centric”, focusing on the teaching process and making the teacher the primary centerpiece in the process.

The unique quality of PHS is its distinct focus on the learning process rather than the teaching process. PHS accomplishes this through the PHS “*3D Learning System*” which incorporates the following:

- *Diagnostics* - an effective battery of tests utilized to accurately assess a student’s current academic status, determine the student’s greatest need, and place the student in an academic plan that re-engages the learner
- *Delivery* – the process of blending instruction strategies that are individualized and promote effective teacher to student interaction
- *Data* – the process of gathering information, evaluating embedded assessments and structuring student progress plans that are targeted and effective.

*Diagnostics:* If education centers on the “teaching” process, there is no need to measure or evaluate learning. In order to provide effective academic progress, educators must focus on the “learning” process. Many educators ask themselves at the end of the day, “Did I teach everything I should have taught?” This is the wrong question. The appropriate question is, “Did my students learn everything they should have learned?”

The first step in a system designed on the learning experience is diagnostics. No student should enter a potential learning environment without a research-based diagnostic process. Without this process, two crucial elements of an effective experience are lost: (1) proper placement of the student in the environment and (2) a learning plan based on the student’s specific needs, strengths and learning styles.

In most situations, diagnostics only appear in the form of reviewing a student’s records (e.g., report cards, transcripts, etc.). While showing evidence of the academic “location” (e.g. tenth grade, number of credits, etc.) is beneficial, a cursory review of records is not an effective diagnostic. Learning styles, academic needs and cognitive strengths are often never measured. This lack of attention to the individual child can be indicative of a standardized system of education that ignores differentiation. An effective battery of diagnostic tests must be utilized to effectively determine a student’s appropriate placement.

Consequently, PHS addresses the following diagnostic testing concerns through the use of a comprehensive battery of diagnostic tests:

1. Grade Equivalency
2. Credit or Grade Achievement
3. Literacy Usage and Content
4. Mathematics Competency
5. Learning Style Inventories
6. Information Processing Skills
7. Student Engagement Assessment

By utilizing an inclusive diagnostic system, PHS is able to guide students through the enrollment process through to the implementation of an individualized, successful learning plan designed to target their unique needs.

*Delivery:* The process of transferring or replicating information is known as “delivery”. There are many means by which a student may receive information. Many times, educators depend on one style of delivery. This practice can seriously hinder the learning process because of the diverse differentiated learning styles of the students in a classroom. Therefore, it is important to have a blend of delivery choices when addressing the individual learning for each student. PHS will employ a blend of instructional strategies that will incorporate best practice of teachers, effective use of technology and personalized methodology.

*Data:* PHS will implement data-driven decision-making. In order to execute effectively, the following three primary features to be utilized to ensure the process include:

1. Data will always focus on results rather than intentions
2. Data will always focus on relevance of information
3. Data will always focus on redirection as necessary

The heart of effective instruction is the monitoring of instruction. If success is to be a systemic foundation for an educational institution, the process of gathering and using data must be a required component of the school. Data that drives decisions has several unique characteristics that set it apart from diagnostics.

**1. Gathering Data:** The process of gathering data is a purposeful and intentional system of bringing together results for review. This is done for individual students as well as school wide.

A. Types of Data: Benchmarks, based on learned and projected content, will be used to mark student’s current knowledge and set goals for learning achievement. Formative assessments, sometimes administered before content is delivered, will establish a baseline of knowledge that students already possess and will be utilized to inform educators of content needs that students have in subjects and disciplines. Knowing what should be taught and learned is critical. In addition, summative assessments will provide a summary profile of learned content. If students have not learned what they are expected to learn, it is vital that the educator know this. The focus of a learning organization is learning. Formative and summative assessments provide an intentional purpose for data.

B. Relevance of Data: Gathered data that drives decisions must be relevant. In order to focus on learning, educators must know the body of content necessary for success. State-mandated testing is a reality in most schools. When gathering data for academic decisions, students should be assessed on content that is relative to the requirements of testing realities.

<p>C. Timely Data: Benchmarking, as well as any assessments, will be timely and planned. Many times, caught up in the consistent demands of working with children, educators delay benchmarking until it becomes urgent and counterproductive. Gathering data will be a system that is built into the school calendar.</p>
<p><b>2. Assessment of Data:</b> Gathering data is only the first step in decision-making. Once the data has been collected, PHS will utilize it to formulate learning plans and school activities. A careful review (assessment) of a student’s performance can inform educators as to the steps needed for improvement and success.</p>
<p>A. Autopsy Data: Often data is nothing more than an assessment <u>of</u> learning. This slicing of data is similar to a medical autopsy to make determinations as to what happened after the fact -- after it is too late to prevent or affect outcomes.</p>
<p>B. Biopsy Data: The most effective assessment is used to make decisions <u>for</u> learning. This slicing of data is similar to a biopsy in that it is reviewed to determine if a problem exists and to make decisions that can address any identified issues. This process of data gathering and assessment should always be done to affect learning.</p>
<p><b>3. Creating Change:</b> All data should create change. If educators seriously focus on improvement and success, data must be gathered, used and valued. School decisions will always be directly linked back to data and plans should always be aligned for improvement. It is accurate that data can be manipulated and modified to support structures already in place and measuring irrelevant components, slicing the data using methods that give insignificant results and articulating skewed data can lead to false and misleading information. However, true assessment of data that measures current realities provides honest and clear information that creates change that leads to improvement. The single most important characteristic of learning is improvement – education demands it.</p>
<p><b>4. Interventions:</b> If we are truly involved with individual progress, monitoring and success, there must be interventions embedded into the daily operations of the school. Accordingly, the academic foundation will include an established strategy of increasingly intensive progressive steps to take when a student is not learning or progressing at an effective pace, including team meetings, assessments and strategies.</p>
<p>A. Team Meetings: A team comprised of educators and members of administration will be created to monitor the progress of students and the school. The team will collaborate to assess the individual learner and school progress. Meeting agendas will include, but not be limited to, the following tasks: (1) Identify and map objectives; (2) Create schedules for learning; (3) Develop formative assessments; (4) Establish criteria for success; (5) Assess student progress; and (6) Assign interventions.</p>
<p>B. Formative Assessments: Each school will conduct periodic assessments to gather data. Educators will use the results to monitor student progress. Intervention strategies will be assigned for students not learning. These strategies will be implemented by direction rather than invitation.</p>
<p>C. Intervention Strategies: The proposed strategies are designed to focus on the individual student and prevent learning gaps from occurring and developing. The following list provided is not meant to be inclusive and may be modified as needed in order to maximum academic performance:</p> <ul style="list-style-type: none"> <li>(1) Student-Centered – two co-curricular activities, peer mentors, student council watch, privilege systems</li> <li>(2) Faculty-Centered – Faculty advisors (cohorts), team attendance meetings, Good Friend advisors, guided study</li> <li>(3) Parent-Centered – Parent monitoring, parent communications, three-week progress reports, daily progress reports</li> </ul>

**Independent:** The learning experience at PHS is designed to lead students to become independent learners with the capacity to be successful in life beyond the classroom walls. PHS utilizes strategies focused on a student’s unique learning style and ability to develop personalized learning that becomes a natural part of the student’s life. Students work on credit courses independently, while receiving focused assistance with their studies and high-stakes testing. Students are allowed to progress at their own pace, using the leadership habits, character qualities and independent learning capacities.

**Encouraging:** Many of the students at-risk of dropping out of school have experienced cognitive segregation, which becomes the leading factor in students who develop learned helplessness. This damaging perception of life is a process that systemically teaches people to see themselves as powerless to improve their condition. Students who have been disenfranchised by this segregation often find themselves outside of the access reserved for those students who thrive academically. For this reason, PHS ensures that students are embraced by an encouraging learning environment that is created by committed teachers who are dedicated to establishing a climate that is effective for instruction.

As a component of ResponsiveEd’s character education program, PHS teachers utilize the “Quality Attention Models” to manage student interactions and bring students to a higher level of behavior and achievement. These essential skills for educators include:

1. Practicing quality choices
2. Knowing each student
3. Shepherding students
4. Blending professional and personal interactions
5. Providing honest, valuable and significant feedback
6. Practicing the art of praising students
7. Training and teaching positive habits and characteristics
8. Doing the “extra” to encourage students”

***Basic Learning Environment:*** The distinguishing characteristics of the academic program at PHS will include serving grades 9-12 utilizing personalized, self-directed and accelerated curriculum options. The school offers the capacity to provide individualized instruction, technology-based instruction as well as direct instruction under the direction of highly qualified educators. Self-directed pacing and teacher-led, self-contained environments are available within the system.

***Class Size and Structure:*** Each student will begin his or her day in a homeroom and will then proceed to navigate to various learning centers based on his or her individualized learning plan. Each learning center is comprised of between 18 and 40 students. Teachers oversee the environment and are available to provide instruction through individual and group support/tutoring. In addition, technology-based academic solutions are available for students to access to enhance their learning experience.

***Overview of Curriculum:*** Over the past thirteen years, ResponsiveEd’s team of 30+ writers, editors, proofreaders and graphic artists have developed an innovative, individualized curriculum for use in the 26 PHS schools it operates. Forming the foundation of this curriculum is ResponsiveEd’s own paper-based Knowledge Units and the ResponsiveEd-customized computer-based OdysseyWare ®.

The ResponsiveEd curriculum is designed to be utilized with the aforementioned PHS differentiated styles of instruction including: direct instruction, independent instruction, accelerated instruction and connected instruction. The curriculum is currently fully aligned to the Texas State standards. An initial review indicates that it also fully meets Indiana State standards as well as the Common Core standards. The curriculum mapping is currently underway to ensure full alignment. Furthermore, each year,

ResponsiveEd engages in a complete curriculum review in order to maintain continued alignment with all academic standards.

OdysseyWare® is a leading provider of online curriculum and eLearning solutions for charter, public and virtual schools across the United States. Founded on research-based educational models, OdysseyWare® curriculum reaches digital natives and specific students who are challenged within the constraints of the traditional classroom. With the accelerated use of technology, the curriculum has been enhanced to include an increasing number of interactive and Internet-based features. Used in more than 1,500 school districts, OdysseyWare® includes courses in the core subjects of social studies and history, mathematics, language arts and science, as well as a variety of electives.

**Utilization of Technology:** Learning through the use of emergent technology under the guidance of highly qualified educators will be emphasized at all PHS', as evidenced by a 2:1 student to computer ratio.

ResponsiveEd understands that technology is the answer to personalized learning. Since the mid-20<sup>th</sup> century, educators have known that differentiation among students should be occurring but the framework available created barriers to this need. Since the advent of the new century, this nation has witnessed an exponential proliferation of technology designed to engage the learner in a process of exciting and relevant knowledge acquisition that can meet needs, create new thought and challenge the student to go beyond the classroom. However, to take advantage of these wonderful opportunities, educators must allow technology to drive the learning process rather than fit within the outdated environment of teacher-centric systems. Now, more than ever, the ability to differentiate for each student is a reality. ResponsiveEd celebrates innovation and welcomes technology as the defined structural element necessary for personalized learning.

**Highly Effective Teachers:** ResponsiveEd will ensure that each PHS school is staffed with highly effective teachers to oversee learning. In accordance with the guidelines of the National Board for Professional Teaching Standards, all teachers will meet the following criteria:

1. Teachers are committed to students and their learning - Teachers are dedicated to making knowledge accessible to all students and believe all students can learn. They treat students equitably—recognizing the individual differences that distinguish their students from one another and taking these differences into account in their practice.
2. Teachers know the subjects they teach and how to teach those subjects to students - Teachers will demonstrate mastery over the subject(s) they teach and have a deep understanding of the history, structure and real-world applications of the subject.
3. Teachers are responsible for managing and monitoring student learning – Teachers are effective at delivering instruction; move fluently through a range of instructional techniques—keeping students motivated, engaged and focused; and know how to organize instruction to meet instructional goals.
4. Teachers think systematically about their practice and learning from experience – Teachers will model what it means to be an educated person and practice lifelong learning.
5. Teachers are members of learning communities – Teachers will collaborate with others educators at their school (and beyond) to improve student learning.

**Evidence-Based Support:** The PHS learning system is designed around three necessary components for 21<sup>st</sup> Century success:

1. **Authenticity** – 21<sup>st</sup> Century learning must be authentic. Learning strategies should always lead to true assimilation of knowledge that improves a learner. Authenticity raises the learning process to a new level. The primary element for authentic learning is independence. For 21<sup>st</sup> Century learners to move to new levels, they must be given opportunity to learn independence. This helps students perceive themselves as capable of accessing and benefitting from learning experiences without having to rely on the presence of another individual.
2. **Reality** – 21<sup>st</sup> Century learning must be based on reality. Digesting facts and information that has no relevance to a learner does not convert information into knowledge. The primary element for reality-based learning is research. A learner should be allowed to use technology to deepen the learning experience. These research tools should not be used to fit within traditional management system. Rather, they should be combined with the element of independence to allow a student to develop research projects aligned with content that makes the content relevant and useful.
3. **Capacity** – 21<sup>st</sup> Century learning must increase the learning capacity. Rather than ending up with a student who knows the facts, a learning system must end up with a student who knows how to increase their potential to learn new information and convert it to knowledge. The primary element to increase capacity is a focus on a student’s unique learning style. Each student has the ability to create and design their learning experience according to their strengths. Learners aware of their strengths know how to plan their learning in order to increase their potential. This capacity for learning provides a foundation for lifelong success.

1. ***Specify instructional strategies that your school implements to support the education plan and why they are well suited for your targeted student population. Describe the methods and systems that teachers will use to provide differentiated instruction to meet the needs of all students.***

Based on the aforementioned delivery method, the student’s work environment will utilize the following instructional strategies to support the education plan:

1. Student will be in a cohort environment
2. Student will use technology or paper-based models to address subjects according to diagnosed student profiles and learning plans
3. Student will be involved in concentrated content progression
4. Learning labs will be utilized for independent and accelerated instruction
5. Student will be involved in state testing preparation
6. Student will be involved in project-based “learning-style specific” learning experiences
7. Student’s learning styles are diagnosed and integrated by educators

2. ***Identify any key educational features that would differ from your current education model. Explain why you would implement these features, any new resources they would require, and how the features would improve student achievement.***

ResponsiveEd intends to utilize its existing proven-effective education model at the proposed PHS schools.

3. *As Attachment 11, provide a course scope and by subject, for each grade level proposed, that demonstrates clear alignment with Indiana’s Academic Standards and the Common Core.*

Please see Attachment 11 – Due to the page restrictions, we have attached the ResponsiveEd Course List, however, a complete Course Scope & Sequence (80 pages) is available upon request.

### **Pupil Performance Standards**

1. *Provide, in Attachment 12, the school’s exit standards for graduating students for each division of the school as applicable (elementary, middle and/or high school). Exit standards should clearly set forth what students in the last grade in each division will know and are able to do.*

Please see Attachment 12

2. *Explain the schools policies and standards for promoting students from one grade to the next. How and when will promotion and graduation criteria be communicated to parents and students?*

A student may be promoted on the basis of academic achievement and/or demonstrated proficiency in the subject matter of the course of grade level. To earn credit in a course, a student must receive a grade of at least 70 and successfully complete all assigned coursework. In addition, at certain grade levels, a student – with limited exceptions – will be required to pass the state-mandated assessment test.

Academic achievement and promotion is reported to parents via report cards which are disseminated every six weeks. The final report card of the academic year will notify parents that their student has been promoted to the next grade level.

Specific to graduation, because students and parents will incur graduation expenses – such as the purchase of invitations, senior ring, cap and gown, senior pictures, etc. – both students and parents should monitor progress toward completion of all requirements for graduation.

### **High School Graduation Requirements**

1. *Explain how the school will meet these requirements. Explain how students will earn credit hours, how grade-point averages will be calculated, what information will be on transcripts, and what elective courses will be offered. If graduation requirements for the school will exceed those required by the State of Indiana, explain any additional requirements.*

ResponsiveEd has reviewed the Indiana Graduation Requirements and commits to ensuring that PHS will adhere to the general high school diploma guidelines.

**Credit Hours:** Each PHS course has assigned credit hours based on the material, intensity and delivery method. In general, students will be awarded a half credit per course per semester.

**Grade Point Average:** All grade point averages are calculated at a district level by corporate management. The result is determined based on all high school level courses completed from grade 7 through 12th grade. Each course and grade has an assigned value point that is multiplied by the total credit for the course to produce a grade point. The cumulative grade points are divided by the cumulative attempted hours to determine a student’s GPA.

**Transcript:** PHS transcripts will contain information on the student’s high school record, including courses taken while attending secondary school; information on credits earned; year and term a specific course was taken; and final grades.

**2. Explain how your graduation requirements will ensure student readiness for college or other postsecondary opportunities (trade school, military service, or entering the workforce).**

Graduating students will have earned a high school diploma and passed an exit exam as a prerequisite to college. Many will meet the required combination of grade point average and college admission test scores as well. However, a unique opportunity that PHS students will have is that through the education model delivered at the school, they will have implemented and mastered the critical thinking skills required to effectively complete college level work. Furthermore, because they have developed and utilized goal-setting and self-pacing skills, they will be prepared to establish a schedule in a postsecondary experience that will allow for the completion of all required tasks.

**3. Explain what systems and structures the school will implement for students at risk of dropping out of high school and/or not meeting the proposed graduation requirements.**

PHS’ are developed to target students who have previously dropped out of high school or who are at risk of dropping out. Accordingly, ResponsiveEd will carefully monitor the attendance of students and has developed an intervention policy to prevent and respond to excessive absences, which is typically a precursor to dropping out.

Regular school attendance is essential for the student to make the most of his or her education – to benefit from teacher-supervised activities, to build each day’s learning on that of the previous day and to grow as an individual. Absences from class may result in a serious disruption of a student’s mastery of the instructional materials; therefore, the students and parents are required to make every effort to avoid unnecessary absences.

**Compulsory Attendance:** The state compulsory attendance law requires that a student between the ages of 6 and 18 must attend school and school-required tutorial sessions unless the student is otherwise legally exempted or excused. School staff must investigate and report violations of the state compulsory attendance law. A student absent from school without permission from any class, from required special programs (such as basic skills for ninth graders) or from required tutorials will be considered “truant” and subject to disciplinary action.

**Attendance for Credit:** To receive credit in a class, a student must attend at least 90 percent of the days the class is offered. These days include both excused and unexcused absences. A student who attends fewer than 90 percent of the days the class is offered may be referred to the Attendance Committee to determine whether there are extenuating circumstances for the absences and how the student can regain credit.

**Notification to Parents:** The school will notify the parent by mail when the student is absent from school, without excuse, on three days or parts of days within a four-week period. The notice will inform the parent of, among other things, the need for a conference between the parent and the Campus Director to discuss the absences.

## **School Calendar & Schedule**

- 1. Provide, in Attachment 13, the school’s proposed calendar for the first year of operation, as well as the weekly schedule of classes. Provide an overview of academic and non-academic programs, as well as the total number of instructional days in an academic year. Note the length of the school day, including start and dismissal times. Detail the number of instructional hours/minutes in the day for core subjects such as language arts, mathematics, science, and social studies.*

All PHS’ will align its schedule to the school calendar of the local school district.

Please see Attachment 13 for sample school calendar and class schedule.

## **School Culture**

- 1. Describe the culture of the proposed school and how this culture will promote a positive academic environment and reinforce student intellectual and social development.*

At PHS, education involves more than the accumulation of knowledge. While a diploma is sure to open numerous economic doors, it does not make an individual a better son/daughter, sibling, friend, mother/father or citizen. For this reason, PHS incorporates character-based learning into the academic environment. PHS students are trained to be independent leaders who demonstrate strong character.

At PHS schools, the foundation of character development is more than an isolated curricular subject, it is infused into the very curriculum itself. PHS utilizes the “Character First” curriculum to teach the following primary universal qualities of good character and social interactions:

<b>CHARACTER FIRST QUALITIES</b>			
Attentiveness	Responsibility	Diligence	Dependability
Obedience	Patience	Loyalty	Thoroughness
Truthfulness	Initiative	Hospitality	Determination
Gratefulness	Self-Control	Sensitivity	Thriftiness
Generosity	Punctuality	Enthusiasm	Availability
Orderliness	Resourcefulness	Flexibility	Deference
Forgiveness	Discretion	Discernment	Compassion
Sincerity	Tolerance	Cautiousness	Persuasiveness
Virtue	Creativity	Boldness	Wisdom

Building a foundation of character, students are taught to be leaders. Students are taught that they are not just children waiting to assume leadership when they are adults. Rather, they learn that they have the capacity to lead in their school and communities now. In order to establish this belief, PHS utilizes “The 7 Habits of Highly Effective Teens” curriculum to train, guide and teach students to lead. The “7 Habits” are as follows:

## THE 7 HABITS OF HIGHLY EFFECTIVE TEENS

- |  |
|--|
| 1. Be proactive                                    |
| 2. Begin with the end in mind                      |
| 3. Put first things first                          |
| 4. Think win-win                                   |
| 5. Seek first to understand, then to be understood |
| 6. Synergize                                       |
| 7. Sharpen the saw                                 |

2. *Explain how you will implement this culture for students, teachers, administrators, and parents starting from the first day of school.*

Teachers and administrators integrate the 7 Habits into the entire school culture and community. All faculty teach character building by demonstrating the qualities that they desire in the students. The 7 Habits are the maturing process of a student's growth and learning. Students are expected to develop and practice the 7 Habits at school, home and in all aspects of their daily life.

3. *Summarize, for illustrative purposes, a typical day from the perspective of a student in a grade level of your choice.*

A typical 10th grade PHS student starts each day working on a beginning of the day warm-up activity and then moves into a Knowledge Unit as prescribed by their Individual Graduation Plan and Daily Goal Card. The student uses their Daily Goal Card to determine each day's activities in all subjects, including when they plan to take the Knowledge Unit test.

Each student's day is broken up by one to two pullouts - one for science and one for math – during which time the student receives direct instruction in core content. In the student's homeroom, the student will work on math, science, social studies, English and elective classes. The student uses technology in the learning center to work on state preparation software programs, online curriculum, network based computer curriculum, or uses the Internet to research or differentiate their coursework.

Throughout their day, the student may also access content area pullout teachers for open tutorial time and one-on-one attention in specific courses, as applicable. In one school day, the typical student will spend time working independently, with a teacher or with other students working on material collaboratively. The end of the day is dedicated to character education, including, but not limited to, handouts, discussion or online research.

4. *Summarize, for illustrative purposes, a typical day from the perspective of a teacher of any subject or grade of your choice.*

A typical day for a 10th grade Lead Teacher on a PHS campus starts by getting students situated and school related materials distributed so that students can begin working as soon as the school day starts. Each day begins with an academic warm-up activity created by the Lead Teacher. The Lead Teacher physically walks around and checks in with each student to determine what curricular activities the student plans to work on based on that student's Individual Graduation Plan, Daily Goal Card and content area and state preparation pullout schedule.

The Lead Teacher ensures that students are working on the proper material and being productive through active monitoring. Congratulation slips are then distributed to students for passing Knowledge Unit grades, each with a star sticker to be placed on the Academic Progress Chart. Students are assigned

computers for predetermined amounts of time so that they can work on online curriculum. Students are rotated through the available computers throughout the day.

The remainder of the typical academic day is filled by answering student requests for academic help, individual and group tutoring, academic advising, behavioral redirection/documentation, participating in Admission, Review and Dismissal (ARD) and/or setting up or participating in parent conferences (in person, via email or on the phone). Students required to attend pullouts are monitored to ensure they are where they need to be when they are scheduled to be there. Attendance is taken at the designated time and students with attendance issues are noted for parental intervention and contact. Knowledge Unit test frequency and passing rates are evaluated for each student, academic advising is administered as necessary, and parents are contacted as needed. Detentions, Extended Day Tutorials and Saturday Schools are assigned and students/parents are notified.

At the end of the academic day, the Daily Goal Cards are checked by the Lead Teacher, initialed if complete and homework is assigned if progress was not made. The end of each day is dedicated to character education during which time the Lead Teacher facilitates the completion of character education related materials, facilitates a character education related discussion or asks students to complete independent research in a small group format on a predetermined character related topic. Once the students leave campus, Knowledge Unit Tests are graded, grades are entered into both the electronic grade book, Applidesk and the paper grade book and Congratulations Slips are made in preparation for the next academic day. Lead Teachers also generate the next day's beginning of the day warm-up activity.

### **Supplemental Programming**

- 1. Will you offer summer school? If so, describe the program(s) to be offered. How many students are expected to attend summer school, and how will they be selected for participation? How many hours and weeks of summer school will you provide, and how will it be funded?***

No – ResponsiveEd will not offer summer school programming.

- 2. Describe the extra- or co-curricular activities or programming the school will offer, how often they will occur, and how they will be funded.***

PHS will not offer extra- or co-curricular activities or program.

- 3. Describe the school's programs or strategies to address student mental, emotional, and social development and health.***

The school has a diverse student population and strives to maintain an environment of respect and acceptance. Students must not engage in harassing behaviors motivated by ethnicity, gender, color, religion, national origin, or disability directed toward another student. Students are expected to treat other students and school staff with courtesy and respect, to avoid any behaviors known to be offensive and to stop these behaviors when asked or told to stop.

Any conduct that causes or creates a reasonable likelihood that it will cause a substantial disruption in or material interference with any school function, activity, or purpose, or that interferes or creates a reasonable likelihood that it will interfere with the health, safety of wellbeing or the rights of other students is prohibited.

All staff members have received extensive training on the precepts of Character First and the 7 Habits so that all employees know how to re-direct inappropriate behaviors and how to nurture positive character traits and habits. These positive traits are reinforced every day during homeroom sessions so that many of PHS schools do not have many, if any, disruptive behaviors.

- 4. If applicable, describe any other student-focuses activities and programs that are integral to your educational and student-development plans.*

Not applicable.

### **Special Populations & At-Risk Students**

- 1. Summarize the school's overall plan to serve students with special need, including but not limited to those with Individualized Education Programs, students with Section 504 plans, English Language Learners, students identified as intellectually gifted, and students at risk of academic failure or dropping out. Identify the special populations and at-risk groups that the school expects to serve, whether through deliberate targeting or otherwise. (Questions 2-5 requests more detail about the student categories. Question 1 response should be a brief summary only.)*

ResponsiveEd is committed to providing high quality instruction and appropriate supplemental services to students with special need. Accordingly, each PHS campus will implement a comprehensive assessment to identify any students with disabilities and, for those identified for additional intervention, an IEP will be developed to oversee services. The IEP (34 CFR 300.320-300.324) will include the following:

1. a statement of the child's present levels of educational performance and how the child's disability affects the child's involvement and progress in the general curriculum;
2. a statement of measurable annual goals, including benchmarks or short-term objectives;
3. a statement of the special education and related services and supplementary aids and services to be provided to the child;
4. an explanation of the extent, if any, to which the child will not participate with non-disabled children in the regular class and in other activities;
5. a statement of any individual modifications in the administration of State or district-wide assessments of student achievement that are needed in order for the child to participate in the assessment;
6. the projected date for the beginning of the services and modifications identified and the anticipated frequency, location, and duration of those services and modifications; and
7. a statement of how progress toward annual goals will be measured and how the parents will be regularly informed, at least as often as parents of non-disabled students, of their child's progress toward the annual goals and the extent to which that progress is sufficient to enable the child to achieve the goals by the end of the year.

PHS will provide special education and related services to a child with a disability in accordance with the child's IEP and make a good faith effort to assist the child to achieve the goals and objectives or benchmarks listed in the IEP. Review of the IEP will occur annually or more frequently if the student is not being successful. In addition, Extended School Year Services ("EYS") (34 CFR §300.106) will be provided to the child with a disability beyond the regular school year, as necessary in order to provide Free Appropriate Public Education ("FAPE") as determined by a child's IEP/IEP.

2. ***Explain how the school will identify and meet the learning needs of students with mild, moderate and severe disabilities in the least restrictive environment possible.***

***Identification of Students with Special Education Needs:*** In accordance with 34 CFR 300.301-300.311, the referral of students for a full and individual initial evaluation for possible special education services is a component of the PHS overall general education Response to Intervention system. Prior to referral, students experiencing difficulty in the general classroom are considered for all support services available to all students, such as tutorial, remedial, compensatory and other services. If the student continues to experience difficulty in the general classroom after the provision of interventions, school personnel document the provision of interventions and refer the student for a full and individual initial evaluation.

PHS will ensure that a full and individual evaluation is conducted for each student being considered for special education and related services. The evaluation is completed before the initial provision of special education and related services and addresses if the student is a “student with a disability” in accordance with federal and state requirements and the educational needs of the student.

Based on the requirements of 34 CFR 300.323, PHS shall have an IEP in effect for each identified student with a disability. PHS will ensure that the IEP is in effect before special education and related services are provided to an eligible child and that the IEP is implemented as soon as possible following the IEP committee meeting.

For a student who is new to PHS, a Transfer IEP committee will meet prior to or upon the student’s enrollment. In this case, the parents must verify that the student was receiving special education services in the previous school district or the previous school district must verify in writing or by telephone that the student was receiving special education services. A second IEP committee meeting must be held within 30 school days from the date of the first IEP committee meeting to finalize or develop an IEP based on current information.

***Evidence-based Instructional Programs, Practices and Strategies:*** Inclusion, differentiated instruction and interactive technology strategies will be implemented for students identified with disabilities. Differentiated instruction applies an approach to teaching and learning that gives students multiple options for taking in information and making sense of ideas. It is a teaching theory based on the premise that instructional approaches should vary and be adapted in relation to individual and diverse students in classrooms (Tomlinson, 2001). The model of differentiated instruction requires teachers to be flexible in their approach to teaching and adjust the curriculum and presentation of information to learners rather than expecting students to modify themselves for the curriculum. This can be done for the special needs learner with and without technology. Differentiated instruction lends itself to the inclusion of all students into the general education classroom, allowing teachers to meet students where they are in terms of academia. Technology is also important as it allows us to engage in real-life learning opportunities and offers the opportunity to teach in multiple learning modalities.

***Least Restrict Environment:*** PHS will assure that students with disabilities are educated with nondisabled students to the maximum extent appropriate to meet the student’s individual education program and overall educational needs (34CFR §300.114 - 300.116). In providing programs, services and activities for students with disabilities, PHS shall first consider the least restrictive environment of the general education program. Special classes, separate schooling or other removal of students with disabilities from the general education environment occurs only when the nature and severity of the disability is such that education in general classes, with the use of supplementary aids and services, cannot be achieved satisfactorily.

PHS will provide a FAPE for students with disabilities in order to meet the need for special education and related services (34 CFR 300.115). This includes a variety of placements and makes provision for supplementary services to be provided in conjunction with general education classroom placement.

Students with disabilities will have available to them the variety of educational programs and services available to students without disabilities, accessible facilities and the same instructional regular school day as is provided all other students. In addition, PHS will ensure that each child with a disability participates with non-disabled students in non-academic and extra-curricular services and activities, including meals, recess periods and the services and activities set forth in 34 CFR 300.320.

***Regular Evaluation and Monitoring:*** In both the development and review (and revision as appropriate) of a child's IEP, the IEP team will consider the strengths of the student and the concerns of the parents for enhancing the education of their child, the results of the initial or most recent evaluation of the child, and, if appropriate, the results of the student's performance on any state or district-wide assessment that has been administered. In addition, the IEP team will also consider special factors such as: whether a child's behavior impedes his or her learning or the learning of others, whether a student is limited English proficient and the language needs of the child as those needs relate to the child's IEP, what the communication needs of the student are and whether the child needs assistive technology devices/services. Review of the IEP will occur annually or more frequently if the student is not being successful.

***Promotion and Graduation for Students with Special Needs:*** Upon the recommendation of the ARD Committee, a student with disabilities who is receiving special education services may be permitted to graduate under the provisions of his or her IEP. A student who receives special education services and has completed four years of high school, but has not met the requirements of his or her IEP, may participate in graduation ceremonies and receive a Certificate of Attendance. Even if the student participates in graduation ceremonies to receive the Certificate of Attendance, he or she may remain enrolled to complete the IEP and earn his or her high school diploma. However, the student will only be allowed to participate in one graduation ceremony.

***Qualified Staffing for Students with Special Education Needs:*** All special education personnel shall be certified, endorsed or licensed in the area or areas of assignment in accordance with 34 CFR §300.156 or appropriate state agency credentials. PHS will employ, minimally, one certified special education teacher. Additional special education personnel (teachers, paraprofessionals, related service providers, etc.) will either be employed or contracted with depending on the students' needs at the campus.

In order to meet the diverse needs of each student, ResponsiveEd adjusts course scope and sequence according to initial and continual academic individual diagnosis of each student's strengths and weaknesses. An *adaptable* daily schedule using a multi-certified and multi-strength staff provides ResponsiveEd students flexibility in their academic study, leading to successful academic performance. Tailor-made support services include specialist staff working individually with students in order to meet each individual need.

3. *Explain how the school will meet the needs of English Language Learner (ELL) students.*

**ELL Student Identification Process:** PHS will utilize the following process to identify ELL students:

1. All students enrolling in PHS' must submit a Home Language Survey as part of the registration packet.
2. If a student declares a language other than English on the survey, they become known as OTE (other than English) or potential ELL students.
3. The identification process includes an oral proficiency assessment (district selects the Idea Proficiency Test) and a written proficiency assessment (district selects the norm-referenced Stanford 10 to assess Total Reading and Total Language.)
4. The students must master all three of these assessments to be classified as Non LEP.
5. If, however, the students score anything below F (fluent) such as an A, B, C, D, E on the IPT, the students will automatically be classified as ELL or LEP.
6. The identification is not complete, however, until the Stanford 10 has been administered and the scores for Total Reading and Total Language are available.
7. Once the oral and written assessments are complete, the Language Proficiency Assessment Committee (LPAC) convenes to officially classify all of the students who have been assessed.
8. The district database template entitled "LEP Roster Report" is used to document all ELL activity beginning with enrollment date, assessment date, assessment score/s, parent notification date, LPAC date and final classification.
9. The LEP Roster Report is maintained on each PHS campus throughout the school year and is submitted to the District ESL Coordinator on a monthly-basis.

Following the identification process, the school ESL teacher is responsible for providing ESL program services to all ELL/LEP-identified students using individualized ESL learning strategies on a regular basis.

**Instructional Programs, Practices and Strategies:** PHS' will utilize the following strategies to deliver effective ELL services:

- ResponsiveEd student computers will be imaged with English Discoveries (an ESL computerized program for ELL students).
- Cognitive Academic Language Learning Approach (CALLA) Learning Strategies are employed by Lead Teachers as an approach to teaching the cognitive academic language to ELL students.

These programs/strategies are intended to be enhancements/enrichments for ELL students to the core academic state requirements which are provided on a daily-basis by ESL-certified staff.

**Progress Monitoring:** All tracking of currently enrolled ELL students is done via the LPAC, a group comprised of, at minimum, a parent of an ELL student at the school and an ESL staff member. In addition, the committee may include school administration. The committee does an End of Year Annual Review to determine whether or not the ELL students will be exited from or continue in the ESL program. The exit criteria is determined by state requirements and include, but are not limited to, the students' mastery of state required assessments and a subjective evaluation by the Lead Teacher certifying that the ELL student will be successful in an all-English curriculum.

**Qualified ELL Staffing:** In addition to the HQ NCLB requirements, all school ESL teachers are required to be ESL-certified. In addition, ESL teachers are required to complete the Sheltered Instruction model training via SIOP to be eligible to work with ELL students.

**4. Explain how the school will identify and meet the learning needs of students who are performing below grade level and monitor their progress. Specify the programs, strategies and supports you will provide for these students.**

ResponsiveEd believes that if educators are truly involved with individual progress, monitoring and success, it is imperative that there be interventions embedded into the daily life of the school. School academic operations will include an established strategy of increasingly intensive steps when a student is not learning or progressing at an effective pace. The following measures will be implemented to monitor and ensure that students are making adequate academic progress:

1. Team Meetings – A collaborative team comprised of educators and administration will be established to address the following tasks:
  - a. Identify and map objectives
  - b. Create schedules for learning
  - c. Develop formative assessments
  - d. Establish criteria for success
  - e. Assess student progress
  - f. Assign interventions
2. Formative Assessments – The school will conduct periodic assessments to gather data. Educators will utilize the results to monitor student progress. Intervention strategies will be assigned for students not learning.
3. Intervention Strategies – Students identified for additional assistance to ensure adequate academic performance will be engaged in intervention strategies that will focus on the individual needs of the student. Interventions strategies will include, but not be limited to:
  - a. Student Centered –co-curricular activities, peer mentoring, student council monitoring, privilege system
  - b. Faculty Centered – faculty advisors, team attendance meetings, Good Friend advisors, guided study
  - c. Parent Centered – parent monitoring, parent communications, three-week progress reports, daily progress reports

**5. Explain how the school will identify and meet the needs of intellectually gifted students.**

**Evidence-based instructional programs, practices and strategies:** PHS will deliver gifted and talented services using the inclusion model. This method is a full service delivery method, which means there are no pull out courses and ALL courses are taught where every learner can be included. Flexible pacing strategies such as skill grouping, curricular compacting, contracting and credit by examination are integrated into classroom management formats. The need to explore topics in depth leads teachers to include provisions such as research, independent studies or investigations, mentorships, acceleration, affective guidance, differentiated instruction, extended enrichment and higher-order thinking skills. Also included when addressing the unique or advanced interests of these students, teachers include opportunities such as mini-courses, interest groups, clubs, science or art fairs, and/or internships. The teachers identify student needs, develop and gain access to appropriate programs and curricula that correspond to those needs and monitor student progress throughout the course of study. The schools' goal for the gifted and talented learner is to make the best possible use of the resources available while becoming fully responsible for their own learning.

***Qualified Gifted and Talented Staffing:*** All staff will be involved in identifying, encouraging and making provision for the needs of the gifted and talented and will be trained to do so. A grade level coordinator shall have specific responsibility for the management of gifted and talented issues.

***Monitoring progress and success of intellectually gifted students:*** Like that of the struggling student, progress monitoring is done on a continuous basis. Progress monitoring is a scientifically based practice that is used to assess students' academic performance and evaluate the effectiveness of instruction. To implement progress monitoring, the student's current levels of performance are determined (baseline) and goals are identified for learning that will take place over time. The student's academic performance is measured on a regular basis (weekly or monthly). Progress toward meeting the student's goals is measured by comparing expected and actual rates of learning. Based on these measurements, teaching is adjusted as needed. Thus, the student's progression of achievement is monitored and instructional techniques are modified to meet the individual students learning needs. Overall, the use of progress monitoring results in more efficient and appropriately targeted instructional techniques and goals, which together, move all students to faster attainment of important state standards of achievement.

### **Recruitment & Enrollment**

- 1. Explain the plan for student recruitment and marketing that will provide equal access to any family interested in the new school.***

To raise enrollment awareness for students of all ages and ethnicities, a strong marketing presence will be necessary to increase visibility for the schools. This will be achieved through the use of school-specific postcards, banners, signs and, potentially, billboards spread through the areas in the targeted communities most likely to draw students of various age groups and ethnicities (i.e., shopping malls, grocery stores, athletic facilities, movie theaters). Marketing materials will also include information as to how one can contact PHS to learn more about the school and the enrollment process.

- 2. Provide, as Attachment 14, the school's Enrollment Policy.***

Please see Attachment 14

### **Student Discipline**

- 1. Provide as Attachment 15 the school's discipline.***

Please see Attachment 15

## PARENTS & COMMUNITY

**1. *How have you determined that the proposed school will have sufficient demand to meet enrollment projections?***

ResponsiveEd has identified the proposed communities for PHS based on an assessment of a variety of factors including, but not limited to, high school dropout rate, community demographics and population/population projections. The initial research, combined with ResponsiveEd's experiences in communities with similar demographics, indicates that there will be a sufficient demand for the schools for both the initial student capacity and the projected growth rates.

**2. *Describe how you will engage parents in the life of the school, starting from the time that the school is approved.***

Due to the population served, which may include many older students, some disconnected from their families or on their own, the amount of parental involvement at the PHS schools may be limited. However, the administration at each school will still strive to keep interested parties, including parents and/or guardians, involved in the happenings on-campus through use of the following mediums:

- On-site informational campus meetings (as needed)
- Annual gatherings allowing questions and parental/community feedback
- District-wide informational newsletter available on-campus for distribution
- Web-based communication of campus/district news
- Prompt email or telephone communication with all levels of school personnel

Additionally, parents and/or guardians will regularly be provided the opportunity to participate in the school Campus Advisory Committee (CAC) and volunteer their time or resources to help further the vision of PHS. Examples would include, but not be limited to, aiding in setup of on-campus activities or spreading the word about the mission of the school. Those who have the chance to volunteer will aid in lifting up the PHS to its greatest level of potential.

**3. *What community resources will be available to students and parents?***

Upon notification of the approved charters, ResponsiveEd will immediately initiate an intensive recruitment to hire a Regional Director who will oversee all phases of the startup process. One responsibility that the role will be tasked with will be to develop relationships and partnerships within the community with local organizations, businesses and other educational institutions. When identifying potential partners, the organization will look to identify entities that will provide supplemental services that will benefit the students and their families and enrich their overall learning experience.

**4. *Provide, as Attachment 16, evidence of demand from the community and support from community partners.***

Please see Attachment 16

## PERFORMANCE MANAGEMENT

- 1. In addition to mandatory state assessment and testing requirements (ISTEP+, IREAD-3, IMAST, ISTAR, and ECA, as applicable), identify the primary interim assessments the school will use to assess student learning needs and progress throughout the year (e.g., DIBELS, Acuity, TABE).***

Benchmarks - based on learned and projected content - will be utilized to assess students' current knowledge and set goals for learning achievement. A series of pre- and post-test instruments will be utilized to benchmark growth and progress in math, literacy and science. This series includes Study Island, the STAR literacy diagnostics and curriculum testing embedded in subject materials.

Formative and summative assessments are used on a continuous basis to monitor progress. Formative assessments, sometimes administered prior to content delivery, will establish a baseline of knowledge that students already possess and will inform educators of content needs that students have in subjects and disciplines. Summative assessments, such as state-mandated end-of-course exams, will provide a summary profile of learned content. If students have not learned what they should have learned, it is vital that educator know this in order to provide additional instruction to ensure that the material is retained and understood.

In order to manage interim assessments, each year, ResponsiveEd will establish a calendar of benchmark assessments for the entire academic year to be followed by all schools in the network. The dates of testing will be determined based on state assessment dates for each content area and each grade level.

- 2. Explain how the school will collect and analyze student academic achievement data, use the data to refine and improve instruction, and report the data to the school community.***

ResponsiveEd benchmarking instruments will utilize content based on the knowledge and skills deemed essential by both the State of Indiana and by national content assessment evaluation. The core academic content areas are all benchmarked through the use of district annually designed assessments that strictly adhere to state and national standards, thus proving the academic core content strength and weakness of each student.

Benchmark tests are distributed to each school as they are developed by the ResponsiveEd curriculum team and based on the annual testing schedule. All tests are returned to the corporate office for aggregation and analysis. Results of the tests are then returned to each school to be reviewed and appropriate interventions applied to address any learning needs.

- 3. Describe the information system the school will use to manage student performance data.***

ResponsiveEd will leverage its proprietary Student Information System, Applidesk, to capture, monitor, report and retain student performance data, such as grades, test scores, attendance and course completions. Applidesk is a centralized, enterprise-class web-based system, currently in use by 50+ schools in two charters across the state of Texas. The system was developed using Microsoft [ASP.Net](#) on a SQL Server database. Through this application, ResponsiveEd maintains and reports all student demographic, academic and program data, including class assignments, grades, report cards, transcripts, attendance, special education status, standardized test scores and school calendars.

Data is entered locally at the school by the Campus Director, administrative assistant and teachers under

the oversight of a centralized team that audits, analyzes and provides regular training for the users. This system will be used in conjunction with third-party analysis and reporting tools to provide feedback and insight into student progress and specific needs.

The Student Data Manager is responsible for data management and warehousing. The Chief Academic Officer and Director of Accountability are responsible for interpreting the data and coordinating student programs and staff professional development.

***4. Explain the training and support that school leadership and teachers will receive in analyzing, interpreting, and using performance data to improve student learning.***

Each ResponsiveEd Campus Director receives both annual data analysis training and consistent performance data analysis review through both an annual performance data analysis update conference and continual campus and regional trainings. Individual student and group data is produced, updated, and analyzed at the school level by school staff and administration and reported to the district Director of Accountability and Data Management. District and Regional administrators review school data and assist with interventions to improve student learning.

***5. Describe the corrective actions the organization will take if the school falls short of student academic achievement expectations or goals as established by the ICSB and the Indiana Department of Education.***

ResponsiveEd will strive to meet all requirements related to student academic achievement expectations or goals established by the ICSB and the Indiana Department of Education. The Regional Director will conduct an annual school audit consisting of a step-by-step review of all school-related activities, including a stringent review to ensure expectations are being met in areas related to academics. If an academic issue must be resolved, the Regional Director will make the corrective action necessary to address it quickly and accurately. The Executive Team, including the Chief Learning Officer and Chief Academic Officer, will be available to aid the Regional Director in addressing academic concerns.

## SECTION III: IMPLEMENTATION PLAN

### HUMAN CAPITAL

#### **Network-Wide Staffing**

As illustrated in Section I and in the budget worksheets, ResponsiveEd anticipates that over the next five years, it will open ten new schools within Indiana, requiring the following personnel:

- Regional Director
- Campus Directors
- Teachers
- Fine Arts Teachers
- Special Education Teachers
- ESL Teachers
- ESL Aides
- Paraprofessionals
- Administrative Assistant
- Facilities Personnel

#### **School Leadership & Staff Hiring, Management and Evaluation**

- 1. If the organization is applying for more than one charter, explain your process and timeline for developing or identifying leaders across each of your Indiana schools. How does this process align with the 5-Year Growth projections described in the business plan?*

The Regional Director will be responsible for developing and identifying leaders across all Indiana schools. An aggressive recruitment process will be executed in March and April of 2013 to identify and hire qualified candidates. Upon hiring, the Regional Director will work with the ResponsiveEd administrative staff to schedule all appropriate trainings. In addition, the Regional Director will dedicate time to work one-on-one with each Campus Director to provide on-the-job training as they begin their new roles and will be available for consultation on an ongoing basis.

As additional schools are introduced to Indiana, the Regional Director will oversee each launch and manage the growth based on a similar timeline. Additionally, exemplary Campus Directors may be utilized to help coach new Campus Directors as they are introduced to the Indiana network.

- 2. Describe your strategy and timeline for recruiting and hiring teachers across the network.*

The Regional Director, with support from the Campus Directors, will be responsible to recruit and hire all teacher positions for the proposed schools. This capacity building phase will be implemented from April to May of 2013. All teacher positions will be filled in accordance to the job requirements outlined in Section I.

3. ***Most charter applicants propose to use vigorous recruitment, professional development, and management practices to ensure that all of the school's teachers are high-performing. In reality, only a fraction of teachers in most schools actually achieve outstanding outcomes with students. In light of that near-inevitable outcome, how will the network ensure that every student at each school has access to excellent teaching? Will the staffing model incorporate innovative technologies or instructional techniques toward that end? If yes, how?***

ResponsiveEd understands that professional development is vital to the success of quality schools. Therefore, we dedicate substantial time to this process throughout the school year. Each summer, the academic year begins with a weeklong intensive training for both returning and new faculty members. The sessions allows for an opportunity to introduce new faculty members to the ResponsiveEd philosophy and practices. It also provides an opportunity to remind returning faculty members about any changes for the year. More importantly, success and opportunities for improvement can be addressed as a result of the previous year's testing results. This training is conducted at the corporate level and is then followed by more specific school level training in the following week. Following this training, a full day is scheduled for both the fall and the spring to address adaptations needed for the year based on continuous monitoring and program improvement efforts.

Additionally, each school hosts weekly faculty meetings and professional learning community meetings that allow interaction and ongoing professional development. Faculty are continually trained in short sessions scheduled after school during the week and are also provided the opportunity to work in teams to share ideas, cover common difficulties and make appropriate adjustments. Topics at weekly faculty meetings may include: recognizing signs of child abuse, special education topics, understanding 504 needs, addressing the advanced learner or reviewing a shared piece of literature or shared professional journal excerpt.

Each of the various types of training allows for the district, the individual school and even the individual teacher to be responsive to adaptations which may be necessary as a result of the on-going data gathering that is present in all ResponsiveEd schools. When a need becomes obvious at any level, immediate assistance and adjustment is made in order to best meet the needs of each and every group of students within the network's community of schools.

4. ***Explain how – and how frequently – the school/network will evaluate the performance of the school leader and teachers. What key elements will drive evaluations, and who will conduct them?***

Teachers are evaluated regularly and their performance reviewed with the Campus Director who assists with individual goals for improvement and guidance on achieving those goals. This individual improvement plan provides a prescriptive approach to professional development and instructional improvement and may include a variety of proven effective professional learning strategies including mentoring, sessions with an academic specialists or observations of master teachers. Key elements that drive teacher evaluations include the following:

1. Demonstrates effective planning skills
2. Implements the lesson plan effectively
3. Communicates effectively with the students
4. Prepares appropriate evaluation activities
5. Provides students with appropriate evaluative feedback
6. Display a thorough knowledge of curriculum and subject matter
7. Selects learning content congruent with the prescribed curriculum
8. Provides opportunities for individual differences

9. Ensures student time on task
10. Sets high expectations for student achievement
11. Demonstrates evidence of students' academic growth
12. Demonstrates evidence of personal organization
13. Establishes and maintains discipline
14. Organizes students for effective instruction
15. Demonstrates effective interpersonal relationships
16. Demonstrates employee responsibilities
17. Supports school regulations, programs, and policies
18. Assumes responsibilities outside the classroom as they relate to school

Campus Directors will be evaluated periodically by the Regional Director. Similar to teacher assessment, the Regional Director will work with the Campus Directors to identify areas of improvement and develop an individual improvement plan to target needs. Key elements to the Campus Director evaluations will include:

1. Creating a school culture that promotes the ongoing improvement of learning and teaching for students and staff
2. Demonstrating commitment to closing the achievement gap
3. Providing for school safety
4. Leading the development, implementation and evaluation of a data-driven plan for increasing student achievement, including the use of multiple student data elements
5. Assisting instructional staff with alignment of curriculum, instruction and assessment with state and local district learning goals
6. Monitoring, assisting and evaluating effective instruction and assessment practices
7. Managing both staff and fiscal resources to support student achievement and legal responsibilities
8. Partnering with the school community to promote student learning

**5. *Explain how the school/network would handle unsatisfactory leadership or teacher performance, as well as leadership/teacher changes and turnover. How will the school/network identify and address development needs or concerns?***

ResponsiveEd will administer an equitable and consistent discipline policy for unsatisfactory conduct and performance in the workplace. It is in the best interest of the organization to ensure fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence and prepare the employee for satisfactory service in the future.

Discipline may call for any one or more of the following actions: informal counseling, verbal warning, written warning, suspension with or without pay or termination of employment, depending on the severity of the problem and the number of occurrences.

When performance issues are identified, a teacher or leader may be sent for additional training to address the area of concern. In addition, the deficiency will be noted on their individualized performance plan and will be considered as part of future review processes to ensure that it has been addressed.

6. ***Provide an overview of the organization's compensation system (including benefits) and how this aligns with the performance evaluation process.***

***Nonexempt Employee Compensation:*** Accurately recording time worked is the responsibility of every nonexempt employee (e.g., paraprofessionals, school secretaries, etc.). Any hours worked over 40 in one workweek are subject to overtime pay.

Federal and state laws require ResponsiveEd to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked includes all the time actually spent on the job performing assigned duties.

Nonexempt employees must accurately record the exact time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shifts or departure from work for personal reasons.

***Exempt Employee Compensation:*** Exempt employees should use the salary timesheet to document days not worked. Timesheets must be clearly marked as to any paid leave taken. Any days off without pay should also be clearly marked. The employee's supervisor must sign Timesheets.

Exempt employees who are required to maintain timesheets to track their time and effort under certain grant programs must accurately record the exact time they begin and end their work, as well as the beginning and end time of each meal period. They should also record the beginning and ending time of any split shifts or departure from work for personal reasons.

***Annualized Compensation:*** ResponsiveEd pays all exempt employees over 12 months, regardless of the number of months employed during the school year. Exempt employees will be paid in equal bi-weekly payments.

***Paydays:*** All employees are paid bi-weekly, every other Friday. If a regular payday falls during an employee's vacation, the employee's paycheck will be available upon his or her return from vacation.

***Payroll Deductions:*** Automatic payroll deductions for the retirement fund contributions or Social Security and federal income tax are required for all full-time and most part-time employees. Medicare tax deductions are required for all employees. Employees who are not eligible for the retirement fund participation must have their Social Security contributions deducted unless they are retired. Other payroll deductions may be made for the employee's share of premiums for health, dental, life and supplemental insurance.

***Benefits:*** ResponsiveEd offers a comprehensive benefit package for employees that include the following: health insurance, dental insurance, life insurance, supplemental insurance programs, Cafeteria Plan benefits, 403(b) plain, teacher retirement plan, workers' compensation insurance and unemployment compensation insurance.

***Teacher Retirement Fund:*** All employees employed on a regular basis for at least one-half of the normal work schedule will be able to participate in the company's teacher retirement fund. There is no waiting period.

## **Professional Development**

### ***1. Describe how school leaders will be supported and developed throughout the year.***

Campus Directors receive two trainings each year, as follows:

1. Winter Campus Directors Meeting - takes place in late January or early February
2. Summer Campus Directors Meeting - takes place in June.

The purpose of the Campus Directors Meetings is to provide training and an opportunity for collaboration and networking among the leaders. Additionally, all school administrators within the company (i.e. those with employees whom they supervise) are able to participate in online courses to develop leadership and management skills on a continuous basis.

ResponsiveEd has created a program to identify and prepare high quality teachers for campus directorship. The program is currently called the "Second Tier Institute" and takes place over the course of one academic year. The program consists of classroom training at the corporate offices, required reading, participation in online discussion boards and completion of practicum activities.

### ***2. Provide a schedule and explanation of professional development that will take place prior to school opening. Explain what will be covered during this induction period and how teachers will be prepared to deliver any unique or particularly challenging aspects of the curriculum and instructional methods.***

All new staff complete a New Employee Orientation training online at their school where, in addition to completing paperwork and receiving general Human Resources information, they will also learn about the history and mission of ResponsiveEd, receive general information technology training and complete child sexual abuse prevention training. All new teachers at PHS' will participate in the training at their school by a team trainer who will demonstrate the curriculum and provide academic training. Additionally, ongoing training and professional development occurs throughout the year at the school level as organized by the Campus Director and/or Regional Director for their local employees.

Specific to Campus Directors, prior to a school opening, each leader will complete the New Campus Director Training, which consists of approximately one week of classroom training at the corporate office followed by one to two months of hands-on training in the field where they shadow exemplary Campus Directors and walk through various tasks associated with being a Campus Director.

### ***3. Include the expected number of days/hours for professional development throughout the school year and explain how the school's calendar, weekly schedule, and staffing plan will be structured to accommodate this plan.***

In total, each school's professional development training will consist of approximately 10 full days of training along with approximately 15 shorter sessions and 15 professional learning community meetings of an official nature. However, in addition to these dedicated training sessions, professional learning communities are active on a continual basis.

### ***4. Explain how the professional development program will be evaluated at both the school and network levels – to assess its effectiveness and success.***

The effectiveness of all training programs is evaluated through the utilization of surveys. Immediately following each training event, a survey is administered to gain feedback regarding the effectiveness and

quality of the training. Additionally, a follow-up survey is disseminated 90 days post-training, to ascertain how applicable and relevant the training was to the employee over a period of time. Based on the results of the surveys, modifications are made to the training content as necessary and applicable.

All new Campus Directors are evaluated throughout the New Campus Directors Training period to determine whether they effectively grasp the content and how well they work with others. New Campus Directors also have an opportunity to evaluate their trainers in order to let ResponsiveEd know how well the trainers are performing and if what they are teaching remains consistent with the correct way of completing various actions.

## START-UP & OPERATIONS

### **Start-Up Plan**

*Provide, as Attachment 17, a detailed start-up plan for the period leading up to the first day of student attendance for the first proposed school described in the application (or schools, if the organization intends to open more than one school in Year 1).*

Please see Attachment 17

### **Start-Up Staffing & Costs**

*Complete the Start-Up (Year 1) Budget and Staffing Worksheets in the Budget and Staffing Workbook. Be sure to complete all pages in the Budget and Staffing Workbook and provide as Attachment 19.*

Please see Attachment 19

### **Transportation**

*If the school will provide transportation, describe the transportation arrangements for prospective students.*

PHS will elect not to provide transportation services. Should the need for transportation be deemed necessary to address, monies will then be budgeted to allow students the ability to use public transportation.

### **Safety & Security**

*Provide the school plan for safety and security for students, the facility, and property. Explain the types of security personnel, technology, equipment, and policies that the school will employ.*

The PHS schools will employ the following safety and security policies and procedures:

***Child Abuse Reporting & Investigations:*** The school cooperates with official child abuse investigators as required by law. The school provides training to its teachers and students in preventing and addressing incidents of abuse of students, including knowledge of likely warning signs indicating that a student may be a victim of abuse.

The school will not interfere with an investigation of a report of child abuse or neglect conducted by state officials. The school will permit the investigators to conduct the required interview with the student at any reasonable time at the school.

***Fire & Disaster Drills:*** Fire drills will be conducted periodically for two purposes: 1) to train students to leave the building orderly and quickly in case of an emergency alarm; and 2) to teach self-control in times of emergency. In addition to fire drills, disaster drills may also be conducted.

***Surveillance Cameras/Video Recordings:*** In its first year of operation, the school will utilize surveillance cameras to monitor school entrances. Then, in years 2-5, video surveillance will be utilized to monitor student behavior in classrooms, school common areas and school property. Video recordings may be reviewed routinely to document student misconduct and used by school staff when investigating an incident. Tapes and other video recordings will not be available for parent viewing due to the Family Educational Rights and Privacy Act.

***Visitors:*** Parents and other visitors are welcome to visit the campus. No visitors will be allowed in any part of the building without first obtaining approval from the school office. The school will take the following actions when there is a visitor at the school:

1. The visitor must first report to the school office and will be required to furnish a U.S. federal or state-issued photo ID
2. Visitor's information will be stored in an electronic database to document all visitors to the school. Information stored may be used only for the purpose of school security and may not be sold or otherwise disseminated to a third-party for any purpose.
3. The school will verify whether the visitor is a sex offender registered with the computerized central database maintained by the Department of Public Safety or any other database accessible by the school. Visitors identified as sex offenders shall be escorted by school staff at all times during a school visit.
4. A visitor badge will be issued to the visitor and displayed conspicuously during the visit.

### **Technology Specifications & Requirements (Virtual / Blended Operator)**

ResponsiveEd will provide all hardware and software equipment needed for the school to perform their day-to-day functions. ResponsiveEd will provide all technological support for the students and families. ResponsiveEd computer systems and networks and any configuration of hardware and software comprise ResponsiveEd's technology resources. The systems and networks include all of the computer hardware, phone system, operating system software, application software, Internet resources and data files. This includes electronic mail, electronic grade book, social media sites, local databases, externally accessed databases (such as the Internet), CD-ROM, optical media, clip art, digital images, digitized information, communications technologies and new technologies as they become available. ResponsiveEd reserves the right to monitor all technology resource activity.

ResponsiveEd electronic communications systems, including access to the Internet, are to be used for administrative/instructional purposes only. Electronic mail transmissions and other use of the electronic communications systems are not confidential and can be monitored at any time to ensure appropriate use. There exists no right to privacy and contents are subject to review and to open record requests. Unauthorized use of these systems is prohibited and can result in suspension or termination of privileges. Employees and students who are authorized to use the systems are required to abide by the provisions of ResponsiveEd's communications systems policy and procedures. Failure to follow ResponsiveEd policies and procedures may lead to disciplinary action punishable up to and including termination.

Computer equipment provided to ResponsiveEd employees is subject to the following conditions:

1. No additional software will be installed unless approved by the Technology Director or his designee for ResponsiveEd.
2. Lost or stolen equipment will not be replaced. Any employee that is found negligent in handling ResponsiveEd's computer equipment is responsible for the purchase price of the equipment.
3. Discharged ResponsiveEd employees will return all equipment. An employee's failure to return equipment will result in a payroll deduction for the purchase price of the equipment.
4. Employees must provide unlimited access to a company computer when requested by any ResponsiveEd IT Staff.

Employees should not use a password, access a file or retrieve any stored communication without authorization.

All Internet data that is composed, transmitted or received via ResponsiveEd's computer communications systems is considered to be part of the official records of ResponsiveEd and, as such, is subject to disclosure to law enforcement or other third parties. Consequently, employees should always ensure that the business information contained in Internet e-mail messages and other transmissions is accurate, appropriate, ethical, and lawful.

ResponsiveEd issues the following technology standard to each school:

- Desktop Computers (Students & Staff)
- Multi-Function Copier
- Black & White Laser Printers
- Scanners
- Document Camera
- Projector (Mounted)
- Telecom/Voice Services
- WiFi Service
- ISP Service (Data)
- Server (File & Print, Domain Controller)
- Managed Gigabit Switches
- Content Filter
- Router/Firewall
- MDF and IDF equipment (Examples: Server Rack, shelves & wire management)
- Wiring for school (ResponsiveEd will install all wiring to offices and classrooms)
- Adobe & Microsoft Office software for school
- Web Based & Server Based Curriculum (Staff & Students)
- System Backups (performed daily)
- Inventory Tags (placed on all equipment/ResponsiveEd responsible for the inventory)

## Insurance Coverage

*The applicant should provide, as Attachment 18, an estimate from an insurance agent/broker for the insurance coverage detailed below.*

Please see attached Attachment 18

## FACILITY PLAN

- 1. If you are in the process of identifying a facility, describe with as much detail as possible your plan for identifying a target location, any brokers or consultants you are employing to navigate the real estate market, plans for renovations, timelines, financing, etc. Charter school facilities must comply with state and local health and safety requirements as described in IC 20-26-7, 20-24, and as required by the Indiana State Department of Health, Office of the State Fire Marshall, Department of Public Works, and the corresponding local agencies. In addition, charter school applicants must be prepared to follow applicable city or town planning review procedures. Describe the organization's capacity and experience in managing these strategies, including managing build-out and/or renovations.***

ResponsiveEd has not yet identified the facilities for the proposed PHS schools. Upon charter approval, the Regional Director will be responsible for researching each community to determine the best location for each school based on the unique demographics of the community and the geographic area of greatest need.

ResponsiveEd will comply with all state and local health and safety requirements described in IC 20-26-7, 20-24, and as required by the Indiana Department of Health, Office of the State Fire Marshall, Department of Public Works and the corresponding local agencies. In addition, ResponsiveEd will adhere to all applicable city or town planning review procedures.

The Operations Manager, in collaboration with the Regional Director will oversee all facility lease negotiations and any required building renovations.

ResponsiveEd, under the leadership of the Operations Manager, currently operates a network of 50 charter school educational facilities and has a proven capacity in effectively managing the necessary details to open and maintain a school facility. To that end, ResponsiveEd is fully aware of and efficient in addressing the following:

- a. The process of securing an educational facility that is appropriate and adequate for the school's program and targeted population;
- b. Understanding the costs of securing and improving a facility to meet all federal, state and local codes and have access to the necessary resources to fund the facility plan; and
- c. Implementing existing internal policies and procedures for continued operations, maintenance and repairs for all facilities.

ResponsiveEd has plans to designate the opening of all Indiana schools to coincide with the local school district opening day of school. Furthermore, the budget includes funds for upgrading the selected facilities to satisfy all federal, state and local code requirements as well as PHS' educational program requirements. Upgrades to classrooms are primarily to PHS enhance the telephone and data lines for information technology/server support that are required in order to allow for the provision of the cutting-edge educational software programs and computer technology that we utilize as a component of instruction.

- 2. If you have already identified a facility, or plan to locate the new school within a facility currently owned or leased by the applicant, please indicate the street address and applicable school district. Describe the facility, including whether it is new construction, part of an existing public or private school building, or part of another type of facility. Provide a detailed list of any anticipated construction or renovation costs (these should be described in the budget narrative and reflected in the budget). If possible, provide a layout and description of the proposed facility. Include the number and size of classrooms, common areas, recreational space, any community facilities, and any residential facilities. Explain how the facility will meet the needs of any students who are physically challenged.***

Not applicable

- 3. If the organization is applying for more than one charter, describe your plan for identifying and financing a sufficient quantity of facilities to align with your organization's 5-Year Business Plan.***

With 50 current charter schools and over 13 years of experience, ResponsiveEd has the experience and expertise necessary to identify appropriate facilities for the proposed schools and the financial ability to secure the funds required to create quality academic environments. Accordingly, upon charter approval, the company will develop a comprehensive strategy to identify and finance a sufficient number of facilities in the identified Indiana communities. The Regional Director will receive proper training in identifying an appropriate facility and negotiating a bid/agreement. Additionally, the Regional Director will also have continuous access to the Director of Operations who will provide direction throughout the process.

As a fiscally responsible organization, ResponsiveEd will identify facilities that fit within the structure of the proposed budget. Furthermore, the Regional Director will remain fully engaged with the Chief Financial Officer throughout the startup phase of each school in regard to budgetary questions and allowable expenditures.

## Budget & Finance

**1. Describe the systems and processes by which the organization will manage accounting, purchasing, payroll, and audits.**

All accounting, purchasing, payroll and auditing services will be implemented and managed by the ResponsiveEd corporate offices. The corporation employs a team of finance experts who will oversee the accurate processing and recording of all purchases to ensure full compliance with generally accepted accounting principles.

Payroll budgets are established annually and approved by corporate staff and the Regional Director based on the size and need of each school student population. All hires are evaluated and approved by the Regional Director, human resources and finance department for compliance with position qualifications and to ensure alignment with the payroll budget.

In order to ensure financial management at the school level, the Campus Director is responsible to approve all payments initially. Based on the specific approval levels, some payments may require a second approval by the Regional Director and/or corporate executives for processing. All payments are then reviewed, processed and paid at the administrative office.

Income statements and cash flow are reviewed monthly against school budgets with any concerns identified and addressed immediately. Additionally, five-year budgets are prepared annually and are strategically reviewed on an ongoing basis.

**2. Describe how you will provide an independent, annual audit of both network-level and school-level financial and administration operations (if applicable).**

Each year, ResponsiveEd conducts a full financial audit of the entire organization in compliance with the auditing standards generally accepted in the United States, with the standards contained in *Government Auditing Standards* issued by the comptroller of the United States and in compliance with OMB 133-A guidelines. The process includes a comprehensive review of all revenues, expenses and assets – including both corporate and site-based assessment -- to ensure full compliance.

**3. Provide, as Attachment 19, a detailed 5-Year Pro-Forma Budget for the organization at the network level AND for each school described in the application.**

See Attachment 19

**4. Provide, as Attachment 20, a detailed budget narrative that provides a high-level summary of the budget and how the budget aligned with the 5-Year Business Plan.**

**Contingency Plan:** ResponsiveEd will closely manage the fiscal operations of each school. Immediate expenses will be reviewed on an ongoing basis and plans will be implemented to spend according to receipts in an effort to prevent a negative cash flow. In addition, in the event that a school experiences temporary cash short fall, ResponsiveEd will provide the resources to meet the ongoing operating cash needs on a timely basis.

***Sufficient Funds:*** The cash flow of each school will be reviewed monthly by the Campus Director, Regional Director and by corporate finance personnel. All expenses will be met through state and federal funding or through third-party grants. ResponsiveEd will continuously monitor funding (secured, anticipated and pending) to ensure no monies are spent without knowing where the source of final funding is coming from and ensuring all budget and regulatory funding requirements are being met in a timely manner.

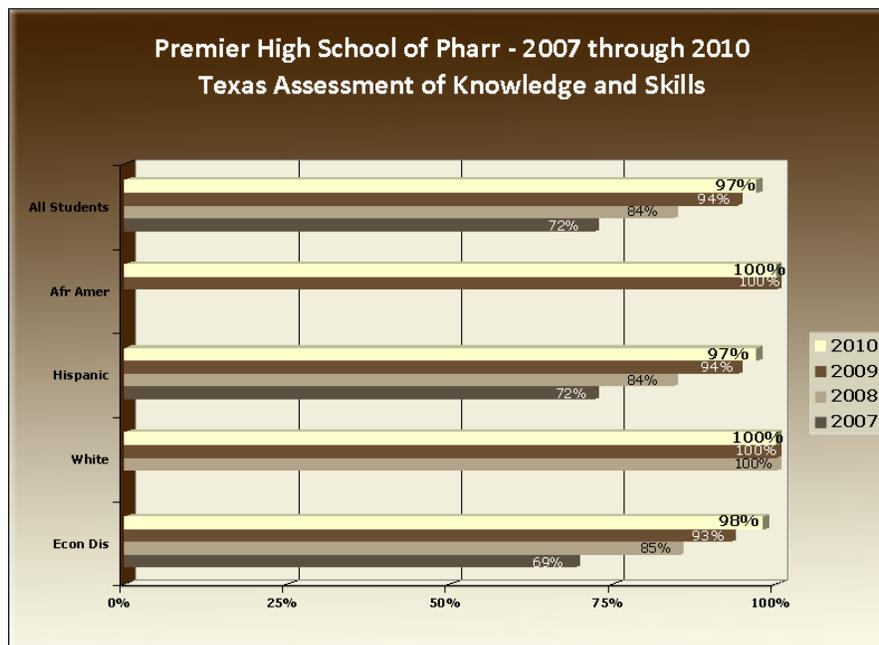
## SECTION IV: PORTFOLIO REVIEW & PERFORMANCE RECORD

1. As Attachment 21, provide a summary of every school in the organization’s portfolio (including any ESP partner) in an excel workbook.

Please see Attachment 21

2. Select one or more of the consistently high-performing schools that the organization operates and discuss the school’s academic performance.

The Premier High School of Pharr has consistently demonstrated a high academic performance as shown by student achievement measures through state assessment of the TEKS. Schools are evaluated in all student and sub-population categories by using a single performance percentage calculated by aggregating all grade level performances in all five core content areas – Reading, Mathematics, Writing, Social Studies and Science. As seen below, Pharr has continually improved throughout the past years, recently arriving at very high academic percentages.



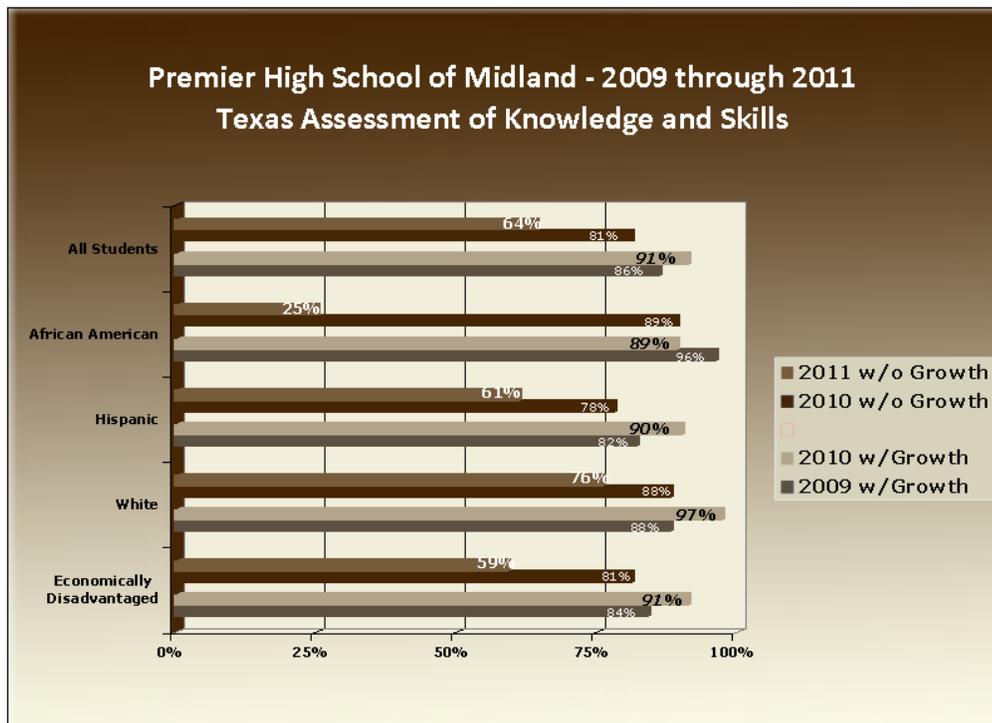
Premier High School of Pharr’s high academic performance begins with strong leadership and belief in a professional learning communities concept. The Pharr academic instruction team led by the Campus Director works together to diagnose and place students appropriately at grade level and in courses needed for graduation. Data gathering and analysis for identification of gaps and literacy issues is a continual process leading to effective academic growth.

Additionally, data monitoring and analysis at a regional level continually provide needed support resources and materials along with regional and district staff members who have skills and experiences with appropriate credentials to work with identified sub-populations.

3. *Select one or more of the organization’s schools whose performance is relatively low or not satisfactory and discuss the school’s academic performance.*

The Premier High School of Midland, though having previously demonstrated acceptable academic performance, was unable in 2011 to demonstrate academic student performance deemed to be satisfactory. Student achievement measures through state assessment of the TEKS demonstrated substandard results as seen below.

Schools are evaluated by using a single performance percentage calculated by aggregating all grade level performances in all five core content areas – Reading, Mathematics, Writing, Social Studies and Science – and applying the evaluation to not only all students, but to appropriate sub-populations. Midland demonstrated weak performance not only in the all students category, but also in various sub-populations.



Premier High School of Midland’s low academic performance reflected weak instructional leadership and lack of execution of a professional learning communities concept. The Midland academic instruction team led by the campus director did not efficiently diagnose students and identify gaps. Literacy issues were not addressed appropriately as a continual process, thus resulting in ineffective academic growth.

Additionally, though data monitoring and analysis at a district level provided needed support through resources and materials, regional staff members lacked skills and experience to work with identified sub populations.

Changes have been made in school and regional leadership, and current data is predictive of satisfactory student performance demonstrated at the end of the current year.

4. *For any and all schools operating in the State of Indiana, provide the following as Attachment 22:*

Not applicable

5. *For the organization as a whole and any related business entities, provide the following as Attachment 23:*
- a. *The last three years of audited financial statements and management letters*
  - b. *The most recent internal financial statements including balance sheets and income statements (at least through the end of June 2011)*

Please see Attachment 23

6. *List any contracts with charter schools that have been terminated by either the organization or the school, including the reason(s) for such termination and whether the termination was for “material breach”.*

Not applicable

7. *List any and all charter revocations, non-renewals, shortened or conditioned renewals, or withdrawals/non-openings of schools operated by the organization and explain.*

Not applicable

8. *Explain any performance deficiencies or compliance violations that have led to formal authorizer intervention with any school operated by the organization in the last three years, and how such deficiencies or violations were resolved.*

Not applicable

9. *Identify any current or past litigation, including arbitration proceedings, by school, that has involved the organization or any charter schools it operates.*

Please see Attachment 24

## ADDITIONAL APPLICATION SUBMISSION REQUIREMENT

As **Attachment 25**, attach one PDF file that contains all application components, including the Proposal Overview and Enrollment Projections Template, the Proposal Narrative Template, and all required Attachments except for Attachment 9 (the organization's business plan). This PDF file will be posted on the ICSB website as required under Indiana law and in accordance with ICSB policy. Therefore, please be certain that this attachment contains no confidential personal information. In addition, please adhere with the guidelines provided under the Notice of Disclosure section on page 6 of this RFP for any other information considered confidential.



Premier High Schools

## Attachment 1

RESPONSIVE 

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

# CHARLES COOK

*Chief Executive Officer*

## Overview

Charles Cook brings over 15 years of experience in private and public education. His experience includes educational leadership, management, finance, and marketing. He developed the nation's largest privately funded adult educational program in Los Angeles, California. This experience has served him well as he has been instrumental in crafting one of the largest and most respected charter school districts in Texas. As the Chief Executive Officer of Responsive Education Solutions, Charles gives oversight to a charter school district which now includes 50 campuses and over 7,000 students. Charles has made it his goal to bring quality education to students from various sides of the socio-economic spectrum. ResponsiveEd campuses are diverse in nature, aiding students who are at-risk of dropping out of school to students who are looking for a greater challenge before beginning their college careers. Each school focuses on a personalized approach which fosters the students to become life-long learners. He gives leadership and vision to his staff of 800 + employees and serves with them in the day-to-day operation of ResponsiveEd. One of Charles' greatest strengths is the ability to bring leaders together for a common goal. He is using these strengths today to bring awareness that the charter school movement is a growing force in education in the state of Texas.

Among his many accomplishments, Charles spearheaded the monumental opening of The Foundation School for Autism in San Antonio, the first tuition-free charter school for students with autism in the state of Texas. Charles also serves as the Treasurer of the Board for the Texas Charter School Association (TCSA), the leading charter school advocacy organization in Texas. He earned his Bachelor of Arts Degree in Religion from Luther Rice University in Atlanta, Georgia.

## Experience

1999-Present                      Responsive Education Solutions  
**Chief Executive Officer / Board Member**  
Oversee operations of 50 open-enrollment charter campuses  
Corporate staff of over 130 employees  
School District staff of 800+ employees  
Annual Revenue of \$72.6 million  
Member of the Board of Directors

1995-1999                      School of Tomorrow Publishers  
**Manager of Customer Service**  
Increased sales from 1.7 million to 3.4 million.  
Manage 28 full-time employees.  
Manage over 1.3 million-dollar cost center budget.  
Implemented Customer Care training for 200 corporate employees

1991-1995                      Los Angeles Mission  
**Educational Coordinator**  
Developed adult education program.  
Over 100 program participants.

**Professional  
Organizations**

Texas Charter School Association (TCSA)  
*Treasurer of the Board of Directors*

**Education**

Luther Rice Seminary  
**B.A., Church Ministries**  
Completed degree with 3.2 GPA.

## **Robert Davison**

1301 Waters Ridge Dr., Lewisville, TX 75057 • (972) 316-3663 • rdavison@responsiveed.com

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### **Chief Operating Officer** *Responsive Education Solutions*

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Over 10 years' experience as COO of largest Charter School operator in Texas, Responsive Education Solutions, serving multiple locations and sites. Responsible for managing the day-to-day operations according to established plans, standard operating procedures, and legal and regulatory requirements. Assist the Chief Executive Officer in developing, implementing, and monitoring of operating plans, budgets, goals, objectives and strategic initiatives.

#### **CORE COMPETENCIES**

Basic School Law  
Basic School Finance  
Budgeting/Forecasting  
Health and Safety Issues  
Accountability to the Public  
Requirements Relating to Public Records  
Accountability Requirements related to the use of Public Funds

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#### **HIGHLIGHTED CAREER ACHIEVEMENTS**

- Registered Texas School Business Administrator
  - Over 5 years membership in TASBO including conference and workshop attendance
- 

#### **PROFESSIONAL EXPERIENCE**

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##### **Responsive Education Solutions, Lewisville, TX**

**2000 – Present**

##### **Chief Operating Officer**

- Over 10 years experience as a Chief Operating Officer and Regional Superintendent.
- Handled Chief Financial duties on an interim basis and increased the revenue and surplus during that time.
- Oversee various departments including Accounting, HR, Legal Services, Facilities, Child Nutrition, Transportation, School Operations, PEIMS and Special Education.
- Assist Campus Directors in the operation of their schools and work cooperatively with all staff and departments in providing available information for development of programs, reports, and administrative rules.
- Manage business operations and fiscal policies.

- Handle district budget preparation and contract management.
- Promote and facilitate funded grant proposals resulting in innovative curricular programs.
- Research and write board policies.

**Church on the Rock**

**1999-2000**

**Managing Director Broadcast Services**

- Produced and Directed Live weekly Television Broadcast

**School of Tomorrow, Lewisville, TX**

**1992-1999**

**Audio Visual Department**

**Senior Video Producer (Product Development Department)**

- Produced videos and media for K-12 curriculum.
- Produced videos for educational and administrative training.

**EDUCATION**

**University of Arkansas Little Rock**

**Bachelor's Degree in Communication**

**Minor in Business Administration**

**JAMES D. TAYLOR**  
*Chief Financial Officer*

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**Educational Experience:**

**HAAS SCHOOL OF BUSINESS**  
University of California, Berkeley  
*M.B.A., December 1996*

**CALIFORNIA INSTITUTE OF TECHNOLOGY, Pasadena, CA**  
*B.S., Electrical Engineering, June 1990*

**DALLAS THEOLOGICAL SEMINARY**  
*Completed coursework toward ThM degree, 2005-2008*

**Professional Experience:**

**Responsive Education Solutions, Lewisville, TX**

*Chief Financial Officer*

- Responsible for all financial and fiscal management aspects of company operations. Provide leadership and coordination in the administrative, business planning, accounting and budgeting efforts of the company.

*Software Engineer*

- Designed, developed, implemented, and supported student information system. Tasks included the design and development of database, web pages, and reports, including the Texas state PEIMS submissions.

**Siebel Systems, Inc., San Mateo, CA**

*Director, Partner Education*

- Designed, developed and managed the implementation of training and certification program for consulting partners.
- Proposed, developed and organized training for Technical Services personnel and Sales Consultants worldwide on the most recent releases of Siebel Enterprise products.

*Senior Enterprise Architecture Specialist*

- Provided application design and implementation expertise in assisting customers, account managers and consulting partners in deploying Siebel Enterprise applications.
- Partnered to write original business plan for Enterprise Architecture Services group.

**Oracle Corporation, Redwood Shores, CA**

*Principal Consultant*

*Staff Consultant*

- Responsibilities included management of client relations, proposal development, leading design and development teams and software development. Tasks included analysis, design and development of business systems using Oracle's Method and tools, such as entity-relationship modeling, relational database design, functional decomposition, standards development, and programming of database and screens.
- Led team of consultants and customer personnel to model, design and develop a client-independent database system for a worldwide product and pricing system.
- Developed database, user entry systems and provided technical expertise to provide new, automated workflow for garment manufacturer from design through production.
- Provided development support for a new custom materials management solution for a major international engineering firm.

**Aurum Corporation, Santa Clara, CA**

*Staff Consultant*

- Responsibilities included proposal development, design and implementation of customizations to Customer Resource Planning (CRP) software.
- Managed integration project between customer support and inventory software applications for electronic equipment manufacturer.
- Aided in the design and implementation of customer service application for major computer hardware firm.
- Created specifications for modification of CRP software.

<b><i>Administrator for Secondary Education for McAllen ISD</i></b>	<b>1997-98</b>
• Coordinated academic services for middle and high school in a traditional school setting	
<b><i>Principal for Options High School, McAllen ISD</i></b>	<b>1995-98</b>
• Created Dropout Prevention School for non-traditional learners	
<b><i>Principal for Lincoln Junior High, McAllen ISD</i></b>	<b>1993-95</b>
• Directed middle school program for 850 students in grades 6-8	
<b><i>Dean of Instruction for McAllen High School, McAllen ISD</i></b>	<b>1984-93</b>
• Supervised overall instructional program and coordinated academic services for grades 9-12	
<b><i>Guidance Counselor for McAllen High School, McAllen ISD</i></b>	<b>1979-83</b>
• Coordinated guidance and counseling services for grades 9-12 and supervised all counseling personnel	
<b><i>Guidance Counselor for Jeff Davis High School, Houston ISD</i></b>	<b>1975-77</b>
• Coordinated counseling and academic services for at-risk students at inner city school	
<b><i>English Teacher, Mission High School, Mission CISD</i></b>	<b>1971-74</b>
• Taught 12 <sup>th</sup> grade student population	
<b><i>Director for Adult Education, United States Kadena Air Force Base, Okinawa, Japan</i></b>	<b>1967-69</b>
• Coordinated GED or high school completion services for military personnel	
<b><i>Kindergarten Teacher, El Mesias Methodist Church, Mission, Texas</i></b>	<b>1965-67</b>

Community Service  
Activities

- 
- Texas Charter Schools Association Quality Framework Member (2 yrs)***
  - Current Member of Intercultural Development Research Association (IDRA) Board of Trustees, San Antonio, Texas (20 years)***
  - Current Civil Service Commissioner for City of Mission, Texas (5 years)***
  - Current Member of El Mesias Methodist Church, Mission, Texas (life)***
  - Board of Trustees Member for Mission School District (12 yrs)***
  - Founding Board of Regents Member for South Texas College, McAllen, Texas (7 yrs)***

**Rosalinda S. Gonzalez**  
601 Solar Drive, Mission, Texas, 78572  
956-458-8691  
rgonzalez@responsived.com

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**Areas of Specialty**

- *K-12 Curriculum and Instruction*
- *Dropout Prevention Strategies*
- *Guidance & Counseling*
- *English as a Second Language*
- *Public Charter School Education*
- *College Access and Success*

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**Education**

*Administrators' Mid-Management Certificate* 1986  
*University of Texas Pan American, Edinburg, Texas*

*Masters in Counseling and Guidance* 1973  
*University of Texas Pan American, Edinburg, Texas*

*Bachelor of Arts in English* 1967  
*Minor in History*  
*University of Texas Pan American, Edinburg, Texas*

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**Experiences**

*Chief Academic Officer for Responsive Education Solutions* 2009-Present

*South Texas Area Superintendent — Chief Academic Officer* 2007-09

*Director of Academics for Eagle Charter Schools* 2006-07

- Reviewed graduation requirements for students in high school and middle school for accurate grade placement
- Continuous review and refinement of district curriculum
- Implemented and audited strategies and techniques for English Language Learners

*Director of Eagle Academy of Pharr, Texas and Technical Assistance to Schools in Mission, Laredo, Del Rio and Brownsville Texas* 2004-06

- Coordinated and provided academic assistance and support for charter high schools in South Texas region.

*Director of Eagle Academy of Pharr, Texas* 2003-04

*Assistant Superintendent for Mission CISD* 1998-2002

- Coordinated curricular, academic, and student support services for K-12 grades

## **JULIE CONDE [Dallas TX Metroplex]**

650 E. Vista Ridge Mall Dr. Lewisville, TX 75067

Home: (972) 906-5555 [julieconde@hotmail.com](mailto:julieconde@hotmail.com) Cell: (214) 336-5008

(Work) (972) 316-3663 Ext 258 [jconde@responsived.com](mailto:jconde@responsived.com)

**Director — Accountability / English as a Second Language** – 12 years state Accountability /ESL Director of Responsive Education Solutions – two public school districts, 50+ campuses throughout the state of Texas.

**Simultaneous (Conference) and Consecutive Interpreter (English-Spanish-English); Spanish-ESL Teacher and Tutor with extensive international and national experience and recognition in English – Spanish, Spanish – English simultaneous interpreting; Spanish curriculum development; and Spanish language teaching and tutoring.**

### **SIGNIFICANT ACCOMPLISHMENTS:**

#### **12+ years Director of Accountability / ESL:**

*Developed and implemented innovative and predictive Performance Data Evaluation and Management Programs leading to improved student performance and increased district and campus Accountability Ratings.*

*Assured compliance in identification of and program design for English as a Second Language students on multiple campuses throughout Texas.*

#### **39+ Years International Interpreting:**

*Consecutive side by side interpreting into Spanish during numerous conventions and conferences in Colombia, Venezuela, Ecuador, Peru and Mexico; Consecutive interpreting from Spanish to English and English to Spanish in The United States.*

*Freelance work for International Interpretation Agencies based in Washington D.C., New York, Florida, and Dallas.*

*Simultaneous interpreting from English into Spanish and from Spanish into English during the last 39 years; Assignments have included Verizon International Finance Conference, Hispanic Broadcasting Convention, Home Interiors and Decorators, Mannafest International, Mary Kay, Texas Gubernatorial Debates, Medical/Surgical Conferences, and many others.*

#### **40+ Years Spanish Language Teaching and Curriculum Development:**

*(10 years in Texas public schools; 20 years in Colombia, South America; 11 years in U.S. Private Education.)*

*Teaching of the Spanish language to high school students in U.S. and Colombian classroom environment; instruction in Spanish/English to adults in classroom and field situations; teaching of ESL strategies to administrators and teachers.*

*Development of Spanish and ESL audio-visual curricula.*

*Tutoring of those with special needs who are learning the Spanish language, and of those who speak Spanish and are learning English.*

*Development of innovative curriculum for high school students studying the Spanish language.*

**Total Spanish Language Fluency, Cross-Cultural Understanding:**

*Bilingual, bicultural life experiences have produced a Spanish language often mistaken for that of a native Spanish-speaking person. A Colombian spouse, bilingual children, and 20 years of foreign residency have contributed to bicultural capability and deep understanding of Hispanic culture.*

**Editor, Feature Writer, Photographer:**

*Experience as Managing Editor of large city daily newspaper has given a unique perspective to use as a free-lance writer and photographer, and an ability to work with, understand, and please editors.*

*In the past years, in addition to full-time employment, over 200 byline feature stories and 202 credited photos have been published in a subsidiary of the Dallas Morning News; national magazine articles also have been published.*

**Business Management:**

*Horticulture – Field Production and Sales Manager of Bethel Farms: Four greenhouses, one growing house, 28 acres under cultivation.*

*Cottage Industry – Production Manager of Menorah Productions, Inc., non-profit corp. assisting dysfunctional children and families in a cottage industry environment.*

**CURRENT EMPLOYMENT:**

*Texas State Director of Accountability/ESL Responsive Education Solutions (Texas College Preparatory Academies, Premier High Schools); Free-Lance Simultaneous Interpreter*

**EDUCATION:**

*B.A., University of Oklahoma  
Majors in Journalism, Spanish, music  
Post-Graduate Work, Texas Tech University  
Education coursework leading to Lifetime Texas State Teaching Certificate  
Post-Graduate Work, Lassen College, Redding, CA.  
Psychology and Counseling coursework*

**CERTIFICATION:**

*--Current Lifetime Texas Teaching Certificate with certifications in Spanish, English as a Second Language, Bilingual Education, Special Education and Journalism.*

*--Member of ACTFL (American Council on the Teaching of Foreign Language);*

*--Member of MITA( Metroplex Interpreters and Translators Association);*

*--Berlitz certified Court/Simultaneous Interpreter, Legal and Medical Interpreter, Texas State Certified Court Interpreter;*

*--Member of NABE (National Association for Bilingual Education).*

**CURRENT REFERENCES: (Available Upon Request.)**

**ALAN WIMBERLEY, ED.D.**  
*Chief Learning Officer*

**Overview**

Dr. Wimberley serves as Chief Learning Officer for ResponsiveEd, designing, training, and implementing innovative education systems for students. He created new school systems within ResponsiveEd designed for: (1) “high expectation” elementary students; (2) middle school students, blending personalized and teacher-directed environments; and (3) high school students, blending personalized environments with 21<sup>st</sup> century technology. Dr. Wimberley led ResponsiveEd to achieve additional accreditation with the Southern Association of Colleges & Schools, becoming one of the first 200 school systems in the nation to accomplish this distinctive. He is a regular author for education reform/charter school submissions.

**Education**

- Ed. D., University of North Texas, Denton, Texas
  - Education Administration, Minor Field: CECS, GPA 3.8
  - Dissertation - “An Analysis of Performance Differences Between Self-Directed and Teacher-Directed Alternative Education Campuses in Texas”
- M. Ed., Liberty University, Lynchburg, Virginia
  - Education Administration, Focus studies in emergent literacy
- B.S., Tarleton State University, Stephenville, Texas

**Career History**

- 2002-present, Chief Learning Officer, Responsive Education Solutions, Lewisville, Texas
- 2005-present, Founder/Director, Center for Strategic Learning Systems, Denton, Texas
- 2010-present, Adjunct Professor, University of North Texas, Denton, Texas
- 2011-present, Adjunct Professor, Liberty University, Lynchburg, Virginia
- 2011-present, Adjunct Professor, Dallas Christian College, Dallas, Texas
- 2010-present, Owner/Director, K2G Learning, Pilot Point, Texas
- 1998- 2002, Superintendent, Carrollton Christian Academy, Carrollton, Texas
- 1996-1998, Secondary School Administrator, Emmanuel Christian School, Manassas, Virginia
- 1994-1996, Secondary School Administrator, Greenville Christian School, Greenville, Texas
- 1994-1996, Teacher, Athletic Director, Greenville Christian School, Greenville, Texas
- 1988-1996, Coach, Greenville Christian School, Greenville, Texas

**Board Memberships**

- 2010-present, Board member, Texas State Council, Southern Association of Colleges & Schools
- 2006-present, Board member, International Learning Style Network, St John’s University, New York

- 2008-present, Advisory Board member, ITeachTexas Certification Organization, Denton, Texas

### **Selected Professional Presentations**

- "21<sup>st</sup> Century Learning Style Applications," International Learning Style Institute, Northeastern Oklahoma State University (2011)
- "An Analysis of Performance Differences Between Self-directed and Teacher-directed Alternative Education Campuses in Texas," University of North Texas Dissertation (2009)
- "Can There Be Remuneration Without Regulation?," ACSI Conference, Dallas, Texas (2006)
- "The Deformation of Education Reform," Education Research Exchange Annual Symposium, University of North Texas (2006)

### **Certifications**

- Instructional Leadership Development Training ("ILD"), Region X
- Professional Development Appraisal System Training ("PDAS"), Region X
- Learning Styles Certification, International Learning Styles Network, St John's, New York
- Certified Facilitator, Signature Program – The Seven Habits of Highly Effective People

### **Accreditation**

- Have served as a certified consultant and team chairman for accreditation teams.
- Have led four school systems on the executive level through accreditation
- Currently serve on the state council for the Southern Association of Colleges & Schools

### **Additional Recognitions**

- 1980 Outstanding Young Men of America
- Directed camps for the mentally handicapped for ten years 1990-2000
- "Final Four Coach," 1990-91 State Finals, TAPPS Girls Basketball
- "Coach of the Year," 1990-91, Greenville Herald-Banner Sports Department
- "Final Four Coach," 1991-92 State Finals, State Runner-Up, TAPPS Basketball
- "Who's Who Among America's Teachers," 1992/96/98
- "Where Are They Now," Selected as a Distinguished Alumni, University of North Texas (2010)
- Member of Phi Kappa Phi, Graduate Honor Society

**CHRIS BAUMANN**  
*Chief Legal Officer*

**Overview**

Chris Baumann serves as Chief Legal Officer for ResponsiveEd, overseeing and directing ResponsiveEd's legal activities and providing operational oversight to its Human Resources and Risk Management Departments. He has over 15 years of experience in public and private education, 10 years of which have been spent working with charter schools.

**Education**

Texas Wesleyan University School of Law, Fort Worth, TX  
J.D., Juris Doctor, 2008

Honors:

- Cum Laude
- National Order of Barristers

Participation:

- Law Review, Associate Editor
- Board of Trial Advocates, President
- Mock Trial Competition Team, Member
- Moot Court Competition Team, Member
- Moot Court Honor Society, Member
- Phi Delta Phi International Legal Fraternity, Member

The International Institute, Lewisville, TX  
B.A.; Bachelor of Arts in Bible, Communications, and Christian Education; 1994  
Honors: Summa Cum Laude

**Other Experience**

Legal:

- Associate, Brown, Dean, Wiseman, Proctor, Hart & Howell, LLP, Fort Worth, TX (August 2008–November 2009)
- Law Clerk, Judge Bonnie Sudderth, 352nd District Court, Fort Worth, TX (January 2008–April 2008)
- Law Clerk, Department of Justice, United States Attorney's Office, Civil Division, Fort Worth, TX (2006–2007)
- Legal Intern, Office of the Indiana Attorney General, Litigation Division, Civil Rights and Employment Section, Indianapolis, IN (Summer 2006)

Educational:

- Director, Responsive Education Solutions, Lewisville, TX (1999–2008)
- Coordinator, School of Tomorrow, Lewisville, TX (1991–1999)

**Professional Associations and Memberships**

- State Bar of Texas
- National School Boards Association Council of School Attorneys
- Texas Association of School Boards Council of School Attorneys
- Alliance of Public Charter School Attorneys
- Texas Charter Schools Association

**Selected Professional Presentations**

- Presenter, 14th Annual Texas Charter Schools Conference, "The Fair Labor Standards Act: Pay Now or Pay More Later," San Antonio, Texas (December 1, 2010)
- Co-Presenter, 13th Annual Texas Charter Schools Conference, "Religious Expression by Charter School Employees," Grapevine, Texas (May 13, 2010)

**Bar Admissions**

- Texas
- United States District Court for the Eastern District of Texas
- United States District Court for the Northern District of Texas
- United States Court of Appeals for the Fifth Circuit

**Community Activities**

- National Trial Competition, Coach, Texas Wesleyan University School of Law (2009)



Premier High Schools

## Attachment 2

RESPONSIVE 

The logo icon consists of two interlocking puzzle pieces, one light blue and one dark blue, forming a stylized 'E' or 'D' shape.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

Not Applicable

Please see narrative of application for proposed position.



Premier High Schools

## Attachment 3

RESPONSIVE 

The logo icon consists of two interlocking puzzle pieces, one light blue and one dark blue, forming a stylized 'E' or 'D' shape.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

Not Applicable

Please see narrative of application for proposed positions.



Premier High Schools

## Attachment 4

RESPONSIVE 

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

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

DEPARTMENT OF THE TREASURY

Date: MAR 08 1999

EAGLE EDUCATIONAL REFORM LEARNING  
SYSTEMS INC  
C/O MARK K OBRIANT ATTORNEY  
4123 MANORVIEW LANE  
DALLAS, TX 75228

Employer Identification Number:  
75-2748762

DLN:  
318338082

Contact Person:  
RONALD BENJAMIN ID# 75883

Contact Telephone Number:  
(214) 767-0157

Accounting Period Ending:  
December 31

Form 990 Required:  
Yes

Addendum Applies:  
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(ii).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

EAGLE EDUCATIONAL REFORM LEARNING

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day for each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

EAGLE EDUCATIONAL REFORM LEARNING

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

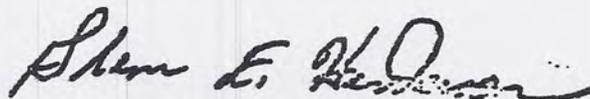
If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

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

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



District Director

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

Date: MAY 3 2000

Contact Person:  
Ms. Berkovsky  
ID Number:  
50-00524  
Telephone Number:  
(202) 622-6474

Eagle Educational Reform  
Learning Systems, Inc.  
1797 S. Valley Parkway  
Lewisville, TX 75067

Employer Identification Number: 75-2748762

Dear Applicant:

We have considered your application, pursuant to Revenue Procedure 80-27, 1980-1 C.B. 677, for a group ruling recognizing exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code for fifteen (15) subordinate organizations. Each subordinate organization is separately incorporated and operates a charter school for children determined by the local school district to be at-risk, or drop-outs.

You were recognized as tax-exempt under section 501(c)(3) of the Code on March 9, 1999, and as a nonprivate foundation described in sections 509(a)(1) and 170(b)(1)(A)(ii). Your Board of Directors are: Linus Wright, Forrest Watson, and Dr. Donald Howard. Dr. Howard provides services to you and is your superintendent. Dr. Howard receives a percentage of your administrative income on a per student basis and is compensated for services provided to you. Your Articles state that board members hold office until they resign or are terminated by a majority of the board. In your application for recognition of exemption you stated that you plan to set up high-tech centers in inter city schools for at-risk and adjudicated students and dropouts, and that you operate one charter school. Your application indicated that Eagle Project provided your curriculum. Linus D. Wright - Chairman, Forrest Watson, and Jimmy Jackson, Roosevelt McCray, and Pualani Jackson are part of the Eagle Project. There was an indication that one of your board members was under contract with Eagle Project. Your charter application stated that the geographic area to be served is in the Dallas Independent School District.

You have stated the subordinate organizations are not private foundations as

Eagle Educational Reform  
Learning Systems, Inc.

defined in section 509(a) of the Code. All organizations have given written authorizations to be included as a subordinate organization to you. You stated that they were under your general control, but did not give specifics as to the type of control. You did not provide any information such as board meeting minutes or contracts entered into to operate the schools, manage the schools, or to provide school facilities.

The representative sample of the Articles of Incorporation you submitted state that the subordinate organizations shall implement educational concepts to enhance the learning experience of at-risk students in a charter school environment and train teachers in the implementation of innovative educational concepts. The Articles do not limit the purposes or activities to those within the meaning of section 501(c)(3) of the Code. You did not provide a copy of the bylaws used by your subordinates. The Articles do not limit board member's terms or regulate the replacement or selection of future board members. The Articles do not indicate whether there is control by you or even a relationship with you.

You stated that the subordinate organizations' Board of Directors are: Linus Wright, Forest Watson, and Donald Howard. Donald R. Howard is your President. Donald R. Howard is the President of each of the subordinate organizations. There was no information submitted regarding the provision of services by your board to the subordinates or by the board members of the subordinate organizations to you or to the subordinate organizations.

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for educational purposes.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations states that, in order to be exempt as an organization described in section 501(c)(3) of the Code, an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(c)(1) of the regulations provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(c)(3)-1(c)(2) of the regulations provides that an organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals. the section cross references the definition of private shareholder which is contained in section 1-501(a)-

Eagle Educational Reform  
Learning Systems, Inc.

1(c). That section provides that the words private shareholder or individual in section 501 refers to person having a personal and private interest in the activities of the organization.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations states that an organization is not organized or operated exclusively for one or more exempt purposes unless it serves a public rather than a private interest. Thus, to meet the requirements of this subdivision, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

Situation 2 of Rev. Rul. 69-545, 1969-2 C.B. 117, describes a hospital, otherwise serving a charitable purpose, that was denied exemption under section 501(c)(3) of the Code because it served a private interest more than incidentally. The revenue ruling states that in considering whether a nonprofit organization claiming charitable exemption is operated to serve a private benefit the Service will weigh all of the relevant facts and circumstances in each case.

Rev. Proc. 80-27, 1980-2 C.B. 677, sets forth the procedures under which recognition of exemption from federal income under section 501(c) of the Code may be obtained on a group basis for subordinate organizations affiliated with and under the general supervision or control of a central organization. Section 5.01(c) of the Rev. Proc. provides that the central organization must provide a detailed description of the purpose and activities and activities of the subordinate including sources of receipts and nature of expenditure.

Rev. Proc. 90-4, 1990-2 I.R.B. 10, at section 7 provides that the Service may decline to issue a ruling or a determination letter whenever warranted by the facts or circumstances of a particular case.

Rev. Proc. 90-27, 1990-18 I.R.B. 17, provides, in part, that exempt status will be recognized in advance of operations if proposed operations can be described in sufficient detail to permit a conclusion that the organization will clearly meet the particular requirements of the section under which exemption is claimed. A mere restatement of purposes or a statement that proposed activities will be in furtherance of such purposes will not satisfy this requirement. The organization must fully describe the activities in which it expects to engage, including the standards, criteria, procedures, or other means adopted or planned, and the nature of contemplated expenditures. Where the organization cannot demonstrate to the satisfaction of the Service that its proposed activities will be exempt, a record of actual operations may be required before a ruling or a determination letter will be issued. In those cases where an organization is

Eagle Educational Reform  
Learning Systems, Inc.

unable to describe fully its purposes and activities, a refusal to issue a ruling or determination letter will be considered an initial adverse determination from which administrative appeal or protest rights will be afforded.

Rev. Proc. 2000-4 I.R.B. 115, sets forth general procedures for the issuance of rulings on issues under the jurisdiction of the Office of the Commissioner, Tax Exempt and Government Entities Division, which includes rulings relating to recognition of exemption under section 501 of the Code. Section 8.01 of Rev. Proc. 2000-4 provides that the Service ordinarily will not issue a letter ruling or determination letter in certain cases because of the factual nature of the problem involved or because of other reasons. The Service may decline to issue a letter ruling or a determination letter when appropriate in the interest of sound tax administration or on other grounds whenever warranted by the facts and circumstances of a particular case.

The presence of a single nonexempt purpose, if substantial in nature, will preclude exemption under section 501(c)(3) of the Code, regardless of the number or importance of statutorily exempt purposes. Better Business Bureau v. United States, 326 U.S. 279 (1945).

In KJ's Fund Raisers, Inc. v. Commissioner, T.C. Memo 1997-424 (1997), affirmed 82 AFTR 2d 7092 (1998), the Tax Court found that another gaming organization was not exempt. While the organization raised money for charitable purposes, it also operated for the substantial benefit of private interests. The organization's founders, Kristine Hurd and James Gould, were the sole owners of a bar, KJ's Place. The organization, through the owners and employees of KJ's Place, sold lottery tickets exclusively at KJ's Place during regular business hours. While in KJ's Place, the lottery ticket purchasers were sold beverages from the bar. The initial directors were Hurd, Gould, and a related individual. The initial board was replaced several times until Hurd and Gould were no longer on the board. At all times Hurd and Gould were the organization's officers. Salaries had been paid to Hurd and Gould and rent had been paid to KJ's Place. The organization maintained that the fact that salaries and rent were no longer paid in this fashion indicated the independence of the board. The Court took another view.

Although those practices ceased and are not in issue here, the current board of directors is composed of at least the majority of the same members who allowed those amounts to be paid. This strongly suggests that Hurd and Gould are free to set policy for their own benefit without objection from the board. Nothing in the record since July 1, 1994, indicates otherwise.

Eagle Educational Reform  
Learning Systems, Inc.

The Court concluded that KJ's Fund Raisers was operated for substantial private benefit and did not qualify for exemption. The Court of Appeals affirmed the decision. It found that the organization had served the private interests of its directors in maintaining and augmenting their business interests.

Traditionally, for the administrative convenience of both the Service and taxpayers, group exemption letters or group rulings have been issued to a parent of subordinates essentially identical in form and function. Examples include fraternal organizations, labor unions, churches, certain youth groups and school organizations. Group exemption may not be appropriate when the activities of the subordinate organization raise questions of whether exempt status is appropriate. The likelihood of private benefit is increased when, as here, subordinates participate in multiple contracts or agreements. If private benefit constitutes a substantial nonexempt purpose a group ruling may be inappropriate.

The information provided raises concerns that your subordinates are operated for private benefit. Your subordinates have the same officers and same formative documents. Each organization is an independent organization. Their board members are members until resignation. There is no restriction on board members receiving compensation. There were no contracts submitted between the different subordinates and the government agencies. No contracts for facilities were provided. Also you provided no contracts with management firms. No information has been provided about your activities and your relationship with the subordinates. You have failed to establish that your subordinates will be operated exclusively for one or more exempt purposes because you have not submitted sufficient information to demonstrate that they will be operated for 501(c)(3) purposes rather than in the interests of private individuals. .

As groups rulings are issued at the discretion of the government, we decline to issue a group ruling that recognizes your subordinate entities as organizations described in section 501(c)(3) of the Code due to the complexities involved in determining whether organizations involved in activities governed by different charters and contracts qualify for exempt status. We suggest that your subordinates file form 1023 on an individual basis. .

Contributions to your subordinates are not deductible under section 170 of the Code. Your subordinates must file federal income tax returns.

You have the right to protest this ruling on behalf of your subordinates if you believe it is incorrect. To protest, you should submit a statement of your views to this office, with a full explanation of your reasoning. This statement, signed by one of your officers, must be submitted within 30 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request

Eagle Educational Reform  
Learning Systems, Inc.

the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practices Requirements.

If you do not protest this ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Code provides, in part, that a declaratory judgement or decree under this section shall not be issued in any proceeding unless the Tax Court, the United States Court of Federal Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service.

If we do not hear from you within 30 days, this ruling will become final and a copy will be forwarded to the Ohio Tax Exempt and Government Entities (TE/GE) office. Thereafter, any questions about your federal income tax status should be directed to that office, either by calling 877-829-5500 (a toll free number) or sending correspondence to: Internal Revenue Service, TE/GE Customer Service, P.O. Box 2508, Cincinnati, OH 45201. The appropriate State Officials will be notified of this action in accordance with Code section 6104(c).

When sending additional letters to us with respect to this case, you will expedite their receipt by using the following address:

Internal Revenue Service  
T:EO:RA:T:4 Rm. 6236  
1111 Constitution Ave, N.W.  
Washington, D.C. 20224

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,



Gerald V. Sack  
Manager, Exempt Organizations  
Technical Group 4

Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697

Roger Williams  
Secretary of State



**Office of the Secretary of State**

**CERTIFICATE OF RESTATED ARTICLES  
OF**

**RESPONSIVE EDUCATION SOLUTIONS  
148606001**

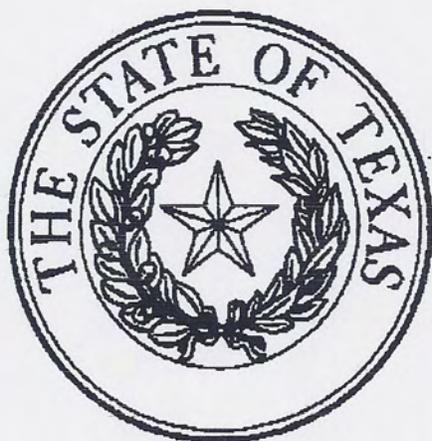
[formerly: EAGLE ACADEMIES OF TEXAS]

The undersigned, as Secretary of State of Texas, hereby certifies that the Restated Articles for the above named entity have been received in this office and have been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Restated Articles.

Dated: 03/19/2007

Effective: 03/19/2007



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams  
Secretary of State

**FILED**  
In the Office of the  
Secretary of State of Texas

**RESTATED ARTICLES OF INCORPORATION**      **MAR 19 2007**

OF

**Corporations Section**

**RESPONSIVE EDUCATION SOLUTIONS**

(Formerly Eagle Academies of Texas)

**ARTICLE ONE**

EAGLE ACADEMIES OF TEXAS, pursuant to the provisions of Article 4.06 of the Texas Non-Profit Corporation Act, hereby adopts restated Articles of Incorporation which accurately copy the Articles of Incorporation and all amendments thereto that are in effect to date and as further amended by such restated Articles of Incorporation as hereinafter set forth.

**ARTICLE TWO**

The amendments to the articles of incorporation of the corporation have been effected in conformity with the provisions of the Texas Non-Profit Corporation Act and such restated articles of incorporation were duly adopted by the unanimous vote of the Board of Directors on the 26<sup>th</sup> day of January, 2007, at which a quorum was present.

**ARTICLE THREE**

The articles of incorporation and all amendments thereto are hereby superseded by the following restated articles of incorporation which accurately copy the entire text thereof.

**ARTICLE I**

Name

The name of the corporation is **RESPONSIVE EDUCATION SOLUTIONS.**

**ARTICLE II**

Type

The corporation is a non-profit corporation.

**ARTICLE III**

Period of Duration

The period of its duration is perpetual.

ARTICLE IV

Purposes

The corporation is organized exclusively for educational purposes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the corresponding provisions of any subsequent United States revenue law.

ARTICLE V

Membership

The corporation shall have no members.

ARTICLE VI

Registered Office and Agent

The street address of the registered office of the corporation is 1409 Precinct Line Road, Hurst, Texas, 76053 and the name of its registered agent at such address is James B. Morgan.

ARTICLE VII

Board of Directors

The number of Directors constituting the Board of Directors of the corporation at the time of this restatement is six (6) and the names and addresses of the persons who are to serve as the Directors are:

Name	Address
Willard French	423 South Hardeman Circle Justin, Texas 76247
Lupe A. Gonzalez	1501 Dora Jeanne Drive Mission, Texas 78572
Daniel Maddalena	1383 Forest Hill Circle Lewisville, Texas 75067
Gil Rodriguez	5911 Lookout Mountain Drive Austin, Texas 78731
Marvin Reynolds	2405 SW 80 <sup>th</sup> Street Oklahoma City, OK 73159
Earl Little	3314 Bluffview Dr. Garland, Texas 75043

The number of directors may be changed from time to time by the Board of Directors in accordance with the bylaws.

#### ARTICLE VIII

##### Dissolution

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 (c) (3) of the Internal Revenue Code of 1986 (or the

corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of, shall be disposed of by a Court of competent jurisdiction in the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

#### ARTICLE IX

##### Use of Earnings

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, Directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article IV hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from

Federal income tax under Section 501 (c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE X

Liability and Indemnification of Directors

(A) To the fullest extent not prohibited by law, a director of this corporation shall not be liable to the corporation or its members for monetary damages for an act or omission in the director's capacity as a director, except that this article does not eliminate or limit the liability of a director for: (1) a breach of a director's duty of loyalty to the corporation or its members; (2) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (3) a transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or (4) an act or omission for which the liability of a director is expressly provided for by statute.

(B) Each such director and his or her heirs or personal representative and estate, shall be indemnified by the corporation for all expenses incurred in connection with any action, suit,

proceeding or claim to which he or she shall be named a party or otherwise be a participant by virtue of being or having been or agreeing to become: (1) a director, officer, employee or agent of the corporation and/or (2) a director, officer, employee or agent of any corporation or organization at the request of the corporation. Such indemnity shall be provided to the fullest extent not prohibited by applicable laws presently in effect or as may hereafter be amended, and to the fullest extent permitted by the Texas Non-Profit Corporation Act or any other applicable laws as presently in effect or as may hereafter be amended (but in case of any such amendment only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment). Such indemnity shall include, but not be limited to, the advancement of expenses, including counsel fees, and the payment of all losses, liability and expenses; provided, however, that no person shall be indemnified for amounts paid in settlement unless the terms and conditions of said settlement have been consented to by the corporation, and provided further, that no indemnification of employees or agents of the corporation (other than Directors and officers) will be made without express authorization of the corporation's board.

(C) The corporation may, upon the affirmative vote of its board, purchase insurance for the purpose of securing the

indemnification of its Directors, officers and other employees to the extent that such indemnification is allowed by this article. Such insurance may, but need not, be for the benefit of all Directors, officers or employees, and the purchase of any such insurance shall in no way limit the indemnification provisions of the proceeding paragraphs.

(D) No repeal of or amendment to this Article shall have any effect with respect to the liability or alleged liability of any director occurring prior to such amendment or to the acts or omissions or rights to indemnity of any person occurring prior to such repeal or amendment.

Dated this 15<sup>th</sup> day of March, 2007.

RESPONSIVE EDUCATION SOLUTIONS

By: Willard French  
Willard French, President

**BYLAWS**  
**OF**  
**EAGLE ACADEMIES OF TEXAS**  
**A Non-Profit Corporation**

**ARTICLE I. BOARD OF DIRECTORS**

**1.01. General Authority.** The business of the Corporation shall be managed by a board of directors who will be selected or appointed by action of the Board of Directors who shall also retain authority to determine the number of directors, their qualifications and the method for the selection or election thereof.

**1.02. Number and Terms.** The number of directors shall not be less than five (5) and otherwise shall be the number determined by the Board from time to time. Each director shall hold office for a term of three (3) years unless he/she resigns, dies, becomes incapacitated or is removed by the Board. A director may be reelected an unlimited number of times. Directors shall be elected at the annual meeting unless the board is filling a vacancy.

**1.03. Annual Meeting.** The statutory annual meeting of the Board of Directors shall be the first meeting held after March each year. Notice of the annual meeting shall be given in the same manner as regular meeting.

**1.04. Regular Meetings and Notice.** The Superintendent and CEO, in consultation with the President of the Board shall determine the time and place for the holding of regular meetings of the Board and the agenda for such meetings, prepared and posted in accordance with the Texas Open Meetings Act, shall be sent to all directors immediately upon posting.

**1.05. Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the CEO, Superintendent, President or any two (2) directors. The person or persons authorized to call special meetings of the Board may fix the time and place as the place for holding any special meeting of the board called by them. Notice of the meeting shall be given in the same manner as regular meetings except in cases of emergency meetings. An emergency or urgent public necessity exists only if immediate action is required because of an imminent threat to

public health and safety or a reasonably unforeseeable situation. The Board shall clearly identify the emergency or urgent public necessity for each item in the notice of an emergency meeting and each item added in a supplemental notice.

1.06. **Quorum.** A majority of the total number of members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

1.07. **Manner of Acting.** The act of a majority of the directors voting at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law.

1.08. **Vacancies.** Any vacancy occurring in the Board of Directors or any vacancy to be filled by an increase in the number of directors, shall be filled by action of the Board unless the Directors have determined to reduce the number of directors and for this reason elects no successor

1.09. **Compensation.** Directors as such shall not receive any stated salaries for their services; but by resolution of the board of directors, any director may be reimbursed for reasonable expenses incurred in attending any regular or special meeting of the Board, and may be indemnified for expenses incurred by him in connection with any claim asserted against him, by action in court or otherwise, by reason of his being or having been such director, except in relation to matters as to which he shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

## **ARTICLE II. OFFICERS**

2.01. **Officers.** The officers of the Board of Directors shall be a president, a vice-president and a secretary. The board of directors may elect or appoint a CEO, a Superintendent and such other administrators as it shall deem desirable, such administrators to have the authority and perform the duties prescribed, from time to time, by the Board of Directors.

2.02. **Election and Vacancies.** Officers shall be elected each year at the annual meeting. The Board shall elect someone to fill any vacancy that occurs in any board office.

2.03. **Removal.** Any officer elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interest of the corporation would be served thereby.

**2.04. President.** The President shall preside at all meetings of the board of directors. He may sign, with the secretary or any other proper officer of the corporation authorized by the board of directors to so act, any deeds, mortgages, bonds, contracts, or other instruments that the board of directors has authorized, generally or specifically, to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors, by these Bylaws, or by statute to some other officer or agent of the corporation; and, in general, he shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

**2.05. Vice-President.** In the absence of the President or in the event of his inability or refusal to act, the vice-president shall perform the duties of the President, and when so acting, shall have all the powers and be subject to all the restrictions on the President. The vice-president shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

**2.06. Secretary.** The secretary shall perform all duties incident to the office of the secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

### **ARTICLE III. COMMITTEES**

**3.01. Ad hoc Committees.** The Board may appoint any committee that it deems advisable to help carry out the purposes of the Corporation.

**3.02. Chairman.** Unless otherwise designed by these Bylaws, one or more members of each committee shall be appointed chairman, or co-chairman, by the person or persons authorized to appoint the members thereof.

**3.03. Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

**3.04. Quorum.** Unless otherwise provided in the resolution of the board of directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

**3.05. Rules.** Each committee may adopt rules for its own government not inconsistent with these Bylaws, applicable statutes or with rules adopted by the Board of Directors.

**ARTICLE IV. CONTRACTS, CHECKS, DEPOSITS, AND FUNDS**

**4.01. Contracts.** The Board of Directors may authorize any officer or administrator of the corporation to execute and deliver any contract or instrument in the name of and on behalf of the corporation; and such authority may be general or confined to specific instances.

**4.02. Checks, Drafts, or Orders for Payment.** All checks, drafts, or orders for payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or administrator, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors. In the absence of such determination by the board of directors, such instruments shall be signed by the President and countersigned by the secretary of the corporation.

**4.03. Deposits.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

**4.04. Gifts.** The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes, or for any special purpose, of the corporation. The board may refuse any gift if it deems such refusal to be in the best interest of the corporation.

**ARTICLE V. MISCELLANEOUS**

**5.01. Books and Records.** The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any authority of the board of directors.

**5.02. Fiscal Year.** The Board of Directors may select the fiscal year of the corporation, subject to the requirements of any applicable law that might define the fiscal year.

**5.03. Corporate Seal.** The Board of Directors may adopt a corporate seal in such form as it deems appropriate.

**5.04. Waiver of Notice.** Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed

by the person or persons entitled to such notice either before or after the occurrence of the event or transaction described therein, shall be deemed equivalent to the giving of the required notice.

**5.05. Indemnification.**

(a) The corporation shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that he/she is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(b) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suite if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation; provided, however, that no indemnification shall be made in respect to any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation except to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) The termination of any action, suit, or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create

presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the proceeding, had reasonable cause to believe that his conduct was unlawful.

(d) Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

(e) The indemnification hereunder shall be made only upon a determination in the specific case that indemnification is proper under the substantive standards established hereunder. Such determination shall be made (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the shareholders.

(f) The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

#### ARTICLE VI. AMENDMENTS

**6.01. Power to Amend Bylaws.** These Bylaws may be amended, repealed, or added to, or new Bylaws may be adopted, by the same action that is required for all decisions of the Board, which is the affirmative vote of a majority of the directors voting at a meeting at which a quorum is present, and when the proposed amendments have been sent to directors prior to such meeting.

Date approved by the Board: December 6, 2005

\_\_\_\_\_  
Board Secretary



Premier High Schools

## Attachment 5

RESPONSIVE 

The logo icon consists of two interlocking puzzle pieces, one light blue and one dark blue, forming a stylized 'E' or 'D' shape.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

**INDIANA CHARTER SCHOOL BOARD: CHARTER SCHOOL APPLICANT**  
**Statement of Assurances**

The charter school agrees to comply with all of the following provisions: (*Read and check*)

1. A resolution or motion has been adopted by the charter school applicant's governing body that authorizes the submission of this application, including all understanding and assurances contained herein, directing and authorizing the applicant's designated representative to act in connection with the application and to provide such additional information as required.
2. Recipients operate (or will operate if not yet open) a charter school in compliance with all federal and state laws, including Indiana Charter Schools Law as described in all relevant sections of IC § 20-24.
3. Recipients will, for the life of the charter, participate in all data reporting and evaluation activities as required by the Indiana Charter School Board (ICSB) and the Indiana Department of Education. See in particular IC § 20-20-8-3 and relevant sections of IC § 20-24.
4. Recipients will comply with all relevant federal laws including, but not limited to, the *Age Discrimination in Employment Act* of 1975, Title VI of the *Civil Rights Act* of 1964, Title IX of the *Education Amendments of 1972*, section 504 of the *Rehabilitation Act* of 1973, Part B of the *Individuals with Disabilities Education Act*, and section 427 of the *General Education Provision Act*.
5. Recipients will comply with all provisions of the Non regulatory Guidance—Public Charter Schools Program of the U.S. Department of Education, which includes the use of a lottery for enrollment if the charter school is oversubscribed, as well as with applicable Indiana law. See also relevant sections of IC § 20-24.
6. Recipients shall ensure that a student's records, and, if applicable, a student's individualized education program as defined at 20 U.S.C. § 1401(14) of the *Individuals with Disabilities Education Act*, will follow the student, in accordance with applicable federal and state law.
7. Recipients will comply with all provisions of the *No Child Left Behind Act*, including but not limited to, provisions on school prayer, the Boy Scouts of America Equal Access Act, the Armed Forces Recruiter Access to Students and Student Recruiting Information, the Unsafe School Choice Option, the Family Educational Rights and Privacy Act (FERPA) and assessments.
8. Recipients will operate with the organizer serving in the capacity of fiscal agent for the charter school and in compliance with generally accepted accounting principles.
9. Recipients will at all times maintain all necessary and appropriate insurance coverage.
10. Recipients will indemnify and hold harmless the ICSB, the Indiana Department of Education, the State of Indiana, all school corporations providing funds to the charter school (if applicable), and their officers, directors, agents and employees, and any successors and assigns from any and all liability, cause of action, or other injury or damage in any way relating to the charter school or its operation.

11. Recipients understand that the ICSB may revoke the charter if the ICSB deems that the recipient is not fulfilling the academic goals and/or fiscal management responsibilities outlined in the charter.

**Signature from Authorized Representative of the Charter School Applicant**

I, the undersigned, am an authorized representative of the charter school applicant and do hereby certify that the information submitted in this application is accurate and true to the best of my knowledge and belief. In addition, I do hereby certify to the assurances contained above.

**PRINT NAME & TITLE**

Chuck Cook, Chief Executive officer

**DATE**

4/4/12

**SIGN NAME**





Premier High Schools

## Attachment 6

RESPONSIVE 

The logo icon consists of two interlocking puzzle pieces, one light blue and one dark blue, forming a stylized 'R' shape.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

## CHARTER SCHOOL BOARD MEMBER INFORMATION

*(To be completed individually by each proposed board member for the charter holder)*

Serving on a public charter school board is a position of public trust and fiduciary responsibility. As a board member of a public school, you are responsible for ensuring the quality of the school program, competent stewardship of public funds, and the school's fulfillment of its public obligations and all terms of its charter.

As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

### Background

1. Name of charter school on whose Board of Directors you intend to serve:  
Founders Classical Academy of Fort Wayne, Premier High School of Evansville, Premier High School of Gary, Premier High School of Indianapolis
2. Your full name: Chuck Cook
3. Brief educational and employment history. (No narrative response is required if resume is attached.)  
 Resume is attached.
4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

Response: I have over 15 years of experience in private and public education. My experience includes educational leadership, management, finance, and marketing. I also developed the nation's largest privately funded adult educational program in Los Angeles, California.

I currently serve as Chief Executive Officer of Responsive Education Solutions, a charter school district which now includes 50 campuses and over 7,000 students. I also initiated the monumental opening of The Foundation School for Autism in San Antonio, the first tuition-free charter school for students with autism in the state of Texas. I serve as the Treasurer of the Board for the Texas Charter School Association (TCSA).

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?  
 Yes  Don't Know/ Unsure

## Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.

I / we do not know any such trustees.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know the other prospective board members for the proposed school.

2. Indicate whether you or your spouse knows any person who is, or has been in the last two years, a school employee. If so, indicate the precise nature of your relationship.

I / we do not know any such employees.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know individuals who are, or have been in the last two years, school employees.

3. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

I / we do not know any such persons.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know individuals who are doing, or plan to do, business with the charter school.

4. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.

I / we do not anticipate conducting any such business.  Yes

5. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.

Not applicable because the school does not intend to contact with an education service provider or school management organization.

I / we do not know any such persons.  Yes

6. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.

N/A.  I / we have no such interest.  Yes

7. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

N/A.  I / we or my family do not anticipate conducting any such business.  Yes

8. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.

Does not apply to me, my spouse or family.  Yes

Response: I am an existing member of the governing board of the entity that will govern and staff the school. I am also the Chief Executive Officer and Superintendent of Responsive Education Solutions. My father, James Cook, is employed as Director of Online Instruction for Responsive Education Solutions. My mother-in-law, Phyllis Carpus, is employed as Director of Human Resources for Responsive Education Solutions.

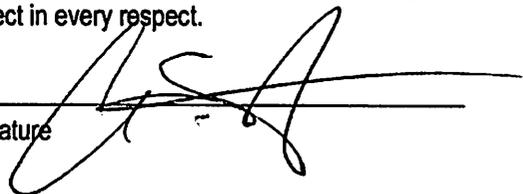
9. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board.  None.  Yes

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#### Certification

I, Chuck Cook, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Responsive Education Solutions is true and correct in every respect.

Signature



Date

4/4/12

# CHARLES COOK

*Chief Executive Officer*

## Overview

Charles Cook brings over 15 years of experience in private and public education. His experience includes educational leadership, management, finance, and marketing. He developed the nation's largest privately funded adult educational program in Los Angeles, California. This experience has served him well as he has been instrumental in crafting one of the largest and most respected charter school districts in Texas. As the Chief Executive Officer of Responsive Education Solutions, Charles gives oversight to a charter school district which now includes 50 campuses and over 7,000 students. Charles has made it his goal to bring quality education to students from various sides of the socio-economic spectrum. ResponsiveEd campuses are diverse in nature, aiding students who are at-risk of dropping out of school to students who are looking for a greater challenge before beginning their college careers. Each school focuses on a personalized approach which fosters the students to become life-long learners. He gives leadership and vision to his staff of 800 + employees and serves with them in the day-to-day operation of ResponsiveEd. One of Charles' greatest strengths is the ability to bring leaders together for a common goal. He is using these strengths today to bring awareness that the charter school movement is a growing force in education in the state of Texas.

Among his many accomplishments, Charles spearheaded the monumental opening of The Foundation School for Autism in San Antonio, the first tuition-free charter school for students with autism in the state of Texas. Charles also serves as the Treasurer of the Board for the Texas Charter School Association (TCSA), the leading charter school advocacy organization in Texas. He earned his Bachelor of Arts Degree in Religion from Luther Rice University in Atlanta, Georgia.

## Experience

1999-Present                      Responsive Education Solutions  
**Chief Executive Officer / Board Member**  
Oversee operations of 50 open-enrollment charter campuses  
Corporate staff of over 130 employees  
School District staff of 800+ employees  
Annual Revenue of \$72.6 million  
Member of the Board of Directors

1995-1999                      School of Tomorrow Publishers  
**Manager of Customer Service**  
Increased sales from 1.7 million to 3.4 million.  
Manage 28 full-time employees.  
Manage over 1.3 million-dollar cost center budget.  
Implemented Customer Care training for 200 corporate employees

1991-1995                      Los Angeles Mission  
**Educational Coordinator**  
Developed adult education program.  
Over 100 program participants.

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**Professional  
Organizations**

Texas Charter School Association (TCSA)  
*Treasurer of the Board of Directors*

**Education**

Luther Rice Seminary  
**B.A., Church Ministries**  
Completed degree with 3.2 GPA.

## CHARTER SCHOOL BOARD MEMBER INFORMATION

*(To be completed individually by each proposed board member for the charter holder)*

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### Background

1. Name of charter school on whose Board of Directors you intend to serve:  
Founders Classical Academy of Fort Wayne, Premier High School of Evansville, Premier High School of Gary, Premier High School of Indianapolis
2. Your full name: Ben Klingenstein
3. Brief educational and employment history. (No narrative response is required if resume is attached.)  
 Resume is attached.
4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

Response: Currently serve as the Secretary of the Board for ResponsiveEd and its Texas Charter Schools, and have served on this board for 4 years; a licensed attorney since 2000 and currently serve as the Executive Director/Compliance Director for JP Morgan Chase.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?  
 Yes  Don't Know/ Unsure

### Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.  
 I / we do not know any such trustees.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know the other prospective board members for the proposed school.

2. Indicate whether you or your spouse knows any person who is, or has been in the last two years, a school employee. If so, indicate the precise nature of your relationship.  
 I / we do not know any such employees.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know individuals who are, or have been in the last two years, school employees.

3. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.  
 I / we do not know any such persons.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know individuals who are doing, or plan to do, business with the charter school.

4. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.  
 I / we do not anticipate conducting any such business.  Yes

5. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.  
 Not applicable because the school does not intend to contact with an education service provider or school management organization.  
 I / we do not know any such persons.  Yes

6. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.  
 N/A.  I / we have no such interest.  Yes

7. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.  
 N/A.  I / we or my family do not anticipate conducting any such business.  Yes

8. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.  
 Does not apply to me, my spouse or family.  Yes

Response: I am an existing member of the governing board of the entity that will govern and staff the school. My father-in-law, Robert Griffin, is employed as Chief Communications Officer for Responsive Education Solutions.

9. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board.  None.  Yes

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**Certification**

I, Ben Klingenstein, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Responsive Education Solutions is true and correct in every respect.

Ben W. Klingenstein  
Signature

4-4-2012  
Date

## **Ben Klingenstein:**

- Served on the board of ResponsiveEd for the past 3 years
- Licensed attorney since 2000
- Currently serves as the Executive Director/Compliance Director at JP Morgan Chase
- Conducted sessions at multiple school law conferences.

## CHARTER SCHOOL BOARD MEMBER INFORMATION

*(To be completed individually by each proposed board member for the charter holder)*

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As part of the application for a new charter school, the Indiana Charter School Board requests that each prospective board member respond individually to this questionnaire. Where narrative responses are required, brief responses are sufficient.

The purpose of this questionnaire is twofold: 1) to give application reviewers a clearer introduction to the founding group behind each school proposal in advance of the applicant interview, in order to be better prepared for the interview; and 2) to encourage board members to reflect individually as well as collectively on their common mission, purposes, and obligations at the earliest stage of school development.

### Background

1. Name of charter school on whose Board of Directors you intend to serve:  
Founders Classical Academy of Fort Wayne, Premier High School of Evansville, Premier High School of Gary, Premier High School of Indianapolis
2. Your full name: Daniel Maddalena
3. Brief educational and employment history. (No narrative response is required if resume is attached.)  
 Resume is attached.
4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

Response: Currently serve as a board member for ResponsiveEd and its Texas Charter Schools, and have served on this board for 10 years; experience as an administrator and business manager of multiple private schools; helped found Calvary College in Kentucky and have served on the board; worked as the Vice President of Finance for a large educational curriculum company for 16 years; over 30 years of educational experience.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?  
 Yes  Don't Know/ Unsure

### Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.  
 I / we do not know any such trustees.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know the other prospective board members for the proposed school.

2. Indicate whether you or your spouse knows any person who is, or has been in the last two years, a school employee. If so, indicate the precise nature of your relationship.

I / we do not know any such employees.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know individuals who are, or have been in the last two years, school employees.

3. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

I / we do not know any such persons.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know individuals who are doing, or plan to do, business with the charter school.

4. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.

I / we do not anticipate conducting any such business.  Yes

5. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.

Not applicable because the school does not intend to contact with an education service provider or school management organization.

I / we do not know any such persons.  Yes

6. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.

N/A.  I / we have no such interest.  Yes

7. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

N/A.  I / we or my family do not anticipate conducting any such business.  Yes

8. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.

Does not apply to me, my spouse or family.  Yes

9. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board.  None.  Yes

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**Certification**

I, Daniel Maddalena , certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Responsive Education Solutions is true and correct in every respect.

Daniel Maddalena

Signature

4-4-12

Date

**Daniel Maddalena:** Mr. Maddalena has served on the board of ResponsiveEd since 2002. He has been involved in education in Texas and Kentucky for over 30 years. In addition to ResponsiveEd, Mr. Maddalena has also served on the board of Calvary Campus in Letcher, Kentucky, since 1976.

- Served as Director at Open Door Children's Home & School, Cornettsville, KY
- Served as a School Teacher and Business Manager at Dallas Christian Academy, Dallas, TX for four years
- Served as the Vice President of Finance at Accelerated Christian Education, Lewisville, TX from 1974-1990
- Served on the Board of Directors for Calvary Campus in Letcher, KY (formerly known as Calvary College) as a Board Member from 1976-2003 and as Chairman of the Board from 2003-Present
- Board Member of Responsive Education Solutions, Lewisville, TX from 2002-Present

## CHARTER SCHOOL BOARD MEMBER INFORMATION

*(To be completed individually by each proposed board member for the charter holder)*

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### Background

1. Name of charter school on whose Board of Directors you intend to serve:  
Founders Classical Academy of Fort Wayne, Premier High School of Evansville, Premier High School of Gary, Premier High School of Indianapolis
2. Your full name: Marvin L. Reynolds
3. Brief educational and employment history. (No narrative response is required if resume is attached.)  
 Resume is attached.
4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

Response: Currently serve as the President of the Board for ResponsiveEd and its Texas Charter Schools, and have served on this board for 10 years; Founder and President of the American Academy in Oklahoma which is in its 25<sup>th</sup> year of service; Founder and now serving as Executive Director of the National Association of Private Schools with over 15 years of service serving 175 schools; served as a head master of a private school for 14 years; served as an educational consultant for 4 years, and as a Regional Field Representative for 10 years for a large educational curriculum and school company; served the Oklahoma City Public School System as a teacher, counselor, and administrator for 7 years.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?  
 Yes  Don't Know/ Unsure

### Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.  
 I / we do not know any such trustees.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know the other prospective board members for the proposed school.

2. Indicate whether you or your spouse knows any person who is, or has been in the last two years, a school employee. If so, indicate the precise nature of your relationship.  
 I / we do not know any such employees.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know individuals who are, or have been in the last two years, school employees.

3. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.  
 I / we do not know any such persons.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know individuals who are doing, or plan to do, business with the charter school.

4. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.  
 I / we do not anticipate conducting any such business.  Yes

5. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.  
 Not applicable because the school does not intend to contact with an education service provider or school management organization.  
 I / we do not know any such persons.  Yes

6. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.  
 N/A.  I / we have no such interest.  Yes

7. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.  
 N/A.  I / we or my family do not anticipate conducting any such business.  Yes

8. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.  
 Does not apply to me, my spouse or family.  Yes

9. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board.  None.  Yes

---

**Certification**

I, Marvin Reynolds, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Responsive Education Solutions is true and correct in every respect.

Marvin L. Reynolds, M.Ed.  
Signature

04/04/2012  
Date

## **Marvin L. Reynolds, M.Ed.**

- Holder of a Masters of Education Degree in Secondary School Administration from the University of Central Oklahoma.
- Post Graduate work for Secondary School Principal at the University of Oklahoma.
- Holder of a Standard Oklahoma Teaching Certificate for Secondary Principal.
  - Teacher # 068043, Certificate #0596976
- Served the Oklahoma City Public School System (7 years) as a teacher, counselor and administrator.
- Ordained to the Ministry at Sherwood Baptist Church in Oklahoma City.
- Head Master of Sherwood Baptist Academy in Oklahoma City, Oklahoma (14 years).
- Served as an Educational Consultant (4) years and as a Regional Field Representative (10 years) for Accelerated Christian Education. (Publishers and School Programs)
- Founder and President of the American Academy in Oklahoma City, Oklahoma (K-12) now in the 25<sup>th</sup> year of service.
- Served as Board Member, Vice President and President of the Board of Responsive Education Solutions headquartered in Lewisville Texas.
- Completion of Board Training for Texas Charter Schools.
- Founder and now serving as Executive Director of the National Association of Private Schools with over 15 years of service serving 175 schools.
- Public, Private, and Christian school experience totaling over 45 years.

## CHARTER SCHOOL BOARD MEMBER INFORMATION

*(To be completed individually by each proposed board member for the charter holder)*

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### Background

1. Name of charter school on whose Board of Directors you intend to serve:  
Founders Classical Academy of Fort Wayne, Premier High School of Evansville, Premier High School of Gary, Premier High School of Indianapolis
2. Your full name: Earl Little
3. Brief educational and employment history. (No narrative response is required if resume is attached.)  
 Resume is attached.
4. Describe any of your previous experiences that are relevant to serving on the charter school's board (including other board experience, or any experience overseeing start-up or entrepreneurial ventures). If you have not had previous experience of this nature, explain why you have the capability to be an effective board member.

Response: Currently serve as vice-president of the board of directors for ResponsiveEd and its Texas Charter Schools, and have served as a board member for over 4 years; experience as an administrator of private schools; served as the President of an organization that provided legal services without charge to private schools; over 20 years of experience traveling and speaking in the US and other countries at private school conferences addressing superintendents, principals and other administrative staff; over 30 years of educational experience.

5. Do you understand the obligations of a charter school's Board of Directors to comply with Indiana's Public Access laws, including the Open Door Law for Board meetings?  
 Yes  Don't Know/ Unsure

### Disclosures

1. Indicate whether you or your spouse knows the other prospective board members for the proposed school. If so, please indicate the precise nature of your relationship.  
 I / we do not know any such trustees.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know the other prospective board members for the proposed school.

2. Indicate whether you or your spouse knows any person who is, or has been in the last two years, a school employee. If so, indicate the precise nature of your relationship.

I / we do not know any such employees.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know individuals who are, or have been in the last two years, school employees.

3. Indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school.

I / we do not know any such persons.  Yes

Response: As an existing member of the governing board of the entity that will govern and staff the school, I know individuals who are doing, or plan to do, business with the charter school.

4. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, indicate the precise nature of the business that is being or will be conducted.

I / we do not anticipate conducting any such business.  Yes

5. If the school intends to contract with an Education Service Provider or management organization, indicate whether you or your spouse knows any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.

Not applicable because the school does not intend to contact with an education service provider or school management organization.

I / we do not know any such persons.  Yes

6. If the school contracts with an education service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, provide a detailed description.

N/A.  I / we have no such interest.  Yes

7. If the school plans to contract with an Education Service Provider, indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

N/A.  I / we or my family do not anticipate conducting any such business.  Yes

8. Indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization that is partnering with the charter school. To the extent you have provided this information in response to prior items, you may so indicate.

Does not apply to me, my spouse or family.  Yes

9. Indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you serve on the school's board.  None.  Yes

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**Certification**

I, Earl Little, certify to the best of my knowledge and ability that the information I am providing to the Indiana Charter School Board as a prospective board member for Responsive Education Solutions is true and correct in every respect.

  
\_\_\_\_\_  
Signature

4-4-12  
Date

## **Earl Little**

- Served as a pastor of multiple churches for 21 years
- Co-founded Christian Legal Defense and Education Foundation to help organizations who were experiencing legal problems
- President of Christian Law Association from 1981-1991, an organization providing legal advice, memorandums of law, and litigation services
- Director of Development for The International Institute from 1992-1999



Premier High Schools

## Attachment 7

RESPONSIVE 

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School believes the information is confidential and need not be disclosed, informing the individual that he may consent to its release, and other appropriate information, should be presented to the person and signed by that person if he wishes the information to be released instead of seeking an opinion from the Texas Attorney General/Public Information Division.

6. If the information requested in writing is public and should be released, the Superintendent or his designee may decide on a case by case basis whether to charge a fee for creation of the document, if electronic, photocopying or other cost is involved.
7. Fees assessed shall not exceed those rates established by the Texas General Service Commission or other similar agency authorized to prescribe such rates and charges. If a fee is authorized, the Superintendent may decide to waive the fee whenever, in his opinion, the best Interests of the Charter School are served.
8. In the event a request for information is received by a Director, employee or other authorized representative of the Charter School, the following procedure applies:
  - If the request is not in writing, the person receiving the request shall inform the person requesting information that the request must be in writing;
  - The request in writing shall be referred immediately to the Superintendent of Schools or his designee;
  - The Superintendent or his designee shall determine whether the information, in his opinion, is public information or confidential.
  - If confidential, the request must be referred to the Office of the Attorney General within ten business days.

(t) The Superintendent of Schools or his designee shall establish a system by which classes of information are maintained, designating those which shall be permanently maintained, and for all others the period of time such records must be maintained.

(u) All grant applications or other assurances shall be reviewed and records maintained in accordance with the program regulations or Charter School assurances.

(v) If evidence of the identity of those accessing confidential information, such as student records, is required, the Superintendent or designee shall establish a system which informs and trains administrators and others who maintain or grant access to records.

#### **A5 - COMPENSATION AND REIMBURSEMENT TO DIRECTORS OF THE GOVERNING BOARD**

- a) No loan shall be made by the charter holder to its directors.
- b) Reimbursements to directors are authorized as directed in bylaws or other action of Board of Directors.
- c) Directors of the governing body may not receive salaries, bonuses, benefits or other compensation or payment for any reimbursement of the Director except reimbursement of allowable travel expenses including but not limited to personal use of property owned by the charter holder or the Charter School in kind transfers of property.

#### **A6 - CONFLICTS OF DIRECTORS OF THE GOVERNING BOARD**

(a) If a Director has a substantial Interest in a business entity or real property, he shall file before a vote or decision on any matter involving the business entity or real property an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if the action will have a special economic effect on the business entity or it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the real property distinguishable from its effect on the public. The affidavit must be filed with the secretary of the board. If a majority of the Directors are required to and do file affidavits of similar interest, the Director is not required thereafter to abstain.

(b) A person has a substantial interest in a business entity if he owns 10% or more of the voting stock or shares, or owns either 10% or more or \$15,000.00 or more of the fair market value of the business entity, or funds received by the Director from the business entity exceed 10% of the person's gross income for the preceding year. A person has a substantial interest in real property if the interest is a legal or equitable ownership with a fair market value of \$2,500.00 or more. A Director is considered to have a substantial interest if he is related to a person in the third degree by consanguinity or affinity who has a substantial interest.

(c) A Director commits a Class A misdemeanor offense if the official knowingly violates this section.

(d) The finding by a court of a violation of this section does not render an action of the governing body voidable unless the measure that was the subject of an action involving a conflict of interest would not have passed the board without the vote of the person who violation the prohibition.

#### **A7 - DEPOSITORY BANKS· CHARTER SCHOOLS**

(a) The Governing board must select depository banks in accordance with this policy for the maintenance of state received funds.

(b)The school depository must be a state bank authorized and regulated under the laws of the State of Texas, a national bank, a savings and loan association, or a savings bank authorized and regulated under federal or state law whose deposits are insured by the Federal Deposit Insurance Corporation.

(c) The school depository must be a bank located in the State of Texas.

(d) If a member of the Governing board Is a stockholder, officer, director or employee of a bank that has bid to become a depository, the Director may not vote on awarding a depository contract to the bank, and the contract must be awarded by a majority vote of the Directors, who may vote if a quorum is present.

(e)The governing board shall deliver annually to the Texas Education Agency a copy of each depository contract for any bank into which any Charter School state received funds are deposited.

#### **A8 - DIRECTOR VACANCIES**

(a) As specified in articles of incorporation and bylaws describing how vacancies occurring prior to expiration of a director's term are filled.

#### **A9 - FEES AND CHARGES - CHARTER SCHOOLS**

(a) The Directors may require payment of a fee for:

- Materials used in any program in which the product becomes the property of the student, so long as the fee does not exceed the cost of the materials;
- Membership dues in student organizations and clubs and admission fees or charges for attending extracurricular activities if membership or attendance is voluntary;
- A security deposit for return of materials, supplies or equipment;
- Personal physical education and athletic equipment;
- Items of personal use or products that a student may purchase at the student's option, such as student publications, class rings, annuals and graduation announcements;
- A fee specifically permitted by any other statute;
- Authorized voluntary student health and accident benefit plans;
- A reasonable fee not to exceed actual annual maintenance cost for the use of musical instruments and uniforms owned or rented by the Charter School;
- Items of personal apparel that become the property of the student and are used in extracurricular activities;

# EMPLOYEE CONDUCT AND WELFARE

## Standards of Conduct

All employees are expected to work together in a cooperative spirit to serve the best interests of the school and to be courteous to students, one another, and the public. Employees are expected to observe the following standards of conduct:

1. Recognize and respect the rights and property of students, parents, other employees, and members of the community.
2. Maintain confidentiality in all matters relating to students and coworkers.
3. Report to work according to the assigned schedule.
4. Notify their immediate supervisor in advance or as early as possible in the event that they must be absent or late. Unauthorized absences, chronic absenteeism, tardiness, and failure to follow procedures for reporting an absence may be cause for disciplinary action.
5. Know and comply with school procedures and policies.
6. Express concerns, complaints, or criticism through appropriate channels.
7. Observe all safety rules and regulations and report injuries or unsafe conditions to a supervisor immediately.
8. Use ResponsiveEd time, funds, and property for authorized school business and activities only.

All ResponsiveEd employees should perform their duties in accordance with state and federal law, school policies and procedures, and ethical standards. Violation of policies, regulations, or guidelines may result in disciplinary action, including termination. Alleged incidents of certain misconduct by educators, including having a criminal record, must be reported to SBEC not later than the seventh day the superintendent first learns of the incident.

All employees must follow the “Code of Ethics and Standard Practices for Texas Educators,” which is reprinted below:

### **Statement of Purpose**

The Texas educator shall comply with standard practices and ethical conduct toward students, professional colleagues, school officials, parents, and members of the community and shall safeguard academic freedom. The Texas educator, in maintaining the dignity of the profession, shall respect and obey the law, demonstrate personal integrity, and exemplify honesty. The Texas educator, in exemplifying ethical relations with colleagues, shall extend just and equitable treatment to all members of the profession. The Texas educator, in accepting a position of public trust, shall measure success by the progress of each student toward realization of his or her potential as an effective citizen. The Texas educator, in fulfilling responsibilities in the community, shall cooperate with parents and others to improve the public schools of the community.

## **Professional Ethical Conduct, Practices, and Performance**

1. The educator shall not intentionally, knowingly, or recklessly engage in deceptive practices regarding official policies of [ResponsiveEd], educational institution, educator preparation program, the Texas Education Agency, or the State Board for Educator Certification (SBEC) and its certification process.
2. The educator shall not knowingly misappropriate, divert, or use monies, personnel, property, or equipment committed to his or her charge for personal gain or advantage.
3. The educator shall not submit fraudulent requests for reimbursement, expenses, or pay.
4. The educator shall not use institutional or professional privileges for personal or partisan advantage.
5. The educator shall neither accept nor offer gratuities, gifts, or favors that impair professional judgment or to obtain special advantage. This standard shall not restrict the acceptance of gifts or tokens offered and accepted openly from students, parents of students, or other persons or organizations in recognition or appreciation of service.
6. The educator shall not falsify records, or direct or coerce others to do so.
7. The educator shall comply with state regulations, written local school board policies, and other state and federal laws.
8. The educator shall apply for, accept, offer, or assign a position or a responsibility on the basis of professional qualifications.
9. The educator shall not make threats of violence against school district employees, school board members, students, or parents of students.
10. The educator shall be of good moral character and be worthy to instruct or supervise the youth of this state.
11. The educator shall not intentionally or knowingly misrepresent his or her employment history, criminal history, and/or disciplinary record when applying for subsequent employment.
12. The educator shall refrain from the illegal use or distribution of controlled substances and/or abuse of prescription drugs and toxic inhalants.
13. The educator shall not consume alcoholic beverages on school property or during school activities when students are present.

## **Ethical Conduct toward Professional Colleagues**

1. The educator shall not reveal confidential health or personnel information concerning colleagues unless disclosure serves lawful professional purposes or is required by law.
2. The educator shall not harm others by knowingly making false statements about a colleague or the school system.
3. The educator shall adhere to written local school board policies and state and federal laws regarding the hiring, evaluation, and dismissal of personnel.
4. The educator shall not interfere with a colleague's exercise of political, professional, or citizenship rights and responsibilities.
5. The educator shall not discriminate against or coerce a colleague on the basis of race, color, religion, national origin, age, gender, disability, family status, or sexual orientation.

6. The educator shall not use coercive means or promise of special treatment in order to influence professional decisions or colleagues.
7. The educator shall not retaliate against any individual who has filed a complaint with the SBEC or who provides information for a disciplinary investigation or proceeding under this chapter.

### **Ethical Conduct toward Students**

1. The educator shall not reveal confidential information concerning students unless disclosure serves lawful professional purposes or is required by law.
2. The educator shall not intentionally, knowingly, or recklessly treat a student or minor in a manner that adversely affects or endangers the learning, physical health, mental health, or safety of the student or minor.
3. The educator shall not intentionally, knowingly, or recklessly misrepresent facts regarding a student.
4. The educator shall not exclude a student from participation in a program, deny benefits to a student, or grant an advantage to a student on the basis of race, color, gender, disability, national origin, religion, family status, or sexual orientation.
5. The educator shall not intentionally, knowingly, or recklessly engage in physical mistreatment, neglect, or abuse of a student or minor.
6. The educator shall not solicit or engage in sexual conduct or a romantic relationship with a student or minor.
7. The educator shall not furnish alcohol or illegal/unauthorized drugs to any person under 21 years of age unless the educator is a parent or guardian of that child or knowingly allow any person under 21 years of age unless the educator is a parent or guardian of that child to consume alcohol or illegal/unauthorized drugs in the presence of the educator.
8. The educator shall maintain appropriate professional educator-student relationships and boundaries based on a reasonably prudent educator standard.
9. The educator shall refrain from inappropriate communication with a student or minor, including, but not limited to, electronic communication such as cell phone, text messaging, email, instant messaging, blogging, or other social network communication. Factors that may be considered in assessing whether the communication is inappropriate include, but are not limited to:
  - a. the nature, purpose, timing, and amount of the communication;
  - b. the subject matter of the communication;
  - c. whether the communication was made openly or the educator attempted to conceal the communication;
  - d. whether the communication could be reasonably interpreted as soliciting sexual contact or a romantic relationship;
  - e. whether the communication was sexually explicit; and
  - f. whether the communication involved discussion(s) of the physical or sexual attractiveness or the sexual history, activities, preferences, or fantasies of either the educator or the student.



Premier High Schools

## Attachment 8

RESPONSIVE 

The logo icon consists of two interlocking puzzle pieces, one light blue and one dark blue, forming a stylized 'E' or 'D' shape.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

Not Applicable

ResponsiveEd will not utilize an Education Service Provider



Premier High Schools

## Attachment 9

RESPONSIVE 

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

Not Applicable

ResponsiveEd provided detail of its business plan within the narrative of the application.



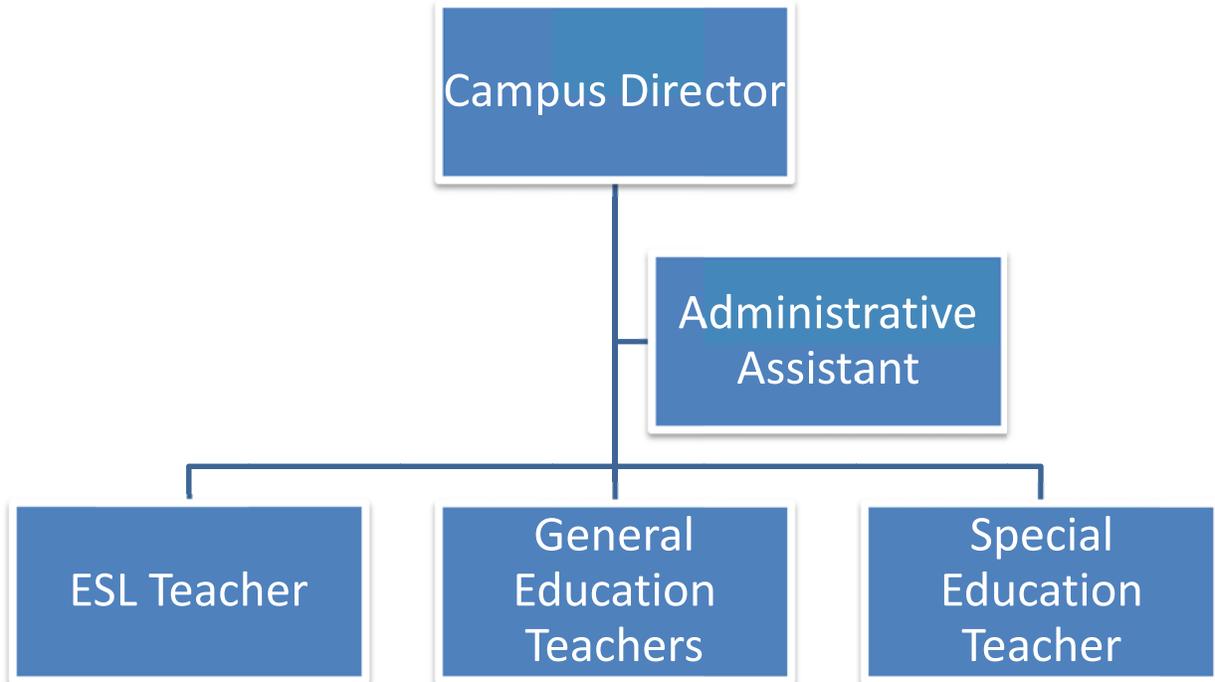
Premier High Schools

## Attachment 10

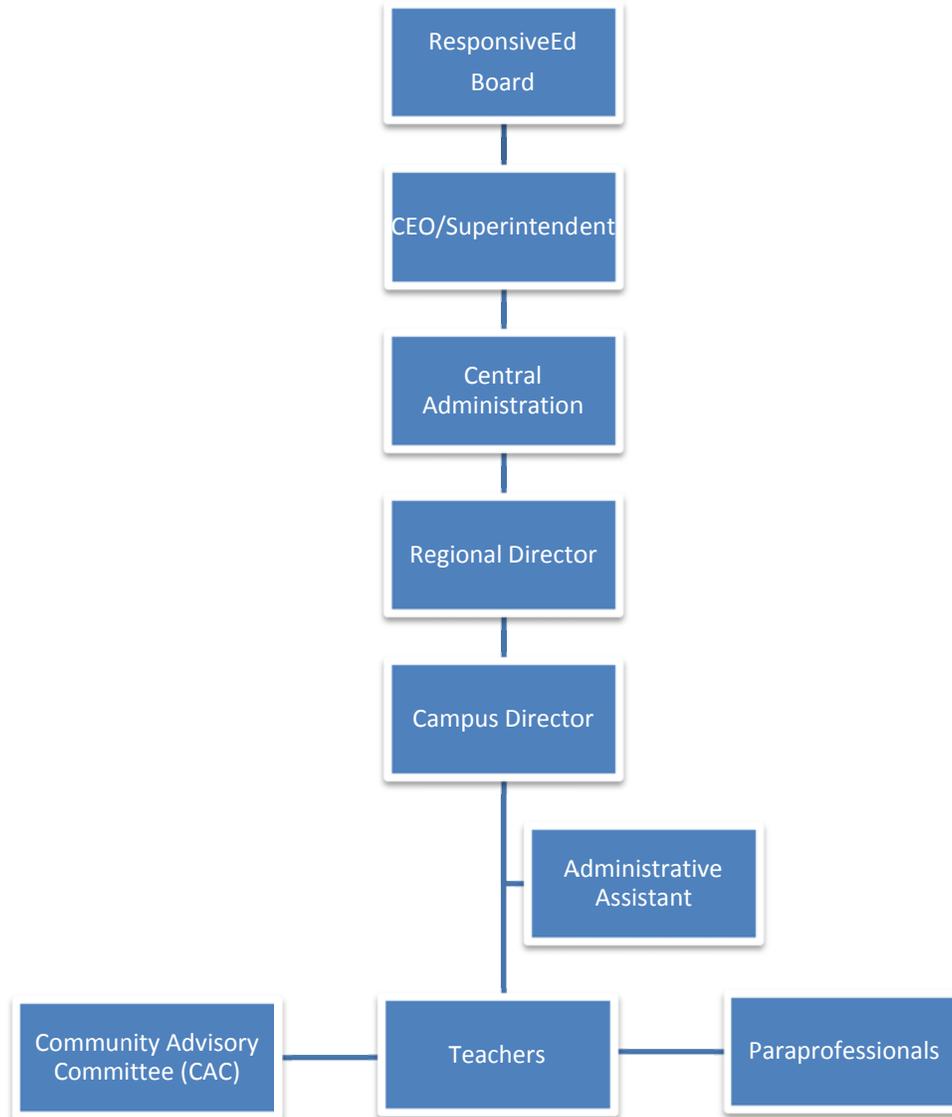
RESPONSIVE 

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**PREMIER HIGH SCHOOL  
ORGANIZATIONAL CHART**



# ResponsiveEd ORGANIZATIONAL CHART





Premier High Schools

## Attachment 11

RESPONSIVE 

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

## ResponsiveEd Course List 2011 - 2012

7/14/2011

Course Category	PEIMS ID	Course Name	Credit	Curriculum Options	Units for 1/2 credit	Units for full credit
English/Language Arts	LAN 600	ELA/Reading 600	n/a	OW, <b>ResponsiveEd Units</b>	n/a	n/a
	LAN 700	ELA/Reading 700	n/a	OW, DU	n/a	n/a
	LAN 800	ELA/Reading 800	n/a	OW, DU	n/a	n/a
	ENG 1	English I	1.0	OW, <b>ResponsiveEd Units</b>	1-5	6-10
	ENG 2	English II	1.0	OW, <b>ResponsiveEd Units</b>	1-5	6-10
	ENG 3	English III	1.0	OW, <b>ResponsiveEd Units</b>	1-5	6-10
	ENG 4	English IV	1.0	OW, <b>ResponsiveEd Units</b>	1-5	6-10
	ENG 1 SOL	English I SOL	1.0	English Discoveries	1-5	6-10
	ENG 2 SOL	English II SOL	1.0	English Discoveries	1-5	6-10
Communication App	COMMAPP	Communication Applications	0.5	Textbook - Exploring Communication w/study guides, DU	1-5	n/a
Math	MATH 600	MATH 600	n/a	OW, <b>ResponsiveEd Units</b>	n/a	n/a
	MATH 700	MATH 700	n/a	OW, <b>ResponsiveEd Units</b>	n/a	n/a
	MATH 800	MATH 800	n/a	OW, <b>ResponsiveEd Units</b>	n/a	n/a
	ALG 1	Algebra I	1.0	VideoText w/worktexts, OW	5	10
	GEOM	Geometry	1.0	VideoText w/worktexts, OW	5	10
	ALG 2	Algebra II	1.0	VideoText w/worktexts, OW	5	10
	PRECAL	Precalculus	1.0	<b>ResponsiveEd units</b>	5	10
	MTHMOD	Math Models	1.0	OW	5	10

\*Course must be put manually to the transcript.  
Unit numbers vary with curriculum.

Social Studies	SOC ST 600	Social Studies 600	n/a	OW, DU, Textbook-Glencoe "Our World Today" w/study guides	n/a	n/a
	TX HIST 700	Texas History 700	n/a	<b>ResponsiveEd Units</b>	n/a	n/a
	SOC ST 800	Social Studies 800	n/a	OW, DU, Textbook-Glencoe "The American Republic To 1877" w/study guides	n/a	n/a
	World Geography	World Geography	1.0	<b>ResponsiveEd Units</b> , OW, Textbook - "World Geography"	1-5	6-10
	W HIST	World History	1.0	<b>ResponsiveEd Units</b> , OW	1-5	6-10
	US HIST	US History	1.0	Glencoe "The American Republic Since 1877" w/study guides	1-5	6-10
	GOVT	Government	0.5	<b>ResponsiveEd Units</b> , OW, DU, Textbook-Glencoe "US Government" w/study guides	1-5	n/a
Economics	ECO-FE	Economics	0.5	<b>ResponsiveEd Units</b> , OW, DU, Textbook- Holt "Economics" w/study guides	1-5	n/a
<b>Course Category</b>	<b>PEIMS ID</b>	<b>Course Name</b>	<b>Credit</b>	<b>Curriculum Options</b>	<b>Units for 1/2 credit</b>	<b>Units for full credit</b>
Science	SCI 600	Science 600	n/a	OW, DU, Textbook-Select Science 6 w/study guides	n/a	n/a
	SCI 700	Science 700	n/a	OW, DU, Textbook-Select Science 7 w/study guides	n/a	n/a
	SCI 800	Science 800	n/a	<b>ResponsiveEd Units</b> , OW, DU, Textbook-Select Science 8 w/study guides	n/a	n/a
	IPC	IPC	1.0	<b>ResponsiveEd Units</b> , OW, Textbook-Glencoe "Integrated Physics and Chemistry" w/study guides	*	*
	BIO	Biology	1.0	OW, DU, Textbook-Holt Biology w/study guides	1-5	6-10
	PHYSICS	Physics	1.0	OW, DU	1-5	6-10
	ASTRON	Astronomy	1.0	<b>ResponsiveEd Units</b>	1-5	6-10
	CHEM	Chemistry	1.0	<b>ResponsiveEd Units</b> , OW, DU	1-5	6-10

\*Course must be put manually to the transcript.  
Unit numbers vary with curriculum.

Health	HEALTH 600	Health Quest	n/a	OW (course can be used once for 6, 7 or 8th grade)	n/a	n/a
	HEALTH 700	Health Quest	n/a	OW	n/a	n/a
	HEALTH 800	Health Quest	n/a	OW	n/a	n/a
	HLTH ED	Health Education	0.5	OW, DU, Glencoe w/study guides	1-5	n/a
Physical Education	PEFOUND	Foundations of Personal Fitness	0.5	Eagle PAKS	1-6	n/a
		PE	0.5	On-Site or off-Site (with approval)		
Languages Other Than English	SPAN 1	Spanish I	1.0	OW (Units 1 - 6)	1-3	4-6
	SPAN2	Spanish II	1.0	OW (Units 7 - 12)	7-9	10-12
	SPAN 3	Spanish III	1.0	OW (Units 13 - 18)	13-15	16-18
	SPAN 1	Spanish I	1.0	Power Speak	half	half
	SPAN2	Spanish II	1.0	Power Speak	half	half
	SPAN 3	Spanish III	1.0	Power Speak	half	half
	FRENCH 1	French I	1.0	Power Speak	half	half
	FRENCH 2	French II	1.0	Power Speak	half	half
	FRENCH 3	French III	1.0	Power Speak	half	half
	GERMAN 1	German I	1.0	Power Speak	half	half
GERMAN 2	German II	1.0	Power Speak	half	half	

\*Course must be put manually to the transcript.  
Unit numbers vary with curriculum.

Fine Arts	ART 1	Art I	1.0	DU	1-5	6-10
Electives	PRINIT	Principles of Information Tech	.5/1.0	www.learnopenoffice.org (Write, Calc, Impress) w/project unit (1 Project unit)	Write/ Calc	Impress
	CLGTRN	College Transitions	0.5/1.0	PENDING APPROVAL	n/a	n/a
	TSDATAE	Touch Systems Data Entry	0.5	Textbook Century 21: Keyboarding, Formatting and Document Processing" w/Keyboarding Study Guide (1 unit)	1	n/a
	CHILDDDEV	Child Development	0.5	<b>ResponsiveEd Units 1, 2, 6, 7, &amp; 8</b>	1-5	n/a
	PRINHUSR	Principles of Human Services	0.5	<b>ResponsiveEd Units 5, 6, 7, 8, &amp; 10</b>	1-5	n/a
		PENDING APPROVAL	1.0	Dave Ramsay's Financial Peace Curriculum	*	*
	SPTSS	Special topics in Social Studies	0.5	<b>ResponsiveEd Units</b> Bible Literacy - Old Testament	1.5	
	BEGACCT 1	Accounting	1.0	DU	1-5	6-10
	BUSMGMT	Business Management	0.5	Textbook-Southwest w/study guides	1-6	n/a
	DIMEDIA	Digital & Interactive Media	0.5	www.learnopenoffice.org (Write) w/project unit (1 Project unit)	n/a	n/a
	PSYCH	Psychology	0.5	Eagle PAKS	1-6	
	MEDTERM	Medical Terminology	0.5	Eagle PAKS	1-5	
	CREAT WR	Creative Writing	.5 or 1	<b>ResponsiveEd Units</b>	1-5	6-10
	READ 1	Reading 1	1.0	Teacher led; <b>Requires approval from the Academic Director</b>	*	*
	READ 2	Reading 2	1.0	Teacher led; <b>Requires approval from the Academic Director</b>	*	*
READ 3	Reading 3	1.0	Teacher led; <b>Requires approval from the Academic Director</b>	*	*	

\*Course must be put manually to the transcript.  
Unit numbers vary with curriculum.



Premier High Schools

## Attachment 12

RESPONSIVE 

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## 2011-2012 Graduation Credit Requirements

Discipline	Minimum HSP	Recommended HSP	Distinguished Achievement Program*
<b>English Language Arts ♦</b>	<p><b>Four credits:</b></p> <ul style="list-style-type: none"> <li>• English I, II, and III</li> <li>• English I and II for Speakers of Other Languages may be substituted for English I and II for students with limited English proficiency who are at the beginning or intermediate levels of English language proficiency.</li> <li>• The fourth credit of English may be selected from any of the following:               <ul style="list-style-type: none"> <li>▪ English IV</li> <li>▪ Research/Technical Writing</li> <li>▪ Creative/Imaginative Writing</li> <li>▪ Practical Writing Skills</li> <li>▪ Literary Genres</li> <li>▪ Business English (CTE)</li> <li>▪ Journalism</li> <li>▪ AP English Language Composition</li> <li>▪ AP English Literature and Composition</li> </ul> </li> </ul>	<p><b>Four credits:</b></p> <ul style="list-style-type: none"> <li>• English I, II, III, and IV</li> <li>• English I and II for Speakers of Other Languages may be substituted for English I and II only for students with limited English proficiency who are at the beginning or intermediate levels of English language proficiency.</li> </ul>	<p><b>Four credits:</b></p> <ul style="list-style-type: none"> <li>• English I, II, III, and IV</li> <li>• English I and II for Speakers of Other Languages may be substituted for English I and II only for students with limited English proficiency who are at the beginning or intermediate levels of English language proficiency.</li> </ul>
<b>Mathematics ♦</b>	<p><b>Three credits:</b></p> <ul style="list-style-type: none"> <li>• Algebra I</li> <li>• Geometry</li> <li>• The third credit may be selected from any of the following:               <ul style="list-style-type: none"> <li>▪ Algebra II</li> <li>▪ Precalculus</li> <li>▪ Mathematical Models with Applications</li> <li>▪ Independent Study in Mathematics</li> <li>▪ Advanced Quantitative Reasoning (AQR)</li> <li>▪ AP Statistics</li> <li>▪ AP Calculus AB</li> <li>▪ AP Calculus BC</li> <li>▪ AP Computer Science</li> <li>▪ IB Mathematical Studies Standard Level</li> <li>▪ IB Mathematics Standard Level</li> <li>▪ IB Mathematics Higher Level</li> <li>▪ IB Further Mathematics Standard Level</li> <li>▪ Mathematical Applications in Agriculture, Food, and Natural Resources (CTE)</li> <li>▪ Engineering Mathematics (CTE)</li> <li>▪ Statistics and Risk Management (CTE)</li> </ul> </li> </ul>	<p><b>Four credits:</b></p> <ul style="list-style-type: none"> <li>• Algebra I</li> <li>• Geometry</li> <li>• Algebra II</li> <li>• The additional credit may be selected from either of the following and must be successfully completed prior to Algebra II:               <ul style="list-style-type: none"> <li>▪ Mathematical Models with Applications</li> <li>▪ Mathematical Applications in Agriculture, Food, and Natural Resources (CTE)</li> </ul> </li> <li>• The fourth credit may be selected from the following after successful completion of Algebra I, Geometry, and Algebra II:               <ul style="list-style-type: none"> <li>▪ Precalculus</li> <li>▪ Independent Study in Mathematics</li> <li>▪ Advanced Quantitative Reasoning (AQR)</li> <li>▪ AP Statistics</li> <li>▪ AP Calculus AB</li> <li>▪ AP Calculus BC</li> <li>▪ AP Computer Science</li> <li>▪ IB Mathematical Studies Standard Level</li> <li>▪ IB Mathematics Standard Level</li> <li>▪ IB Mathematics Higher Level</li> <li>▪ IB Further Mathematics Standard Level</li> <li>▪ Engineering Mathematics (CTE)</li> <li>▪ Statistics and Risk Management (CTE)</li> </ul> </li> </ul>	<p><b>Four credits:</b></p> <ul style="list-style-type: none"> <li>• Algebra I</li> <li>• Geometry</li> <li>• Algebra II</li> <li>• The fourth credit may be selected from any of the following after successful completion of Algebra I, Algebra II, and Geometry:               <ul style="list-style-type: none"> <li>▪ Precalculus</li> <li>▪ Independent Study in Mathematics</li> <li>▪ Advanced Quantitative Reasoning (AQR)</li> <li>▪ AP Statistics</li> <li>▪ AP Calculus AB</li> <li>▪ AP Calculus BC</li> <li>▪ AP Computer Science</li> <li>▪ IB Mathematical Studies Standard Level</li> <li>▪ IB Mathematics Standard Level</li> <li>▪ IB Mathematics Higher Level</li> <li>▪ IB Further Mathematics Standard Level</li> <li>▪ Engineering Mathematics (CTE)</li> <li>▪ Statistics and Risk Management (CTE)</li> </ul> </li> </ul>

♦ College Board advanced placement, college-level concurrent/dual enrollment, and International Baccalaureate courses may be substituted for requirements in appropriate areas.

\* Distinguished Achievement Program requirements also include student achievement of four advanced measures.

## 2011-2012 Graduation Credit Requirements

Discipline	Minimum HSP	Recommended HSP	Distinguished Achievement Program*
<b>Science ♦</b>	<p><b>Two credits:</b></p> <ul style="list-style-type: none"> <li>• Biology</li> <li>• Integrated Physics and Chemistry</li> </ul> <p>May substitute Chemistry or Physics for IPC but must use the other as academic elective credit</p>	<p><b>Four credits:</b></p> <ul style="list-style-type: none"> <li>• Biology, AP Biology, or IB Biology</li> <li>• Chemistry, AP Chemistry, or IB Chemistry</li> <li>• Physics, Principles of Technology, AP Physics, or IB Physics</li> <li>• The additional credit may be IPC and must be successfully completed prior to chemistry and physics.</li> <li>• The fourth credit may be selected from any of the following:               <ul style="list-style-type: none"> <li>▪ Aquatic Science</li> <li>▪ Astronomy</li> <li>▪ Earth and Space Science</li> <li>▪ Environmental Systems</li> <li>▪ AP Biology</li> <li>▪ AP Chemistry</li> <li>▪ AP Physics B</li> <li>▪ AP Physics C</li> <li>▪ AP Environmental Science</li> <li>▪ IB Biology</li> <li>▪ IB Chemistry</li> <li>▪ IB Physics</li> <li>▪ IB Environmental Systems</li> <li>▪ Scientific Research and Design (CTE)</li> <li>▪ Anatomy and Physiology (CTE)</li> <li>▪ Engineering Design and Problem Solving (CTE)</li> <li>▪ Medical Microbiology (CTE)</li> <li>▪ Pathophysiology (CTE)</li> <li>▪ Advanced Animal Science (CTE)</li> <li>▪ Advanced Biotechnology (CTE)</li> <li>▪ Advanced Plant and Soil Science (CTE)</li> <li>▪ Food Science (CTE)</li> <li>▪ Forensic Science (CTE)</li> </ul> </li> </ul>	<p><b>Four credits:</b></p> <ul style="list-style-type: none"> <li>• Biology, AP Biology, or IB Biology</li> <li>• Chemistry, AP Chemistry, or IB Chemistry</li> <li>• Physics, AP Physics, or IB Physics</li> <li>• After successful completion of a biology course, a chemistry course, and a physics course, the fourth credit may be selected from any of the following:               <ul style="list-style-type: none"> <li>▪ Aquatic Science</li> <li>▪ Astronomy</li> <li>▪ Earth and Space Science</li> <li>▪ Environmental Systems</li> <li>▪ AP Biology</li> <li>▪ AP Chemistry</li> <li>▪ AP Physics B</li> <li>▪ AP Physics C</li> <li>▪ AP Environmental Science</li> <li>▪ IB Biology</li> <li>▪ IB Chemistry</li> <li>▪ IB Physics</li> <li>▪ IB Environmental Systems</li> <li>▪ Scientific Research and Design (CTE)</li> <li>▪ Anatomy and Physiology (CTE)</li> <li>▪ Engineering Design and Problem Solving (CTE)</li> <li>▪ Medical Microbiology (CTE)</li> <li>▪ Pathophysiology (CTE)</li> <li>▪ Advanced Animal Science (CTE)</li> <li>▪ Advanced Biotechnology (CTE)</li> <li>▪ Advanced Plant and Soil Science (CTE)</li> <li>▪ Food Science (CTE)</li> <li>▪ Forensic Science (CTE)</li> </ul> </li> </ul>
<b>Social Studies ♦</b>	<p><b>Two and one-half credits:</b></p> <ul style="list-style-type: none"> <li>• U.S. History Studies Since 1877 (one credit)</li> <li>• U.S. Government (one-half credit)</li> <li>• The final credit may be selected from the following:               <ul style="list-style-type: none"> <li>▪ World History Studies (one credit)</li> <li>▪ World Geography Studies (one credit)</li> </ul> </li> </ul>	<p><b>Three and one-half credits:</b></p> <ul style="list-style-type: none"> <li>• World History Studies (one credit)</li> <li>• World Geography Studies (one credit)</li> <li>• U.S. History Studies Since 1877 (one credit)</li> <li>• U.S. Government (one-half credit)</li> </ul>	<p><b>Three and one-half credits:</b></p> <ul style="list-style-type: none"> <li>• World History Studies (one credit)</li> <li>• World Geography Studies (one credit)</li> <li>• U.S. History Studies Since 1877 (one credit)</li> <li>• U.S. Government (one-half credit)</li> </ul>
<b>Economics with emphasis on the free enterprise system and its benefits ♦</b>	One-half credit	One-half credit	One-half credit
<b>Academic Elective</b>	<p>One credit from any of the following:</p> <ul style="list-style-type: none"> <li>• World History Studies</li> <li>• World Geography Studies</li> <li>• Any science course approved by SBOE</li> </ul> <p>(If substituting Chemistry or Physics for IPC, must use the other as academic elective credit here.)</p>	None	None
<b>Languages Other Than English ♦</b>	None	<p><b>Two credits:</b> The credits must consist of any two levels in the same language.</p>	<p><b>Three credits:</b> The credits must consist of any three levels in the same language.</p>

♦ College Board advanced placement, college-level concurrent/dual enrollment, and International Baccalaureate courses may be substituted for requirements in appropriate areas.

\* Distinguished Achievement Program requirements also include student achievement of four advanced measures.

## 2011-2012 Graduation Credit Requirements

Discipline	Minimum HSP	Recommended HSP	Distinguished Achievement Program*
<b>Physical Education</b>	<p><b>One credit:</b></p> <ul style="list-style-type: none"> <li>• The required credit may be from any combination of the following one-half to one credit courses: <ul style="list-style-type: none"> <li>▪ Foundations of Personal Fitness</li> <li>▪ Adventure/Outdoor Education</li> <li>▪ Aerobic Activities</li> <li>▪ Team or Individual Sports</li> </ul> </li> <li>• In accordance with local district policy, credit for any of the courses listed above may be earned through participation in the following activities: <ul style="list-style-type: none"> <li>▪ Athletics</li> <li>▪ JROTC</li> <li>▪ Appropriate private or commercially-sponsored physical activity programs conducted on or off campus</li> </ul> </li> <li>• In accordance with local district policy, up to one credit for any one of the courses listed above may be earned through participation in any of the following activities: <ul style="list-style-type: none"> <li>▪ Drill Team</li> <li>▪ Marching Band</li> <li>▪ Cheerleading</li> </ul> </li> <li>• All allowed substitution activities must include at least 100 minutes per five-day school week of moderate to vigorous physical activity.</li> <li>• Credit may not be earned for any TEKS-based course more than once. No more than four substitution credits may be earned through any combination of substitutions.</li> </ul>	<p><b>One credit:</b></p> <ul style="list-style-type: none"> <li>• The required credit may be from any combination of the following one-half to one credit courses: <ul style="list-style-type: none"> <li>▪ Foundations of Personal Fitness</li> <li>▪ Adventure/Outdoor Education</li> <li>▪ Aerobic Activities</li> <li>▪ Team or Individual Sports</li> </ul> </li> <li>• In accordance with local district policy, credit for any of the courses listed above may be earned through participation in the following activities: <ul style="list-style-type: none"> <li>▪ Athletics</li> <li>▪ JROTC</li> <li>▪ Appropriate private or commercially-sponsored physical activity programs conducted on or off campus</li> </ul> </li> <li>• In accordance with local district policy, up to one credit for any one of the courses listed above may be earned through participation in any of the following activities: <ul style="list-style-type: none"> <li>▪ Drill Team</li> <li>▪ Marching Band</li> <li>▪ Cheerleading</li> </ul> </li> <li>• All allowed substitution activities must include at least 100 minutes per five-day school week of moderate to vigorous physical activity.</li> <li>• Credit may not be earned for any TEKS-based course more than once. No more than four substitution credits may be earned through any combination of substitutions.</li> </ul>	<p><b>One credit:</b></p> <ul style="list-style-type: none"> <li>• The required credit may be from any combination of the following one-half to one credit courses: <ul style="list-style-type: none"> <li>▪ Foundations of Personal Fitness</li> <li>▪ Adventure/Outdoor Education</li> <li>▪ Aerobic Activities</li> <li>▪ Team or Individual Sports</li> </ul> </li> <li>• In accordance with local district policy, credit for any of the courses listed above may be earned through participation in the following activities: <ul style="list-style-type: none"> <li>▪ Athletics</li> <li>▪ JROTC</li> <li>▪ Appropriate private or commercially-sponsored physical activity programs conducted on or off campus</li> </ul> </li> <li>• In accordance with local district policy, up to one credit for any one of the courses listed above may be earned through participation in any of the following activities: <ul style="list-style-type: none"> <li>▪ Drill Team</li> <li>▪ Marching Band</li> <li>▪ Cheerleading</li> </ul> </li> <li>• All allowed substitution activities must include at least 100 minutes per five-day school week of moderate to vigorous physical activity.</li> <li>• Credit may not be earned for any TEKS-based course more than once. No more than four substitution credits may be earned through any combination of substitutions.</li> </ul>
<b>Speech</b>	<p><b>One-half credit from either of the following:</b></p> <ul style="list-style-type: none"> <li>• Communication Applications</li> <li>• Professional Communications (CTE)</li> </ul>	<p><b>One-half credit from either of the following:</b></p> <ul style="list-style-type: none"> <li>• Communication Applications</li> <li>• Professional Communications (CTE)</li> </ul>	<p><b>One-half credit from either of the following:</b></p> <ul style="list-style-type: none"> <li>• Communication Applications</li> <li>• Professional Communications (CTE)</li> </ul>
<b>Fine Arts ♦</b>	<p><b>One credit</b> for students who enter Grade 9 in 2010-11 or later from any of the following:</p> <ul style="list-style-type: none"> <li>• Art, Level I, II, III, or IV</li> <li>• Dance, Level I, II, III, or IV</li> <li>• Music, Level I, II, III, or IV</li> <li>• Theatre, Level I, II, III, or IV;</li> <li>• Principles and Elements of Floral Design (CTE)</li> </ul>	<p><b>One credit from any of the following:</b></p> <ul style="list-style-type: none"> <li>• Art, Level I, II, III, or IV</li> <li>• Dance, Level I, II, III, or IV</li> <li>• Music, Level I, II, III, or IV</li> <li>• Theatre, Level I, II, III, or IV</li> <li>• Principles and Elements of Floral Design (CTE)</li> </ul>	<p><b>One credit from any of the following:</b></p> <ul style="list-style-type: none"> <li>• Art, Level I, II, III, or IV</li> <li>• Dance, Level I, II, III, or IV</li> <li>• Music, Level I, II, III, or IV</li> <li>• Theatre, Level I, II, III, or IV</li> <li>• Principles and Elements of Floral Design (CTE)</li> </ul>
<b>Elective Courses ♦</b>	<p><b>Six and one-half credits from any of the following:</b></p> <ul style="list-style-type: none"> <li>• The list of courses approved by the SBOE for Grades 9-12 (relating to Essential Knowledge and Skills)</li> <li>• State-approved innovative courses</li> <li>• JROTC (one to four credits)</li> <li>• Driver Education (one-half credit)</li> </ul>	<p><b>Five and one-half credits from any of the following:</b></p> <ul style="list-style-type: none"> <li>• The list of courses approved by the SBOE for Grades 9-12 (relating to Essential Knowledge and Skills)</li> <li>• State-approved innovative courses</li> <li>• JROTC (one to four credits)</li> <li>• Driver Education (one-half credit)</li> </ul>	<p><b>Four and one-half credits from any of the following:</b></p> <ul style="list-style-type: none"> <li>• The list of courses approved by the SBOE for Grades 9-12 (relating to Essential Knowledge and Skills)</li> <li>• State-approved innovative courses</li> <li>• JROTC (one to four credits)</li> <li>• Driver Education (one-half credit)</li> </ul>
<b>Total Credits</b>	<b>22</b>	<b>26</b>	<b>26</b>

♦ College Board advanced placement, college-level concurrent/dual enrollment, and International Baccalaureate courses may be substituted for requirements in appropriate areas.

\* Distinguished Achievement Program requirements also include student achievement of four advanced measures.



Premier High Schools

## Attachment 13

RESPONSIVE 

The logo icon consists of two interlocking puzzle pieces. The left piece is a darker blue and the right piece is a lighter blue, forming a shape that resembles a stylized 'E' or a similar letter.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

# RESPONSIVE EDUCATION SOLUTIONS PREMIER HIGH SCHOOL 2013-2014 SCHOOL YEAR

August .....12-13 - Teachers' Meetings  
 August.....14 - First Day of School  
 September.....2 - NO SCHOOL – Labor Day  
 September.....27 - 6-wk Grading Pd = 32 days  
 October.....11 - NO SCHOOL – Fall Break  
                                   Makeup Day  
 October.....18 - 9-wk Grading Pd = 46 days  
 November.....8 - 6-wk Grading Pd = 29 days  
 November.....11 - NO SCHOOL - Veterans' Day  
 November.....28-29 - NO SCHOOL – Thanksgiving  
 December.....20 - END OF FIRST SEMESTER  
                                   6-wk Grading Pd = 27 days  
                                   9-wk Grading Pd = 42 days  
 Decemb. 23 – Jan. 1 - NO SCHOOL – Winter Recess  
 January.....20 - NO SCHOOL – MLKing Jr. Day  
 February.....14 - 6-wk Grading Pd = 31 days  
 February.....17 - NO SCHOOL – Presidents' Day  
                                   Makeup Day  
 March.....7 - 9-wk Grading Pd = 45 days  
 March.....24-28 - NO SCHOOL – Spring Recess  
 April.....4 - 6-wk Grading Pd = 29 days  
 April.....18 - NO SCHOOL – Makeup Day  
 April.....21 - NO SCHOOL – Makeup Day  
 May.....22 - END OF SECOND SEMESTER  
                                   6-wk Grading Pd = 32 days  
                                   9-wk Grading Pd = 47 days  
 May.....23 - Teacher Workday – Makeup Day  
 May.....23-24 - Senior Graduations

If additional makeup days are needed, they will be added to the end of the school year. Department of Education requires 180 instructional days.

\*\*\* NOTE CHANGE: All potential makeup days will be considered for attendance should they be needed. When a scheduled school day is cancelled, the next available makeup day will be utilized. Exceptions will be made at EVSC's discretion should a cancellation fall within a week of the scheduled potential makeup day.

### Grading Periods:

#### 9 Weeks:

1 <sup>st</sup>	46 days	8/14 – 10/18
2 <sup>nd</sup>	42 days	10/21 – 12/20
3 <sup>rd</sup>	45 days	1/02 – 3/07
4 <sup>th</sup>	47 days	3/10 – 5/22

#### 6 Weeks:

1 <sup>st</sup>	32 days	8/14 – 9/27
2 <sup>nd</sup>	29 days	9/30 – 11/08
3 <sup>rd</sup>	27 days	11/12 – 12/20
4 <sup>th</sup>	31 days	1/02 – 2/14
5 <sup>th</sup>	29 days	2/18 – 4/04
6 <sup>th</sup>	32 days	4/07 – 5/22

<b>SCHOOL IN ATTENDANCE</b>
<b>NO SCHOOL</b>
<b>TEACHER WORK DAY</b>

### JULY 2013

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

### AUGUST 2013

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

### SEPTEMBER 2013

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

### OCTOBER 2013

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

### NOVEMBER 2013

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

### DECEMBER 2013

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

### JANUARY 2014

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

### FEBRUARY 2014

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

### MARCH 2014

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

### APRIL 2014

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

### MAY 2014

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

### JUNE 2014

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

1<sup>st</sup> semester = 88 days

2<sup>nd</sup> semester = 92 days

## Daily Class Schedule

<b>Subject</b>	<b>Time</b>	<b>Instructional Minutes</b>
Campus Announcements	8:00am – 8:15am	15 minutes
Math	8:15am – 9:00am	45 minutes
Science	9:00am – 9:45am	45 minutes
English / Literacy	9:45am – 10:30am	45 minutes
Social Studies	10:30am – 11:15am	45 minutes
Elective / Foreign Language	11:15am – 12:00pm	45 minutes
Lunch Break	12:00pm – 12:30pm	
Academic Tutorials	12:30pm – 2:30pm	120 minutes
Total Instructional Minutes = 360		



Premier High Schools

## Attachment 14

RESPONSIVE 

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

## **RESPONSIVE EDUCATION SOLUTIONS ENROLLMENT POLICY**

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**Admission Requirements:** Admission and enrollment of students shall be open to any person who resides within the geographic boundaries stated in the school's charter, and who is eligible for admission based on lawful criteria identified in the charter. The total number of students enrolled in the school shall not exceed the number of students approved in the charter or subsequent amendments. Applications for admission shall be due by a reasonable deadline to be set each year by the school.

It is the policy of the school to prohibit discrimination in student admission on the basis of race, creed, color, socioeconomic class or national origin in accordance with the Indiana Code.

As provided in the school's charter, the school may exclude students from admission who have documented history of a criminal offense, juvenile court adjudication or discipline problems.

**Pre-Admission Activities for Students or Parents:** Prior to the opening of each campus, ResponsiveEd will host a voluntary community parent meeting to provide parents with an overview of the school and attempt to gauge interest in the campus. In addition, approximately one week before the school officially opens, each campus will host an open house which will also serve as an informational and registration (if any open slots are available) session for prospective families.

**Application Period & Enrollment Deadlines (tentative):** Shortly after the signing of the facility lease, ResponsiveEd will open the enrollment process and will continue on an on-going basis, even after school begins, as long as open slots are available. In the event that capacity is met, all interested students will be placed on a waiting list and notified when a position becomes available.

**Application Process:** Interested families complete a non-binding student information at the campus. Within three business days, the school will then contact the family if it is determined that there are open slots at the campus. The family would then be invited to return to the school to receive a full application to be completed and returned in order to enroll the student.

**Intent to Enroll Forms:** Intent to enroll forms are not required. However, we do implement additional strategies to assess interest. Once a community has been pinpointed to open a new campus, ResponsiveEd will host a parent information meeting in order to gauge community interest. At this meeting, a non-binding student information form (intent to enroll) is distributed to interested families. Families are asked to provide information for their student(s) if they are interested in their student(s) attending in the upcoming academic year. The amount of sheets returned at the parent meeting allow the school to project how many students to expect, how many teachers to hire, how large of a facility to target, and, ultimately, confirms whether the location is in need of a charter option.

**Lottery:** If the number of eligible applicants does not exceed the number of vacancies, then all qualified applications who have timely applied will be offered admission. If there are more eligible applicants than available spaces in a class, then a lottery will be conducted at a time set by the school each year. A name (or number assigned to a name) will be drawn for each vacancy that exists, and each applicant whose name (or number) is drawn will be offered admission. Notification will be made by telephone, e-mail, or U.S. Postal Service. Failure of an applicant to respond within 48 hours of the date of telephone call or email, or within three business days of a post-marked letter, will forfeit his or her position in the application process. Parents notified by mail should call the school immediately upon receipt of the notice in order to preserve their student's position in the lottery. The remaining names will then be drawn

and placed on a waiting list in the order in which they were drawn. If a vacancy arises before the commencement of the school year, the individual on the waiting list with the lowest number assignment will be offered admission and then removed from the waiting list. If an application is received after the application period has passed, the applicant's name will be added to the waiting list behind the names of the applicants who timely applied.

Please note that, per State guideline, the school will exempt from the lottery process students who are already admitted and siblings of students already admitted.

***Lottery Dates (tentative):*** Each campus establishes a lottery date that is set within a reasonable time period to allow students/parents/caregivers sufficient time to determine their education plans for the upcoming academic year.

***Non-Discrimination:*** ResponsiveEd will not deny enrollment to any eligible student based on gender, national origin, race, ethnicity, religion, disability, academic or athletic eligibility. Furthermore, ResponsiveEd will not discriminate against students with special education needs or those qualified as English Language Learners. The primary focus of the schools will be to positively impact the lives of those students who have dropped out of their previous school situation and are hoping to reconnect with education and earn a high school diploma. Accordingly, it will be the intention of ResponsiveEd to enroll students from all walks of life, regardless of socioeconomic status.

***Student Waiting Lists:*** Once capacity has been met, all additional students interested in attending the school will be placed on a student waiting list. As availability opens, students will be notified of the opportunity to enroll based on a first-come-first-served basis.

***Withdrawal Policy & Procedure:*** Students under the age of 18 may be withdrawn from school only by a parent. The school requests notice from the parent at least three days in advance so that records and documents may be prepared. Less than three days' notice may result in forms being mailed. A withdrawal form may be obtained from the school office.

A student who is 18 years of age or older, who is married or who has been declared by a court to be an emancipated minor, may withdraw without parental signature. In all cases, withdrawal forms must be appropriately completed and signed before withdrawal is complete.

The school may initiate withdrawal of a student for non-attendance if:

- 1) the student has been absent 10 consecutive school days and repeated efforts by the school to locate the student have been unsuccessful, or
- 2) the student is 18 years of age or older has more than five unexcused absences in one semester.

***Re-Enrollment Policy & Procedure:*** To be eligible for continued enrollment in the school or re-enrollment, the parent must show proof of residency at the time of enrollment. If the student has withdrawn from the school and intends to return, in addition to residency requirements, a full application form must be completed and submitted.

***Transfer Procedure:*** When a student withdraws and transfers to a new school, the school will forward the student's records upon request to the school in which a student seeks or intends to enroll without the necessity of the parent's consent.



Premier High Schools

## Attachment 15

RESPONSIVE The logo for Responsive Education features the word 'RESPONSIVE' in a grey, serif font. To its right is a blue icon consisting of two interlocking puzzle pieces, one slightly overlapping the other.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

## **RESPONSIVE EDUCATION SOLUTIONS SCHOOL DISCIPLINE POLICY**

**A. *Practices to Promote Good Discipline:*** To function properly, education must provide an equal learning opportunity for all students by recognizing, valuing and addressing the individual needs of every student. In addition to the regular curriculum, principals and practices of good citizenship must be taught and modeled by the school staff. This includes an appreciation for the rights of others. Any conduct that causes or creates a reasonable likelihood that it will cause a substantial disruption in or material interference with any school function, activity or purpose, or that interferes or creates a reasonable likelihood that it will interfere with the health, safety or well-being or rights of other students is prohibited. A teacher may send a student to the Campus Director's office to maintain effective discipline in the classroom. In addition, a teacher may remove from class a student: 1) who has been documented by the teacher to repeatedly interfere with the teacher's ability to communicate effectively with the students in the class or with the ability of the student's classmates to learn; or 2) whose behavior the teacher determines is so unruly, disruptive or abusive that it seriously interferes with the teacher's ability to communicate effectively with the students in the class or with the ability of the student's classmates to learn.

### ***B. Offenses & Consequences***

Discretionary Out-of-School Suspensions: Academic Dishonesty; Being a member of, pledging to become a member of, joining, or soliciting another person to join, or pledge to become a member of a school fraternity, sorority, secret society or gang, as defined by Texas Education Code 37.121; Bypassing of internet blocks on school computers or networks to enter unapproved sites; Causing an individual to act through the use of or threat of force (coercion); Engaging in conduct on campus that constitutes dating violence, including intentional use of physical, sexual, verbal or emotional abuse to harm, threaten, intimidate or control another person with whom the student has or has had a dating relationship; Engaging in conduct that constitutes sexual harassment (verbal and/or physical); Engaging in offensive conduct of a sexual nature (verbal or physical); Extortion/blackmail; Failure to comply with conditions of in-school suspension placement; Failure to comply with school medication policies; False accusation of conduct that would constitute a misdemeanor or felony; Falsification of school records; Fighting/mutual combat; Gambling; Gang activity (nonviolent); Hazing, harassment or bullying of students (physical); Inappropriate behavior (e.g., violent; threat of being violent; racially, ethnically, or culturally motivated actions); Interference with school activities or discipline; Leaving classroom, school property or school-sponsored events without permission; Making an obscene gesture; Persistent Level I offenses (two Level I offenses within a period of 45 rolling school days); Possessing a look-alike weapon, including without limitations, BB guns, CO<sup>2</sup> guns, air pistols or rifles, pellet guns, or any other device designed to appear to be a firearm or other weapon; Possessing a stun gun, mace or pepper spray; Possessing ammunition; Possessing drug paraphernalia; Possessing or selling "look-alike" drugs; Possessing or using fireworks or other explosive devices; Possessing or using tobacco; Possessing prescription drugs, giving a prescription drug to another student, or possessing or being under the influence of another person's prescription drug; Possessing, viewing or distributing pictures, text messages, emails or other material of a sexual nature in any media format; Refusing to allow student search; Sexual harassment/sexual abuse not defined as a Level III or IV offense; Theft; Threats (nonviolent/verbal or written); Throwing object not considered an illegal weapon that can cause bodily injury or property damage; Unruly, disruptive or abuse behavior that interferes with the teacher's ability to communicate effectively with the students in the class; Use of profanity or vulgar/offensive language (orally or in writing); Using the Internet or other electronic communications to threaten students or employees, or cause disruption to the school program; Verbal or written abuse (e.g., name calling, racial or ethnic slurs, or derogatory statements that may disrupt the school environment, etc); Willful destruction of school or personal property and/or vandalism

Mandatory Suspension and Discretionary Expulsion: Any offense listed in Sections 37.006(a) or 37.007(b) of the Texas Education Code, no matter when or where the offense takes place; Burglary of a motor vehicle on campus; Conduct punishable as a felony not defined as a Level IV offense; Criminal mischief against school, student, or school staff; Deliberate destruction of or tampering with school computer data or networks; Disruptive activity; Gang activity (violent); Inappropriate exposure of body parts; Inappropriate sexual conduct; Persistent Level I offenses (four Level I offenses within a period of 45 rolling school days); Persistent Level II offenses (two Level II offenses within a period of 45 rolling school days); Possessing a knife, razor, box cutter, chain or any other object used in way

## **RESPONSIVE EDUCATION SOLUTIONS SCHOOL DISCIPLINE POLICY**

that threatens or inflicts bodily injury to another person; Possessing, selling, distributing or under the influence of inhalants; Possessing, selling, distributing or under the influence of a simulated controlled substance; Setting or attempting to set a fire on school property (not arson); Targeting someone for bodily harm; Threats (violent/verbal or written)

Mandatory Expulsion: Any offense listed in Section 37.007(a) and (d) of the Texas Education Code, no matter when or where the offense takes place; Required to register as a sex offender

***C. Rights of Students with Disabilities in Disciplinary Action:*** A student with a disability shall not be excluded from his or her current placement pending appeal to the Board of Trustees for more than ten days without ARD Committee action to determine appropriate services in the interim. Pending appeal to a special education hearing officer, unless the school and parents agree otherwise, a student with a disability shall remain the present education setting.

***D. Appeal Process for Student facing Expulsion:*** Students alleged to have committed an expellable offense will receive a hearing before the Campus Director within a reasonable time following the alleged misconduct. Prior to the hearing, the school will send a written notice to the student and the other student's parents, including: 1) the basis for the proposed expulsion; 2) the date, time and location of the hearing; and 3) the right of the student, at the hearing, to be present; be accompanied by his or her parent; be represented by an adult representative, including legal counsel; present evidence, call witnesses and testify; and be informed of the school's evidence. After making a good faith effort to inform the student and the student's parents of the time and place of the hearing, the school shall hold the hearing regardless of whether the student, the student's parents or adult representing the student attends. The Campus Director shall audio record the hearing. Within seven days following the hearing on expulsion, the Campus Director will notify the student and the student's parents in writing of his or her decision. If the outcome of the expulsion hearing is that the student will be expelled, the Campus Director will enter an expulsion order and provide a copy to the student and the student's parents specifying: 1) the length of the expulsion; 2) the procedures for re-admittance at the end of the expulsion period, if applicable; and 3) the right to appeal the Campus Director's decision. The notice shall also state that failure to timely request such a hearing constitutes a waiver of further rights in the matter.

### Grievance/Appeal Process

**Level I:** A student or parent who has a complaint that could not be resolved informally shall request a conference with the Campus Director by filing the complaint in writing on a form provided by the school. The form must be filed with the school office within seven days of the time the student or parent know, or should have known, of the event or series of events about which the student or parent is complaining. Copies of any document that support the complaint should be attached to the complaint form. If the student or parent does not have copies of these documents, they may be presented at the Level One conference. After the Level One conference, no new documents may be submitted unless the student or parent did not know the documents existed before the Level One conference. A complaint form that is incomplete in any material way may be dismissed, but may be re-filed with all the requested information if the re-filing is within the designated time for filing a complaint. The Campus Director shall hold a conference with the student or parent within seven days of the request. The seven-day timeframe for holding the Level One conference may be extended if mutually agreed to by both the student or parent and the Campus Director. An adult may represent a student at this and any level of the complaint. The Campus Director shall have seven days following the Level One conference within which to respond. Announcement of a decision in the student's or parent's presence shall constitute communication of a decision.

**Level Two:** If the outcome of the Level One conference with the Campus Director is not to the student's or parent's satisfaction or the time for a response has expired, the student or parent may appeal the Level One decision to the Regional Director by filing the appeal notice in writing on a form provided by the school. *Note: In the event that the Level One conference was held by the Regional Director or designee, the Level Two conference shall be held by*

## **RESPONSIVE EDUCATION SOLUTIONS SCHOOL DISCIPLINE POLICY**

*another Regional Director of designee.* The appeal notice must include a copy of the Level One complaint, a copy of the Level One decision being appealed (if applicable) and a copy of any documents presented at the Level One conference. The Regional Director or designee shall hold a conference with the student or parent within seven days of the appeal notice. The seven-day timeframe for holding the Level Two conference may be extended if mutually agreed to by both the student or parent and the Regional Director or designee. The Regional Director or designee shall have seven days following the Level Two conference within which to respond. Announcement of a decision in the student's or parent's presence shall constitute communication of the decision.

Level Three: If the outcome of the Level Two conference with the Regional Director or designee is not to the student's or parent's satisfaction or the time for a response has expired, the student or parent may appeal the Level Two decision to the Superintendent by filing the appeal notice in writing on a form provided by the school. The appeal notice must include a copy of the Level One complaint, a copy of the Level Two appeal notice, a copy of the Level One and Level Two decisions being appealed (if applicable) and a copy of any documents presented at the Level One and Level Two conferences. The Superintendent or designee shall hold a conference with the student or parent within 14 days of the appeal notice. The 14-day timeframe for holding the Level Three conference may be extended if mutually agreed to by both the student or parent and the Superintendent or designee. The Level Three conference may be held via telephone or video conference at the discretion of the Superintendent. The Superintendent or designee shall have seven days following the Level Three conference to respond. Announcements of a decision in the student's or parent's presence shall constitute communication of the decision.

Level Four: If the outcome of the Level Three conference with the Superintendent or designee is not to the student's or parent's satisfaction or the time for a response has expired, the student or parent may appeal the Level Three decision to the Board of Trustees by filing the appeal notice in writing on a form provided by the school. The appeal notice must include a copy of the Level One complaint; a copy of the Level Two and Level Three appeal notices; a copy of the Level One, Level Two and Level Three decisions being appealed (if applicable); and a copy of any documents presented at the Level One, Level Two and the Level Three conferences. The appeal will then be placed on the agenda of a future Board meeting. The Superintendent or designee shall inform the student or parent of the date, time and place of the meeting. The Board of Trustees is not required to consider documentation not previously submitted or issues not previously presented. The presiding officer may set reasonable time limits. The Board of Trustees shall hear the complaint and may request a response from the school. The school shall make an audiotape record of the Level Four proceedings before the Board of Trustees. The Board of Trustees shall then make and communicate its decision orally or in writing at any time up to and including the next regularly scheduled Board meeting. If for any reason the Board of Trustees fails to reach a decision regarding the complaint by the end of the next regularly scheduled Board meeting, the lack of response by the Board of Trustees upholds the decisions at Level Three. If the complaint involves concerns or charges regarding an employee, it shall be heard by the Board of Trustees in closed meeting unless the employee to whom the complaint pertains requests that it be heard in public.

*Note: When the school determines, in its sole discretion, that two or more individual complaints are sufficiently similar in nature and remedy to permit their resolution through one proceeding, the complaints may be consolidated. Furthermore, the Superintendent may, at his sole discretion, modify this complaint process or require an alternative process, so long as the Board of Trustees retains final authority to hear and decide complaints and concerns brought hereunder.*

### ***E. Parents Informed of the School's Discipline Policy***

The school's discipline policy is clearly outlined in the *Parent/Student Handbook* which is distributed to parents annually.



Premier High Schools

## Attachment 16

RESPONSIVE 

The logo icon consists of two interlocking puzzle pieces, one light blue and one dark blue, forming a stylized 'E' or 'D' shape.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

## **EVIDENCE OF COMMUNITY SUPPORT**

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As evidenced above, the proposed communities are in need of more high quality educational options. ResponsiveEd will meet this demand by offering proven and effective academic models to cities in the state of Indiana. These PHS campuses will not only become an asset to these communities but will also offer hope to students and families in the community.

The Regional Director will be responsible for developing and managing relationships within the community. To that end, each school will seek to establish partnerships with local youth-serving organizations (i.e., Boys & Girls Clubs, YMCAs, etc.) to make them aware of PHS and how the schools can benefit students that they may serve who may be interested or benefit from attending PHS. In addition, beginning in January of 2013, each school will launch a community awareness campaign to ensure that local education organizations, parents and businesses are familiar with the schools and the academic services offered by PHS for local students.

Finally, as a component of the organization's sustainability efforts, the Regional Director will cultivate relationships with local, regional and state donors who have an expressed interest in supporting educational programs. In doing so, it is the hope of ResponsiveEd to develop a donor family that is available to not only assist in the ongoing operations of the schools but will also be available to provide additional support for special initiatives or capital needs that arise in the future.



Premier High Schools

## Attachment 17

RESPONSIVE 

The logo for Responsive Education features the word "RESPONSIVE" in a grey, serif font. To its right is a blue icon consisting of two interlocking puzzle pieces, one slightly overlapping the other.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

**PREMIER HIGH SCHOOL  
START-UP PLAN**

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- a. The Start-Up Plan must indicate the targeted first day (month, day, year) of student attendance, as well s the school's first day of operation per IC 20-24-3-4.*

All Premier High School campuses will align their school calendar to that of the local school district. Accordingly, ResponsiveEd anticipates the following targeted first days of operation:

Evansville: August 14, 2013  
 Gary: August 14, 2013  
 Indianapolis: August 5, 2013

- b. The Start-Up Plan must specify planning tasks by month, and responsible individuals.*

<b>ACTIVITY</b>	<b>INDIVIDUAL/DEPARTMENT RESPONSIBLE</b>	<b>TIMELINE</b>
<b>MAY</b>		
Recruit and hire Regional Director	Human Resources	May 2012 – June 2012
<b>JULY</b>		
Locate and secure suitable facilities for each school in the identified areas	Regional Director, Acquisitions	July 2012 – September 2012
<b>NOVEMBER</b>		
Facility Walk-throughs/Site Surveys	Regional Director, Facilities, IT	November 2012
<b>DECEMBER</b>		
Develop and implement facility improvement plans (utilities, fire and safety, ADA, technology, etc.)	Regional Director, Operations Manager, Acquisitions	December 2012 – March 2013
Create school calendar to align with local school district(s)	Regional Director	December 2012
<b>JANUARY</b>		
Certificate of Occupancy/Special Use Permit Application	Regional Director, Facilities	January 2013 – March 2013
Conduct community awareness campaign – mailings/brochures, community meetings	Regional Director	January 2013 – July 2013
<b>MARCH</b>		
Recruit and hire Campus Directors	Regional Director, Human Resources	March 2013 – April 2013

<b>APRIL</b>		
Sign lease agreements for all facilities	Regional Director	April 2013
Recruit and hire teachers, paraprofessionals and other support staff	Regional Director, Campus Directors, Human Resources	April 2013 – May 2013
New Campus Director Training	Regional Director, Campus Directors, Human Resources	April 2013 – May 2013
Campus Director On-the-Job training with Regional Director	Regional Director, Campus Directors	April 2013 – May 2013
<b>MAY</b>		
Order school furniture, carrel desks and supplies	Regional Director, Finance	May 2013
Order computers and associated hardware	Regional Director, IT	May 2013
Install premise wiring plan	IT	June 2013
Order ISP service for campus	IT	June 2013
<b>JUNE</b>		
Order curriculum	Regional Director, Campus Directors, Finance	June 2013 – August 2013
Host New Employee Orientation	Human Resources	June 2013 – July 2013
Facilitate staff trainings – job specific trainings, character education training	Human Resources	June 2013 – July 2013
Connect and test all technology hardware and software applications	IT	June 2013
Ensure all health and safety equipment and supplies are available at each campus	Regional Director, Facilities	June 2013
Install visitor management software	IT	June 2013
Host dyslexia training	Regional Director	June 2013
<b>JULY</b>		
Train Campus Directors and School Secretaries on Applidesk	Regional Director	July 2013
Receive curriculum	Regional Director, Campus Directors	July 2013 – August 2013

AUGUST		
Indianapolis PHS First Day of School	Campus Directors, Staff	August 5, 2013
Evansville PHS First Day of School	Campus Directors, Staff	August 14, 2013
Gary PHS First Day of School	Campus Directors, Staff	August 14, 2013

- c. Additional Requirements for Applicants Planning to Open in Fall 2012: The Start-Up Plan must include a detailed, weekly start-up plan for the months of June-August 2012. In addition, the Plan must describe how the school will fund start up activities in these months. Finally, the Plan must include a compelling argument that the school be ready to successfully serve students and comply with all ICSB policies by the first day of student attendance.*

Not applicable



Premier High Schools

## Attachment 18

RESPONSIVE 

The logo icon consists of a blue square containing a white puzzle piece shape that fits into a larger blue shape to its right, symbolizing responsiveness or integration.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

## PREMIUM SUMMARY – INDICATION ONLY

COVERAGE	LIMITS	PREMIUM
PROPERTY	\$75,000 Contents at each location	\$1,085
GENERAL LIABILITY Including Educators Legal, Employee Benefits, Sexual Abuse, Directors & Officers Liability	General Aggregate \$2,000,000 Each Occurrence \$1,000,000 Personal & Advertising Injury \$1,000,000 Damage to Rented Premises \$100,000 Medical Expense \$15,000 Employee Benefits Liability Each Claim \$1,000,000 Employee Benefits Liability Aggregate \$2,000,000 Abuse & Molestation Liability Each Claim \$1,000,000 Abuse & Molestation Liability Aggregate \$3,000,000 Innocent Party Defense Coverage \$300,000 Educator's Legal Liability (including Directors & Officers Liability and Employment Practices Liability) Each Claim and Aggregate \$1,000,000	\$11,785
BUSINESS AUTOMOBILE	\$1,000,000 Liability Combined Single Limit \$2,500 PIP/Medical Expenses \$1,000,000 Uninsured/Underinsured Motorists	\$0
WORKERS' COMPENSATION	Bodily Injury by Accident, Each Accident \$1,000,000 Bodily Injury by Disease, Policy Limit \$1,000,000 Bodily Injury by Disease, Each Employee \$1,000,000	\$0.39 per \$100 of payroll
UMBRELLA LIABILITY	Each Occurrence \$5,000,000 Aggregate \$5,000,000	\$0

- Please note this is only an indication of pricing for the requested coverages and is only valid for 30 days from March 28, 2012. Actual pricing will be based on final locations, student numbers, vehicles purchased and staff payroll.
- Pricing for Business Automobile cannot be determined until vehicles are purchased in the state of Indiana.
- Pricing for Umbrella Liability cannot be determined until the underlying pricing is finalized. If the current Texas policies are endorsed to include the Indiana exposures, the Umbrella pricing will not be affected until the policy renews November 1, 2012. Umbrella Liability pricing will only change if a separate policy is issued prior to November 1, 2012 for the Indiana exposures.

Explanations are in general terms and do not change or replace the terms or conditions of the policies.



Premier High Schools

## Attachment 19

RESPONSIVE 

The logo for 'RESPONSIVE' features the word in a grey, serif font. To the right of the word is a blue icon consisting of two interlocking puzzle pieces, one slightly overlapping the other.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

**Combined Responsive Education Solutions  
Five Year Projection**

	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>
Schools	54	63	84	105	125
<b>REVENUES</b>					
Local	\$ 8,965,943	\$ 10,460,267	\$ 13,947,022	\$ 17,433,778	\$ 20,754,498
State	66,908,884	78,060,365	104,080,486	130,100,608	154,881,676
Federal	2,291,588	2,673,519	3,564,692	4,455,866	5,304,602
<b>TOTAL Revenues</b>	<u>78,166,415</u>	<u>91,194,151</u>	<u>121,592,201</u>	<u>151,990,251</u>	<u>180,940,775</u>
<b>EXPENSES</b>					
Instruction	44,540,418	51,963,821	69,285,095	86,606,368	103,102,819
Instructional Resources and Media Services	41,000	47,833	63,778	79,722	94,907
Curriculum and Instructional Staff Development	1,832,087	2,137,435	2,849,913	3,562,391	4,240,942
Instructional Leadership	1,702,784	1,986,581	2,648,775	3,310,969	3,941,630
School Leadership	6,816,890	7,953,038	10,604,051	13,255,064	15,779,838
Guidance, Counseling, Evaluation Services	281,709	328,661	438,214	547,768	652,104
Social Work Services	47,000	54,833	73,111	91,389	108,796
Health Services	231,295	269,844	359,792	449,740	535,405
Student (Pupil) Transportation	94,700	110,483	147,311	184,139	219,213
Food Services	883,588	1,030,853	1,374,470	1,718,088	2,045,343
Cocurricular/Extracurricular Activities	49,000	57,167	76,222	95,278	113,426
General Administration	12,272,049	14,317,391	19,089,854	23,862,318	28,407,521
Facilities Maintenance and Operations	3,961,213	4,621,415	6,161,887	7,702,359	9,169,475
Security and Monitoring Services	50,600	59,033	78,711	98,389	117,130
Data Processing Services	672,632	784,737	1,046,316	1,307,896	1,557,019
Community Services	266,047	310,388	413,851	517,314	615,850
Debt Service	569,500	664,417	885,889	1,107,361	1,318,287
Fund Raising	218,180	254,543	339,391	424,239	505,046
<b>TOTAL Expenses</b>	<u>74,530,692</u>	<u>86,952,474</u>	<u>115,936,632</u>	<u>144,920,790</u>	<u>172,524,750</u>
<b>NET Surplus</b>	<u>\$ 3,635,723</u>	<u>\$ 4,241,677</u>	<u>\$ 5,655,569</u>	<u>\$ 7,069,461</u>	<u>\$ 8,416,025</u>

## **INDIANA CHARTER SCHOOL BOARD**

### **|General Instructions for New School Applicants**

- Complete the School Enrollment Projection tab in **ORANGE**
- Complete the Year 0 - Budget and Cash Flow tab in **PURPLE**
- Complete **ALL FIVE** annual budget tabs in **BLUE**
- Complete **ALL FIVE** staffing tabs in **GREEN**
- Enter information into the **WHITE** cells
- Do not enter information into the **GREY** cells

School Name: \_\_\_\_\_

## SCHOOL ENROLLMENT PROJECTIONS

Planned Number of Students																	
ACADEMIC YEAR	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	% ELL	% SPED	% FRL
Year 1: 2013-2014										32	31	31	31	125	1.4%	17.9%	47.0%
Year 2: 2014-2015										43	41	30	30	144	1.4%	17.9%	47.0%
Year 3: 2015-2016										50	50	38	30	168	1.4%	17.9%	47.0%
Year 4: 2016-2017										50	50	48	48	196	1.4%	17.9%	47.0%
Year 5: 2017-2018										50	50	50	50	200	1.4%	17.9%	47.0%

Planned Number of Classes														
ACADEMIC YEAR	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Year 1: 2013-2014										1	1	1	1	4
Year 2: 2014-2015										2	2	1	1	6
Year 3: 2015-2016										2	2	2	1	7
Year 4: 2016-2017										2	2	2	2	8
Year 5: 2017-2018										2	2	2	2	8

School Name: _____						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>REVENUE</b>						
<b>State Revenue</b>						
Basic Grant		\$ 454,521	\$ 509,063	\$ 581,787	\$ 654,510	\$ 727,233
Common School Loan		\$ 454,521	\$ 509,063	\$ 581,787	\$ 654,510	\$ 727,233
Charter School Start-Up Grant		\$ -				
State Matching Funds for School Lunch Program		\$ -	\$ -	\$ -	\$ -	\$ -
Professional Development		\$ -	\$ -	\$ -	\$ -	\$ -
Remediation Program		\$ -	\$ -	\$ -	\$ -	\$ -
Full-Day Kindergarten		\$ -	\$ -	\$ -	\$ -	\$ -
Gifted and Talented Program		\$ -	\$ -	\$ -	\$ -	\$ -
Textbook Reimbursement		\$ 3,750	\$ 3,938	\$ 4,134	\$ 4,341	\$ 4,558
Summer School		\$ -	\$ -	\$ -	\$ -	\$ -
Other State Revenue (please describe)		\$ 13,444	\$ 15,057	\$ 17,208	\$ 19,359	\$ 21,510
Other State Revenue (please describe)		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Federal Revenue</b>						
Public Charter School Program (PCSP) Grant	\$ -	\$ -	\$ -			
Facilities Assistance Program Grant		\$ -	\$ -			
Title I		\$ 28,638	\$ 32,074	\$ 36,656	\$ 41,238	\$ 45,820
Title II		\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Federal Lunch Program		\$ 50,659	\$ 56,738	\$ 64,843	\$ 72,949	\$ 81,054
Federal Breakfast Reimbursement		\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue Federal sources (please describe)	\$ -	\$ 30,000	\$ 33,600	\$ 38,400	\$ 43,200	\$ 48,000
Other Revenue Federal sources (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue Federal sources (please describe)		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Revenues</b>						
Committed Philanthropic Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Before and After Care Fees		\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income		\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ 150,000	\$ 105,000	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	\$ 150,000	\$ 1,148,033	\$ 1,167,032	\$ 1,332,316	\$ 1,497,607	\$ 1,662,908
<b>EXPENDITURES</b>						
<b>Personnel Expenses</b>						
Wages, Benefits and Payroll Taxes	\$ 12,500	\$ 540,341	\$ 590,932	\$ 658,387	\$ 725,841	\$ 793,296
Substitutes		\$ 3,000	\$ 3,360	\$ 3,840	\$ 4,320	\$ 4,800
Professional Development	\$ -	\$ 2,500	\$ 2,800	\$ 3,200	\$ 3,600	\$ 4,000
Bonuses		\$ -	\$ -	\$ -	\$ -	\$ -

Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Personnel Expenses</b>	\$ 12,500	\$ 545,841	\$ 597,092	\$ 665,427	\$ 733,761	\$ 802,096
<b>Instructional Supplies and Resources</b>						
Textbooks	\$ -	\$ 18,750	\$ 19,688	\$ 20,672	\$ 21,705	\$ 22,791
Library, periodicals, etc	\$ -	\$ 375	\$ 420	\$ 480	\$ 540	\$ 600
Technology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessment materials	\$ -	\$ 625	\$ 700	\$ 800	\$ 900	\$ 1,000
Computers	\$ 40,000	\$ 20,000	\$ 5,625	\$ 6,469	\$ 7,439	\$ 2,967
Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other classroom supplies	\$ -	\$ 11,344	\$ 12,705	\$ 14,520	\$ 16,335	\$ 18,150
Field trips, other unclassified items	\$ -	\$ 1,000	\$ 1,120	\$ 1,280	\$ 1,440	\$ 1,600
Co-curricular & Athletics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ 250	\$ 280	\$ 320	\$ 360	\$ 400
Other (please describe)	\$ -	\$ 750	\$ 840	\$ 960	\$ 1,080	\$ 1,200
Other (please describe)	\$ -	\$ 1,250	\$ 1,400	\$ 1,600	\$ 1,800	\$ 2,000
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Instructional Supplies and Resources</b>	\$ 40,000	\$ 54,344	\$ 42,778	\$ 47,101	\$ 51,599	\$ 50,708
<b>Support Supplies and Resources</b>						
Administrative Computers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration Dues, fees, misc expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office supplies	\$ -	\$ 3,150	\$ 3,528	\$ 4,032	\$ 4,536	\$ 5,040
Other (please describe)	\$ -	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Other (please describe)	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Support Supplies and Resources</b>	\$ -	\$ 12,150	\$ 12,528	\$ 13,032	\$ 13,536	\$ 14,040
<b>Board Expenses</b>						
Charter Board Services, including Board Training, retreats	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter Board Supplies & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter Board Dues, fees, etc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Board Expenses</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Professional Purchased or Contracted Services</b>						
Legal Services	\$ -	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Audit Services	\$ -	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
Payroll Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounting Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Printing/Newsletter/Annual Report Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internet Services	\$ -	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800
Telephone/Telecommunication Services	\$ -	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ -	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Travel	\$ -	\$ 500	\$ 560	\$ 640	\$ 720	\$ 800
Postage	\$ -	\$ 1,000	\$ 1,120	\$ 1,280	\$ 1,440	\$ 1,600
Special Education Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Information Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food service	\$ -	\$ 50,659	\$ 56,738	\$ 64,843	\$ 72,949	\$ 81,054
Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ 1,000	\$ 1,120	\$ 1,280	\$ 1,440	\$ 1,600
Other (please describe)	\$ -	\$ 2,500	\$ 2,800	\$ 3,200	\$ 3,600	\$ 4,000
Other (please describe)	\$ -	\$ 2,000	\$ 2,240	\$ 2,560	\$ 2,880	\$ 3,200
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Professional Purchased or Contracted Services</b>	\$ -	\$ 79,759	\$ 86,678	\$ 95,903	\$ 105,129	\$ 114,354
<b>Facilities</b>						
Rent, mortgage, or other facility cost	\$ 32,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000
Furniture	\$ 50,000	\$ 25,000	\$ 9,375	\$ 10,781	\$ 12,398	\$ 4,945
Gas/electric	\$ 3,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000
Water/Sewer	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -
Grounds Keeping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance Services	\$ -	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Custodial	\$ 3,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Waste disposal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600
Other (please describe)	\$ -	\$ 660	\$ 660	\$ 660	\$ 660	\$ 660
Other (please describe)	\$ -	\$ 3,125	\$ 3,500	\$ 4,000	\$ 4,500	\$ 5,000
Other (please describe)	\$ -	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Other (please describe)	\$ -	\$ 1,000	\$ 1,120	\$ 1,280	\$ 1,440	\$ 1,600

<b>Total Facilities</b>	\$ 89,000	\$ 295,885	\$ 280,755	\$ 282,821	\$ 285,098	\$ 278,305
<b>Other</b>						
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indiana Charter School Board Administrative Fee	\$ -	\$ 18,181	\$ 20,363	\$ 23,271	\$ 26,180	\$ 29,089
CMO/EMO Fee	\$ -	\$ 136,356	\$ 122,175	\$ 139,629	\$ 157,082	\$ 174,536
Other (please describe)	\$ 6,000	\$ 4,000	\$ 3,500	\$ 4,000	\$ 4,500	\$ 5,000
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other</b>	\$ 6,000	\$ 158,537	\$ 146,038	\$ 166,900	\$ 187,762	\$ 208,625
<b>Total Expenditures</b>	\$ 147,500	\$ 1,146,516	\$ 1,165,869	\$ 1,271,184	\$ 1,376,885	\$ 1,468,128
<b>Carryover/Deficit</b>	\$ 2,500	\$ 1,517	\$ 1,164	\$ 61,132	\$ 120,722	\$ 194,780
<b>Cumulative Carryover/(Deficit)</b>	\$ 2,500	\$ 4,017	\$ 5,181	\$ 66,312	\$ 187,035	\$ 381,814









<b>Expected New School Annual Operating Budget -- YEAR 1 -- Fiscal Year July 1-June 30</b>		
<b>REVENUE</b>	<b>Amount</b>	<b>Notes</b>
<b>State Revenue</b>		
Basic Grant	\$ 454,521	
Common School Loan	\$ 454,521	
Charter School Start-Up Grant		
State Matching Funds for School Lunch Program		
Professional Development		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	\$ 3,750	
Summer School		
Other State Revenue (please describe)	\$ 13,444	Special Education
Other State Revenue (please describe)		
<b>Federal Revenue</b>		
Public Charter School Program (PCSP) Grant		
Charter School Facilities Assistance Program Grant		
Title I	\$ 28,638	
Title II	\$ 7,500	
Federal Lunch Program	\$ 50,659	
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)	\$ 30,000	IDEA-B
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
<b>Other Revenues</b>		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)	\$ 105,000	Responsive Education Solutions
Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Revenue</b>	<b>\$ 1,148,033</b>	
<b>EXPENDITURES</b>		
<b>Personnel Expenses</b>		
Wages, Benefits and Payroll Taxes	\$ 540,341	Use staffing workbook
Substitutes	\$ 3,000	
Professional Development	\$ 2,500	
Bonuses		
Other (please describe)		
Other (please describe)		

Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Personnel Expenses</b>	\$ 545,841	
<b>Instructional Supplies and Resources</b>		
Textbooks	\$ 18,750	
Library, periodicals, etc	\$ 375	
Technology		
Assessment materials	\$ 625	Testing Materials
Computers	\$ 20,000	
Software		
Other classroom supplies	\$ 11,344	
Field trips, other unclassified items	\$ 1,000	Student Travel
Co-curricular & Athletics		
Other (please describe)	\$ 250	Supplies- Special Ed
Other (please describe)	\$ 750	Attendance Incentive
Other (please describe)	\$ 1,250	Graduation End of Yr Awards
Other (please describe)		
Other (please describe)		
<b>Total Instructional Supplies and Resources</b>	\$ 54,344	
<b>Support Supplies and Resources</b>		
Administrative Computers		
Administrative Software		
Administration Dues, fees, misc expenses		
Office supplies	\$ 3,150	
Other (please describe)	\$ 6,000	Janitorial Supplies
Other (please describe)	\$ 3,000	Maintenance Supplies
Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Support Supplies and Resources</b>	\$ 12,150	
<b>Board Expenses</b>		
Charter Board Services, including Board Training, retreats		
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)		
<b>Total Board Expenses</b>	\$ -	

<b>Professional Purchased or Contracted Services</b>		
Legal Services	\$ 2,500	
Audit Services	\$ 9,000	
Payroll Services		
Accounting Services		
Printing/Newsletter/Annual Report Services		
Consultants		
Internet Services	\$ 4,800	
Telephone/Telecommunication Services	\$ 1,800	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 4,000	
Travel	\$ 500	
Postage	\$ 1,000	
Special Education Services		
Student Information Services		
Food service	\$ 50,659	CNP
Transportation		
Other (please describe)	\$ 1,000	Professional Services - Social Work
Other (please describe)	\$ 2,500	Health Screening
Other (please describe)	\$ 2,000	Other Professional Services
Other (please describe)		
Other (please describe)		
<b>Total Professional Purchased or Contracted Services</b>	\$ 79,759	
<b>Facilities</b>		
Rent, mortgage, or other facility cost	\$ 192,000	
Furniture	\$ 25,000	
Gas/electric	\$ 36,000	
Water/ Sewer		
Grounds Keeping		
Maintenance Services	\$ 12,000	Building Repair & Maintenance
Custodial	\$ 20,000	
Waste disposal		
Other (please describe)	\$ 3,600	Copier Rentals
Other (please describe)	\$ 660	Other Rentals
Other (please describe)	\$ 3,125	Misc Contracted-Bus Passes
Other (please describe)	\$ 2,500	Security Services
Other (please describe)	\$ 1,000	Contracted Services
<b>Total Facilities</b>	\$ 295,885	
<b>Other</b>		
Contingency		
Indiana Charter School Board Administrative Fee	\$ 18,181	Assume 2% of Basic Grant (Row 6)
CMO/EMO Fee	\$ 136,356	12% of Basic Grant

Other (please describe)	\$	4,000	<b>Marketing</b>
Other (please describe)			
Other (please describe)			
Other (please describe)			
<b>Total Other</b>	\$	158,537	
<b>Total Expenditures</b>	\$	1,146,516	
<b>Carryover/Deficit</b>	\$	1,517	

Cumulative Carryover/(Deficit)





<b>Expected New School Annual Operating Budget -- YEAR 2 -- Fiscal Year July 1-June 30</b>		
<b>REVENUE</b>	<b>Amount</b>	<b>Notes</b>
<b>State Revenue</b>		
Basic Grant	\$ 509,063	
Common School Loan	\$ 509,063	
State Matching Funds for School Lunch Program		
Professional Development		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	\$ 3,938	
Summer School		
Other State Revenue (please describe)	\$ 15,057	Special Education
Other State Revenue (please describe)		
<b>Federal Revenue</b>		
Public Charter School Program (PCSP) Grant		Competitive grant for planning & implementation
Charter School Facilities Assistance Program Grant		
Title I	\$ 32,074	
Title II	\$ 7,500	
Federal Lunch Program	\$ 56,738	
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)	\$ 33,600	IDEA-B
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
<b>Other Revenues</b>		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
<b>Total Revenue</b>	<b>\$ 1,167,032</b>	
<b>EXPENDITURES</b>		
<b>Personnel Expenses</b>		
Wages, Benefits and Payroll Taxes	\$ 590,932	Use staffing workbook
Substitutes	\$ 3,360	
Professional Development	\$ 2,800	

Bonuses		
Other (please describe)		
<b>Total Personnel Expenses</b>	\$ 597,092	
<b>Instructional Supplies and Resources</b>		
Textbooks	\$ 19,688	
Library, periodicals, etc	\$ 420	
Technology		
Assessment materials	\$ 700	Testing Materials
Computers	\$ 5,625	
Software		
Other classroom supplies	\$ 12,705	
Field trips, other unclassified items	\$ 1,120	Student Travel
Co-curricular & Athletics		
Other (please describe)	\$ 280	Supplies-Special Ed
Other (please describe)	\$ 840	Attendance Incentive
Other (please describe)	\$ 1,400	Graduation End of Yr Awards
Other (please describe)		
Other (please describe)		
<b>Total Instructional Supplies and Resources</b>	\$ 42,778	
<b>Support Supplies and Resources</b>		
Administrative Computers		
Administrative Software		
Administration Dues, fees, misc expenses		
Office supplies	\$ 3,528	
Other (please describe)	\$ 6,000	Janitorial Supplies
Other (please describe)	\$ 3,000	Maintenance Supplies
Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Support Supplies and Resources</b>	\$ 12,528	
<b>Board Expenses</b>		
Charter Board Services, including Board Training, retreats		
Charter Board Supplies & Equipment		

Charter Board Dues, fees, etc		
Other (please describe)		
<b>Total Board Expenses</b>	\$ -	
<b>Professional Purchased or Contracted Services</b>		
Legal Services	\$ 2,500	
Audit Services	\$ 9,000	
Payroll Services	\$ -	
Accounting Services		
Printing/Newsletter/Annual Report Services		
Consultants		
Internet Services	\$ 4,800	
Telephone/Telecommunication Services	\$ 1,800	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 4,000	
Travel	\$ 560	
Postage	\$ 1,120	
Special Education Services		
Student Information Services		
Food service	\$ 56,738	CNP
Transportation		
Other (please describe)	\$ 1,120	Professional Services - Social Work
Other (please describe)	\$ 2,800	Health Screening
Other (please describe)	\$ 2,240	Other Professional Services
Other (please describe)		
Other (please describe)		
<b>Total Professional Purchased or Contracted Services</b>	\$ 86,678	
<b>Facilities</b>		
Rent, mortgage, or other facility cost	\$ 192,000	
Furniture	\$ 9,375	
Gas/electric	\$ 36,000	
Water/ Sewer		
Grounds Keeping		
Maintenance Services	\$ 12,000	Building Repair
Custodial	\$ 20,000	
Waste disposal		

Other (please describe)	\$ 3,600	Copier Rentals
Other (please describe)	\$ 660	Other Rentals
Other (please describe)	\$ 3,500	Misc Contracted-Bus Passes
Other (please describe)	\$ 2,500	Security Services
Other (please describe)	\$ 1,120	Contracted Services
<b>Total Facilities</b>	\$ 280,755	
<b>Other</b>		
Contingency		
Indiana Charter School Board Administrative Fee	\$ 20,363	<b>Assume 2% of Basic Grant (Row 6)</b>
CMO/EMO Fee	\$ 122,175	<b>12% of Basic Grant</b>
Other (please describe)	\$ 3,500	<b>Marketing</b>
Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Other</b>	\$ 146,038	
<b>Total Expenditures</b>	\$ 1,165,869	
<b>Carryover/Deficit</b>	\$ 1,164	

Cumulative Carryover/(Deficit)



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<b>TOTAL</b>			472,747	118,187	590,932

Expected New School Annual Operating Budget -- YEAR 3 -- Fiscal Year July 1-June 30		
REVENUE	Amount	Notes
<b>State Revenue</b>		
Basic Grant	\$ 581,787	
Common School Loan	\$ 581,787	
State Matching Funds for School Lunch Program		
Professional Development		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	\$ 4,134	
Summer School		
Other State Revenue (please describe)	\$ 17,208	Special Education
Other State Revenue (please describe)		
<b>Federal Revenue</b>		
Title I	\$ 36,656	
Title II	\$ 7,500	
Federal Lunch Program	\$ 64,843	
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)	\$ 38,400	Federal Special Education
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
<b>Other Revenues</b>		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
<b>Total Revenue</b>	\$ 1,332,316	
<b>EXPENDITURES</b>		
<b>Personnel Expenses</b>		
Wages, Benefits and Payroll Taxes	\$ 658,387	Use staffing workbook
Substitutes	\$ 3,840	
Professional Development	\$ 3,200	
Bonuses		
Other (please describe)		

Other (please describe)		
<b>Total Personnel Expenses</b>	\$ 665,427	
<b>Instructional Supplies and Resources</b>		
Textbooks	\$ 20,672	
Library, periodicals, etc	\$ 480	
Technology		
Assessment materials	\$ 800	Testing Materials
Computers	\$ 6,469	
Software		
Other classroom supplies	\$ 14,520	
Field trips, other unclassified items	\$ 1,280	Student Travel
Co-curricular & Athletics		
Other (please describe)	\$ 320	Supplies-Special Ed
Other (please describe)	\$ 960	Attendance Incentive
Other (please describe)	\$ 1,600	Graduation End of Yr Awards
Other (please describe)		
Other (please describe)		
<b>Total Instructional Supplies and Resources</b>	\$ 47,101	
<b>Support Supplies and Resources</b>		
Administrative Computers		
Administrative Software		
Administration Dues, fees, misc expenses		
Office supplies	\$ 4,032	
Other (please describe)	\$ 6,000	Janitorial Supplies
Other (please describe)	\$ 3,000	Maintenance Supplies
Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Support Supplies and Resources</b>	\$ 13,032	
<b>Board Expenses</b>		
Charter Board Services, including Board Training, retreats		
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)		

Other (please describe)		
<b>Total Board Expenses</b>	\$ -	
<b>Professional Purchased or Contracted Services</b>		
Legal Services	\$ 2,500	
Audit Services	\$ 9,000	
Payroll Services		
Accounting Services		
Printing/Newsletter/Annual Report Services		
Consultants		
Internet Services	\$ 4,800	
Telephone/Telecommunication Services	\$ 1,800	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 4,000	
Travel	\$ 640	
Postage	\$ 1,280	
Special Education Services		
Student Information Services		
Food service	\$ 64,843	CNP
Transportation		
Other (please describe)	\$ 1,280	Professional Services - Social Work
Other (please describe)	\$ 3,200	Health Screening
Other (please describe)	\$ 2,560	Other Professional Services
Other (please describe)		
Other (please describe)		
<b>Total Professional Purchased or Contracted Services</b>	\$ 95,903	
<b>Facilities</b>		
Rent, mortgage, or other facility cost	\$ 192,000	
Furniture	\$ 10,781	
Gas/electric	\$ 36,000	Utilities
Water/ Sewer		
Grounds Keeping		
Maintenance Services	\$ 12,000	Building Repair
Custodial	\$ 20,000	
Waste disposal		
Other (please describe)	\$ 3,600	Copier Rentals
Other (please describe)	\$ 660	Other Rentals

Other (please describe)	\$ 4,000	Misc Contrated Bus Passes
Other (please describe)	\$ 2,500	Security Services
Other (please describe)	\$ 1,280	Contracted Services
<b>Total Facilities</b>	\$ 282,821	
<b>Other</b>		
Contingency		
Indiana Charter School Board Administrative Fee	\$ 23,271	Assume 2% of Basic Grant (Row 6)
CMO/EMO Fee	\$ 139,629	614880
Other (please describe)	\$ 4,000	Marketing
Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Other</b>	\$ 166,900	
<b>Total Expenditures</b>	\$ 1,271,184	
<b>Carryover/Deficit</b>	\$ 61,132	

Cumulative Carryover/(Deficit)



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<b>TOTAL</b>			526,711	131,678	658,387

Expected New School Annual Operating Budget -- YEAR 4 -- Fiscal Year July 1-June 30		
REVENUE	Amount	Notes
<b>State Revenue</b>		
Basic Grant	\$ 654,510	
Common School Loan	\$ 654,510	
State Matching Funds for School Lunch Program		
Professional Development		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	\$ 4,341	
Summer School		
Other State Revenue (please describe)	\$ 19,359	Special Education
Other State Revenue (please describe)		
<b>Federal Revenue</b>		
Title I	\$ 41,238	
Title II	\$ 7,500	
Federal Lunch Program	\$ 72,949	
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)	\$ 43,200	IDEA-B
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
<b>Other Revenues</b>		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
<b>Total Revenue</b>	<b>\$ 1,497,607</b>	
<b>EXPENDITURES</b>		
<b>Personnel Expenses</b>		
Wages, Benefits and Payroll Taxes	\$ 725,841	Use staffing workbook
Substitutes	\$ 4,320	
Professional Development	\$ 3,600	
Bonuses		
Other (please describe)		

Other (please describe)		
<b>Total Personnel Expenses</b>	\$ 733,761	
<b>Instructional Supplies and Resources</b>		
Textbooks	\$ 21,705	
Library, periodicals, etc	\$ 540	
Technology		
Assessment materials	\$ 900	Testing Materials
Computers	\$ 7,439	
Software		
Other classroom supplies	\$ 16,335	
Field trips, other unclassified items	\$ 1,440	Student Travel
Co-curricular & Athletics		
Other (please describe)	\$ 360	Supplies-Special Ed
Other (please describe)	\$ 1,080	Attendance Incentive
Other (please describe)	\$ 1,800	Graduation End of Yr Awards
Other (please describe)		
Other (please describe)		
<b>Total Instructional Supplies and Resources</b>	\$ 51,599	
<b>Support Supplies and Resources</b>		
Administrative Computers		
Administrative Software		
Administration Dues, fees, misc expenses		
Office supplies	\$ 4,536	
Other (please describe)	\$ 6,000	Janitorial Supplies
Other (please describe)	\$ 3,000	Maintenance Supplies
Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Support Supplies and Resources</b>	\$ 13,536	
<b>Board Expenses</b>		
Charter Board Services, including Board Training, retreats		
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)		

Other (please describe)		
<b>Total Board Expenses</b>	\$ -	
<b>Professional Purchased or Contracted Services</b>		
Legal Services	\$ 2,500	
Audit Services	\$ 9,000	
Payroll Services		
Accounting Services		
Printing/Newsletter/Annual Report Services		
Consultants		
Internet Services	\$ 4,800	
Telephone/Telecommunication Services	\$ 1,800	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 4,000	
Travel	\$ 720	
Postage	\$ 1,440	
Special Education Services		
Student Information Services		
Food service	\$ 72,949	CNP
Transportation		
Other (please describe)	\$ 1,440	Professional Services - Social Work
Other (please describe)	\$ 3,600	Health Screening
Other (please describe)	\$ 2,880	Other Professional Services
Other (please describe)		
Other (please describe)		
<b>Total Professional Purchased or Contracted Services</b>	\$ 105,129	
<b>Facilities</b>		
Rent, mortgage, or other facility cost	\$ 192,000	
Furniture	\$ 12,398	
Gas/electric	\$ 36,000	Utilities
Water/ Sewer		
Grounds Keeping		
Maintenance Services	\$ 12,000	Building Repair
Custodial	\$ 20,000	
Waste disposal		
Other (please describe)	\$ 3,600	Copier Rentals
Other (please describe)	\$ 660	Other Rentals

Other (please describe)	\$ 4,500	Misc Contrated Bus Passes
Other (please describe)	\$ 2,500	Security Services
Other (please describe)	\$ 1,440	Contracted Services
<b>Total Facilities</b>	\$ 285,098	
<b>Other</b>		
Contingency		
Indiana Charter School Board Administrative Fee	\$ 26,180	Assume 2% of Basic Grant (Row 6)
CMO/EMO Fee	\$ 157,082	15% of Basic Grant
Other (please describe)	\$ 4,500	Marketing
Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Other</b>	\$ 187,762	
<b>Total Expenditures</b>	\$ 1,376,885	
<b>Carryover/Deficit</b>	\$ 120,722	

Cumulative Carryover/(Deficit)



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			-		-
<b>TOTAL</b>			580,675	145,169	725,841

<b>Expected New School Annual Operating Budget -- YEAR 5 -- Fiscal Year July 1-June 30</b>		
<b>REVENUE</b>	<b>Amount</b>	<b>Notes</b>
<b>State Revenue</b>		
Basic Grant	\$ 727,233	
Common School Loan	\$ 727,233	
State Matching Funds for School Lunch Program		
Professional Development		
Remediation Program		
Full-Day Kindergarten		
Gifted and Talented Program		
Textbook Reimbursement	\$ 4,558	
Summer School		
Other State Revenue (please describe)	\$ 21,510	Special Education
Other State Revenue (please describe)		
<b>Federal Revenue</b>		
Title I	\$ 45,820	
Title II	\$ 7,500	
Federal Lunch Program	\$ 81,054	
Federal Breakfast Reimbursement		
Other Revenue Federal sources (please describe)	\$ 48,000	IDEA-B
Other Revenue Federal sources (please describe)		
Other Revenue Federal sources (please describe)		
<b>Other Revenues</b>		
Committed Philanthropic Donations		
Before and After Care Fees		
Interest Income		
Other (please describe)		
<b>Total Revenue</b>	<b>\$ 1,662,908</b>	
<b>EXPENDITURES</b>		
<b>Personnel Expenses</b>		
Wages, Benefits and Payroll Taxes	\$ 793,296	Use staffing workbook
Substitutes	\$ 4,800	
Professional Development	\$ 4,000	
Bonuses		
Other (please describe)		

Other (please describe)		
<b>Total Personnel Expenses</b>	\$ 802,096	
<b>Instructional Supplies and Resources</b>		
Textbooks	\$ 22,791	
Library, periodicals, etc	\$ 600	
Technology		
Assessment materials	\$ 1,000	Testing Materials
Computers	\$ 2,967	
Software		
Other classroom supplies	\$ 18,150	
Field trips, other unclassified items	\$ 1,600	Student Travel
Co-curricular & Athletics		
Other (please describe)	\$ 400	Supplies-Special Ed
Other (please describe)	\$ 1,200	Attendance Incentive
Other (please describe)	\$ 2,000	Graduation End of Yr Awards
Other (please describe)		
Other (please describe)		
<b>Total Instructional Supplies and Resources</b>	\$ 50,708	
<b>Support Supplies and Resources</b>		
Administrative Computers		
Administrative Software		
Administration Dues, fees, misc expenses		
Office supplies	\$ 5,040	
Other (please describe)	\$ 6,000	Janitorial Supplies
Other (please describe)	\$ 3,000	Maintenance Supplies
Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Support Supplies and Resources</b>	\$ 14,040	
<b>Board Expenses</b>		
Charter Board Services, including Board Training, retreats		
Charter Board Supplies & Equipment		
Charter Board Dues, fees, etc		
Other (please describe)		

Other (please describe)		
<b>Total Board Expenses</b>	\$ -	
<b>Professional Purchased or Contracted Services</b>		
Legal Services	\$ 2,500	
Audit Services	\$ 9,000	
Payroll Services		
Accounting Services		
Printing/Newsletter/Annual Report Services		
Consultants		
Internet Services	\$ 4,800	
Telephone/Telecommunication Services	\$ 1,800	
Total Insurance Costs (per ICSB requirements detailed in charter school application)	\$ 4,000	
Travel	\$ 800	
Postage	\$ 1,600	
Special Education Services		
Student Information Services		
Food service	\$ 81,054	CNP
Transportation		
Other (please describe)	\$ 1,600	Professional Services - Social Work
Other (please describe)	\$ 4,000	Health Screening
Other (please describe)	\$ 3,200	Other Professional Services
Other (please describe)		
Other (please describe)		
<b>Total Professional Purchased or Contracted Services</b>	\$ 114,354	
<b>Facilities</b>		
Rent, mortgage, or other facility cost	\$ 192,000	
Furniture	\$ 4,945	
Gas/electric	\$ 36,000	Utilities
Water/ Sewer		
Grounds Keeping		
Maintenance Services	\$ 12,000	Building Repair
Custodial	\$ 20,000	
Waste disposal		
Other (please describe)	\$ 3,600	Copier Rentals
Other (please describe)	\$ 660	Other Rentals

Other (please describe)	\$ 5,000	Misc Contrated Bus Passes
Other (please describe)	\$ 2,500	Security Services
Other (please describe)	\$ 1,600	Contracted Services
<b>Total Facilities</b>	\$ 278,305	
<b>Other</b>		
Contingency		
Indiana Charter School Board Administrative Fee	\$ 29,089	Assume 2% of Basic Grant (Row 6)
CMO/EMO Fee	\$ 174,536	15% of Basic Grant
Other (please describe)	\$ 5,000	Marketing
Other (please describe)		
Other (please describe)		
Other (please describe)		
<b>Total Other</b>	\$ 208,625	
<b>Total Expenditures</b>	\$ 1,468,128	
<b>Carryover/Deficit</b>	\$ 194,780	

Cumulative Carryover/(Deficit)



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			-		-
<b>TOTAL</b>			634,639	158,660	793,296



Premier High Schools

## Attachment 20

RESPONSIVE 

The logo icon consists of a blue square with a white puzzle piece shape inside, which is slightly offset to the right, creating a sense of interlocking or connection.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

## Budget Narrative

ResponsiveEd plans on obtaining the Walton Family Foundation and Federal Planning and Implementation Grants to fund the Year 0 and other start-up expenses for the proposed schools. These funds have not been included in the attached revenue projections as they have not been firmly committed. In cases where information specific to the Indiana location(s) could not be gathered, assumptions are based on the ongoing operations at existing ResponsiveEd schools.

Since all three Premier High Schools have the same plan of expansion and will appeal to a similar demographic, a single representative school budget is being submitted using the average projected revenue per pupil.

### 1. Revenue Assumptions:

a. Per Pupil Payments		
i. Indianapolis	\$7,331	
ii. Gary	\$7,686	
iii. Evansville	\$6,800	
b. Special Ed	\$1,097	per pupil (Special Ed, weighted)
c. Textbook Reimbursement:	\$30	per pupil
d. Federal Title IA	\$290	per pupil (Economically Disadvantaged)
e. Federal Title IIA	\$200	per pupil (English Language Learners)
f. IDEA-B:	\$240	per pupil
g. Child Nutrition:	\$2.85	per pupil per meal
h. Public Charter School Grant	\$175,000	year 1

### 2. Expense Assumptions

a. Charter School Administrative Fee:	2%	of State Allotment
b. Benefits and Payroll Taxes:	25%	of wages
c. Special Education Staff:		Funded through IDEA-B and/or state special education funds
d. Professional Development:	\$2,500	(seminars, workshops, training materials for staff)
e. Rent	\$16,000	per month
f. Textbooks/Curriculum	\$150	per pupil
g. Utilities – electric, gas, and water	\$36,000	per year
h. Internet	\$6,000	per year
i. Classroom Technology	\$60,000	2:1 student to computer ratio.
j. Classroom Furniture	\$75,000	(student work areas, chairs, tables, etc.)
k. Copying and Reproduction:	\$3,600	per year for copier lease
l. Postage and Shipping:	\$1,000	per year for materials sent to and from school
m. Telephone and Fax Lines:	\$1,800	per year
n. Business Services:	12%	of state funding
o. Marketing:	\$10,000	start-up per school for opening and approximately \$5,000 each year thereafter.
p. Legal Expenses:	\$2,500	per year for miscellaneous legal fees
q. Accounting Audit:	\$9,000	per year
r. Food Service:		Approximately 2/3 of student body will qualify as Economically Disadvantaged



Premier High Schools

## Attachment 21

RESPONSIVE 

The logo icon consists of two interlocking puzzle pieces, one light blue and one dark blue, forming a stylized 'E' or 'D' shape.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT







**Premier High School of Abilene      Sue Pond, Principal**

**(Physical Address) 3161 South 23rd Street Abilene, TX 79605 (Phone) 325-698-8111**

**Number of Students Served: 165 Grade Levels Served: 6-12 Year Campus Opened: 1999**

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
141	85.5%	21	12.7%	4	2.4%	111	67.3%	37	22.4%	10	6.1%	1	0.6%	3	1.8%	0	0.0%	3	1.8%

***This Data Does Not Take Into Consideration Student Performance Growth***

**State Assessment Results 2010-11 (Total Student Population 82% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	100%	100%	100%	100%	100%	100%	91%	79%	94%	64%	99%	97%

**State Assessment Results 2009-10 (Total Student Population 80% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	100%	80%	100%	100%	100%	100%	92%	54%	100%	83%	100%	83%

**State Assessment Results 2008-09 (Total Student Population 83% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math	Eng	Math	Eng	Math								
*	*	*	*	*	*	100%	100%	100%	*20%	*	*	100%	63%	94%	72%	94%	77%
										*A maximum of 10 students participated in the 2008-09 7th grade Math Assessment							

**State Assessment Results 2007-08 (Total Student Population 92% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	100%	100%	100%	100%	100%	40%	100%	58%	100%	81%

**State Assessment Results 2006-07 (Total Student Population 74% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	100%	*	76%	53%	100%	67%	94%	82%

## Premier High School of Austin/Miracle Farm

Elizabeth Camarena, Principal

(Physical Address) 1701 W. Ben White # 100A Austin, TX 78704 (Phone) 512-444-8442

Number of Students Served: 242 Grade Levels Served: 7-12 Year Campus Opened: 2002

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
157	64.9%	21	8.7%	41	16.9%	74	30.6%	148	61.2%	13	5.4%	2	0.8%	0	0.0%	0	0.0%	5	2.1%

**This Data Does Not Take Into Consideration Student Performance Growth****State Assessment Results 2010-11 (Total Student Population 86% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	96%	53%	97%	74%	94%	88%

**State Assessment Results 2009-10 (Total Student Population 88% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	95%	57%	93%	60%	95%	94%

**State Assessment Results 2008-09 (Total Student Population 92% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	91%	61%	96%	79%	95%	86%

**State Assessment Results 2007-08 (Total Student Population 88% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	87%	44%	85%	63%	96%	83%

**State Assessment Results 2006-07 (Total Student Population 94% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	75%	*13%	71%	36%	58%	47%	100%	69%

\*A maximum of 9 students participated in the 2007-08 8th grade Assessment of Mathematics

## Premier High School of Beaumont

Tony Hadnot, Principal

(Physical Address) 209 N. 11th St. Beaumont, TX 77702 (Phone) 409-835-4303

Number of Students Served: 168 Grade Levels Served: 7-12 Year Campus Opened: 1999

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
76	45.2%	12	7.1%	0	0.0%	40	23.8%	20	11.9%	99	58.9%	2	1.2%	0	0.0%	0	0.0%	7	4.2%

**This Data Does Not Take Into Consideration Student Performance Growth****State Assessment Results 2010-11 (Total Student Population 94% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	86%	57%	100%	60%	71%	47%	80%	50%	84%	76%

**State Assessment Results 2009-10 (Total Student Population 91% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	50%	38%	70%	60%	63%	16%	79%	42%	100%	56%

**State Assessment Results 2008-09 (Total Student Population 92% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	100%	58%	71%	58%	75%	64%	*	*

**State Assessment Results 2007-08 (Total Student Population 92% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	70%	100%	80%	50%	59%	38%	88%	88%	75%	84%

**State Assessment Results 2006-07 (Total Student Population 89% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	33%	17%	*	*	43%	21%	44%	11%	25%	10%	80%	60%

Premier High School of Brownsville/Corpus Christi

Norma Sorola, Principal

(Physical Address) 955 Paredes Line Rd. Brownsville, TX 78521 (Phone) 956-550-0084

Number of Students Served: 223 Grade Levels Served: 6-12 Year Campus Opened: 1999

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Other Pacific Is		Two or More	
218	97.8%	10	4.5%	164	73.5%	3	1.3%	220	98.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

**This Data Does Not Take Into Consideration Student Performance Growth**

**State Assessment Results 2010-11 (Total Student Population 94% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	67%	50%	75%	63%	78%	42%	87%	67%	93%	74%

**State Assessment Results 2009-10 (Total Student Population 95% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	80%	80%	100%	100%	91%	100%	91%	52%	89%	76%

**State Assessment Results 2008-09 (Total Student Population 95% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	90%	50%	100%	65%	97%	91%

**State Assessment Results 2007-08 (Total Student Population 96% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	91%	67%	71%	44%	91%	65%

**State Assessment Results 2006-07 (Total Student Population 99% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	55%	5%	52%	40%	82%	45%



Premier High School of Del Rio

Berta Martinez, Principal

(Physical Address) 4300 Hwy 90 East Del Rio, TX 78840 (Phone) 830-298-2100

Number of Students Served: 130 Grade Levels Served: 6-12 Year Campus Opened: 1999

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
111	85.4%	16	12.3%	60	46.2%	9	6.9%	120	92.3%	1	0.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

**This Data Does Not Take Into Consideration Student Performance Growth****State Assessment Results 2010-11 (Total Student Population 93% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	75%	88%	91%	73%	92%	48%	78%	44%	100%	75%

**State Assessment Results 2009-10 (Total Student Population 95% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	60%	60%	100%	88%	78%	48%	86%	17%	60%	60%

**State Assessment Results 2008-09 (Total Student Population 97% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	88%	43%	88%	63%	63%	0%	93%	58%

**State Assessment Results 2007-08 (Total Student Population 91% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	100%	50%	87%	40%	86%	46%	92%	91%

**State Assessment Results 2006-07 (Total Student Population 93% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	100%	25%	92%	33%	77%	22%	86%	83%



## Premier High School of Fort Worth

Kelly Kidd, Principal

(Physical Address) 6411 Camp Bowie #B Fort Worth, TX 76116 (Phone) 817-731-2028

Number of Students Served: 140 Grade Levels Served: 6-12 Year Campus Opened: 1999

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
99	70.7%	14	10.0%	35	25.0%	48	34.3%	58	41.4%	30	21.4%	0	0.0%	2	1.4%	0	0.0%	2	1.4%

**This Data Does Not Take Into Consideration Student Performance Growth****State Assessment Results 2010-11 (Total Student Population 86% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	71%	*29%	87%	35%	83%	44%	100%	62%

**State Assessment Results 2009-10 (Total Student Population 92% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	40%	40%	100%	57%	82%	38%	65%	47%	82%	63%

**State Assessment Results 2008-09 (Total Student Population 90% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	40%	80%	*	*	76%	47%	77%	40%	95%	77%

**State Assessment Results 2007-08 (Total Student Population 89% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	100%	100%	76%	42%	60%	27%	100%	67%

**State Assessment Results 2006-07 (Total Student Population 91% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	50%	17%	50%	33%	71%	57%	74%	14%	67%	40%	92%	42%

\*A maximum of 9 students participated in the 2010-11 8th grade Assessment of Mathematics





**Premier High School of Laredo Sara Garza, Principal**

**(Physical Address) 2201 Chihuaha St. Laredo, TX 78043 (Phone) 956-723-7788**

**Number of Students Served: 164 Grade Levels Served: 9-12 Year Campus Opened: 1999**

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
132	80.5%	12	7.3%	128	78.0%	2	1.2%	162	98.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

***This Data Does Not Take Into Consideration Student Performance Growth***

**State Assessment Results 2010-11 (Total Student Population 99% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	71%	46%	100%	43%	69%	79%

**State Assessment Results 2009-10 (Total Student Population 100% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	67%	67%	55%	60%	94%	76%

**State Assessment Results 2008-09 (Total Student Population 100% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	75%	14%	92%	88%	73%	67%

**State Assessment Results 2007-08 (Total Student Population 99% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	73%	11%	86%	*	93%	42%

**State Assessment Results 2006-07 (Total Student Population 94% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	60%	20%	62%	27%	36%	0%	71%	58%

## Premier High School of Lubbock

Michael Goen, Principal

(Physical Address) 2002 West Loop 289, Ste. 121 Lubbock, TX 79407 (Phone) 806-763-1518

Number of Students Served: 140 Grade Levels Served: 6-12 Year Campus Opened: 1999

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
65	46.4%	13	9.3%	1	0.7%	76	54.3%	54	38.6%	5	3.6%	0	0.0%	1	0.7%	0	0.0%	4	2.9%

**This Data Does Not Take Into Consideration Student Performance Growth****State Assessment Results 2010-11 (Total Student Population 82% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	86%	63%	65%	27%	100%	43%	96%	90%

**State Assessment Results 2009-10 (Total Student Population 88% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	86%	43%	100%	63%	100%	75%	91%	100%

**State Assessment Results 2008-09 (Total Student Population 92% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	64%	44%	60%	50%	83%	45%

**State Assessment Results 2007-08 (Total Student Population 85% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	92%	36%	70%	0%	100%	55%

**State Assessment Results 2006-07 (Total Student Population 78% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	71%	29%	100%	0%	50%	25%	82%	56%

Premier High School of Midland

Rhonda Gibbs, Principal

(Physical Address) 1900 N. Big Spring St. Midland, TX 79705 (Phone) 432-682-0384

Number of Students Served: 143 Grade Levels Served: 6-12 Year Campus Opened: 1999

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
66	46.2%	13	9.1%	45	31.5%	65	45.5%	71	49.7%	5	3.5%	0	0.0%	1	0.7%	0	0.0%	1	0.7%

**This Data Does Not Take Into Consideration Student Performance Growth****State Assessment Results 2010-11 (Total Student Population 94% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	63%	63%	67%	44%	67%	31%	89%	61%	93%	46%

**State Assessment Results 2009-10 (Total Student Population 85% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	100%	44%	73%	80%	85%	88%

**State Assessment Results 2008-09 (Total Student Population 83% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	100%	63%	71%	47%	72%	37%	91%	65%

**State Assessment Results 2007-08 (Total Student Population 90% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		**9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math	Eng	Math										
*	*	*	*	*	*	*	*	*	*	88%	100%	100%	21%	84%	48%	83%	72%

**State Assessment Results 2006-07 (Total Student Population 93% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	80%	40%	85%	*23%	86%	31%	73%	25%	94%	82%

\*A maximum of 15 students participated in the 2006-07 8th grade Assessment of Mathematics

**Premier High School of Mission Cleo Hinojosa, Principal**

**(Physical Address) 1203 Saint Claire St. Mission, TX 78572 (Phone) 956-424-9290**

**Number of Students Served: 193 Grade Levels Served: 6-12 Year Campus Opened: 2004**

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
130	67.4%	6	3.1%	126	65.3%	3	1.6%	190	98.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

***This Data Does Not Take Into Consideration Student Performance Growth***

**State Assessment Results 2010-11 (Total Student Population 95% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	100%	80%	*	*	83%	69%	79%	65%	84%	73%

**State Assessment Results 2009-10 (Total Student Population 91% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	100%	67%	88%	75%	77%	73%	94%	81%

**State Assessment Results 2008-09 (Total Student Population 95% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	89%	63%	85%	50%	93%	61%

**State Assessment Results 2007-08 (Total Student Population 91% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	100%	86%	91%	67%	91%	54%	100%	75%

**State Assessment Results 2006-07**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	67%	50%	*	*	82%	43%	76%	44%	91%	64%









**Premier High School of Pharr      Rosie Zamora, Principal**

**(Physical Address) 200 E. Expressway 83, Ste. E Pharr, TX 78577 (Phone) 956-781-8800**

**Number of Students Served: 191 Grade Levels Served: 6-12 Year Campus Opened: 1999**

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
161	84.3%	7	3.7%	132	69.1%	2	1.0%	189	99.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

***This Data Does Not Take Into Consideration Student Performance Growth***

**State Assessment Results 2010-11 (Total Student Population 97% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	88%	50%	100%	100%	93%	79%	89%	62%	100%	74%	100%	91%

**State Assessment Results 2009-10 (Total Student Population 96% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	60%	80%	83%	83%	100%	92%	100%	50%	100%	68%	98%	90%

**State Assessment Results 2008-09 (Total Student Population 95% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	80%	80%	100%	83%	69%	58%	95%	78%	87%	64%

**State Assessment Results 2007-08 (Total Student Population 98% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	100%	31%	93%	70%	84%	48%

**State Assessment Results 2006-07 (Total Student Population 100% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	71%	33%	100%	44%	76%	44%

Premier High School of San Antonio

Christie Timmons, Principal

(Physical Address) 502 E. Ramsey San Antonio, TX 78216 (Phone) 210-524-8103

Number of Students Served: 114 Grade Levels Served: 9-12 Year Campus Opened: 1999

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
92	80.7%	12	10.5%	41	36.0%	16	14.0%	93	81.6%	3	2.6%	0	0.0%	0	0.0%	0	0.0%	2	1.8%

**This Data Does Not Take Into Consideration Student Performance Growth****State Assessment Results 2010-11 (Total Student Population 97% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	*	*	75%	71%	100%	67%	100%	75%

**State Assessment Results 2009-10 (Total Student Population 93% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	43%	57%	67%	67%	79%	50%	100%	80%	75%	58%

**State Assessment Results 2008-09 (Total Student Population 97% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	50%	86%	88%	88%	60%	36%	67%	73%	88%	63%

**State Assessment Results 2007-08 (Total Student Population 98% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	100%	63%	*	*	100%	67%	56%	19%	87%	36%	71%	40%

**State Assessment Results 2006-07 (Total Student Population 92% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	44%	33%	62%	15%	74%	17%	50%	4%	84%	52%



## Premier High School of Tyler/Lindale

Tabatha Ervin, Principal

(Physical Address) 1106 N. Glenwood Blvd. Tyler, TX 75702 (Phone) 903-592-5222

Number of Students Served: 169 Grade Levels Served: 6-12 Year Campus Opened: 1999

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
138	81.7%	14	8.3%	51	30.2%	38	22.5%	81	47.9%	48	28.4%	0	0.0%	0	0.0%	0	0.0%	2	1.2%

**This Data Does Not Take Into Consideration Student Performance Growth****State Assessment Results 2010-11 (Total Student Population 89% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade			
Eng	Math	Eng	Math	Eng	Math														
*	*	*	*	*	*	*	*	*	*	*	*	80%	40%	83%	40%	100%	83%	76%	69%

**State Assessment Results 2009-10 (Total Student Population 94% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade			
Eng	Math	Eng	Math	Eng	Math														
*	*	*	*	*	*	*	*	*	*	*	*	83%	50%	81%	33%	73%	47%	89%	67%

**State Assessment Results 2008-09 (Total Student Population 95% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade			
Eng	Math	Eng	Math	Eng	Math														
*	*	*	*	*	*	*	*	*	*	*	*	89%	80%	60%	30%	81%	5%	94%	60%

**State Assessment Results 2007-08 (Total Student Population 92% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade			
Eng	Math	Eng	Math	Eng	Math														
*	*	*	*	*	*	*	*	*	*	*	*	100%	70%	93%	47%	95%	47%	88%	73%

**State Assessment Results 2006-07 (Total Student Population 93% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade			
Eng	Math	Eng	Math	Eng	Math														
*	*	*	*	*	*	*	*	*	*	*	*	100%	56%	50%	20%	75%	50%	76%	44%

**Premier High School of Waco Lisa Linton, Principal**

**(Physical Address) 4720 N. 19th St. Waco, TX 76708 (Phone) 254-752-0441**

**Number of Students Served: 191 Grade Levels Served: 6-12 Year Campus Opened: 1999**

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
140	73.3%	13	6.8%	37	19.4%	84	44.0%	81	42.4%	20	10.5%	0	0.0%	1	0.5%	0	0.0%	5	2.6%

***This Data Does Not Take Into Consideration Student Performance Growth***

**State Assessment Results 2010-11 (Total Student Population 89% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	88%	75%	63%	63%	61%	33%	60%	56%	76%	75%

**State Assessment Results 2009-10 (Total Student Population 87% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	80%	100%	60%	40%	100%	60%	91%	41%	76%	62%	77%	82%

**State Assessment Results 2008-09 (Total Student Population 91% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	80%	50%	83%	50%	73%	33%	88%	58%

**State Assessment Results 2007-08 (Total Student Population 87% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	38%	13%	*	50%	56%	13%	100%	45%	85%	54%

**State Assessment Results 2006-07 (Total Student Population 96% "At Risk of Dropping Out")**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
*	*	*	*	*	*	*	*	*	*	60%	40%	55%	18%	55%	29%	81%	53%

















Vista Academy of Huntsville/Crockett

Robbie Harris, Principal

(Physical Address) 2407 Sam Houston Ave. Ste. B Huntsville, TX 77340 (Phone) 936-291-0203

Number of Students Served: 257 Grade Levels Served: K-6 Year Campus Opened: 2006

Special Populations						Race / Ethnic Populations													
Free-Reduced Price Lunch Status		Special Education Population		English Language Learner Population		White		Hispanic		African American		Asian		Am Indian/Alaskan Native		Native Hawaiian/Oth Pacific Is		Two or More	
144	56.0%	16	6.2%	0	0.0%	133	51.8%	38	14.8%	69	26.8%	6	2.3%	3	1.2%	0	0.0%	8	3.1%

**This Data Does Not Take Into Consideration Student Performance Growth**

**State Assessment Results 2010-11**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
61%	57%	86%	84%	86%	86%	93%	81%	*	*	*	*	*	*	*	*	*	*

**State Assessment Results 2009-10**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
83%	77%	83%	95%	80%	85%	88%	88%	*	*	*	*	*	*	*	*	*	*

**State Assessment Results 2008-09**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
100%	100%	70%	85%	94%	93%	100%	75%	94%	75%	100%	76%	90%	68%	87%	29%	94%	65%

**State Assessment Results 2007-08**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
100%	71%	81%	75%	85%	70%	95%	70%	100%	80%	100%	100%	73%	27%	69%	31%	92%	55%

**State Assessment Results 2006-07**

3rd Grade		4th Grade		5th Grade		6th Grade		7th Grade		8th Grade		9th Grade		10th Grade		11th Grade	
Eng	Math	Eng	Math	Eng	Math												
81%	13%	45%	50%	72%	94%	100%	50%	82%	45%	79%	50%	73%	20%	100%	50%	100%	53%







Premier High Schools

## Attachment 22

RESPONSIVE 

The logo icon consists of two interlocking puzzle pieces. The left piece is a dark blue 'R' shape, and the right piece is a lighter blue 'E' shape, together forming a stylized 'RE'.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

Not Applicable

ResponsiveEd does not currently operate in Indiana.



Premier High Schools

## Attachment 23

RESPONSIVE 

The logo icon consists of a blue puzzle piece shape that forms a stylized letter 'E' or 'D'.

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

**RESPONSIVE EDUCATION SOLUTIONS**

**COMBINED  
ANNUAL FINANCIAL AND  
COMPLIANCE REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2011**



**RESPONSIVE EDUCATION SOLUTIONS**

**COMBINED**  
**ANNUAL FINANCIAL AND**  
**COMPLIANCE REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2011.**

**RESPONSIVE EDUCATION SOLUTIONS  
COMBINED  
ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2011**

**TABLE OF CONTENTS**

	<u>Reference</u>
<b>Certificate of Board of Directors</b> .....	
<b>Independent Auditor’s Report-</b> Unqualified Opinion on Financial Statements .....	
<b>General-Purpose Financial Statements:</b>	
Statement of Financial Position .....	Exhibit A-1
Statement of Activities .....	Exhibit A-2
Statement of Cash Flows.....	Exhibit A-3
<b>Notes to Financial Statements</b> .....	
<b>Specific-Purpose Financial Statements</b>	
Statement of Financial Position .....	Exhibit B-1
Statement of Activities .....	Exhibit B-2
Statement of Cash Flows.....	Exhibit B-3
<b>Supplementary Schedules:</b>	
Schedule of Expenses.....	Exhibit C-1
Schedule of Capital Assets.....	Exhibit D-1
Budgetary Comparison Schedules .....	Exhibit E-1
 <b>Compliance and Other Reports:</b>	
Independent Auditor’s Report-	
Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	
Independent Auditor’s Report-	
Report on Compliance with Requirements Applicable to Each Major Program Internal Control over Compliance with OMB Circular A-133 .....	
Schedule of Findings and Questioned Costs .....	Exhibit F-1
Schedule of Prior Year Audit Findings .....	
Corrective Action Plan .....	Exhibit G-1
Schedule of Expenditures of Federal Awards .....	Exhibit H-1
Notes to Schedule of Expenditures of Federal Awards .....	

RESPONSIVE EDUCATION SOLUTIONS CHARTER SCHOOLS  
COUNTY-DISTRICT NUMBER: 221801  
FEDERAL EMPLOYER IDENTIFICATION NUMBER: 75-2748762

AND

PREMIER HIGH SCHOOLS  
COUNTY-DISTRICT NUMBER: 072801  
FEDERAL EMPLOYER IDENTIFICATION NUMBER: 31-1571510

COMBINED  
ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2011

CERTIFICATE OF BOARD OF DIRECTORS

We, the undersigned, certify that the attached Annual Financial and Compliance Report of Responsive Education Solutions was reviewed and (check one)  approved  disapproved for the year ended August 31, 2011, at a meeting of the governing body of said charter holder on the 19th day of January, 2012.



Signature of Board Secretary



Signature of Board President

**NOTE:** If the governing body of the charter school does not approve the independent auditors' report, it must forward a written statement discussing the reason(s) for not approving the report.



**GREGORY S. DELK**



**CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FINANCIAL PLANNER™**

**INDEPENDENT AUDITOR'S REPORT**

Unqualified Opinion on Financial Statements

Board of Directors  
Responsive Education Solutions  
Lewisville, Texas

I have audited the accompanying financial statements listed in the table of contents of Responsive Education Solutions as of and for the year ended August 31, 2011. These financial statements are the responsibility of the Responsive Education Solutions' management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Responsive Education Solutions as of August 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 18, 2012 on my consideration of Responsive Education Solutions' internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The other supplementary information is likewise presented for purposes of additional analysis and not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Gregory S. Delk, CPA, CFP  
January 18, 2012

**GENERAL-PURPOSE  
FINANCIAL STATEMENTS**

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Financial Position**  
**August 31, 2011**

**ASSETS**

**Current Assets**

Cash in Banks and On Hand	\$ 15,785,448.20
Due from State-Texas Education Agency	2,924,574.70
Other Receivables	162,325.88
Inventory	410,675.95
Prepaid Expenses	1,650.00
<b>Total Current Assets</b>	<b><u>19,284,674.73</u></b>

**Property and Equipment**

Land	3,903,602.59
Buildings and Improvements	7,400,465.33
Vehicles	220,139.27
Furniture and Equipment	3,045,728.98
Leasehold Improvements	1,242,517.76
Library Books & Media	559,914.79
Accumulated Depreciation	<u>(4,014,863.99)</u>
<b>Total Property and Equipment</b>	<b><u>12,357,504.73</u></b>

**Other Assets**

Other Assets	<u>323,818.75</u>
<b>Total Other Assets</b>	<b><u>323,818.75</u></b>

<b>TOTAL ASSETS</b>	<b><u><u>\$ 31,965,998.21</u></u></b>
---------------------	---------------------------------------

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 1,007,077.79
Other Payables	10,713.31
Loans Payable-Current Year	228,418.69
Payroll Tax and Other Payables	1,083,344.17
Accrued Wages Payable	1,441,206.63
Accrued Expenses	<u>2,728,407.46</u>
<b>Total Current Liabilities</b>	<b><u>6,499,168.05</u></b>

**Long-Term Liabilities**

Loans Payable-Long Term	<u>8,473,890.62</u>
<b>Total Long-Term Liabilities</b>	<b><u>8,473,890.62</u></b>

**Net Assets**

Unrestricted Net Assets (Deficiency)	55,704.43
Temporarily Restricted Net Assets (Deficiency)	<u>16,937,235.11</u>
<b>Total Net Assets</b>	<b><u>16,992,939.54</u></b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 31,965,998.21</u></u></b>
---	---------------------------------------

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Activities**  
**For the Year Ended August 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
Local Support--			
Revenue from Svcs to Other School Districts	\$	\$ 245,904.06	\$ 245,904.06
Interest Income		90,778.67	90,778.67
Gifts and Bequests	142.16	81,487.37	81,629.53
Curriculum Sales	12,424.50		12,424.50
Other Revenue	212,840.21	82,840.32	295,680.53
Food Service Fees		59,150.77	59,150.77
Extracurricular/Cocurricular Activities		968.46	968.46
Enterprising Services Revenue	2,078.72	25,714.97	27,793.69
Cocurricular Enterprising Services	(130.00)	29,492.60	29,362.60
Total Local Support	<u>227,355.59</u>	<u>616,337.22</u>	<u>843,692.81</u>
State Program Revenues--			
State Foundation Program		50,800,232.00	50,800,232.00
Electronic Course Pilot Program		3,047,189.00	3,047,189.00
Intensive Technology		104,538.77	104,538.77
Student Success Initiative		14,739.15	14,739.15
Breakfast Program Matching		2,133.88	2,133.88
Technology Allotment		179,103.00	179,103.00
Total State Program Revenues		<u>54,147,935.80</u>	<u>54,147,935.80</u>
Federal Program Revenues--			
Breakfast Program		190,915.58	190,915.58
National School Lunch		279,361.70	279,361.70
Title IV, Part A		3,782.24	3,782.24
Title I, Part A		1,016,080.78	1,016,080.78
IDEA-Part B Formula		609,077.78	609,077.78
Title II, Part A		207,569.04	207,569.04
Title III LEP		172,749.27	172,749.27
ARRA SFSF		880,253.96	880,253.96
ARRA Title II, Part D		9,455.94	9,455.94
ARRA IDEA-B		533,136.57	533,136.57
ARRA IDEA-B Preschool		18,055.57	18,055.57
ARRA Title I, Part A		306,693.09	306,693.09
Education Jobs Fund		399,527.66	399,527.66
SLDS Classroom Link		4,430.00	4,430.00
Total Federal Program Revenues		<u>4,631,089.18</u>	<u>4,631,089.18</u>
Net Assets Released from Restrictions	<u>52,181,209.18</u>	<u>(52,181,209.18)</u>	
Total Revenue and Other Support	<u>52,408,564.77</u>	<u>7,214,153.02</u>	<u>59,622,717.79</u>
<b><u>EXPENSES</u></b>			
Program Services:			
Instructional and Instructional Related Services	34,741,033.96	----	34,741,033.96
Instructional and School Leadership	7,626,713.84	----	7,626,713.84
Support Services:			
Administrative Support Services	3,061,682.54	----	3,061,682.54
Support Services-Non-Student Based	4,487,334.39	----	4,487,334.39
Support Services-Student (Pupil)	1,539,105.19	----	1,539,105.19
Ancillary Services	280,950.80	----	280,950.80
Debt Service	468,609.90	----	468,609.90
Fund Raising	230,039.89	----	230,039.89
Total Expenses	<u>52,435,470.51</u>	<u>7,214,153.02</u>	<u>52,435,470.51</u>
<b>Change in Net Assets</b>	<b>(26,905.74)</b>	<b>7,214,153.02</b>	<b>7,187,247.28</b>
Net Assets (Deficiency), Beginning of Year	<u>82,610.17</u>	<u>9,723,082.09</u>	<u>9,805,692.26</u>
Net Assets (Deficiency), End of Year	<u>\$ 55,704.43</u>	<u>\$ 16,937,235.11</u>	<u>\$ 16,992,939.54</u>

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Cash Flows**  
**For the Year Ended August 31, 2011**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Government Contracts	\$ 57,151,957.21
Cash from Local Sources	843,692.81
Cash Paid to Suppliers for Goods and Services	(25,003,756.62)
Cash Paid to Employees for Services	(24,056,403.00)
Cash Paid for Income Taxes	
Cash Paid for Interest Expense	(468,609.90)
Net Cash Provided By (Used By) Operating Activities	<u>8,466,880.50</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Property and Equipment	(3,329,779.39)
Transfer of Assets to Premier Charter Schools	6,747.88
Purchase of Other Assets	(35,687.74)
Net Cash Provided By (Used By) Investing Activities	<u>(3,358,719.25)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from New Debt	3,892,724.17
Payments on Debt	(1,814,667.78)
Net Cash Provided By (Used By) Financing Activities	<u>2,078,056.39</u>
Net Increase (Decrease) in Cash	7,186,217.64
Cash at Beginning of Year	<u>8,599,230.56</u>
Cash at End of Year	<u><u>\$ 15,785,448.20</u></u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET  
CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES**

Change in Net Assets	\$ 7,187,247.28
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used By) Operating Activities:	
Depreciation	511,159.21
(Increase) Decrease in Operating Assets--	
Due from State-Texas Education Agency	(1,270,812.55)
Due from Federal Government	15,104.78
Other Receivables	235,120.55
Inventory	(60,606.70)
Prepaid Expenses	8,830.00
Increase (Decrease) in Operating Liabilities--	
Accounts Payable	(114,706.42)
Payroll Tax and Other Payables	517,277.54
Accrued Wages Payable	409,544.66
Due to State-Texas Education Agency	(371,360.00)
Accrued Expenses	1,400,082.15
Net Adjustments	<u>1,279,633.22</u>
Net Cash Provided By (Used By) Operating Activities	<u><u>\$ 8,466,880.50</u></u>

The accompanying notes are an integral part of these financial statements

**NOTES TO  
FINANCIAL STATEMENTS**

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Organization and Nature of Activities –

Responsive Education Solutions, Inc., a Texas non-profit corporation (The Organization), recognized as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service. During the 2011 fiscal year Paradigm Alternative School, Inc., which operates Paradigm Accelerated School, an open enrollment charter school, was merged into Responsive Education Solutions, Inc. Responsive Education Solutions, Inc. is now the charter holder for both charters, Responsive Education Solutions Charter Schools and Premier High Schools (formerly Paradigm Accelerated School), granted by the State of Texas Board of Education.

The Organization provides curricula and operates schools for students in grades K-12 through the operation of elementary schools (doing business as Vista Academies of Texas), intermediate schools (doing business as Quest Middle Schools), high schools (doing business as Premier High Schools, iSchool High and Eagle Academies of Texas) as well as school administration services.

The Organization is authorized to operate schools (The Schools) under open enrollment charters granted by the State of Texas Board of Education.

#### B. Accounting Policies –

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles. The accounting system is organized under the *Special Supplement to Financial Accounting and Reporting – Nonprofit Charter School Chart of Accounts*, a module of the Texas Education Agency Financial Accountability Resource Guide. The significant accounting policies are as follows:

To insure observance of limitations and restrictions placed on the use of resources available to the School, the accounts are maintained in accordance with the principles of fund accounting during the year. Resources for various purposes are classified into funds according to their nature and purposes. Separate accounts are maintained for each fund; however, the accompanying statements of financial position and of activities focus on the organization as a whole and reports the amounts of its total assets, liabilities, net assets and changes in net assets in accordance with Financial Accounting Standards Board Statement No. 117.

The statement of financial position reports the amounts of each of three classes of net assets: temporarily restricted, unrestricted net assets and permanently restricted net assets (currently zero).

- ❖ Temporarily restricted net assets result from contributions and other inflows of assets that are limited by donor imposed stipulations that can be fulfilled and removed by actions of the School pursuant to those stipulations.

When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

- ❖ Unrestricted net assets are the remaining part of the School's net assets that is neither permanently restricted nor temporarily restricted by donor imposed stipulations. Property and equipment are included in unrestricted net assets.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- ❖ Permanently restricted net assets result from contributions and other inflows of assets that are required to be maintained in perpetuity with only the income to be used for the School's activities due to donor-imposed restrictions.

#### C. Cash and Cash Equivalents –

For purposes of the statement of cash flows, cash and cash equivalents are comprised of cash on hand and in banks including highly liquid investments with short term maturities.

#### D. Fixed Assets and Depreciation –

All assets acquired with a value of \$2,500.00 or greater (\$5,000.00 for leasehold improvements) are recorded as fixed assets and are valued at cost or estimated cost. Donated assets are reported at the fair market value at the time of acquisition. Depreciation of building improvements and equipment is provided over the estimated useful lives of the assets on a straight line basis.

#### E. Revenues –

Each school's revenues from the State of Texas available school fund are earned based on reported attendance.

Contributions received are recognized as revenue in the period received and are reported as either restricted or unrestricted support, in accordance with Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*.

- ❖ Contributions with donor imposed restrictions are reported as restricted support. Restricted support increases temporarily restricted net assets.
- ❖ Contributions without donor imposed restrictions are reported as unrestricted support. Unrestricted support increases unrestricted net assets.

Government grant contracts that are entered into by the Organization are recognized as revenue when services are rendered or when expenses in connection with those services are incurred.

#### F. Donated Goods and Services –

Donated goods and services that can be measured and meet certain other requirements are recorded in the financial statements as in kind contributions and expenses of a like amount.

#### G. Sick Leave, Personal Leave and Vacation --

All employees earn five days of paid sick leave. However, unused balances are not paid at termination. Therefore, there is no liability accrued on the financial statements. All employees earn two days of paid personal leave per year that is paid no later than the last paycheck of the school year. Therefore, there is no liability accrued on the financial statements. Accrued wages payable includes an accrual for accumulated liability for employee vacation time.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### H. Estimates –

In preparation of the financial statements and in conformity with generally accepted accounting principles, management's estimated useful lives of asset classes were used in the calculation of depreciation.

#### I. Functional Allocation of Expenses –

The expense of the various programs and other activities has been presented on a functional basis in the statement of activities. Accordingly, certain expenses and supporting service costs have been allocated among the various programs.

### 2. BUILDING IMPROVEMENTS AND EQUIPMENT

An analysis of building improvements and equipment at August 31, 2011, is presented as follows:

Asset	Cost	Accumulated Depreciation	Net	Straight Line Depr. Rate
Land	\$ 3,903,602.59	0.00	3,903,602.59	N/A
Building & Improvements	7,400,465.33	395,097.95	7,005,367.38	2.56%
Vehicles	220,139.27	138,510.53	81,628.74	20.00%
Furniture & Equipment	3,045,728.98	2,504,462.66	541,266.32	14.29%
Leasehold Improvements	1,242,517.76	470,564.98	771,952.78	14.29%
Licenses & Media	559,914.79	506,227.88	53,686.91	6.67%
Total	\$ 16,372,368.72	4,014,864.00	12,357,504.72	

Depreciation expense for the year ended August 31, 2011 was \$511,159.21.

### 3. PENSION PLAN

#### Plan Description

The Associated Schools contribute to the Teacher Retirement System of Texas (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the Schools, but are the liability of the State of Texas. The System provides service retirement and disability benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the Schools. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 877-0123.

#### Funding Policy

Under provisions of State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.0% of the Schools' covered payroll. The Schools' employees' contributions to the System for the year ending August 31, 2011 were \$1,458,219.02 and were

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 3. PENSION PLAN (continued)

equal to the required contributions for each year. The State of Texas' contributions should approximate \$1,368,000.00.

### 4. HEALTH CARE COVERAGE

Employees of the Organization are covered by a group insurance plan with TRS Active Care. The Organization pays the employee's premium (currently \$232.00) and the employee pays the premiums for dependent coverage through payroll deductions through a Cafeteria Plan. See Note 5 for a summary of Section 125 Cafeteria Plan coverage.

### 5. SECTION 125 CAFETERIA PLAN

The organization has adopted a "cafeteria plan" within the meaning of Section 125(a) of the Internal Revenue Code which allows employees to choose among certain "tax free" benefits in lieu of taxable compensation. The choices include medical insurance premium, dental and vision insurance premium, cancer insurance premium, disability insurance premium, voluntary term life insurance premium and accidental death & dismemberment (AD&D) insurance premium among others. The company pays \$19.90 towards the dental premium, \$2.20 toward the life premium and \$.40 toward the AD&D premium. The employees' portion of the costs to provide any of these benefits are paid by the employees from payroll deductions.

### 6. INVENTORY

At August 31, 2011 the Organization had on hand curriculum packet inventory, IT inventory and other inventory that had original costs totaling \$410,675.95.

### 7. DUE FROM STATE-TEXAS EDUCATION AGENCY

At August 31, 2011, the Organization was to receive \$2,924,574.70 in entitlements as follows:

Title I, Part A	\$ 83,116.34
IDEA-Part B Formula	65,037.37
Title II, Part A	89,492.53
Education Jobs fund	399,527.66
Title III, LEP	23,657.76
ARRA Title XIV SFSF	112,155.70
ARRA Title II, Part D	2,221.94
ARRA IDEA-B	79,518.94
ARRA Title I, Part A	98,251.46
Texas Virtual Academy	1,971,561.00
Student Success Initiative	34.00

These amounts will be received from the Texas Education Agency in the 2011-2012 school year.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 8. OPERATING LEASES

#### **Responsive Education Solutions Administration Office Copiers**

The Organization's administrative offices are located at Waters Ridge, Lewisville, TX 75057 in a facility being purchased by the Organization. However, at that location there are various copiers leased at an approximate annual cost of \$13,000.

#### **Responsive Education Solutions -Austin**

The School has entered into a lease agreement for office and classroom space at 1701 Ben White Blvd., Austin, Texas (17,118 square feet) is leased at a rate of \$14,635.89 per month plus common area maintenance estimated to be \$3,566.25 through July 2012.

#### **Responsive Education Solutions -Beaumont**

The School has entered into a lease agreement for office and classroom space at 205 and 209 North Eleventh Street, Beaumont, Texas. The lease rental rate is \$11,950 per month plus common area maintenance, taxes and insurance of \$3,610 per month through June 30, 2013.

#### **Responsive Education Solutions -Beaumont (Vista)**

The School entered into a 34 months and 15 days lease agreement for office and classroom space at 10255 Eastex Freeway, Beaumont, Texas, commencing August 15, 2011 through June 2014. The lease covers approximately 28,000 square feet of floor space. The monthly rental rate is based on the greater of a base minimum monthly rental rate of \$2,000 per month or the average daily attendance (ADA) as documented on the most current Public Education Information Management System (PEIMS) report: \$60 per student per month for 1 to 200 student ADA and \$70 per student per month for 201 and above student ADA. All taxes, insurance, and maintenance are included in the base monthly rent.

#### **Responsive Education Solutions -Brownsville**

The School entered into a lease agreement for office and classroom space at 15 Lakeshore Drive, Brownsville, Texas. The agreement commenced July 2011 for 36 months through June 2014. The lease covers approximately 3,584 square feet of floor space. The rental rate is \$3,880 per month.

#### **Responsive Education Solutions -Carrollton**

The School has entered into a lease agreement for office and classroom space at 2400 N Josey Ln., Carrollton, Texas. This agreement commenced July 2010 and covers 24 months through June 2012. The lease rental rate is \$20,000 per month.

#### **Responsive Education Solutions -Clay Academy**

The School has entered into a lease agreement for office and classroom space at 3303 Potter's House Way, Dallas, Texas. This agreement commenced July 2010 for a period of 10 years. The lease rental rate is \$20,000 per month of occupancy for the first floor. Upon occupancy of second floor, the base monthly rent shall immediately increase to \$40,000 per month.

#### **Responsive Education Solutions -Coppell**

The School has entered into a lease agreement for office and classroom space at 140 S. Hartz Road, Coppell, Texas. This agreement commenced July 2011 and covers 36 months through June 2014. The lease covers approximately 31,224 square feet. The monthly lease rate is \$14,325 for 24 months and \$15,000 per month starting July 2013 through July 2014. If the average daily attendance (ADA) exceeds 300 students, an additional rent supplement of \$60 per month per student above the 300 ADA, as documented on the most current Public Education Information Management System (PEIMS) report for each month, will be due.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 8. OPERATING LEASES (continued)

#### **Responsive Education Solutions –Crockett**

The School has entered into a lease agreement for office and classroom space at 1303 East Houston Ave., Crockett, Texas. This agreement commenced July 2010 and covers 36 months through June 2013. The school will receive abated rent for the first twelve (12) months of the lease commencing on July 1, 2010. July 2011, the monthly rent rate is \$60 per average daily attendance (ADA) per month of occupancy adjusted quarterly based on actual ADA. July 2012, the monthly rent rate will increase to \$65 per ADA per month of occupancy adjusted quarterly based on actual ADA. A minimum monthly rent of \$5,000 per month shall apply.

#### **Responsive Education Solutions -Dallas**

The School has entered into a lease agreement for office and classroom space at 7300 Bruton Rd, Dallas, Texas. This agreement was executed in July 2010 and covers 24 months through June 2012. The lease is at a rental rate of \$4,000 per month if average daily attendance is at or below 50 students, \$6,000 per month if average daily attendance is between 51 and 100 students, \$8,000 per month if average daily attendance is between 101 and 150 students, \$10,000 per month if average daily attendance is between 151 and 200 students, and \$12,000 per month if average daily attendance is between 201 and 250 students.

#### **Responsive Education Solutions -Dayton**

The School has entered into a lease agreement for office and classroom space at 1707 CR 611, Dayton, Texas. This agreement was executed on July 1, 2010, and covers 36 months through June 2013. The lease is for 8,750 square feet of classroom & office space and approximately 7,000 square feet of shared space consisting of the gym, kitchen, and fellowship hall. On June 30, 2011 the lease was amended to reflect a minimum rental rate of \$2,000 per month plus \$40 per student if the average daily attendance (ADA) is at or below 70; \$50 per student if ADA is between 71 and 80; \$60 per student if ADA is between 81 and 100; and \$65 per student if ADA is in excess of 100. In addition to rent, common area utilities of \$20 per ADA will be paid.

#### **Responsive Education Solutions –Del Rio**

The School has entered into a lease agreement for office and classroom space at 4300 Highway 90 East, Del Rio, Texas. This agreement was executed in July 2009 and covers 36 months through June 2012. The lease is at a rental rate of \$6,500 per month

#### **Responsive Education Solutions –Desoto (Vista)**

The School entered into a lease agreement for office and classroom space at 1121 East Pleasant Run Road, Desoto, Texas. This agreement was executed on August 2011 and covers 59 months through June 2016. The school will receive abated rent for months 1 and 2 commencing on August 1, 2011; then, the rental rate is \$12,000 per month for months 3 through 24. For months 25 through 60, the rental rate is the greater of \$12,000 per month or, \$60 per student per month if the average daily attendance (ADA) as documented on the most current Public Education Information Management System (PEIMS) report exceeds 200 students. The ADA calculation shall begin August 1, 2013. All taxes, insurance, and common area maintenance is included in base monthly rent.

#### **Responsive Education Solutions –El Paso**

The School has entered into a lease agreement for office and classroom space at 1035 Belvedere, Suite 116, El Paso, Texas. This agreement was executed in July 2008 and covers 60 months through June 2013. The lease is at a rental rate of \$7,437.50 per month plus common area expenses.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 8. OPERATING LEASES (continued)

#### **Responsive Education Solutions -Ft. Worth**

The School has entered into a lease agreement for office and classroom space at 6411B Camp Bowie Blvd., Ft. Worth, Texas. This agreement was executed July 2011 and extends through June 2014. The lease covered approximately 11,772 square feet of floor space at a rental rate of \$9,427 per month plus common area maintenance, insurance and taxes estimated to be \$3,090.15 per month.

#### **Responsive Education Solutions –Garland**

The School has entered into a lease agreement for office and classroom space at 3024 Anita Dr, Garland, Texas. This agreement was executed in July 2011 and covers 36 months through June 2014. The lease is at a rental rate of \$7,000 per month if average daily attendance is at or below 100 students, \$9,000 per month if average daily attendance is between 101 and 150 students, \$11,000 per month if average daily attendance is between 151 and 200 students, \$13,000 per month if average daily attendance is between 201 and 250 students and \$16,000 per month if average daily attendance is between 251 and 300 students. Maximum rent shall be \$16,000 per month.

#### **Responsive Education Solutions –Granbury**

The School has entered into a lease agreement for office and classroom space at 919 East Hwy. 377, Suite 1, Granbury, Texas. The agreement commenced February 2010 and extends through June 2013. The lease covered approximately 7,766 square feet of floor space at a rental rate of \$5,824.50 per month plus estimated operating expenses and taxes not to exceed \$1.92 per square foot. In August 2011, the school leased additional 2,751 square feet of space at 915 East Hwy. 377, Suite 2, Granbury, Texas. Beginning September 2011 through June 2013, the combined rent expense for suites 1 and 2 is \$7,773.13 per month.

#### **Responsive Education Solutions –Hickory Creek**

The School has entered into a lease agreement for office and classroom space at, 800 Point Vista Rd, Hickory Creek, Texas. The agreement commenced July 2009 and extends through June 2014. The lease covered approximately 23,204 square feet of floor space at a rental rate of \$22,394 per month plus common area maintenance of approximately \$9,919.

#### **Responsive Education Solutions –Houston (iSchool)**

The School entered into a lease agreement for office and classroom space at 5000 Research Forest Drive, Bldg. 11, The Woodlands, Texas, starting January 1, 2012 and expiring on June 30, 2017. The lease covers 4,193 square feet of temporary space effective August 22, 2011 with monthly rent of \$5,152. Beginning January 2012, the temporary lease space shall end and permanent space of 4,193 square feet (Bldg. 11) and 11,905 square feet (Bldg. 13) shall be a specific site with rent of \$23,810 per month.

#### **Responsive Education Solutions –Huntsville**

The School has entered into a lease agreement for office and classroom space at 2407 Sam Houston Ave, Huntsville, Texas. This agreement commenced July 2009 and covers 36 months through June 2012. The lease covered approximately 55,046 square feet of floor space at a rental rate of \$80.00 per student per month for attendance up to 200 and \$100.00 per student per month for attendance above 200. Minimum rent is \$5,000 and maximum rent is \$26,000 per month.

#### **Responsive Education Solutions -Jasper**

The School has entered into a lease agreement for office and classroom space at 1501 South Wheeler, Jasper, Texas. The agreement commenced July 2009 and extends through June 2012. The lease covered approximately 11,508 square feet (31,508 square feet starting year 2) of floor space at a rental rate of \$70 per student per month with a minimum of \$4,000.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 8. OPERATING LEASES (continued)

#### **Responsive Education Solutions -Laredo**

The School has entered into a lease agreement for office and classroom space at 2201 Chihuahua Street, Laredo, Texas. This agreement commenced July 2010 and covers 36 months through June 2013. The monthly rental rate is \$7,975.

#### **Responsive Education Solutions –Lewisville (Vista)**

A lease was signed in July 2009 for 12,970 square feet of office and classroom space at 1511 FM 407, Suite B-100, Lewisville, Texas, covering 60 months at \$18,914.59 until June 2014.

#### **Responsive Education Solutions –Lewisville (iSchool)**

The Organization's Lewisville iSchool (TSTEM Academy) is located at 1800 Lakeway Dr. Suite 100, Lewisville, TX 75057. This lease is for approximately 34,431 square feet at a monthly rental of \$41,374.59 for 60 months through July 2013.

#### **Responsive Education Solutions -Lubbock**

A lease was signed in August 2009 for 16,179 square feet of office and classroom space at 2002 W. Loop 289, Suite 121, Lubbock, Texas, covering 35 months at \$12,134.25 per month plus approximately \$3,800 for common area maintenance, insurance and taxes until June 2012.

#### **Responsive Education Solutions -Midland**

A lease agreement was executed with ASI Texas, LLC, for 16,678 square feet of office and classroom space at 1900 North Big Springs and 1900 N. Main Street, Midland, Texas, beginning July 2010 for 36 months ending June 2013. The lease base rental rate is \$10,480 per month starting October 2010, as the first three months' rent was abated.

#### **Responsive Education Solutions –Mission**

The School has entered into a lease agreement for office and classroom space at 1313 St. Claire, Mission, Texas. The lease agreement is for 15,000 square feet at a monthly rental rate of \$15,000 starting July 2010 through June 2013.

#### **Responsive Education Solutions –New Braunfels**

The School entered into a lease agreement for office and classroom space at 1928 S. Seguin Ave., Suite 100A & B, New Braunfels, Texas, for the period November 2009 through June 2013. These premises (4,300 square feet) are leased at a rate of \$3,913 per month. In May 2010, 825 square feet at 1928 S. Seguin Ave., Suite 102, New Braunfels, Texas, was leased at a rate of \$965.25 per month. The school also pays approximately \$1,587 for common area maintenance, insurance and taxes.

#### **Responsive Education Solutions –North Austin**

The School has entered into a lease agreement for office and classroom space at 1835-A Kramer Lane, Austin, Texas, for the period from August 2008 through July 2013. These premises (9,300 square feet) were leased at a base rental rate of \$9,300 per month, \$9,579 per month effective August 2009, \$9,858 per month effective August 2010, and \$10,137 per month effective August 2011 plus estimated operating expenses including taxes. On June 9, 2010, the lease was amended to extend the lease until June 2015 and to include 6,327 square feet of expansion space at a rental rate of \$.90 per expansion square foot beginning October 2010.

#### **Responsive Education Solutions –Palmview**

The School has entered into a lease agreement for office and classroom space at 406 W. Veterans Blvd, Palmview, Texas for the period from July 2009 through June 2012. These premises (8,500 square feet plus gymnasium) are leased at a rate of \$12,000 per month.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 8. OPERATING LEASES (continued)

#### Responsive Education Solutions –Pharr-McAllen

The School entered into a 36 month lease agreement for office and classroom space at 200A, B, C, D, E, F and G East Expressway 83, Pharr, Texas, commencing July 1, 2009, and ending June 30, 2012. The first 12 months' lease rate is \$8,519.17 per month, \$8,646.95 per month for the 2<sup>nd</sup> 12 months, and \$8,776.65 per month for the final 12 months.

#### Responsive Education Solutions - San Antonio

The School entered into a lease agreement for office and classroom space at 502 Ramsey, San Antonio, Texas 78216, commencing December 15, 2010 and ending June 30, 2014. The first three years rental rate is \$11,020 per month and \$11,500 per month thereafter. The lease covers approximately 11,500 square feet of floor space.

#### Responsive Education Solutions - San Antonio-Austin (Vista)

The School entered into a lease agreement for office and classroom space at 85 NE Loop 410, Suite 100, San Antonio, Texas. This agreement was executed February 2011 and covers 65 months through June 2016. The lease covers approximately 8,894 square feet of floor space. The rental rate is \$5,929.33 per month for months 1 through 24 and \$6,670 per month for months 25 through 65, plus common area maintenance, taxes, and insurance.

#### Responsive Education Solutions – San Juan

The School has entered into a lease agreement for office and classroom space at 1200 E Bus 83, San Juan, Texas. This agreement was executed in August 2008 and covers 58 months through June 2013. The lease is at a rental rate of \$12,800 per month with a 3% increase annually.

#### Responsive Education Solutions –The Woodlands

The School has entered into a sublease agreement for office and classroom space at 6565 Research Forest Drive, The Woodlands, Texas. This agreement commenced August 2010 for 23 months ending June 2012. The monthly base rental rate is the amount greater of \$75 per average daily attendance (ADA) per month or \$4,000 plus common area utilities.

#### Responsive Education Solutions –Willis

The School has entered into a lease agreement for office and classroom space at 202 Thomason, Willis, Texas. This agreement was executed in June 2008 and covers 60 months through June 2013. The lease is at a minimum rental rate of \$4,000 per month plus \$60 per student if average daily attendance is at or below 100, \$70 per student if average daily attendance is between 101 and 225, and \$80 per student if average daily attendance is between 226 and 300. Maximum rent shall be \$25,000 per month.

### FUTURE MINIMUM LEASE PAYMENTS

Future minimum lease payments under the leases above are as follows:

8/31/2012	\$4,935,372.42
8/31/2013	3,727,376.30
8/31/2014	2,235,609.52
8/31/2015	973,153.02
8/31/2016	773,254.60
Thereafter	1,158,223.00

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 9. COMMITMENTS AND CONTINGENCIES

The Organization receives funds through federal programs which are governed by various rules and regulations of the grantor. Expenses charged to the grant program are subject to audit and adjustment by the grantor agency. In the opinion of management, there are no contingent liabilities relating to compliance with rules and regulations governing the grants; therefore, no provision has been made in the accompanying financial statements for such contingencies.

### 10. ECONOMIC DEPENDENCY

During the year the Schools received the majority of its revenues from the Texas Education Agency and the Federal Government through a Charter Agreement. The loss of this Charter Agreement would have a material effect on the ability of the Schools to continue to provide the current level of services to its students.

### 11. NOTES PAYABLE

The Organization purchased a building at 955 Paredes Line Road, Brownsville, Texas for the Brownsville school location on September 24, 2007. Previously they were leasing space at this location. The purchase was for \$840,000.00 with a resulting note payable (lien on the building) of \$672,000.00 payable by payments of \$6,174.49 including interest at 7.25%.

The Organization purchased a building at 3236 Hobbs Rd. Amarillo, Texas for the Amarillo school location on February 15, 2008. The purchase was for \$379,323.44 with a resulting note payable (lien on the building) of \$303,792.00 payable by payments of \$3,421.20 including interest at 6.3165%.

The Organization purchased a building at 4720 N 19<sup>th</sup> Street, Waco, Texas for the Waco school location on July 28, 2008. The purchase was for \$505,675.83 with a resulting note payable (lien on the building) of \$478,550.00 payable in a lump sum payment July 28, 2009. The note was refinanced and has 294 payments of \$3,258.13 remaining including 6.5% interest.

The Organization purchased a building at 4633 S. 14<sup>th</sup> St, Abilene, TX for the Abilene school location on September 24, 2008. The purchase was for \$840,070.58 with a resulting note payable (lien on the building) of \$786,250.00 payable by payments of \$5,355.46 including interest at 6.5%.

The Organization purchased a building at 1106 Glenwood Blvd., Tyler, TX for the Tyler school location on June 24, 2009. The purchase was for \$432,604.95 with a resulting note payable (lien on the building) of \$361,250.00 payable June 24, 2010 including interest at 6.5%.

The Organization purchased a building at 1301 Waters Ridge Drive, Lewisville, Texas for the School Administration location on June 11, 2010. The purchase was for \$4,650,000.00 with a resulting note payable (lien on the building) of \$4,122,500.00 payable by payments of \$28,081.84 including interest at 6.5%.

The Organization purchased a building at 1010 Bellaire Blvd, Denton, TX for the Denton/Lewisville location on July 29, 2011. The purchase was for \$2,625,000.00 with a resulting mortgage of \$2,231,250.00 payable in monthly payments of \$13,370.71 including interest at 5.25%.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2011

### 11. NOTES PAYABLE (continued)

The note payments are scheduled as follows:

<b>August 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	206,855.03	532,441.89	739,296.92
2013	220,497.76	518,799.16	739,296.92
2014	234,896.80	504,400.12	739,296.92
2015	250,246.56	489,050.36	739,296.92
2016	266,610.45	472,686.47	739,296.92
Thereafter	<u>7,501,639.05</u>	<u>5,069,907.72</u>	<u>12,571,546.77</u>
Totals	8,680,745.65	7,587,285.72	16,268,031.37

### 12. TEMPORARILY RESTRICTED NET ASSETS

At August, 31 2011, the Organization had temporarily restricted net assets of \$16,937,235.11. These funds represent funds that are restricted as to their expendability in certain Federal, State and Local programs. The funds are not free to be expended in any way the Organization desires. The temporarily restricted funds at year end are as follows:

Miscellaneous Local Restricted Funds	\$ 829,826.16
State Foundation Program	13,580,537.54
State Career and Technical Fund	150,077.79
State Compensatory Education Fund	176,682.05
State High School Allotment	1,948,487.49
State Ltd English Proficiency	22.17
State Technology Allotment	113,412.17
State Automated External Defibrillators	42,630.00
State Read to Succeed	110.00
State Campus Awards	736.00
Federal Title IV, Part A	358.60
Federal Title I, Part A	283.81
Federal IDEA-B Program	28,388.42
Federal Title II, Part A	54,344.47
Federal Title III, Part A	<u>11,338.44</u>
Total	<u>\$16,937,235.11</u>

### 13. CASH DEPOSIT RISK

At August 31, 2011 and throughout the school year, the Organization's cash in bank accounts was not entirely covered by Federal Deposit Insurance Corporation (FDIC) insurance but has been fully covered during the year by pledged collateral held by the Organization's agent banks instead

**SPECIFIC-PURPOSE  
FINANCIAL STATEMENTS**

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statements of Financial Position by Charter**  
**August 31, 2011**

	<u>Responsive Education Solutions Charter Schools</u>	<u>Premier Charter Schools</u>	<u>Combined</u>
<b>ASSETS</b>			
<b><u>Current Assets</u></b>			
Cash in Banks and On Hand	\$ 13,215,438.34	\$ 2,570,009.86	\$ 15,785,448.20
Due from State-Texas Education Agency	2,842,729.84	81,844.86	2,924,574.70
Other Receivables	147,912.18	14,413.70	162,325.88
Inventory	261,460.44	149,215.51	410,675.95
Prepaid Expenses		1,650.00	1,650.00
<b>Total Current Assets</b>	<b>16,467,540.80</b>	<b>2,817,133.93</b>	<b>19,284,674.73</b>
<b><u>Property and Equipment</u></b>			
Land	3,245,864.69	657,737.90	3,903,602.59
Buildings and Improvements	4,776,686.80	2,623,778.53	7,400,465.33
Vehicles	101,643.27	118,496.00	220,139.27
Furniture and Equipment	1,038,849.12	2,006,879.86	3,045,728.98
Leasehold Improvements	546,321.93	696,195.83	1,242,517.76
Library Books & Media	355,198.48	204,716.31	559,914.79
Accumulated Depreciation	(1,207,105.26)	(2,807,758.73)	(4,014,863.99)
<b>Total Property and Equipment</b>	<b>8,857,459.03</b>	<b>3,500,045.70</b>	<b>12,357,504.73</b>
<b><u>Other Assets</u></b>			
Other Assets	173,383.12	150,435.63	323,818.75
<b>Total Other Assets</b>	<b>173,383.12</b>	<b>150,435.63</b>	<b>323,818.75</b>
<b>TOTAL ASSETS</b>	<b>\$ 25,498,382.95</b>	<b>\$ 6,467,615.26</b>	<b>\$ 31,965,998.21</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	\$ 743,623.23	\$ 263,454.56	\$ 1,007,077.79
Other Payables	10,713.31		10,713.31
Loans Payable-Current Year	144,002.58	84,416.11	228,418.69
Payroll Tax and Other Payables	830,673.63	252,670.54	1,083,344.17
Accrued Wages Payable	1,278,570.73	162,635.90	1,441,206.63
Accrued Expenses	2,728,407.46		2,728,407.46
<b>Total Current Liabilities</b>	<b>5,735,990.94</b>	<b>763,177.11</b>	<b>6,499,168.05</b>
<b><u>Long-Term Liabilities</u></b>			
Loans Payable-Long Term	6,419,197.10	2,054,693.52	8,473,890.62
Due To (From) Other Funds	(1,715,771.97)	1,715,771.97	0.00
<b>Total Long-Term Liabilities</b>	<b>4,703,425.13</b>	<b>3,770,465.49</b>	<b>8,473,890.62</b>
<b><u>Net Assets</u></b>			
Unrestricted Net Assets (Deficiency)	54,870.78	833.65	55,704.43
Temporarily Restricted Net Assets (Deficiency)	15,004,096.10	1,933,139.01	16,937,235.11
<b>Total Net Assets</b>	<b>15,058,966.88</b>	<b>1,933,972.66</b>	<b>16,992,939.54</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 25,498,382.95</b>	<b>\$ 6,467,615.26</b>	<b>\$ 31,965,998.21</b>

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statements of Activities by Charter**  
**For the Year Ended August 31, 2011**

	Responsive Education Solutions Charter Schools			Premier Charter Schools			Combined		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
<b>REVENUE AND OTHER SUPPORT</b>									
Local Support--									
5729 Revenue from Svcs to Other School Districts	\$	\$	\$	\$	\$	\$	\$	\$	\$
5742 Interest Income		90,100.47	90,100.47		245,904.06	245,904.06		245,904.06	245,904.06
5744 Gifts and Bequests	(167.84)	77,917.09	77,749.25	310.00	678.20	678.20		81,487.37	81,487.37
5748 Curriculum Sales	12,424.50	77,984.93	90,409.43		3,502.44	3,502.44	142.16		12,424.50
5749 Other Revenue	212,648.98	69,836.27	282,485.25	191.23	13,004.05	13,195.28	2,128,402.21		2,956,805.53
5751 Food Service Fees		56,555.53	56,555.53		2,595.24	2,595.24		59,150.77	59,150.77
5752 Athletic Activities					968.46	968.46		968.46	968.46
5755 Enterprise Services Revenue	1,711.48	11,823.19	13,534.67	367.24	13,891.78	14,259.02	2,078.72	25,714.97	27,793.69
5759 Occumular Enterprise Services	(130.00)	29,342.60	29,212.60		150.00	150.00	(130.00)	29,492.60	29,362.60
Total Local Support	226,487.12	335,642.99	562,130.11	868.47	280,694.23	281,562.70	227,355.59	616,337.22	843,692.81
State Program Revenues--									
5812 State Foundation Program		49,191,509.00	49,191,509.00		1,608,723.00	1,608,723.00		50,800,232.00	50,800,232.00
5818 Electronic Course Pilot Program		3,047,189.00	3,047,189.00					3,047,189.00	3,047,189.00
5819 Intensive Technology		104,538.77	104,538.77					104,538.77	104,538.77
5829 Student Success Initiative		14,739.15	14,739.15		116.34	116.34		2,133.88	14,739.15
5829 Breakfast Program Matching		2,017.54	2,017.54		4,629.00	4,629.00		179,103.00	179,103.00
5829 Technology Allotment		174,474.00	174,474.00		1,613,468.34	1,613,468.34		54,147,935.80	54,147,935.80
Total State Program Revenues		52,534,467.46	52,534,467.46		1,613,468.34	1,613,468.34		4,631,089.18	4,631,089.18
Federal Program Revenues--									
5921 Breakfast Program		176,894.58	176,894.58		14,021.00	14,021.00		190,915.58	190,915.58
5922 National School Lunch		265,677.28	265,677.28		13,684.42	13,684.42		279,361.70	279,361.70
5929 Title IV, Part A		3,782.24	3,782.24					3,782.24	3,782.24
5929 Title I, Part A		957,807.42	957,807.42		58,273.36	58,273.36		1,016,080.78	1,016,080.78
5929 IDEA-Part B Formula		577,441.55	577,441.55		31,636.23	31,636.23		609,077.78	609,077.78
5929 Title II, Part A		160,229.57	160,229.57		47,339.47	47,339.47		207,569.04	207,569.04
5929 Title III LEP		160,874.22	160,874.22		11,875.05	11,875.05		172,749.27	172,749.27
5929 ARRA SFSF		852,277.39	852,277.39		27,976.57	27,976.57		880,253.96	880,253.96
5929 ARRA Title II, Part D		9,455.94	9,455.94					9,455.94	9,455.94
5929 ARRA IDEA-B		533,136.57	533,136.57					533,136.57	533,136.57
5929 ARRA IDEA-B Preschool		18,055.57	18,055.57					18,055.57	18,055.57
5929 ARRA Title I, Part A		306,693.09	306,693.09					306,693.09	306,693.09
5929 Education Jobs Fund		399,527.66	399,527.66					399,527.66	399,527.66
5929 SLDs Classroom Link		4,430.00	4,430.00					4,430.00	4,430.00
Total Federal Program Revenues		4,426,283.08	4,426,283.08		204,806.10	204,806.10		4,631,089.18	4,631,089.18
Net Assets Released from Restrictions	47,894,656.48	(47,894,656.48)		4,286,552.70	(4,286,552.70)		52,181,209.18	(52,181,209.18)	
Total Revenue and Other Support	48,121,143.60	9,401,737.05	57,522,880.65	4,287,421.17	(2,187,584.03)	2,099,837.14	52,408,564.77	7,214,153.02	59,622,717.79
<b>EXPENSES</b>									
11 Instruction	30,594,903.70		30,594,903.70	2,390,763.26		2,390,763.26	32,985,666.96		32,985,666.96
12 Instructional Resources and Media Services	2,180.43		2,180.43				2,180.43		2,180.43
13 Curriculum Dev. & Instructional Staff Dev.	1,584,729.45		1,584,729.45	168,457.12		168,457.12	1,753,186.57		1,753,186.57
21 Instructional Leadership	1,549,065.69		1,549,065.69	139,655.31		139,655.31	1,688,721.00		1,688,721.00
23 School Leadership	5,188,411.03		5,188,411.03	749,581.81		749,581.81	5,937,992.84		5,937,992.84
31 Guidance, Counseling and Evaluation Svcs.	526,612.00		526,612.00	22,148.59		22,148.59	548,760.59		548,760.59
33 Health Services	33,066.30		33,066.30	7,372.28		7,372.28	40,438.58		40,438.58
34 Student (Pupil) Transportation	57,279.00		57,279.00	2,707.68		2,707.68	59,986.68		59,986.68
35 Food Services	715,960.59		715,960.59	117,597.16		117,597.16	833,557.75		833,557.75
36 Occumular/Extracurricular Activities	14,255.05		14,255.05	42,106.54		42,106.54	56,361.59		56,361.59
41 General Administration	2,909,023.25		2,909,023.25	152,659.29		152,659.29	3,061,682.54		3,061,682.54
51 Plant Maintenance and Operations	3,425,060.95		3,425,060.95	446,110.05		446,110.05	3,871,171.00		3,871,171.00
52 Security and Monitoring Services	33,101.51		33,101.51	1,194.52		1,194.52	34,296.03		34,296.03
53 Data Processing Services	562,964.52		562,964.52	18,902.84		18,902.84	581,867.36		581,867.36
61 Community Services	280,407.17		280,407.17	543.63		543.63	280,950.80		280,950.80
71 Debt Service	441,822.46		441,822.46	26,787.44		26,787.44	468,609.90		468,609.90
81 Fundraising	230,039.89		230,039.89				230,039.89		230,039.89
Total	48,148,882.99		48,148,882.99	4,286,587.52		4,286,587.52	52,435,470.51		52,435,470.51
<b>Change in Net Assets</b>									
Net Assets (Deficiency), Beginning of Year	82,610.17	5,602,359.05	5,684,969.22	833.65	(2,187,584.03)	(1,353,620.38)	(26,905.74)	7,214,153.02	7,187,247.28
Net Assets (Deficiency), End of Year	54,870.78	15,004,096.10	15,058,966.88	833.65	1,933,139.01	1,933,972.66	55,704.43	16,937,235.11	16,992,939.54

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statements of Cash Flows by Charter**  
**For the Year Ended August 31, 2011**

	<u>Responsive Education Solutions Charter Schools</u>	<u>Premier Charter Schools</u>	<u>Combined</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Government Contracts	\$ 55,423,457.63	\$ 1,728,499.58	\$ 57,151,957.21
Cash from Local Sources	562,130.11	281,562.70	843,692.81
Cash Paid to Suppliers for Goods and Services	(22,269,826.48)	(2,733,930.14)	(25,003,756.62)
Cash Paid to Employees for Services	(23,328,843.00)	(727,560.00)	(24,056,403.00)
Cash Paid for Income Taxes	0	0	0
Cash Paid for Interest Expense	(441,822.46)	(26,787.44)	(468,609.90)
Net Cash Provided By (Used By) Operating Activities	<u>9,945,095.80</u>	<u>(1,478,215.30)</u>	<u>8,466,880.50</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property and Equipment	(3,175,401.46)	(154,377.93)	(3,329,779.39)
Transfer of Assets to Premier Charter Schools	3,357,687.56	(3,350,939.68)	6,747.88
Transfer of Cash to Premier Charter Schools	(3,500,000.00)	3,500,000.00	
Purchase of Other Assets	(32,637.74)	(3,050.00)	(35,687.74)
Net Cash Provided By (Used By) Investing Activities	<u>(3,350,351.64)</u>	<u>(8,367.61)</u>	<u>(3,358,719.25)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from New Debt		3,892,724.17	3,892,724.17
Payments on Debt	(1,701,722.52)	(112,945.26)	(1,814,667.78)
Net Cash Provided By (Used By) Financing Activities	<u>(1,701,722.52)</u>	<u>3,779,778.91</u>	<u>2,078,056.39</u>
Net Increase (Decrease) in Cash	4,893,021.64	2,293,196.00	7,186,217.64
Cash at Beginning of Year	<u>8,322,416.70</u>	<u>276,813.86</u>	<u>8,599,230.56</u>
Cash at End of Year	<u>\$ 13,215,438.34</u>	<u>\$ 2,570,009.86</u>	<u>\$ 15,785,448.20</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES</b>			
Change in Net Assets	\$ 9,373,997.66	\$ (2,186,750.38)	\$ 7,187,247.28
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used By) Operating Activities:			
Depreciation	292,305.27	218,853.94	511,159.21
(Increase) Decrease in Operating Assets--			
Due from State-Texas Education Agency	(1,189,061.69)	(81,750.86)	(1,270,812.55)
Due from Federal Government	15,104.78		15,104.78
Other Receivables	249,534.25	(14,413.70)	235,120.55
Inventory	(10,731.69)	(49,875.01)	(60,606.70)
Prepaid Expenses	10,480.00	(1,650.00)	8,830.00
Increase (Decrease) in Operating Liabilities--			
Accounts Payable	(345,307.23)	230,600.81	(114,706.42)
Payroll Tax and Other Payables	265,119.54	252,158.00	517,277.54
Accrued Wages Payable	246,908.76	162,635.90	409,544.66
Due to State-Texas Education Agency	(363,336.00)	(8,024.00)	(371,360.00)
Accrued Expenses	1,400,082.15		1,400,082.15
Net Adjustments	<u>571,098.14</u>	<u>708,535.08</u>	<u>1,279,633.22</u>
Net Cash Provided By (Used By) Operating Activities	<u>\$ 9,945,095.80</u>	<u>\$ (1,478,215.30)</u>	<u>\$ 8,466,880.50</u>

The accompanying notes are an integral part of these financial statements

**SUPPLEMENTARY  
SCHEDULES**



**RESPONSIVE EDUCATION SOLUTIONS**  
**Schedules of Capital Assets by Charter**  
**August 31, 2011**

	Responsive Education Solutions Charter Schools				Premier Charter Schools			
	Local	Ownership State	Interest Federal	Totals	Local	Ownership State	Interest Federal	Totals
<b>CAPITAL ASSETS</b>								
1100 Cash	\$ 814,413.94	\$ 12,306,310.66	\$ 94,713.74	\$ 13,215,438.34	\$ 15,412.22	\$ 2,554,597.64	\$	\$ 2,570,009.86
1510 Land		3,245,864.69		3,245,864.69		657,737.90		657,737.90
1520 Buildings and Improvements	74,925.78	4,670,097.41	31,663.61	4,776,686.80		2,623,778.53		2,623,778.53
1531 Vehicles		101,643.27		101,643.27		16,303.00	102,193.00	118,496.00
1539 Furniture and Equipment	505,634.21	242,323.47	290,891.44	1,038,849.12		1,946,114.81	60,765.05	2,006,879.86
1550 Leasehold Improvements	546,321.93			546,321.93		696,195.83		696,195.83
1569 Licenses and Media	328,198.48	27,000.00		355,198.48		204,716.31		204,716.31
Total Capital Assets	\$ 2,269,494.34	\$ 20,593,239.50	\$ 417,268.79	\$ 23,280,002.63	\$ 15,412.22	\$ 8,699,444.02	\$ 162,958.05	\$ 8,877,814.29

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Budgetary Comparison Schedules by Charter**  
**For the Year Ended August 31, 2011**

	Responsive Education Solutions Charter Schools				Premier Charter Schools			
	Budgeted Amounts		Actual Amounts	Variance from Final Budget	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final			Original	Final		
<b>REVENUE AND OTHER SUPPORT</b>								
Local Support--								
5720 Other Revenues from Local Sources	\$	\$	\$	\$	\$	\$	\$	\$
5740 Other Revenues from Local Sources		462,827.31					245,904.06	
5750 Other Revenues from Local Sources		99,302.80					17,685.92	
Total Local Revenues		200,000.00	562,130.11	362,130.11		280,000.00	281,562.70	1,562.70
State Program Revenues--								
5810 State Program Revenues			52,343,236.77				1,608,723.00	
5820 State Program Revenues from TEA			191,230.69				4,745.34	
Total State Revenues	47,991,495.00	49,491,495.00	52,534,467.46	3,042,972.46	2,340,250.00	2,340,250.00	1,613,468.34	(726,781.66)
Federal Program Revenues--								
5920 Federal Program Revenues			4,426,283.08				204,806.10	
5930 Federal Program Revenues								
5940 Federal Program Revenues								
Total Federal Revenues	2,453,088.00	2,453,088.00	4,426,283.08	1,973,195.08	35,794.00	35,794.00	204,806.10	169,012.10
Total Revenue and Other Support	50,444,583.00	52,144,583.00	57,522,880.65	5,378,297.65	2,376,044.00	2,656,044.00	2,099,837.14	(556,206.86)
<b>EXPENSES</b>								
11 Instruction	29,960,527.00	30,690,527.00	30,594,903.70	(95,623.30)	1,002,026.00	2,397,026.00	2,390,763.26	(6,262.74)
12 Instructional Resources and Media Svcs.	42,000.00	42,000.00	2,180.43	(39,819.57)				(39,819.57)
13 Curriculum Dev. & Instructional Staff Dev.	1,754,378.00	1,754,378.00	1,584,729.45	(169,648.55)	44,390.00	169,390.00	168,457.12	(932.88)
21 Instructional Leadership	849,607.00	1,574,607.00	1,549,065.69	(25,541.31)	25,000.00	140,000.00	139,655.31	(344.69)
23 School Leadership	5,975,238.00	5,355,238.00	5,188,411.03	(166,826.97)	310,399.00	755,399.00	749,581.81	(5,817.19)
31 Guidance, Counseling and Evaluation Svcs.	119,710.00	529,710.00	526,612.00	(3,098.00)	10,000.00	25,000.00	22,148.59	(2,851.41)
32 Social Work	47,000.00	47,000.00		(47,000.00)				(47,000.00)
33 Health Services	118,980.00	118,980.00	33,066.30	(85,913.70)	14,485.00	14,485.00	7,372.28	(7,112.72)
34 Student (Pupil) Transportation	118,980.00	118,980.00	57,279.00	(61,701.00)	30,636.00	20,636.00	2,707.68	(17,928.32)
35 Food Services	624,645.00	719,645.00	715,960.59	(3,684.41)	50,549.00	120,549.00	117,597.16	(2,951.84)
36 Cocurricular/Extracurricular Activities	43,000.00	43,000.00	14,255.05	(28,744.95)	41,903.00	42,403.00	42,106.54	(296.46)
41 General Administration	3,189,114.00	2,924,114.00	2,909,023.25	(15,090.75)	150,518.00	153,018.00	152,659.29	(358.71)
51 Plant Maintenance and Operations	3,897,062.00	3,897,062.00	3,425,060.95	(472,001.05)	280,892.00	450,892.00	446,110.05	(4,781.95)
52 Security and Monitoring Services	43,000.00	43,000.00	33,101.51	(9,898.49)	4,600.00	4,600.00	1,194.52	(3,405.48)
53 Data Processing Services	488,826.00	588,826.00	562,964.52	(25,861.48)	91,823.00	21,823.00	18,902.84	(2,920.16)
61 Community Services	42,000.00	282,000.00	280,407.17	(1,592.83)	75,902.00	5,000.00	543.63	(4,456.37)
71 Debt Service	459,950.00	459,950.00	441,822.46	(18,127.54)		30,902.00	26,787.44	(4,114.56)
81 Fundraising	131,681.00	231,681.00	230,039.89	(1,641.11)	5,523.00	5,523.00		(5,523.00)
Total Expenses	47,905,698.00	49,420,698.00	48,148,882.99	(1,271,815.01)	2,138,646.00	4,356,646.00	4,286,587.52	(70,058.48)
<b>Change in Net Assets</b>	<b>2,538,885.00</b>	<b>2,723,885.00</b>	<b>9,373,997.66</b>	<b>6,650,112.66</b>	<b>237,398.00</b>	<b>(1,700,602.00)</b>	<b>(2,186,750.38)</b>	<b>(486,148.38)</b>
Net Assets (Deficiency), Beginning of Year	5,684,969.22	5,684,969.22	5,684,969.22	----	4,120,723.04	4,120,723.04	4,120,723.04	----
Net Assets (Deficiency), End of Year	\$ 8,223,854.22	\$ 8,408,854.22	\$ 15,058,966.88	\$ 6,650,112.66	\$ 4,358,121.04	\$ 2,420,121.04	\$ 1,933,972.66	\$ (486,148.38)

The accompanying notes are an integral part of these financial statements

# **COMPLIANCE AND INTERNAL CONTROL**



**GREGORY S. DELK**



**CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FINANCIAL PLANNER™**

**INDEPENDENT AUDITOR'S REPORT**

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*

Board of Directors  
Responsive Education Solutions  
Lewisville, Texas

I have audited the financial statements of Responsive Education Solutions as of and for the year ended August 31, 2011, and have issued my report thereon dated January 18, 2012. I conducted my 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.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Responsive Education Solutions' internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Responsive Education Solutions' internal control over financial reporting.

A deficiency in 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.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Responsive Education Solutions' financial statements are free of material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, The Texas Education Agency, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gregory S. Delk, CPA, CFP  
January 18, 2012



**GREGORY S. DELK**



**CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FINANCIAL PLANNER™**

**INDEPENDENT AUDITOR'S REPORT**

Report on Compliance with Requirements Applicable to Each Major  
Program and on Internal Control over Compliance in Accordance with  
OMB Circular A-133

Board of Directors  
Responsive Education Solutions  
Lewisville, Texas

**Compliance**

I have audited the compliance of Responsive Education Solutions (a non-profit organization) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2011. Responsive Education Solutions' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Responsive Education Solutions' management. My responsibility is to express an opinion on Responsive Education Solutions' compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Responsive Education Solutions' compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Responsive Education Solutions' compliance with those requirements.

In my opinion, Responsive Education Solutions complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2011.

**Internal Control Over Compliance**

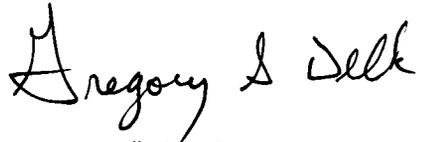
The management of Responsive Education Solutions is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Responsive Education Solutions' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Responsive Education Solutions' internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, The Texas Education Agency, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Gregory S. Delk". The signature is written in a cursive style with a large initial 'G'.

Gregory S. Delk, CPA, CFP  
January 18, 2012

**RESPONSIVE EDUCATION SOLUTIONS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended August 31, 2011**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Exhibit F-1**

**FINANCIAL STATEMENTS**

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ Yes  X  No

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

**FEDERAL AWARDS**

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ Yes  X  No

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  No

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ Yes  X  No

Identification of major programs:  
CFDA 84.389A ARRA Title I  
CFDA 84.391A ARRA IDEA-B  
CFDA 84.394A ARRA Title XIV SFSF  
CFDA 84.410A Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs: \$300,000.00

Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None Identified

**SECTION III – STATE AND FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None Identified

**RESPONSIVE EDUCATION SOLUTIONS**

**STATUS OF PRIOR AUDIT FINDINGS**

**For the Year Ended August 31, 2011**

**No prior audit findings**

**RESPONSIVE EDUCATION SOLUTIONS  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2011**

**No Corrective Action Plan Needed**

**RESPONSIVE EDUCATION SOLUTIONS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended August 31, 2011**

	<b>Federal Catalog Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<b>Passed through State Department of Education</b>			
School Breakfast Program	10.553 & 10.555	71301101 & 71401101 71301101 & 71401101	695,861.44 <u>113,807.98</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b><u><u>809,669.42</u></u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<b>Passed through State Department of Education</b>			
Title I, Part A Program	84.010A	11610101221801 11610101072801	956,042.56 140,064.47
IDEA-B Program	84.027A	116600012218016600 116600010728016600	577,441.55 31,708.10
Title IV Program	84.186A	10691001221801	3,782.24
Rural & Low Income Schools	84.358B	n/a	9,657.88
Title III Bilingual/ELA Program	84.365A	11671001221801	172,749.27
Title II, Part A Program	84.367A	11694501221801	207,765.94
SLDS Classroom Link to ISDS	84.372A	10635002221801	4,430.00
ARRA, Title II, D Program	84.386A	11553001221801	9,455.94
ARRA, Title I Program	84.389A	11551001221801	306,693.09
ARRA, IDEA-B Program	84.391A	11554001221801	587,024.73
ARRA, IDEA-B Preschool Program	84.392A	10555001221801	18,055.57
ARRA, Title XIV SFSF Program	84.394A	11557001221801 11557001072801	851,746.69 27,976.57
Education Jobs Fund	84.410A	11550101221801	<u>399,527.66</u>
<b>Total U.S. Department of Education passed through State Dept. of Education</b>			<b>4,304,122.26</b>
<b>Direct Awards (no pass through entity)</b>			
Advanced Placement Fee Payment Grant	84.330C	n/a	<u>1,421.23</u>
<b>Total U.S. Department of Education directly awarded</b>			<b>1,421.23</b>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b><u><u>4,305,543.49</u></u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u><u>5,115,212.91</u></u></b>

## RESPONSIVE EDUCATION SOLUTIONS

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

August 31, 2011

#### NOTE 1 – STANDARD FINANCIAL ACCOUNTING SYSTEM

For all federal programs, the corporation used the net asset classes and codes specified by the Texas Education Agency in the *Special Supplement to Financial Accounting and Reporting, Nonprofit Charter School Chart of Accounts*. Temporarily restricted net asset codes are used to account for resources restricted to or designated for specific purposes by a grantor. Federal and state financial assistance is generally accounted for in temporarily restricted net asset codes.

#### NOTE 2 – BASIS OF ACCOUNTING

The schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented may differ from amounts presented in, or used in preparation of the basic financial statements.

#### NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Expenditures of federal financial assistance per accompanying schedule of expenditures of federal awards included in total expenses	\$5,115,212.91
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**RESPONSIVE EDUCATION SOLUTIONS**

**COMBINED**  
**ANNUAL FINANCIAL AND**  
**COMPLIANCE REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2009**

**RESPONSIVE EDUCATION SOLUTIONS  
COMBINED  
ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2009**

**TABLE OF CONTENTS**

	<u>Reference</u>
<b>Certificate of Board of Directors</b> .....	
<b>Independent Auditor’s Report-</b> Unqualified Opinion on Financial Statements .....	
<b>General-Purpose Financial Statements:</b>	
Statement of Financial Position .....	Exhibit A-1
Statement of Activities .....	Exhibit A-2
Statement of Cash Flows.....	Exhibit A-3
<b>Notes to Financial Statements</b> .....	
<b>Specific-Purpose Financial Statements</b>	
Statement of Financial Position .....	Exhibit B-1
Statement of Activities .....	Exhibit B-2
Statement of Cash Flows.....	Exhibit B-3
<b>Supplementary Schedules:</b>	
Schedule of Expenses.....	Exhibit C-1
Schedule of Capital Assets.....	Exhibit D-1
Budgetary Comparison Schedules .....	Exhibit E-1
<b>Compliance and Other Reports:</b>	
Independent Auditor’s Report-	
Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	
Independent Auditor’s Report-	
Report on Compliance with Requirements Applicable to Each Major Program Internal Control over Compliance with OMB Circular A-133 .....	
Schedule of Findings and Questioned Costs .....	Exhibit F-1
Schedule of Prior Year Audit Findings .....	
Corrective Action Plan .....	Exhibit G-1
Schedule of Expenditures of Federal Awards .....	Exhibit H-1
Notes to Schedule of Expenditures of Federal Awards .....	

RESPONSIVE EDUCATION SOLUTIONS  
COUNTY-DISTRICT NUMBER: 221801  
FEDERAL EMPLOYER IDENTIFICATION NUMBER: 75-2748762

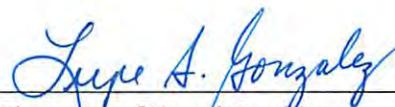
COMBINED  
ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2009

CERTIFICATE OF BOARD OF DIRECTORS

We, the undersigned, certify that the attached Annual Financial and Compliance Report of Responsive Education Solutions was reviewed and (check one)  approved \_\_\_\_\_ disapproved for the year ended August 31, 2009, at a meeting of the governing body of said charter holder on the 22nd day of January, 2010.



Signature of Board Secretary



Signature of Board President

**NOTE:** If the governing body of the charter school does not approve the independent auditors' report, it must forward a written statement discussing the reason(s) for not approving the report.



**GREGORY S. DELK**



**CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FINANCIAL PLANNER**

**INDEPENDENT AUDITOR'S REPORT**

**Unqualified Opinion on Financial Statements**

Board of Directors  
Responsive Education Solutions  
Lewisville, Texas

I have audited the accompanying financial statements listed in the table of contents of Responsive Education Solutions as of and for the year ended August 31, 2009. These financial statements are the responsibility of the Responsive Education Solutions' management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Responsive Education Solutions as of August 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 15, 2010 on my consideration of Responsive Education Solutions' internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The other supplementary information is likewise presented for purposes of additional analysis and not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Gregory S. Delk, CPA, CFP  
January 15, 2010

**GENERAL-PURPOSE  
FINANCIAL STATEMENTS**

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Financial Position**  
**August 31, 2009**

**ASSETS**

**Current Assets**

Cash in Banks and On Hand	\$ 4,168,081.15
Due from State-Texas Education Agency	641,914.59
Due from Federal Government	114,437.50
Other Receivables	25,050.21
Inventory	280,776.22
Prepaid Expenses	23,414.59
Total Current Assets	5,253,674.26

**Property and Equipment**

Land	703,252.85
Buildings and Improvements	3,616,672.10
Work in Progress	15,583.15
Vehicles	17,470.95
Furniture and Equipment	3,037,233.13
Library Books & Media	27,000.00
Accumulated Depreciation	(2,935,131.40)
Total Property and Equipment	4,482,080.78

**Other Assets**

Other Assets	239,281.76
Total Other Assets	239,281.76

TOTAL ASSETS	\$ 9,975,036.80
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 870,976.50
Loans Payable-Current Year	440,671.18
Payroll Tax and Other Payables	457,221.64
Accrued Wages Payable	726,908.75
Due to State-Texas Education Agency	41,355.53
Accrued Expenses	98,184.93
Total Current Liabilities	2,635,318.53

**Long-Term Liabilities**

Loans Payable-Long Term	2,074,011.33
Total Long-Term Liabilities	2,074,011.33

**Net Assets**

Unrestricted Net Assets (Deficiency)	7,299.18
Temporarily Restricted Net Assets (Deficiency)	5,258,407.76
Total Net Assets	5,265,706.94

TOTAL LIABILITIES AND NET ASSETS	\$ 9,975,036.80
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The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Activities**  
**For the Year Ended August 31, 2009**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Totals</b>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
<b>Local Support--</b>			
Interest Income	\$	\$ 52,045.01	\$ 52,045.01
Rent		25.00	25.00
Gifts and Bequests	48,839.55	3,436.57	52,276.12
Other Revenue	93,603.42	49,639.47	143,242.89
Food Service Fees		21,295.11	21,295.11
Extracurricular/Cocurricular Activities		412.00	412.00
Enterprising Services Revenue		38,112.48	38,112.48
Cocurricular Enterprising Services		6,258.86	6,258.86
Miscellaneous Revenues		33,523.76	33,523.76
Gain on Sale of Property	9,255.00		9,255.00
<b>Total Local Support</b>	<b>151,697.97</b>	<b>204,748.26</b>	<b>356,446.23</b>
<b>State Program Revenues--</b>			
Optional Extended Year Program		14,235.52	14,235.52
State Foundation Program		27,001,191.00	27,001,191.00
High School Allotment		612,823.00	612,823.00
Texas HS Initiative-Tstem Network Accel		31,195.06	31,195.06
Ltd English Proficient Student Success Initiative		553,556.65	553,556.65
Breakfast Program Matching		1,289.00	1,289.00
Advanced Placement Incentives		59.90	59.90
Accelerated Reading & Math		13,340.41	13,340.41
Technology Allotment		97,638.00	97,638.00
Accelerated Science		114,037.59	114,037.59
Read to Succeed		110.00	110.00
Gain on Sale of Property		6,016.44	6,016.44
<b>Total State Program Revenues</b>	<b>28,445,492.57</b>	<b>28,445,492.57</b>	<b>28,445,492.57</b>
<b>Federal Program Revenues--</b>			
Breakfast Program		133,248.00	133,248.00
National School Lunch		146,389.00	146,389.00
Title IV, Part A		7,134.10	7,134.10
Title I, Part A		1,320,865.15	1,320,865.15
IDEA-Part B Formula		688,360.40	688,360.40
Title II, Part A		179,146.39	179,146.39
Title II, Part D		3,450.00	3,450.00
Title III LEP		142,156.64	142,156.64
Advanced Placement Fee Payment Grant		699,998.36	699,998.36
<b>Total Federal Program Revenues</b>	<b>3,320,748.04</b>	<b>3,320,748.04</b>	<b>3,320,748.04</b>
<b>Net Assets Released from Restrictions</b>	<b>31,957,034.27</b>	<b>(31,957,034.27)</b>	
<b>Total Revenue and Other Support</b>	<b>32,108,732.24</b>	<b>13,954.60</b>	<b>32,122,686.84</b>
<b><u>EXPENSES</u></b>			
<b>Program Services:</b>			
Instructional and Instructional Related Services	20,588,204.10	---	20,588,204.10
Instructional and School Leadership	4,839,683.08	---	4,839,683.08
<b>Support Services:</b>			
Administrative Support Services	2,127,374.91	---	2,127,374.91
Support Services-Non-Student Based	2,798,099.30	---	2,798,099.30
Support Services-Student (Pupil)	536,141.74	---	536,141.74
Ancillary Services	81,735.01	---	81,735.01
Debt Service	158,318.53	---	158,318.53
Fund Raising	73,474.90	---	73,474.90
<b>Total Expenses</b>	<b>31,203,031.57</b>	<b>13,954.60</b>	<b>31,203,031.57</b>
<b>Change in Net Assets</b>	<b>905,700.67</b>	<b>13,954.60</b>	<b>919,655.27</b>
<b>Net Assets (Deficiency), Beginning of Year</b>	<b>(898,401.49)</b>	<b>5,244,453.16</b>	<b>4,346,051.67</b>
<b>Net Assets (Deficiency), End of Year</b>	<b>\$ 7,299.18</b>	<b>\$ 5,258,407.76</b>	<b>\$ 5,265,706.94</b>

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Cash Flows**  
**For the Year Ended August 31, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Government Contracts	\$ 31,254,956.61
Cash from Local Sources	299,645.23
Cash Paid to Suppliers for Goods and Services	(13,271,753.34)
Cash Paid to Employees for Services	(17,510,441.30)
Cash Paid for Income Taxes	0
Cash Paid for Interest Expense	(158,318.53)
Net Cash Provided By (Used By) Operating Activities	<u>614,088.67</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Disposition of Other Assets	27,348.27
Proceeds from Sale of Property and Equipment	48,794.07
Purchase of Property and Equipment	(1,785,886.76)
Net Cash Provided By (Used By) Investing Activities	<u>(1,709,744.42)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from New Debt	1,095,456.19
Payments on Debt	-
Net Cash Provided By (Used By) Financing Activities	<u>1,095,456.19</u>

Net Increase (Decrease) in Cash (199.56)

Cash at Beginning of Year 4,168,280.71

Cash at End of Year \$ 4,168,081.15

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET  
CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES**

Change in Net Assets	\$ 919,655.27
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used By) Operating Activities:	
Depreciation	335,918.25
Gain on Sale of Assets	(15,271.44)
Loss on Sale of Assets	12,970.20
Donation of Equipment Recorded as Donation Revenue	(2,000.00)
(Increase) Decrease in Operating Assets--	
Due from State-Texas Education Agency	(343,037.59)
Due from Federal Government	50,134.43
Other Receivables	(14,692.25)
Prepaid Expenses	(4,896.42)
Inventory	31,900.84
Increase (Decrease) in Operating Liabilities--	
Accounts Payable	(316,077.54)
Payroll Tax and Other Payables	283,456.80
Accrued Wages Payable	(43,214.11)
Due to State-Texas Education Agency	(201,457.50)
Accrued Expenses	(68,393.37)
Deferred Revenue	(10,906.90)
Net Adjustments	<u>(305,566.60)</u>
Net Cash Provided By (Used By) Operating Activities	<u><u>\$ 614,088.67</u></u>

The accompanying notes are an integral part of these financial statements

**NOTES TO  
FINANCIAL STATEMENTS**

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2009

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Organization and Nature of Activities –

Responsive Education Solutions (The Organization) provides curricula for students in grades K–12 through the operation of elementary schools (doing business as Vista Academies of Texas), high schools (doing business as Premier High Schools, iSchool High and Eagle Academies of Texas) as well as school administration services. The Organization is authorized to operate 32 schools (The Schools) under an open enrollment charter granted by the State of Texas Board of Education in November 1998. The original charter was issued for a period of five years and was renewed for an additional 10 years. The Schools are part of the public school system of the State of Texas and are therefore entitled to distributions from the State's available school fund. The Schools do not have the authority to impose ad valorem taxes or to charge tuition.

The Organization was incorporated in May 1999 and has been recognized as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### B. Accounting Policies –

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles. The accounting system is organized under the *Special Supplement to Financial Accounting and Reporting – Nonprofit Charter School Chart of Accounts*, a module of the Texas Education Agency Financial Accountability Resource Guide. The significant accounting policies are as follows:

To insure observance of limitations and restrictions placed on the use of resources available to the School, the accounts are maintained in accordance with the principles of fund accounting during the year. Resources for various purposes are classified into funds according to their nature and purposes. Separate accounts are maintained for each fund; however, the accompanying statements of financial position and of activities focus on the organization as a whole and reports the amounts of its total assets, liabilities, net assets and changes in net assets in accordance with Financial Accounting Standards Board Statement No. 117.

The statement of financial position reports the amounts of each of three classes of net assets: temporarily restricted and unrestricted net assets.

- ❖ Temporarily restricted net assets result from contributions and other inflows of assets that are limited by donor imposed stipulations that can be fulfilled and removed by actions of the School pursuant to those stipulations.

When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

- ❖ Unrestricted net assets are the remaining part of the School's net assets that is neither permanently restricted nor temporarily restricted by donor imposed stipulations. Property and equipment are included in unrestricted net assets.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2009

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- ❖ Permanently restricted net assets result from contributions and other inflows of assets that are required to be maintained in perpetuity with only the income to be used for the School's activities due to donor-imposed restrictions.

#### C. Cash and Cash Equivalents –

For purposes of the statement of cash flows, cash and cash equivalents are comprised of cash on hand and in banks including highly liquid investments with short term maturities.

#### D. Fixed Assets and Depreciation –

All assets acquired with a value of \$2,500.00 or greater (\$5,000.00 for leasehold improvements) are recorded as fixed assets and are valued at cost or estimated cost. Donated assets are reported at the fair market value at the time of acquisition. Depreciation of building improvements and equipment is provided over the estimated useful lives of the assets on a straight line basis.

#### E. Revenues –

Each school's revenues from the State of Texas available school fund are earned based on reported attendance.

Contributions received are recognized as revenue in the period received and are reported as either restricted or unrestricted support, in accordance with Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*.

- ❖ Contributions with donor imposed restrictions are reported as restricted support. Restricted support increases temporarily restricted net assets.
- ❖ Contributions without donor imposed restrictions are reported as unrestricted support. Unrestricted support increases unrestricted net assets.

Government grant contracts that are entered into by the Organization are recognized as revenue when services are rendered or when expenses in connection with those services are incurred.

#### F. Donated Goods and Services –

Donated goods and services that can be measured and meet certain other requirements are recorded in the financial statements as in kind contributions and expenses of a like amount.

#### G. Sick Leave, Personal Leave and Vacation --

All employees earn five days of paid sick leave. However, unused balances are not paid at termination. Therefore, there is no liability accrued on the financial statements. All employees earn two days of paid personal leave per year that is paid no later than the last paycheck of the school year. Therefore, there is no liability accrued on the financial statements. Accrued wages payable includes an accrual for accumulated liability for employee vacation time.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2009

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### H. Estimates –

In preparation of the financial statements and in conformity with generally accepted accounting principles, management's estimated useful lives of asset classes were used in the calculation of depreciation.

#### I. Eliminations –

Certain inter-organization transactions have been eliminated in the combined financial statements to prevent overstating receivables, payables, revenues and expenses on a combined organization basis.

#### J. Functional Allocation of Expenses –

The expense of the various programs and other activities has been presented on a functional basis in the statement of activities. Accordingly, certain expenses and supporting service costs have been allocated among the various programs.

### 2. BUILDING IMPROVEMENTS AND EQUIPMENT

An analysis of building improvements and equipment at August 31, 2009, is presented as follows:

Asset	Cost	Accumulated Depreciation	Net	Straight Line Depr. Rate
Land	\$ 703,252.85	0.00	703,252.85	N/A
Building & Improvements	3,616,672.10	380,098.80	3,236,573.30	2.56%
Work in Progress	15,583.15	0.00	15,583.15	
Vehicles	17,470.95	13,328.16	4,142.79	20.00%
Furniture & Equipment	3,037,233.13	2,535,254.44	501,978.69	14.29%
Licenses & Media	27,000.00	6,450.00	20,550.00	6.67%
Total	\$ 7,417,212.18	2,935,131.40	4,482,080.78	

Depreciation expense for the year ended August 31, 2009 was \$335,918.25.

### 3. PENSION PLAN

#### Plan Description

The Associated 32 Schools contribute to the Teacher Retirement System of Texas (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the Schools, but are the liability of the State of Texas. The System provides service retirement and disability benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the Schools. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 877-0123.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2009

### 3. PENSION PLAN (continued)

#### Funding Policy

Under provisions of State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.0% of the Schools' covered payroll. The Schools' employees' contributions to the System for the year ending August 31, 2009 were \$965,698.00 and were equal to the required contributions for each year. The State of Texas' contributions should approximate \$905,000.00.

### 4. HEALTH CARE COVERAGE

Employees of the Organization are covered by a group insurance plan with TRS Active Care. The Organization pays the employee's premium (currently \$232.00) and the employee pays the premiums for dependent coverage through payroll deductions through a Cafeteria Plan. See Note 5 for a summary of Section 125 Cafeteria Plan coverage.

### 5. SECTION 125 CAFETERIA PLAN

The organization has adopted a "cafeteria plan" within the meaning of Section 125(a) of the Internal Revenue Code which allows employees to choose among certain "tax free" benefits in lieu of taxable compensation. The choices include medical insurance premium, dental and vision insurance premium, cancer insurance premium, disability insurance premium, voluntary term life insurance premium and accidental death & dismemberment (AD&D) insurance premium among others. The company pays \$19.90 towards the dental premium, \$2.20 toward the life premium and \$.40 toward the AD&D premium. The employees' portion of the costs to provide any of these benefits are paid by the employees from payroll deductions.

### 6. INVENTORY

At August 31, 2009 the Organization had on hand curriculum packet inventory, IT inventory and other inventory that had original costs totaling \$280,776.22.

### 7. DUE FROM STATE-TEXAS EDUCATION AGENCY

At August 31, 2009, the Organization was to receive \$98,825.69 in Title I entitlement, \$63,307.30 in IDEA-B entitlement, \$86,495.29 in Title II, Part A entitlement, \$6,462.23 in Title III entitlement, \$191,195.48 in LEP entitlement, \$9,583.60 in Optional Extended Year Payments, and \$186,045.00 in State Foundation Payments that it had not yet received. These amounts were received from the Texas Education Agency in the 2009-2010 school year.

### 8. DUE FROM FEDERAL GOVERNMENT

At August 31, 2009, the Organization, was due \$114,437.50 in Advanced Placement Fee Payment Grant monies. This amount was received from the government in the 2009-2010 school year.

### 9. DUE TO STATE-TEXAS EDUCATION AGENCY

At August 31, 2009, the Organization owed \$1,874.47 in overpaid Title I entitlement, \$34,708.13 in overpaid Title II entitlement, \$4,772.93 in overpaid IDEA-B entitlement. These amounts were recouped by the Texas Education Agency in the 2009-2010 school year.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2009

### 10. OPERATING LEASES

#### **Responsive Education Solutions Administration Offices**

The Organization's administrative offices are located at 1800 Lakeway Dr. Suite 100, Lewisville, TX 75057. This lease is for approximately 33,000 square feet at a monthly rental of \$41,374.59 for 60 months through July 2013. This lease also covers the iSchool High (TSTEM Academy) location housed on the same premises. There are also various copier leases at approximately an annual cost of \$13,000.00.

#### **Responsive Education Solutions -Austin**

The School has entered into a lease agreement for office and classroom space at 1701 Ben White Blvd., Austin, Texas (17,118 square feet) is leased at a rate of \$14,635.89 per month plus common area maintenance estimated to be \$3,566.25 through July 2012.

#### **Responsive Education Solutions -Beaumont**

The School has entered into a lease agreement for office and classroom space at 205 and 209 North Eleventh Street, Beaumont, Texas. The lease rental rate is \$11,950.00 per month plus common area maintenance, taxes and insurance of \$3,610.00 per month through June 30, 2009.

#### **Responsive Education Solutions -Carrollton**

The School has entered into a lease agreement for office and classroom space at 2400 N Josey Ln., Carrollton, Texas. This agreement commenced August 2009 and covers 11 months through June 2010. The lease rental rate is \$20,000.00 per month.

#### **Responsive Education Solutions -Coppell**

The School has entered into a lease agreement for office and classroom space at 1615 W. Beltline Rd., Carrollton, Texas. This agreement commenced July 2007 and covers 24 months through June 2009. The lease covered approximately 8,730 square feet of floor space at a base rental rate of \$8,000 per month escalating to \$11,500 when average daily attendance reaches 101 to 150 students and escalating to \$15,000 when average daily attendance reaches 151 to 200 students. Also charged is \$3,000 per month for common area maintenance, taxes and insurance.

#### **Responsive Education Solutions -Corpus Christi**

The School has entered into a lease agreement for office and classroom space at 2121 Mary St., Corpus Christi, Texas. This agreement commenced July 2009 and covers 36 months through June 2012. The lease rental rate is \$60.00 per student per month for attendance under 100 and \$70.00 per student per month for attendance over 100.

#### **Responsive Education Solutions -Dallas**

The School has entered into a lease agreement for office and classroom space at 7300 Bruton Rd, Dallas, Texas. This agreement was executed in August 2008 and covers 23 months through June 2010. The lease is at a rental rate of \$4,000.00 per month if average daily attendance is at or below 50 students, \$6,000.00 per month if average daily attendance is between 51 and 100 students, \$8,000.00 per month if average daily attendance is between 101 and 150 students, \$10,000.00 per month if average daily attendance is between 151 and 200 students.

#### **Responsive Education Solutions -Del Rio**

The School has entered into a lease agreement for office and classroom space at 4300 Highway 90 East, Del Rio, Texas. This agreement was executed in August 2006 and covers 35 months through June 2009. The lease is at a rental rate of \$6,000.00 per month.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2009

### 10. OPERATING LEASES (continued)

#### Responsive Education Solutions –El Paso

The School has entered into a lease agreement for office and classroom space at 1035 Belvedere, Suite 116, El Paso, Texas. This agreement was executed in July 2008 and covers 60 months through June 2013. The lease is at a rental rate of \$8,977.50 per month.

#### Responsive Education Solutions -Ft. Worth

The School has entered into a lease agreement for office and classroom space at 6411B Camp Bowie Blvd., Ft. Worth, Texas. This agreement was executed in mid June 2008 and extends through June 2011. The lease covered approximately 11,772 square feet of floor space at a rental rate of \$7,857.50 per month plus common area maintenance, insurance and taxes estimated to be \$3,090.15 per month.

#### Responsive Education Solutions –Garland

The School has entered into a lease agreement for office and classroom space at 3024 Anita Dr, Garland, Texas. This agreement was executed in July 2008 and covers 36 months through June 2011. The lease is at a rental rate of \$7,000.00 per month if average daily attendance is at or below 100 students, \$9,000.00 per month if average daily attendance is between 101 and 150 students, \$11,000.00 per month if average daily attendance is between 151 and 200 students, \$13,000.00 per month if average daily attendance is between 201 and 250 students and \$16,000.00 per month if average daily attendance is between 251 and 300 students. Maximum rent shall be \$16,000.00 per month.

#### Responsive Education Solutions –Hickory Creek

The School has entered into a lease agreement for office and classroom space at, 800 Point Vista Rd, Hickory Creek, Texas. The agreement commenced July 2009 and extends through June 2014. The lease covered approximately 23,204 square feet of floor space at a rental rate of \$19,630.00 per month plus common area maintenance of approximately \$9,668.00.

#### Responsive Education Solutions –Huntsville

The School has entered into a lease agreement for office and classroom space at 2407 Sam Houston Ave, Huntsville, Texas. This agreement commenced July 2009 and covers 36 months through June, 2009. The lease covered approximately 55,046 square feet of floor space at a rental rate of \$80.00 per student per month for attendance up to 200 and \$100.00 per student per month for attendance above 200. Minimum rent is \$5,000 and maximum rent is \$26,000 per month.

#### Responsive Education Solutions -Jasper

The School has entered into a lease agreement for office and classroom space at 1501 South Wheeler, Jasper, Texas. The agreement commenced July 2009 and extends through June 2012. The lease covered approximately 11,508 square feet (31,508 square feet starting year 2) of floor space at a rental rate of \$70.00 per student per month with a minimum of \$4,000.00

#### Responsive Education Solutions -Lancaster

The School has entered into a lease agreement for office and classroom space at 643 West Wintergreen, Lancaster, Texas. This agreement was executed in June 2008 and covers 36 months through June 2011. The lease is at a rental rate of \$5,000.00 per month if average daily attendance is at or below 100 students, \$8,820.00 per month if average daily attendance is over 100 students, \$10,000.00 per month if average daily attendance is over 100 students after May 2009.

#### Responsive Education Solutions -Laredo

The School has entered into a lease agreement for office and classroom space at 1720 East Hillside Road, Laredo, Texas. The agreement commenced July 2009 and extends through June 2010. The lease covered approximately 9,164 square feet of floor space at a rental rate of \$10,527.10 per month.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2009

### 10. OPERATING LEASES (continued)

#### **Responsive Education Solutions –Lewisville (Quest Middle School)**

A lease was signed in July 2009 for 12,970 square feet of office and classroom space at 1511 FM 407, Ste B-100, Lewisville, Texas, covering 60 months at \$18,914.59 until June 2014.

#### **Responsive Education Solutions -Lubbock**

A lease was signed in August 2009 for 16,179 square feet of office and classroom space at 2002 W. Loop 289, Suite 121, Lubbock, Texas, covering 35 months at \$12,134.25 per month plus approximately \$4,700.00 for common area maintenance, insurance and taxes until June 2012.

#### **Responsive Education Solutions -Midland**

The School has entered into a lease agreement for office and classroom space at 2500 West Illinois Avenue, Midland. These premises (16,520 square feet) are leased at a rate of \$9,825.00 per month from the Black Family Partnership through July 2010.

#### **Responsive Education Solutions –Mission**

The School has entered into a lease agreement for office and classroom space at 1313 St. Claire, Mission, Texas. The lease agreement is for 15,000 square feet at a monthly rental rate of \$15,000.00 escalating to \$17,010 October 2008 through August 2010.

#### **Responsive Education Solutions –New Braunfels**

The School has entered into a lease agreement for office and classroom space at 1928 S. Seguin Ave., Suite 100A & B, New Braunfels, Texas for the period from November 2009 through June 2013. These premises (4,300 square feet) are leased at a rate of \$3,913.00 per month plus approximately \$1,168.00 for common area maintenance, insurance and taxes. The organization is temporarily renting from North Point Church until January 2010 for \$3,900.00 per month.

#### **Responsive Education Solutions –North Austin**

The School has entered into a lease agreement for office and classroom space at 1835-A Kramer Lane, Austin, Texas for the period from July 2008 through June 2013. These premises (9,300 square feet) are leased at a rate of \$12,224.85 per month.

#### **Responsive Education Solutions –Palmview**

The School has entered into a lease agreement for office and classroom space at 406 W. Veterans Blvd, Palmview, Texas for the period from July 2007 through June 2009. These premises (8,500 square feet plus gymnasium) are leased at a rate of \$12,000.00 per month.

#### **Responsive Education Solutions –Pharr-McAllen**

The School has entered into a lease agreement for office and classroom space at 200A, B, C, D, E, F and G East Expressway 83, Pharr, Texas. The lease expires June 2014. The monthly lease rate is \$8,519.17 for 12 months, \$8,646.95 for 12 months, \$8,776.65 for 12 months, \$8,908.30 for 12 months, \$9,041.93 for 12 months.

#### **Responsive Education Solutions -San Antonio**

The School has entered into a lease agreement for office and classroom space of 24,497 square feet at Northwest Plaza Shopping Center June 2009 for 37 months through June 2012 at a rental rate of \$13,568.00 plus common area maintenance and taxes of \$3,093.78.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2009

### 10. OPERATING LEASES (continued)

#### Responsive Education Solutions –San Juan

The School has entered into a lease agreement for office and classroom space at 1200 E Bus 83, San Juan, Texas. This agreement was executed in August 2008 and covers 58 months through June 2013. The lease is at a rental rate of \$12,800.00 per month with a 3% increase annually.

#### Responsive Education Solutions –Willis

The School has entered into a lease agreement for office and classroom space at 202 Thomason, Willis, Texas. This agreement was executed in June 2008 and covers 60 months through June 2013. The lease is at a minimum rental rate of \$4,000.00 per month plus \$60.00 per student if average daily attendance is at or below 100, \$70.00 per student if average daily attendance is between 101 and 225, and \$80.00 per student if average daily attendance is between 226 and 300. Maximum rent shall be \$25,000.00 per month.

#### FUTURE MINIMUM LEASE PAYMENTS

Future minimum lease payments under the leases above are as follows:

8/31/2010	\$4,185,890.24
8/31/2011	3,479,278.94
8/31/2012	2,807,705.24
8/31/2013	1,802,356.96
8/31/2014	603,090.60
8/31/2015	-0-

### 11. COMMITMENTS AND CONTINGENCIES

The Organization receives funds through federal programs which are governed by various rules and regulations of the grantor. Expenses charged to the grant program are subject to audit and adjustment by the grantor agency. In the opinion of management, there are no contingent liabilities relating to compliance with rules and regulations governing the grants; therefore, no provision has been made in the accompanying financial statements for such contingencies.

### 12. ECONOMIC DEPENDENCY

During the year the Schools received the majority of its revenues from the Texas Education Agency and the Federal Government through a Charter Agreement. The loss of this Charter Agreement would have a material effect on the ability of the Schools to continue to provide the current level of services to its students.

### 13. NOTES PAYABLE

The Organization purchased a building at 955 Paredes Line Road, Brownsville, Texas for the Brownsville school location on September 24, 2007. Previously they were leasing space at this location. The purchase was for \$840,000.00 with a resulting note payable (lien on the building) of \$672,000.00 payable by payments of \$6,174.49 including interest at 7.25%.

The Organization purchased a building at 3236 Hobbs Rd. Amarillo, Texas for the Amarillo school location on February 15, 2008. The purchase was for \$379,323.44 with a resulting note payable (lien on the building) of \$303,792.00 payable by payments of \$3,421.20 including interest at 6.3165%.

The Organization purchased a building at 4720 N 19<sup>th</sup> Street, Waco, Texas for the Waco school location on July 28, 2008. The purchase was for \$505,675.83 with a resulting note payable (lien on the building) of \$478,550.00 payable in a lump sum payment July 28, 2009. The note was refinanced and has 294 payments of \$3,258.13 remaining including 6.5% interest.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2009

### 13. NOTES PAYABLE (continued)

The Organization purchased a building at 4633 S. 14<sup>th</sup> St, Abilene, TX for the Abilene school location on September 24, 2008. The purchase was for \$840,070.58 with a resulting note payable (lien on the building) of \$786,250.00 payable by payments of \$5,355.46 including interest at 6.5%.

The Organization purchased a building at 1106 Glenwood Blvd., Tyler, TX for the Tyler school location on June 24, 2009. The purchase was for \$432,604.95 with a resulting note payable (lien on the building) of \$361,250.00 payable June 24, 2010 including interest at 6.5%.

The note payments are scheduled as follows:

<b>August 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	440,671.18	161,627.24	602,298.42
2011	82,389.27	136,122.09	218,511.36
2012	88,095.09	130,416.27	218,511.36
2013	94,197.92	124,313.44	218,511.36
2014	100,725.47	117,785.89	218,511.36
Thereafter	<u>1,708,603.58</u>	<u>1,009,807.62</u>	<u>2,718,411.20</u>
Totals	2,514,682.51	1,680,072.55	4,194,755.06

### 14. TEMPORARILY RESTRICTED NET ASSETS

At August, 31 2009, the Organization had temporarily restricted net assets of \$5,258,407.76. These funds represent funds that are restricted as to their expendability in certain Federal, State and Local programs. The funds are not free to be expended in any way the Organization desires. The temporarily restricted funds at year end are as follows:

Miscellaneous Local Restricted Funds	\$ 601,227.04
State Foundation Program	3,180,951.73
State Career and Technical Fund	143,095.59
State Compensatory Education Fund	79,885.61
State Bilingual Education Fund	39,868.27
State High School Allotment	1,075,841.75
State Ltd English Proficiency	24.89
State Automated External Defibrillators	42,630.00
State Read to Succeed	110.00
State Advanced Placement Incentives	59.90
Federal Title IV, Part A	358.60
Federal IDEA-B Program	28,388.42
Federal Title II, Part A	54,627.52
Federal Title III, Part A	<u>11,338.44</u>
Total	<u>\$5,258,407.76</u>

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2009

### 15. CASH DEPOSIT RISK

At August 31, 2009 and throughout the school year, the Organization's cash in bank accounts was not entirely covered by Federal Deposit Insurance Corporation (FDIC) insurance but has been fully covered part of the year by pledged collateral held by the Organization's agent banks instead. The organization changed agent banks late in the school year. The combined balance in the Organization's bank accounts at August 31, 2009 was \$4,680,126.88. The FDIC insurance coverage was limited to \$1,057,952.97 and therefore there was a potential loss that would not have been fully covered by pledged bank securities at that time of \$3,622,173.91. One of the agent bank's pledged bank securities for the Organization's bank account balances that exceed the FDIC insurance coverage were valued at \$4,816,119.46 on that day. However, there was a minimal balance within that bank. The majority of the bank balances were with another bank which pledged no securities on that date. That bank pledged \$4,400,000.00 in collateral on September 25, 2009 and increased it to \$5,500,000.00 on October 26, 2009.

### 16. UNUSED LINE OF CREDIT

The Organization has an unused line of credit (zero balance) at Capital One with a credit limit of \$500,000.00 that accrues interest on the balance at 2.25%. The line of credit matured November 2, 2009 and was not renewed.

**SPECIFIC-PURPOSE  
FINANCIAL STATEMENTS**

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Financial Position**  
**August 31, 2009**

**ASSETS**

**Current Assets**

Cash in Banks and On Hand	\$ 4,168,081.15
Due from State-Texas Education Agency	641,914.59
Due from Federal Government	114,437.50
Other Receivables	25,050.21
Inventory	280,776.22
Prepaid Expenses	23,414.59
<b>Total Current Assets</b>	<b><u>5,253,674.26</u></b>

**Property and Equipment**

Land	703,252.85
Buildings and Improvements	3,616,672.10
Work in Progress	15,583.15
Vehicles	17,470.95
Furniture and Equipment	3,037,233.13
Library Books & Media	27,000.00
Accumulated Depreciation	<u>(2,935,131.40)</u>
<b>Total Property and Equipment</b>	<b><u>4,482,080.78</u></b>

**Other Assets**

Other Assets	<u>239,281.76</u>
<b>Total Other Assets</b>	<b><u>239,281.76</u></b>

<b>TOTAL ASSETS</b>	<b><u><u>\$ 9,975,036.80</u></u></b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 870,976.50
Loans Payable-Current Year	440,671.18
Payroll Tax and Other Payables	457,221.64
Accrued Wages Payable	726,908.75
Due to State-Texas Education Agency	41,355.53
Accrued Expenses	<u>98,184.93</u>
<b>Total Current Liabilities</b>	<b><u>2,635,318.53</u></b>

**Long-Term Liabilities**

Loans Payable-Long Term	<u>2,074,011.33</u>
<b>Total Long-Term Liabilities</b>	<b><u>2,074,011.33</u></b>

**Net Assets**

Unrestricted Net Assets (Deficiency)	7,299.18
Temporarily Restricted Net Assets (Deficiency)	<u>5,258,407.76</u>
<b>Total Net Assets</b>	<b><u>5,265,706.94</u></b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 9,975,036.80</u></u></b>
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The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Activities**  
**For the Year Ended August 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Local Support--			
5742 Interest Income	\$	\$ 52,045.01	\$ 52,045.01
5743 Rent		25.00	25.00
5744 Gifts and Bequests	48,839.55	3,436.57	52,276.12
5749 Other Revenue	93,603.42	49,639.47	143,242.89
5751 Food Service Fees		21,295.11	21,295.11
5753 Extracurricular/Cocurricular Activities		412.00	412.00
5755 Enterprising Services Revenue		38,112.48	38,112.48
5759 Cocurricular Enterprising Services		6,258.86	6,258.86
5769 Miscellaneous Revenues		33,523.76	33,523.76
7951 Gain on Sale of Property	9,255.00		9,255.00
Total Local Support	<u>151,697.97</u>	<u>204,748.28</u>	<u>356,446.23</u>
State Program Revenues--			
5812 Optional Extended Year Program		14,235.52	14,235.52
5812 State Foundation Program		27,001,191.00	27,001,191.00
5812 High School Allotment		612,823.00	612,823.00
5819 Texas HS Initiative-Tstem Network Accel		31,195.06	31,195.06
5819 Ltd English Proficient Student Success Initiative		553,556.65	553,556.65
5829 Breakfast Program Matching		1,289.00	1,289.00
5829 Advanced Placement Incentives		59.90	59.90
5829 Accelerated Reading & Math		13,340.41	13,340.41
5829 Technology Allotment		97,638.00	97,638.00
5829 Accelerated Science		114,037.59	114,037.59
5829 Read to Succeed		110.00	110.00
7951 Gain on Sale of Property		6,016.44	6,016.44
Total State Program Revenues		<u>28,445,492.57</u>	<u>28,445,492.57</u>
Federal Program Revenues--			
5921 Breakfast Program		133,248.00	133,248.00
5922 National School Lunch		146,389.00	146,389.00
5929 Title IV, Part A		7,134.10	7,134.10
5929 Title I, Part A		1,320,865.15	1,320,865.15
5929 IDEA-Part B Formula		688,360.40	688,360.40
5929 Title II, Part A		179,146.39	179,146.39
5929 Title II, Part D		3,450.00	3,450.00
5929 Title III LEP		142,156.64	142,156.64
5949 Advanced Placement Fee Payment Grant		699,998.36	699,998.36
Total Federal Program Revenues		<u>3,320,748.04</u>	<u>3,320,748.04</u>
Net Assets Released from Restrictions	<u>31,957,034.27</u>	<u>(31,957,034.27)</u>	
Total Revenue and Other Support	<u>32,108,732.24</u>	<u>13,954.60</u>	<u>32,122,686.84</u>
<b>EXPENSES</b>			
11 Instruction	19,031,270.27	---	19,031,270.27
12 Instructional Resources and Media Services	7,295.22	---	7,295.22
13 Curriculum Dev. & Instructional Staff Dev.	1,549,638.61	---	1,549,638.61
21 Instructional Leadership	1,228,522.86	---	1,228,522.86
23 School Leadership	3,611,160.22	---	3,611,160.22
31 Guidance, Counseling and Evaluation Svcs.	66,378.17	---	66,378.17
32 Social Work Services	258.46	---	258.46
33 Health Services	9,371.25	---	9,371.25
34 Student (Pupil) Transportation	44,377.73	---	44,377.73
35 Food Services	366,717.66	---	366,717.66
36 Cocurricular/Extracurricular Activities	49,038.47	---	49,038.47
41 General Administration	2,127,374.91	---	2,127,374.91
51 Plant Maintenance and Operations	2,176,754.87	---	2,176,754.87
52 Security and Monitoring Services	26,273.98	---	26,273.98
53 Data Processing Services	595,070.45	---	595,070.45
61 Community Services	81,735.01	---	81,735.01
71 Debt Service	158,318.53	---	158,318.53
81 Fundraising	73,474.90	---	73,474.90
	<u>31,203,031.57</u>	<u>---</u>	<u>31,203,031.57</u>
Change in Net Assets	905,700.67	13,954.60	919,655.27
Net Assets (Deficiency), Beginning of Year	<u>(898,401.49)</u>	<u>5,244,453.16</u>	<u>4,346,051.67</u>
Net Assets (Deficiency), End of Year	<u>\$ 7,299.18</u>	<u>\$ 5,258,407.76</u>	<u>\$ 5,265,706.94</u>

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Cash Flows**  
**For the Year Ended August 31, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Government Contracts	\$ 31,254,956.61
Cash from Local Sources	299,645.23
Cash Paid to Suppliers for Goods and Services	(13,271,753.34)
Cash Paid to Employees for Services	(17,510,441.30)
Cash Paid for Income Taxes	0
Cash Paid for Interest Expense	(158,318.53)
Net Cash Provided By (Used By) Operating Activities	<u>614,088.67</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Disposition of Other Assets	27,348.27
Proceeds from Sale of Property and Equipment	48,794.07
Purchase of Property and Equipment	(1,785,886.76)
Net Cash Provided By (Used By) Investing Activities	<u>(1,709,744.42)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from New Debt	1,095,456.19
Payments on Debt	(1,095,456.19)
Net Cash Provided By (Used By) Financing Activities	<u>1,095,456.19</u>

Net Increase (Decrease) in Cash (199.56)

Cash at Beginning of Year 4,168,280.71

Cash at End of Year \$ 4,168,081.15

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES**

Change in Net Assets	\$ 919,655.27
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used By) Operating Activities:	
Depreciation	335,918.25
Gain on Sale of Assets	(15,271.44)
Loss on Sale of Assets	12,970.20
Donation of Equipment Recorded as Donation Revenue	(2,000.00)
(Increase) Decrease in Operating Assets--	
Due from State-Texas Education Agency	(343,037.59)
Due from Federal Government	50,134.43
Other Receivables	(14,692.25)
Prepaid Expenses	(4,896.42)
Inventory	31,900.84
Increase (Decrease) in Operating Liabilities--	
Accounts Payable	(316,077.54)
Payroll Tax and Other Payables	283,456.80
Accrued Wages Payable	(43,214.11)
Due to State-Texas Education Agency	(201,457.50)
Accrued Expenses	(68,393.37)
Deferred Revenue	(10,906.90)
Net Adjustments	<u>(305,566.60)</u>
Net Cash Provided By (Used By) Operating Activities	<u><u>\$ 614,088.67</u></u>

The accompanying notes are an integral part of these financial statements

**SUPPLEMENTARY  
SCHEDULES**

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Expenses And Other Losses**  
**For the Year Ended August 31, 2009**

**EXPENSES AND OTHER LOSSES**

6100 Payroll Costs	\$ 19,285,136.75
6200 Professional and Contracted Svcs.	7,083,302.37
6300 Supplies and Materials	3,302,093.14
6400 Other Operating Costs	1,358,424.33
6500 Debt Expense	161,104.78
8951 Losses on Disposition of Assets	12,970.20
	<u>\$ 31,203,031.57</u>

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Schedule of Capital Assets**  
**For the Year Ended August 31, 2009**

	Ownership Interest			Totals
	Local	State	Federal	
<b><u>CAPITAL ASSETS</u></b>				
1510 Land	\$	\$ 703,252.85	\$	\$ 703,252.85
1520 Buildings and Improvements	74,925.78	2,823,905.75	717,840.57	3,616,672.10
1521 Work in Progress		15,583.15		15,583.15
1531 Vehicles		17,470.95		17,470.95
1539 Furniture and Equipment	1,328,772.13	1,100,662.17	607,798.83	3,037,233.13
1569 Licenses and Media		27,000.00		27,000.00
Total Capital Assets	\$ <u>1,403,697.91</u>	\$ <u>4,687,874.87</u>	\$ <u>1,325,639.40</u>	\$ <u>7,417,212.18</u>

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Budgetary Comparison Schedule**  
**For the Year Ended August 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUE AND OTHER SUPPORT</u></b>				
Local Support--				
5740 Other Revenues from Local Sources	\$ 42,000.00	\$ 42,000.00	\$ 247,589.02	\$ 205,589.02
5750 Other Revenues from Local Sources			66,078.45	66,078.45
5760 Other Revenues from Local Sources			33,523.76	33,523.76
7951 Other Revenues from Local Sources			9,255.00	9,255.00
State Program Revenues--				
5810 State Program Revenues	31,127,318.00	31,127,318.00	28,213,001.23	(2,914,316.77)
5820 State Program Revenues from TEA			226,474.90	226,474.90
5830 Other State Program Revenues				
7951 Gain on Sale of Assets			6,016.44	6,016.44
Federal Program Revenues--				
5920 Federal Program Revenues	2,468,083.00	2,468,083.00	2,620,749.68	152,666.68
5940 Federal Program Revenues			699,998.36	699,998.36
Total Revenue and Other Support	<u>33,637,401.00</u>	<u>33,637,401.00</u>	<u>32,122,686.84</u>	<u>(1,514,714.16)</u>
<b><u>EXPENSES</u></b>				
11 Instruction	19,566,061.00	19,045,463.00	19,031,270.27	(14,192.73)
12 Instructional Resources and Media Svcs.	32,000.00	32,000.00	7,295.22	(24,704.78)
13 Curriculum Dev. & Instructional Staff Dev.	1,919,470.00	1,729,870.00	1,549,638.61	(180,231.39)
21 Instructional Leadership	454,652.00	1,250,250.00	1,228,522.86	(21,727.14)
23 School Leadership	3,206,369.00	3,611,369.00	3,611,160.22	(208.78)
31 Guidance, Counseling and Evaluation Svcs.	12,400.00	67,000.00	66,378.17	(621.83)
32 Social Work	32,000.00	32,000.00	258.46	(31,741.54)
33 Health Services	79,160.00	79,160.00	9,371.25	(69,788.75)
34 Student (Pupil) Transportation	87,076.00	87,076.00	44,377.73	(42,698.27)
35 Food Services	415,590.00	375,590.00	366,717.66	(8,872.34)
36 Cocurricular/Extracurricular Activities	32,000.00	50,000.00	49,038.47	(961.53)
41 General Administration	2,598,265.00	2,225,265.00	2,127,374.91	(97,890.09)
51 Plant Maintenance and Operations	2,557,426.00	2,307,426.00	2,176,754.87	(130,671.13)
52 Security and Monitoring Services	32,000.00	32,000.00	26,273.98	(5,726.02)
53 Data Processing Services	686,313.00	622,313.00	595,070.45	(27,242.55)
61 Community Services	89,288.00	89,288.00	81,735.01	(7,552.99)
71 Debt Service		164,000.00	158,318.53	(5,681.47)
81 Fundraising	148,800.00	148,800.00	73,474.90	(75,325.10)
Total Expenses	<u>31,948,870.00</u>	<u>31,948,870.00</u>	<u>31,203,031.57</u>	<u>(745,838.43)</u>
<b>Change in Net Assets</b>	<b>1,688,531.00</b>	<b>1,688,531.00</b>	<b>919,655.27</b>	<b>(768,875.73)</b>
Net Assets (Deficiency), Beginning of Year	<u>4,346,051.67</u>	<u>4,346,051.67</u>	<u>4,346,051.67</u>	<u>---</u>
Net Assets (Deficiency), End of Year	<u>\$ 6,034,582.67</u>	<u>\$ 6,034,582.67</u>	<u>\$ 5,265,706.94</u>	<u>\$ (768,875.73)</u>

The accompanying notes are an integral part of these financial statements

# **COMPLIANCE AND INTERNAL CONTROL**



**GREGORY S. DELK**



**CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FINANCIAL PLANNER**

**INDEPENDENT AUDITOR'S REPORT**

**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***

Board of Directors  
Responsive Education Solutions  
Lewisville, Texas

I have audited the financial statements of Responsive Education Solutions as of and for the year ended August 31, 2009, and have issued my report thereon dated January 15, 2010. I conducted my 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.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Responsive Education Solutions' internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Responsive Education Solutions' financial statements are free of material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, The Texas Education Agency, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gregory S. Delk, CPA, CFP  
January 15, 2010



**GREGORY S. DELK**



**CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FINANCIAL PLANNER**

**INDEPENDENT AUDITOR'S REPORT**

Report on Compliance with requirements applicable to each major  
Program and on Internal Control over Compliance in Accordance with  
OMB Circular A-133

Board of Directors  
Responsive Education Solutions  
Lewisville, Texas

**Compliance**

I have audited the compliance of Responsive Education Solutions (a non-profit organization) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2009. Responsive Education Solutions' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Responsive Education Solutions' management. My responsibility is to express an opinion on Responsive Education Solutions' compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Responsive Education Solutions' compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Responsive Education Solutions' compliance with those requirements.

In my opinion, Responsive Education Solutions complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2009.

**Internal Control Over Compliance**

The management of Responsive Education Solutions is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Responsive Education Solutions' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Responsive Education Solutions' internal control over compliance.

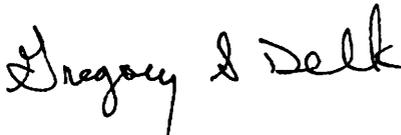
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

I have audited the general-purpose financial statements of Responsive Education Solutions as of and for the year ended August 31, 2009, and have issued my report thereon dated January 15, 2010. My audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. The other supplementary information is likewise presented for purposes of additional analysis and not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, The Texas Education Agency, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Gregory S. Delk". The signature is written in a cursive, flowing style.

Gregory S. Delk, CPA, CFP  
January 15, 2010

# RESPONSIVE EDUCATION SOLUTIONS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended August 31, 2009

### SECTION I – SUMMARY OF AUDITOR'S RESULTS

#### FINANCIAL STATEMENTS

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Significant deficiencies identified?	None
Significant deficiencies identified that are considered to be material weaknesses?	None
Noncompliance material to financial statements noted?	None

#### FEDERAL AWARDS

Internal control over major programs:	
Significant deficiencies identified?	None
Significant deficiencies identified that are considered to be material weaknesses?	None
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	None
Identification of major programs:	
CFDA # 10.553	SCHOOL BREAKFAST PROGRAM
CFDA # 84.330C	ADVANCED PLACEMENT FEE PAYMENT GRANT
Dollar threshold used to distinguish between type A and type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

### SECTION II – FINANCIAL STATEMENT FINDINGS

Findings related to the financial statements required to be reported under generally accepted government auditing standards	None
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### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Audit findings and questioned costs for federal awards as required To be reported by section 510(a) of Circular A-133:	None
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**RESPONSIVE EDUCATION SOLUTIONS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended August 31, 2009**

**STATUS OF PRIOR AUDIT FINDINGS**

No Prior Audit Findings

**RESPONSIVE EDUCATION SOLUTIONS  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2009**

**No Corrective Action Plan Needed**

**RESPONSIVE EDUCATION SOLUTIONS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended August 31, 2009**

	<b>Federal Catalog Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<b>Passed through State Department of Education</b>			
School Breakfast Program	10.553	n/a	336,395.63
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b><u>336,395.63</u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<b>Passed through State Department of Education</b>			
Title I, Part A Program	84.010A	09610101221801	807,182.29
Title I, School Improvement Program	84.010A	09610104221801018	77,889.49
Title I, School Improvement Program	84.010A	09610104221801017	139,115.82
Title I, School Improvement Program	84.010A	09610104221801009	49,357.94
Title I, School Improvement Program	84.010A	10610101221801	87,192.04
Title I, School Improvement Program	84.010A	09610104221801002	160,127.57
<b>Total Title I</b>			<b><u>1,320,865.15</u></b>
IDEA-B Program	84.027	096600012218016600	688,360.40
Title IV Program	84.186A	09691001221801	7,134.10
Title II, Part D Program	84.318X	09630001221801	3,450.00
Title III Bilingual/ELA Program	84.365A	09671001221801	142,156.64
Title II, Part A Program	84.367A	09694501221801	179,227.28
<b>Total U.S. Department of Education         passed through State Dept. of Education</b>			<b><u>2,341,193.57</u></b>
<b>Direct Awards (no pass through entity)</b>			
Advanced Placement Fee Payment Grant	84.330C	n/a	699,998.36
<b>Total U.S. Department of Education         directly awarded</b>			<b><u>699,998.36</u></b>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b><u>3,041,191.93</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>3,377,587.56</u></b>

**RESPONSIVE EDUCATION SOLUTIONS**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**August 31, 2009**

**NOTE 1 – STANDARD FINANCIAL ACCOUNTING SYSTEM**

For all federal programs, the corporation used the net asset classes and codes specified by the Texas Education Agency in the *Special Supplement to Financial Accounting and Reporting, Nonprofit Charter School Chart of Accounts*. Temporarily restricted net asset codes are used to account for resources restricted to or designated for specific purposes by a grantor. Federal and state financial assistance is generally accounted for in temporarily restricted net asset codes.

**NOTE 2 – BASIS OF ACCOUNTING**

The schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented may differ from amounts presented in, or used in preparation of the basic financial statements.

**NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Expenditures of federal financial assistance per accompanying schedule of expenditures of federal awards included in total expenses	\$3,377,587.56
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**RESPONSIVE EDUCATION SOLUTIONS**

**COMBINED**  
**ANNUAL FINANCIAL AND**  
**COMPLIANCE REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2010**

**RESPONSIVE EDUCATION SOLUTIONS  
COMBINED  
ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2010**

**TABLE OF CONTENTS**

**Reference**

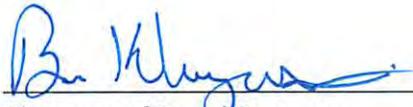
<b>Certificate of Board of Directors .....</b>	
<b>Independent Auditor’s Report-</b>	
Unqualified Opinion on Financial Statements .....	
<b>General-Purpose Financial Statements:</b>	
Statement of Financial Position .....	Exhibit A-1
Statement of Activities .....	Exhibit A-2
Statement of Cash Flows.....	Exhibit A-3
<b>Notes to Financial Statements.....</b>	
<b>Specific-Purpose Financial Statements</b>	
Statement of Financial Position .....	Exhibit B-1
Statement of Activities .....	Exhibit B-2
Statement of Cash Flows.....	Exhibit B-3
<b>Supplementary Schedules:</b>	
Schedule of Expenses.....	Exhibit C-1
Schedule of Capital Assets.....	Exhibit D-1
Budgetary Comparison Schedules .....	Exhibit E-1
<b>Compliance and Other Reports:</b>	
Independent Auditor’s Report-	
Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	
Independent Auditor’s Report-	
Report on Compliance with Requirements Applicable to Each Major Program Internal Control over Compliance with OMB Circular A-133 .....	
Schedule of Findings and Questioned Costs .....	Exhibit F-1
Schedule of Prior Year Audit Findings .....	
Corrective Action Plan .....	Exhibit G-1
Schedule of Expenditures of Federal Awards .....	Exhibit H-1
Notes to Schedule of Expenditures of Federal Awards .....	

RESPONSIVE EDUCATION SOLUTIONS  
COUNTY-DISTRICT NUMBER: 221801  
FEDERAL EMPLOYER IDENTIFICATION NUMBER: 75-2748762

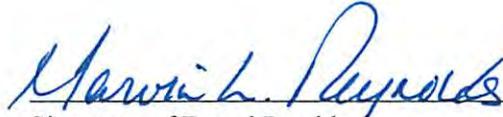
COMBINED  
ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2010

CERTIFICATE OF BOARD OF DIRECTORS

We, the undersigned, certify that the attached Annual Financial and Compliance Report of Responsive Education Solutions was reviewed and (check one)  approved  disapproved for the year ended August 31, 2010, at a meeting of the governing body of said charter holder on the 20<sup>th</sup> day of January, 2011.



Signature of Board Secretary



Signature of Board President

**NOTE:** If the governing body of the charter school does not approve the independent auditors' report, it must forward a written statement discussing the reason(s) for not approving the report.



**GREGORY S. DELK**



**CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FINANCIAL PLANNER™**

**INDEPENDENT AUDITOR'S REPORT**

Unqualified Opinion on Financial Statements

Board of Directors  
Responsive Education Solutions  
Lewisville, Texas

I have audited the accompanying financial statements listed in the table of contents of Responsive Education Solutions as of and for the year ended August 31, 2010. These financial statements are the responsibility of the Responsive Education Solutions' management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Responsive Education Solutions as of August 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 10, 2011 on my consideration of Responsive Education Solutions' internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The other supplementary information is likewise presented for purposes of additional analysis and not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Gregory S. Delk, CPA, CFP  
January 10, 2011

**GENERAL-PURPOSE  
FINANCIAL STATEMENTS**

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Financial Position**  
**August 31, 2010**

**ASSETS**

**Current Assets**

Cash in Banks and On Hand	\$ 8,322,416.70
Due from State-Texas Education Agency	1,653,668.15
Due from Federal Government	15,104.78
Other Receivables	397,446.43
Inventory	350,069.25
Prepaid Expenses	10,480.00
Total Current Assets	<u>10,749,185.31</u>

**Property and Equipment**

Land	2,323,252.85
Buildings and Improvements	6,860,560.23
Vehicles	34,559.27
Furniture and Equipment	3,311,307.32
Library Books & Media	27,000.00
Accumulated Depreciation	<u>(3,318,063.88)</u>
Total Property and Equipment	<u>9,238,615.79</u>

**Other Assets**

Other Assets	<u>288,131.01</u>
Total Other Assets	<u>288,131.01</u>

**TOTAL ASSETS** **\$ 20,275,932.11**

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 1,088,930.46
Loans Payable-Current Year	96,075.43
Payroll Tax and Other Payables	576,267.40
Accrued Wages Payable	1,031,661.97
Due to State	363,336.00
Accrued Expenses	1,328,325.31
Total Current Liabilities	<u>4,484,596.57</u>

**Long-Term Liabilities**

Loans Payable-Long Term	<u>6,453,074.80</u>
Total Long-Term Liabilities	<u>6,453,074.80</u>

**Net Assets**

Unrestricted Net Assets (Deficiency)	82,610.17
Temporarily Restricted Net Assets (Deficiency)	<u>9,255,650.57</u>
Total Net Assets	<u>9,338,260.74</u>

**TOTAL LIABILITIES AND NET ASSETS** **\$ 20,275,932.11**

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Activities**  
**For the Year Ended August 31, 2010**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Totals</b>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
Local Support--			
Interest Income	\$	\$ 58,426.73	\$ 58,426.73
Gifts and Bequests	16,903.25	6,766.75	23,670.00
Other Revenue	202,402.98	80,131.33	282,534.31
Food Service Fees		17,822.51	17,822.51
Extracurricular/Cocurricular Activities		2,838.00	2,838.00
Enterprising Services Revenue	1,995.86	15,223.28	17,219.14
Cocurricular Enterprising Services		24,811.17	24,811.17
Total Local Support	221,302.09	206,019.77	427,321.86
State Program Revenues--			
State Foundation Program		36,997,075.23	36,997,075.23
Electronic Course Pilot Program		1,465,003.00	1,465,003.00
Intensive Technology		20,461.23	20,461.23
Ltd English Proficient Student Success Initiative		125,010.37	125,010.37
Breakfast Program Matching		1,725.00	1,725.00
Technology Allotment		136,019.00	136,019.00
Campus Awards		736.00	736.00
Total State Program Revenues		38,746,029.83	38,746,029.83
Federal Program Revenues--			
Breakfast Program		157,886.00	157,886.00
National School Lunch		200,992.00	200,992.00
Title IV, Part A		8,691.66	8,691.66
Title I, Part A		912,906.64	912,906.64
IDEA-Part B Formula		667,557.36	667,557.36
Title II, Part A		192,299.43	192,299.43
Title II, Part D		13,930.28	13,930.28
Title III LEP		140,576.65	140,576.65
ARRA SFSF		541,667.57	541,667.57
ARRA Title II, Part D		13,518.06	13,518.06
ARRA IDEA-B		220,442.33	220,442.33
ARRA Title I, Part A		426,103.93	426,103.93
School Health & Related Services		53.00	53.00
Advanced Placement Fee Payment Grant		428,866.07	428,866.07
Total Federal Program Revenues		3,925,490.98	3,925,490.98
Net Assets Released from Restrictions	38,880,297.77	(38,880,297.77)	
Total Revenue and Other Support	39,101,599.86	3,997,242.81	43,098,842.67
<b><u>EXPENSES</u></b>			
Program Services:			
Instructional and Instructional Related Services	26,118,653.18	---	26,118,653.18
Instructional and School Leadership	5,826,819.05	---	5,826,819.05
Support Services:			
Administrative Support Services	2,296,909.02	---	2,296,909.02
Support Services-Non-Student Based	3,144,316.44	---	3,144,316.44
Support Services-Student (Pupil)	1,116,074.69	---	1,116,074.69
Ancillary Services	147,481.28	---	147,481.28
Debt Service	220,401.02	---	220,401.02
Fund Raising	155,634.19	---	155,634.19
Total Expenses	39,026,288.87	---	39,026,288.87
<b>Change in Net Assets</b>	<b>75,310.99</b>	<b>3,997,242.81</b>	<b>4,072,553.80</b>
Net Assets (Deficiency), Beginning of Year	7,299.18	5,258,407.76	5,265,706.94
Net Assets (Deficiency), End of Year	\$ 82,610.17	\$ 9,255,650.57	\$ 9,338,260.74

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Cash Flows**  
**For the Year Ended August 31, 2010**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Government Contracts	\$ 41,708,684.22
Cash from Local Sources	427,321.86
Cash Paid to Suppliers for Goods and Services	(14,846,671.88)
Cash Paid to Employees for Services	(21,760,748.61)
Cash Paid for Income Taxes	0
Cash Paid for Interest Expense	(220,401.02)
Net Cash Provided By (Used By) Operating Activities	<u>5,308,184.57</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Property and Equipment	(5,139,467.49)
Purchase of Other Assets	(48,849.25)
Net Cash Provided By (Used By) Investing Activities	<u>(5,188,316.74)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from New Debt	4,881,752.29
Payments on Debt	(847,284.57)
Net Cash Provided By (Used By) Financing Activities	<u>4,034,467.72</u>
Net Increase (Decrease) in Cash	4,154,335.55
Cash at Beginning of Year	<u>4,168,081.15</u>
Cash at End of Year	<u><u>\$ 8,322,416.70</u></u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES**

Change in Net Assets	\$ 4,072,553.80
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used By) Operating Activities:	
Depreciation	382,932.48
(Increase) Decrease in Operating Assets--	
Due from State-Texas Education Agency	(1,011,753.56)
Due from Federal Government	99,332.72
Other Receivables	(372,396.22)
Inventory	(69,293.03)
Prepaid Expenses	12,934.59
Increase (Decrease) in Operating Liabilities--	
Accounts Payable	217,953.96
Payroll Tax and Other Payables	119,045.76
Accrued Wages Payable	304,753.22
Due to State-Texas Education Agency	321,980.47
Accrued Expenses	1,230,140.38
Deferred Revenue	
Net Adjustments	<u>1,235,630.77</u>
Net Cash Provided By (Used By) Operating Activities	<u><u>\$ 5,308,184.57</u></u>

The accompanying notes are an integral part of these financial statements

**NOTES TO  
FINANCIAL STATEMENTS**

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Organization and Nature of Activities –

Responsive Education Solutions (The Organization) provides curricula for students in grades K–12 through the operation of elementary schools (doing business as Vista Academies of Texas), high schools (doing business as Premier High Schools, iSchool High and Eagle Academies of Texas) as well as school administration services. The Organization is authorized to operate schools (The Schools) under an open enrollment charter granted by the State of Texas Board of Education in November 1998. The original charter was issued for a period of five years and was renewed for an additional 10 years. The Schools are part of the public school system of the State of Texas and are therefore entitled to distributions from the State's available school fund. The Schools do not have the authority to impose ad valorem taxes or to charge tuition.

The Organization was incorporated in May 1999 and has been recognized as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### B. Accounting Policies –

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles. The accounting system is organized under the *Special Supplement to Financial Accounting and Reporting – Nonprofit Charter School Chart of Accounts*, a module of the Texas Education Agency Financial Accountability Resource Guide. The significant accounting policies are as follows:

To insure observance of limitations and restrictions placed on the use of resources available to the School, the accounts are maintained in accordance with the principles of fund accounting during the year. Resources for various purposes are classified into funds according to their nature and purposes. Separate accounts are maintained for each fund; however, the accompanying statements of financial position and of activities focus on the organization as a whole and reports the amounts of its total assets, liabilities, net assets and changes in net assets in accordance with Financial Accounting Standards Board Statement No. 117.

The statement of financial position reports the amounts of each of three classes of net assets: temporarily restricted and unrestricted net assets.

- ❖ Temporarily restricted net assets result from contributions and other inflows of assets that are limited by donor imposed stipulations that can be fulfilled and removed by actions of the School pursuant to those stipulations.

When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

- ❖ Unrestricted net assets are the remaining part of the School's net assets that is neither permanently restricted nor temporarily restricted by donor imposed stipulations. Property and equipment are included in unrestricted net assets.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- ❖ Permanently restricted net assets result from contributions and other inflows of assets that are required to be maintained in perpetuity with only the income to be used for the School's activities due to donor-imposed restrictions.

#### C. Cash and Cash Equivalents –

For purposes of the statement of cash flows, cash and cash equivalents are comprised of cash on hand and in banks including highly liquid investments with short term maturities.

#### D. Fixed Assets and Depreciation –

All assets acquired with a value of \$2,500.00 or greater (\$5,000.00 for leasehold improvements) are recorded as fixed assets and are valued at cost or estimated cost. Donated assets are reported at the fair market value at the time of acquisition. Depreciation of building improvements and equipment is provided over the estimated useful lives of the assets on a straight line basis.

#### E. Revenues –

Each school's revenues from the State of Texas available school fund are earned based on reported attendance.

Contributions received are recognized as revenue in the period received and are reported as either restricted or unrestricted support, in accordance with Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*.

- ❖ Contributions with donor imposed restrictions are reported as restricted support. Restricted support increases temporarily restricted net assets.
- ❖ Contributions without donor imposed restrictions are reported as unrestricted support. Unrestricted support increases unrestricted net assets.

Government grant contracts that are entered into by the Organization are recognized as revenue when services are rendered or when expenses in connection with those services are incurred.

#### F. Donated Goods and Services –

Donated goods and services that can be measured and meet certain other requirements are recorded in the financial statements as in kind contributions and expenses of a like amount.

#### G. Sick Leave, Personal Leave and Vacation --

All employees earn five days of paid sick leave. However, unused balances are not paid at termination. Therefore, there is no liability accrued on the financial statements. All employees earn two days of paid personal leave per year that is paid no later than the last paycheck of the school year. Therefore, there is no liability accrued on the financial statements. Accrued wages payable includes an accrual for accumulated liability for employee vacation time.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### H. Estimates –

In preparation of the financial statements and in conformity with generally accepted accounting principles, management's estimated useful lives of asset classes were used in the calculation of depreciation.

#### I. Functional Allocation of Expenses –

The expense of the various programs and other activities has been presented on a functional basis in the statement of activities. Accordingly, certain expenses and supporting service costs have been allocated among the various programs.

### 2. BUILDING IMPROVEMENTS AND EQUIPMENT

An analysis of building improvements and equipment at August 31, 2010, is presented as follows:

Asset	Cost	Accumulated Depreciation	Net	Straight Line Depr. Rate
Land	\$ 2,323,252.85	0.00	2,323,252.85	N/A
Building & Improvements	6,860,560.23	599,576.67	6,260,983.56	2.56%
Vehicles	34,559.27	17,651.26	16,908.01	20.00%
Furniture & Equipment	3,311,307.32	2,692,585.95	618,721.37	14.29%
Licenses & Media	27,000.00	8,250.00	18,750.00	6.67%
Total	\$ 12,556,679.67	3,318,063.88	9,238,615.79	

Depreciation expense for the year ended August 31, 2010 was \$382,932.48.

### 3. PENSION PLAN

#### Plan Description

The Associated Schools contribute to the Teacher Retirement System of Texas (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the Schools, but are the liability of the State of Texas. The System provides service retirement and disability benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the Schools. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 877-0123.

#### Funding Policy

Under provisions of State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.0% of the Schools' covered payroll. The Schools' employees' contributions to the System for the year ending August 31, 2010 were \$1,227,212.90 and were

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 3. PENSION PLAN (continued)

equal to the required contributions for each year. The State of Texas' contributions should approximate \$1,150,000.00.

### 4. HEALTH CARE COVERAGE

Employees of the Organization are covered by a group insurance plan with TRS Active Care. The Organization pays the employee's premium (currently \$232.00) and the employee pays the premiums for dependent coverage through payroll deductions through a Cafeteria Plan. See Note 5 for a summary of Section 125 Cafeteria Plan coverage.

### 5. SECTION 125 CAFETERIA PLAN

The organization has adopted a "cafeteria plan" within the meaning of Section 125(a) of the Internal Revenue Code which allows employees to choose among certain "tax free" benefits in lieu of taxable compensation. The choices include medical insurance premium, dental and vision insurance premium, cancer insurance premium, disability insurance premium, voluntary term life insurance premium and accidental death & dismemberment (AD&D) insurance premium among others. The company pays \$19.90 towards the dental premium, \$2.20 toward the life premium and \$.40 toward the AD&D premium. The employees' portion of the costs to provide any of these benefits are paid by the employees from payroll deductions.

### 6. INVENTORY

At August 31, 2010 the Organization had on hand curriculum packet inventory, IT inventory and other inventory that had original costs totaling \$350,069.25.

### 7. DUE FROM STATE-TEXAS EDUCATION AGENCY

At August 31, 2010, the Organization was to receive \$1,653,668.15 in entitlements as follows:

Title I, Part A	\$ 98,547.55
IDEA-Part B Formula	55,290.10
Title II, Part A	72,028.59
Title II, Part D	10,255.52
Title III, LEP	13,124.98
ARRA Title XIV SFSP	62,120.57
ARRA Title II, Part D	13,518.06
ARRA IDEA-B	126,768.05
ARRA Title I, Part A	65,228.73
Electronic Course Pilot	1,136,691.00
Technology Allotment	95.00

These amounts will be received from the Texas Education Agency in the 2010-2011 school year.

### 8. DUE FROM FEDERAL GOVERNMENT

At August 31, 2010, the Organization, was due \$15,104.78 in Advanced Placement Fee Payment Grant monies. This amount will be received from the government in the 2010-2011 school year.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 9. DUE TO STATE-TEXAS EDUCATION AGENCY

At August 31, 2010, the Organization owed \$363,336.00 in overpaid State Foundation Program entitlements. This amount will be recouped by the Texas Education Agency in the 2010-2011 school year.

### 10. OPERATING LEASES

#### **Responsive Education Solutions Administration Office Copiers**

The Organization's administrative offices are located at Waters Ridge, Lewisville, TX 75057 in a facility being purchased by the Organization. However, at that location there are various copiers leased at an approximate annual cost of \$13,000.

#### **Responsive Education Solutions Administration- Denton**

The Organization entered into a lease agreement with Woodhill Square for general office space located at 1100 Dallas Drive, Denton, Texas. This lease is for approximately 3,420 square feet commencing November 1, 2009, for 12 months. The monthly rental rate is \$2,850 per month plus common costs of \$1,063.06 per month.

#### **Responsive Education Solutions -Austin**

The School has entered into a lease agreement for office and classroom space at 1701 Ben White Blvd., Austin, Texas (17,118 square feet) is leased at a rate of \$14,635.89 per month plus common area maintenance estimated to be \$3,566.25 through July 2012.

#### **Responsive Education Solutions -Beaumont**

The School has entered into a lease agreement for office and classroom space at 205 and 209 North Eleventh Street, Beaumont, Texas. The lease rental rate is \$11,950 per month plus common area maintenance, taxes and insurance of \$3,610 per month through June 30, 2012.

#### **Responsive Education Solutions -Carrollton**

The School has entered into a lease agreement for office and classroom space at 2400 N Josey Ln., Carrollton, Texas. This agreement commenced July 2010 and covers 24 months through June 2012. The lease rental rate is \$20,000 per month.

#### **Responsive Education Solutions -Clay Academy**

The School has entered into a lease agreement for office and classroom space at 3303 Potter's House Way, Dallas, Texas. This agreement commenced July 2010 for a period of 10 years. The lease rental rate is \$20,000 per month of occupancy for the first floor. Upon occupancy of second floor, the base monthly rent shall immediately increase to \$40,000 per month.

#### **Responsive Education Solutions -Coppell**

The School has entered into a lease agreement for office and classroom space at 1615 W. Beltline Rd., Carrollton, Texas. This agreement commenced July 2009 and covers 24 months through June 2011. The lease covered approximately 8,730 square feet of floor space at a base rental rate of \$8,000 per month which shall be due on the first day of each month, beginning July 1, 2009, for an average daily attendance (ADA) of 1 to 125 students. If the ADA increases to more than 125 students, an additional rent supplement of \$70 per month per student above the 125 ADA will be due. Also charged is \$3,000 per month for common area maintenance, taxes and insurance.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 10. OPERATING LEASES (continued)

#### **Responsive Education Solutions –Corpus Christi**

The School has entered into a lease agreement for office and classroom space at 2121 Mary St., Corpus Christi, Texas. This agreement commenced July 2009 and covers 36 months through June 2012. The lease rental rate is \$60 per student per month for attendance under 100 and \$70 per student per month for attendance over 100.

#### **Responsive Education Solutions –Crockett**

The School has entered into a lease agreement for office and classroom space at 1303 East Houston Ave., Crockett, Texas. This agreement commenced July 2010 and covers 36 months through June 2013. The school will receive abated rent for the first twelve (12) months of the lease commencing on July 1, 2010. July 2011, the monthly rent rate is \$60 per average daily attendance (ADA) per month of occupancy adjusted quarterly based on actual ADA. July 2012, the monthly rent rate will increase to \$65 per ADA per month of occupancy adjusted quarterly based on actual ADA. A minimum monthly rent of \$5,000 per month shall apply.

#### **Responsive Education Solutions -Dallas**

The School has entered into a lease agreement for office and classroom space at 7300 Bruton Rd, Dallas, Texas. This agreement was executed in July 2010 and covers 24 months through June 2012. The lease is at a rental rate of \$4,000 per month if average daily attendance is at or below 50 students, \$6,000 per month if average daily attendance is between 51 and 100 students, \$8,000 per month if average daily attendance is between 101 and 150 students, \$10,000 per month if average daily attendance is between 151 and 200 students, and \$12,000 per month if average daily attendance is between 201 and 250 students.

#### **Responsive Education Solutions -Dayton**

The School has entered into a lease agreement for office and classroom space at 1707 CR 611, Dayton, Texas. This agreement was executed on July 1, 2010, and covers 36 months through June 2013. The lease is for 8,750 classroom & office space and approximately 7,000 square feet of shared space consisting of the gym, kitchen, and fellowship hall. The monthly rent rate is \$65 per average daily attendance (ADA) per month of occupancy adjusted quarterly based on actual ADA. A minimum monthly rent of \$4,000 per month shall apply. In addition to rent, common area utilities of \$20 per ADA will be paid.

#### **Responsive Education Solutions -Del Rio**

The School has entered into a lease agreement for office and classroom space at 4300 Highway 90 East, Del Rio, Texas. This agreement was executed in July 2009 and covers 36 months through June 2012. The lease is at a rental rate of \$6,500 per month.

#### **Responsive Education Solutions –El Paso**

The School has entered into a lease agreement for office and classroom space at 1035 Belvedere, Suite 116, El Paso, Texas. This agreement was executed in July 2008 and covers 60 months through June 2013. The lease is at a rental rate of \$8,977.50 per month. (NOTE: PAYMENTS DIFFERED)

#### **Responsive Education Solutions -Ft. Worth**

The School has entered into a lease agreement for office and classroom space at 6411B Camp Bowie Blvd., Ft. Worth, Texas. This agreement was executed in mid June 2008 and extends through June 2011. The lease covered approximately 11,772 square feet of floor space at a rental rate of \$7,857.50 per month plus common area maintenance, insurance and taxes estimated to be \$3,090.15 per month.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 10. OPERATING LEASES (continued)

#### Responsive Education Solutions –Garland

The School has entered into a lease agreement for office and classroom space at 3024 Anita Dr, Garland, Texas. This agreement was executed in July 2008 and covers 36 months through June 2011. The lease is at a rental rate of \$7,000 per month if average daily attendance is at or below 100 students, \$9,000 per month if average daily attendance is between 101 and 150 students, \$11,000 per month if average daily attendance is between 151 and 200 students, \$13,000 per month if average daily attendance is between 201 and 250 students and \$16,000 per month if average daily attendance is between 251 and 300 students. Maximum rent shall be \$16,000 per month.

#### Responsive Education Solutions –Granbury

The School has entered into a lease agreement for office and classroom space at 919 East Hwy. 377, Suite 1, Granbury, Texas. The agreement commenced February 2010 and extends through June 2013. The lease covered approximately 7,766 square feet of floor space at a rental rate of \$5,824.50 per month plus estimated operating expenses and taxes not to exceed \$1.92 per square foot.

#### Responsive Education Solutions –Hickory Creek

The School has entered into a lease agreement for office and classroom space at, 800 Point Vista Rd, Hickory Creek, Texas. The agreement commenced July 2009 and extends through June 2014. The lease covered approximately 23,204 square feet of floor space at a rental rate of \$19,630 per month plus common area maintenance of approximately \$9,668.

#### Responsive Education Solutions –Huntsville

The School has entered into a lease agreement for office and classroom space at 2407 Sam Houston Ave, Huntsville, Texas. This agreement commenced July 2009 and covers 36 months through June 2012. The lease covered approximately 55,046 square feet of floor space at a rental rate of \$80.00 per student per month for attendance up to 200 and \$100.00 per student per month for attendance above 200. Minimum rent is \$5,000 and maximum rent is \$26,000 per month.

#### Responsive Education Solutions -Jasper

The School has entered into a lease agreement for office and classroom space at 1501 South Wheeler, Jasper, Texas. The agreement commenced July 2009 and extends through June 2012. The lease covered approximately 11,508 square feet (31,508 square feet starting year 2) of floor space at a rental rate of \$70 per student per month with a minimum of \$4,000.

#### Responsive Education Solutions -Lancaster

The School has entered into a lease agreement for office and classroom space at 643 West Wintergreen, Lancaster, Texas. This agreement was executed in June 2008 and covers 36 months through June 2011. The lease is at a rental rate of \$5,000.00 per month if average daily attendance is at or below 100 students, \$8,820.00 per month if average daily attendance is over 100 students, \$10,000.00 per month if average daily attendance is over 100 students after May 2009.

#### Responsive Education Solutions -Laredo

The School has entered into a lease agreement for office and classroom space at 1720 East Hillside Road, Laredo, Texas. The agreement commenced July 2009 and extended through June 2010. The lease covered approximately 9,164 square feet of floor space at a rental rate of \$10,527.10 per month. A new lease agreement was executed for office and classroom space at 2201 Chihuahua Street, Laredo, Texas. This new agreement commenced July 2010 and covers 36 months through June 2013, and the monthly rental rate is \$7,975.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 10. OPERATING LEASES (continued)

#### **Responsive Education Solutions –Lewisville (Vista)**

A lease was signed in July 2009 for 12,970 square feet of office and classroom space at 1511 FM 407, Ste B-100, Lewisville, Texas, covering 60 months at \$18,914.59 until June 2014.

#### **Responsive Education Solutions –Lewisville (iSchool)**

The Organization's Lewisville iSchool (TSTEM Academy) is located at 1800 Lakeway Dr. Suite 100, Lewisville, TX 75057. This lease is for approximately 34,431 square feet at a monthly rental of \$41,374.59 for 60 months through July 2013.

#### **Responsive Education Solutions -Lubbock**

A lease was signed in August 2009 for 16,179 square feet of office and classroom space at 2002 W. Loop 289, Suite 121, Lubbock, Texas, covering 35 months at \$12,134.25 per month plus approximately \$4,700 for common area maintenance, insurance and taxes until June 2012.

#### **Responsive Education Solutions -Midland**

The School entered into a lease agreement for office and classroom space at 2500 West Illinois Avenue, Midland, Texas. These premises (16,520 square feet) were leased at a rate of \$9,636.67 per month from the Black Family Partnership through July 2010. A new lease agreement was executed with ASI Texas, LLC, for 16,678 square feet of office and classroom space at 1900 North Big Springs and 1900 N. Main Street, Midland, Texas, beginning July 2010 for 36 months ending June 2013. The new lease base rental rate is \$10,480 per month starting October 2010, as the first three months' rent was abated.

#### **Responsive Education Solutions –Mission**

The School has entered into a lease agreement for office and classroom space at 1313 St. Claire, Mission, Texas. The lease agreement is for 15,000 square feet at a monthly rental rate of \$15,000 starting July 2010 through June 2013. escalating to \$17,010 October 2008 through August 2010.

#### **Responsive Education Solutions –New Braunfels**

The School has entered into a lease agreement for office and classroom space at 1928 S. Seguin Ave., Suite 100A & B, New Braunfels, Texas, for the period from November 2009 through June 2013. These premises (4,300 square feet) are leased at a rate of \$3,913 per month plus approximately \$1,168 for common area maintenance, insurance and taxes.

#### **Responsive Education Solutions –North Austin**

The School has entered into a lease agreement for office and classroom space at 1835-A Kramer Lane, Austin, Texas, for the period from July 2008 through June 2013. These premises (9,300 square feet) were leased at a base rental rate of \$9,300 per month \$9,579 per month effective August 2009, and \$9,858 per month effective August 2010 plus estimated operating expenses including taxes. On June 9, 2010, the lease was amended to extend the lease until June 2015 and to include 6,327 square feet of expansion space at a rental rate of \$.90 per expansion square foot beginning October 2010.

#### **Responsive Education Solutions –Palmview**

The School has entered into a lease agreement for office and classroom space at 406 W. Veterans Blvd, Palmview, Texas for the period from July 2009 through June 2012. These premises (8,500 square feet plus gymnasium) are leased at a rate of \$12,000 per month.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 10. OPERATING LEASES (continued)

#### Responsive Education Solutions –Pharr-McAllen

The School has entered into a lease agreement for office and classroom space at 200A, B, C, D, E, F and G East Expressway 83, Pharr, Texas. The lease expires June 2014. The monthly lease rate is \$8,519.17 for 12 months, \$8,646.95 for 12 months, \$8,776.65 for 12 months, \$8,908.30 for 12 months, \$9,041.93 for 12 months.

#### Responsive Education Solutions -San Antonio

The School has entered into a lease agreement for office and classroom space of 24,497 square feet with S&S Shopping Centers, Ltd., June 2009 for 37 months through June 2012 at a rental rate of \$11,020 plus estimated common area maintenance and taxes. On May 14, 2010, the County of Bexar initiated a condemnation proceeding, and the lease agreement was amended to expire August 31, 2010, at which time the lease was to become month to month. The School has entered into a lease agreement for office and classroom space at 502 Ramsey, San Antonio, Texas 78216, commencing December 15, 2010 and ending June 30, 2014. The first three years rental rate is \$11,020.00 and thereafter is \$11,500.00.

#### Responsive Education Solutions –San Juan

The School has entered into a lease agreement for office and classroom space at 1200 E Bus 83, San Juan, Texas. This agreement was executed in August 2008 and covers 58 months through June 2013. The lease is at a rental rate of \$12,800 per month with a 3% increase annually.

#### Responsive Education Solutions –The Woodlands

The School has entered into a sublease agreement for office and classroom space at 6565 Research Forest Drive, The Woodlands, Texas. This agreement commenced August 2010 for 23 months ending June 2012. The monthly base rental rate is the amount greater of \$75 per average daily attendance (ADA) per month or \$4,000 plus common area utilities.

#### Responsive Education Solutions –Willis

The School has entered into a lease agreement for office and classroom space at 202 Thomason, Willis, Texas. This agreement was executed in June 2008 and covers 60 months through June 2013. The lease is at a minimum rental rate of \$4,000 per month plus \$60 per student if average daily attendance is at or below 100, \$70 per student if average daily attendance is between 101 and 225, and \$80 per student if average daily attendance is between 226 and 300. Maximum rent shall be \$25,000 per month.

#### FUTURE MINIMUM LEASE PAYMENTS

Future minimum lease payments under the leases above are as follows:

8/31/2011	\$4,579,252.78
8/31/2012	4,029,156.82
8/31/2013	2,599,710.83
8/31/2014	1,176,908.00
8/31/2015	419,191.50
Thereafter	1,160,000.00

### 11. COMMITMENTS AND CONTINGENCIES

The Organization receives funds through federal programs which are governed by various rules and regulations of the grantor. Expenses charged to the grant program are subject to audit and adjustment by the grantor agency. In the opinion of management, there are no contingent liabilities relating to compliance with rules and regulations governing the grants; therefore, no provision has been made in the accompanying financial statements for such contingencies.

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 12. ECONOMIC DEPENDENCY

During the year the Schools received the majority of its revenues from the Texas Education Agency and the Federal Government through a Charter Agreement. The loss of this Charter Agreement would have a material effect on the ability of the Schools to continue to provide the current level of services to its students.

### 13. NOTES PAYABLE

The Organization purchased a building at 955 Paredes Line Road, Brownsville, Texas for the Brownsville school location on September 24, 2007. Previously they were leasing space at this location. The purchase was for \$840,000.00 with a resulting note payable (lien on the building) of \$672,000.00 payable by payments of \$6,174.49 including interest at 7.25%.

The Organization purchased a building at 3236 Hobbs Rd. Amarillo, Texas for the Amarillo school location on February 15, 2008. The purchase was for \$379,323.44 with a resulting note payable (lien on the building) of \$303,792.00 payable by payments of \$3,421.20 including interest at 6.3165%.

The Organization purchased a building at 4720 N 19<sup>th</sup> Street, Waco, Texas for the Waco school location on July 28, 2008. The purchase was for \$505,675.83 with a resulting note payable (lien on the building) of \$478,550.00 payable in a lump sum payment July 28, 2009. The note was refinanced and has 294 payments of \$3,258.13 remaining including 6.5% interest.

The Organization purchased a building at 4633 S. 14<sup>th</sup> St, Abilene, TX for the Abilene school location on September 24, 2008. The purchase was for \$840,070.58 with a resulting note payable (lien on the building) of \$786,250.00 payable by payments of \$5,355.46 including interest at 6.5%.

The Organization purchased a building at 1106 Glenwood Blvd., Tyler, TX for the Tyler school location on June 24, 2009. The purchase was for \$432,604.95 with a resulting note payable (lien on the building) of \$361,250.00 payable June 24, 2010 including interest at 6.5%.

The Organization purchased a building at 1301 Waters Ridge Drive, Lewisville, Texas for the School Administration location on June 11, 2010. The purchase was for \$4,650,000.00 with a resulting note payable (lien on the building) of \$4,122,500.00 payable by payments of \$28,081.84 including interest at 6.5%.

The note payments are scheduled as follows:

<b>August 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	96,075.43	425,256.68	521,332.11
2012	162,631.93	416,216.46	578,848.39
2013	173,754.02	405,094.38	578,848.40
2014	185,639.09	393,209.31	578,848.40
2015	198,339.68	380,508.72	578,848.40
Thereafter	<u>5,732,710.08</u>	<u>4,221,117.69</u>	<u>9,953,827.77</u>
Totals	6,549,150.23	6,241,403.24	12,790,553.47

# RESPONSIVE EDUCATION SOLUTIONS

## Notes To Financial Statements For the Year Ended August 31, 2010

### 14. TEMPORARILY RESTRICTED NET ASSETS

At August, 31 2010, the Organization had temporarily restricted net assets of \$9,255,650.57. These funds represent funds that are restricted as to their expendability in certain Federal, State and Local programs. The funds are not free to be expended in any way the Organization desires. The temporarily restricted funds at year end are as follows:

Miscellaneous Local Restricted Funds	\$ 677,374.10
State Foundation Program	6,667,889.81
State Career and Technical Fund	150,077.79
State Compensatory Education Fund	136,289.61
State High School Allotment	1,387,035.30
State Ltd English Proficiency	22.17
State Technology Allotment	43,726.02
State Automated External Defibrillators	42,630.00
State Read to Succeed	110.00
State Campus Awards	736.00
Federal Advanced Placement Grant	1,421.23
Federal Title IV, Part A	358.60
Federal IDEA-B Program	28,388.42
Federal Title II, Part A	54,490.37
Federal ARRA IDEA-B	53,762.71
Federal Title III, Part A	11,338.44
Total	<u>\$9,255,650.57</u>

### 15. CASH DEPOSIT RISK

At August 31, 2010 and throughout the school year, the Organization's cash in bank accounts was not entirely covered by Federal Deposit Insurance Corporation (FDIC) insurance but has been fully covered during the year by pledged collateral held by the Organization's agent banks instead

**SPECIFIC-PURPOSE  
FINANCIAL STATEMENTS**

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Financial Position**  
**August 31, 2010**

**ASSETS**

**Current Assets**

Cash in Banks and On Hand	\$ 8,322,416.70
Due from State-Texas Education Agency	1,653,668.15
Due from Federal Government	15,104.78
Other Receivables	397,446.43
Inventory	350,069.25
Prepaid Expenses	10,480.00
Total Current Assets	<u>10,749,185.31</u>

**Property and Equipment**

Land	2,323,252.85
Buildings and Improvements	6,860,560.23
Vehicles	34,559.27
Furniture and Equipment	3,311,307.32
Library Books & Media	27,000.00
Accumulated Depreciation	<u>(3,318,063.88)</u>
Total Property and Equipment	9,238,615.79

**Other Assets**

Other Assets	<u>288,131.01</u>
Total Other Assets	288,131.01

**TOTAL ASSETS** **\$ 20,275,932.11**

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 1,088,930.46
Loans Payable-Current Year	96,075.43
Payroll Tax and Other Payables	576,267.40
Accrued Wages Payable	1,031,661.97
Due to State	363,336.00
Accrued Expenses	1,328,325.31
Total Current Liabilities	<u>4,484,596.57</u>

**Long-Term Liabilities**

Loans Payable-Long Term	<u>6,453,074.80</u>
Total Long-Term Liabilities	6,453,074.80

**Net Assets**

Unrestricted Net Assets (Deficiency)	82,610.17
Temporarily Restricted Net Assets (Deficiency)	<u>9,255,650.57</u>
Total Net Assets	9,338,260.74

**TOTAL LIABILITIES AND NET ASSETS** **\$ 20,275,932.11**

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Activities**  
**For the Year Ended August 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Local Support--			
5742 Interest Income	\$	\$ 58,426.73	\$ 58,426.73
5744 Gifts and Bequests	16,903.25	6,766.75	23,670.00
5749 Other Revenue	202,402.98	80,131.33	282,534.31
5751 Food Service Fees		17,822.51	17,822.51
5753 Extracurricular/Cocurricular Activities		2,838.00	2,838.00
5755 Enterprising Services Revenue	1,995.86	15,223.28	17,219.14
5759 Cocurricular Enterprising Services		24,811.17	24,811.17
Total Local Support	<u>221,302.09</u>	<u>206,019.77</u>	<u>427,321.86</u>
State Program Revenues--			
5812 State Foundation Program		36,997,075.23	36,997,075.23
5818 Electronic Course Pilot Program		1,465,003.00	1,465,003.00
5819 Intensive Technology		20,461.23	20,461.23
5819 Ltd English Proficient Student Success Initiative		125,010.37	125,010.37
5829 Breakfast Program Matching		1,725.00	1,725.00
5829 Technology Allotment		136,019.00	136,019.00
5829 Campus Awards		736.00	736.00
Total State Program Revenues		<u>38,746,029.83</u>	<u>38,746,029.83</u>
Federal Program Revenues--			
5921 Breakfast Program		157,886.00	157,886.00
5922 National School Lunch		200,992.00	200,992.00
5929 Title IV, Part A		8,691.66	8,691.66
5929 Title I, Part A		912,906.64	912,906.64
5929 IDEA-Part B Formula		667,557.36	667,557.36
5929 Title II, Part A		192,299.43	192,299.43
5929 Title II, Part D		13,930.28	13,930.28
5929 Title III LEP		140,576.65	140,576.65
5929 ARRA SFSF		541,667.57	541,667.57
5929 ARRA Title II, Part D		13,518.06	13,518.06
5929 ARRA IDEA-B		220,442.33	220,442.33
5929 ARRA Title I, Part A		426,103.93	426,103.93
5931 School Health & Related Services		53.00	53.00
5949 Advanced Placement Fee Payment Grant		428,866.07	428,866.07
Total Federal Program Revenues		<u>3,925,490.98</u>	<u>3,925,490.98</u>
Net Assets Released from Restrictions	<u>38,880,297.77</u>	<u>(38,880,297.77)</u>	
Total Revenue and Other Support	<u>39,101,599.86</u>	<u>3,997,242.81</u>	<u>43,098,842.67</u>
<b>EXPENSES</b>			
11 Instruction	24,375,444.14	---	24,375,444.14
12 Instructional Resources and Media Services	9,239.65	---	9,239.65
13 Curriculum Dev. & Instructional Staff Dev.	1,733,969.39	---	1,733,969.39
21 Instructional Leadership	1,275,165.79	---	1,275,165.79
23 School Leadership	4,551,653.26	---	4,551,653.26
31 Guidance, Counseling and Evaluation Svcs.	597,593.29	---	597,593.29
33 Health Services	36,056.73	---	36,056.73
34 Student (Pupil) Transportation	54,797.26	---	54,797.26
35 Food Services	419,507.16	---	419,507.16
36 Cocurricular/Extracurricular Activities	8,120.25	---	8,120.25
41 General Administration	2,296,909.02	---	2,296,909.02
51 Plant Maintenance and Operations	2,586,350.14	---	2,586,350.14
52 Security and Monitoring Services	30,899.21	---	30,899.21
53 Data Processing Services	527,067.09	---	527,067.09
61 Community Services	147,481.28	---	147,481.28
71 Debt Service	220,401.02	---	220,401.02
81 Fundraising	155,634.19	---	155,634.19
	<u>39,026,288.87</u>	<u>---</u>	<u>39,026,288.87</u>
Change in Net Assets	<u>75,310.99</u>	<u>3,997,242.81</u>	<u>4,072,553.80</u>
Net Assets (Deficiency), Beginning of Year	<u>7,299.18</u>	<u>5,258,407.76</u>	<u>5,265,706.94</u>
Net Assets (Deficiency), End of Year	<u>\$ 82,610.17</u>	<u>\$ 9,255,650.57</u>	<u>\$ 9,338,260.74</u>

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Cash Flows**  
**For the Year Ended August 31, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Government Contracts	\$ 41,708,684.22
Cash from Local Sources	427,321.86
Cash Paid to Suppliers for Goods and Services	(14,846,671.88)
Cash Paid to Employees for Services	(21,760,748.61)
Cash Paid for Income Taxes	0
Cash Paid for Interest Expense	<u>(220,401.02)</u>
Net Cash Provided By (Used By) Operating Activities	5,308,184.57

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Property and Equipment	(5,139,467.49)
Purchase of Other Assets	<u>(48,849.25)</u>
Net Cash Provided By (Used By) Investing Activities	(5,188,316.74)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from New Debt	4,881,752.29
Payments on Debt	<u>(847,284.57)</u>
Net Cash Provided By (Used By) Financing Activities	4,034,467.72

Net Increase (Decrease) in Cash 4,154,335.55

Cash at Beginning of Year 4,168,081.15

Cash at End of Year \$ 8,322,416.70

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET  
CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES**

Change in Net Assets	\$ 4,072,553.80
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used By) Operating Activities:	
Depreciation	382,932.48
(Increase) Decrease in Operating Assets--	
Due from State-Texas Education Agency	(1,011,753.56)
Due from Federal Government	99,332.72
Other Receivables	(372,396.22)
Inventory	(69,293.03)
Prepaid Expenses	12,934.59
Increase (Decrease) in Operating Liabilities--	
Accounts Payable	217,953.96
Payroll Tax and Other Payables	119,045.76
Accrued Wages Payable	304,753.22
Due to State-Texas Education Agency	321,980.47
Accrued Expenses	<u>1,230,140.38</u>
Net Adjustments	<u>1,235,630.77</u>
Net Cash Provided By (Used By) Operating Activities	<u><u>\$ 5,308,184.57</u></u>

The accompanying notes are an integral part of these financial statements

**SUPPLEMENTARY  
SCHEDULES**

**RESPONSIVE EDUCATION SOLUTIONS**  
**Statement of Expenses And Other Losses**  
**For the Year Ended August 31, 2010**

**EXPENSES AND OTHER LOSSES**

6100 Payroll Costs	\$ 24,336,020.08
6200 Professional and Contracted Svcs.	10,111,290.23
6300 Supplies and Materials	2,770,217.61
6400 Other Operating Costs	1,588,359.93
6500 Debt Expense	220,401.02
	<u>\$ 39,026,288.87</u>

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Schedule of Capital Assets**  
**August 31, 2010**

	Ownership Interest			Totals
	Local	State	Federal	
<b><u>CAPITAL ASSETS</u></b>				
1510 Land	\$	\$ 2,323,252.85	\$	\$ 2,323,252.85
1520 Buildings and Improvements	74,925.78	6,753,970.84	31,663.61	6,860,560.23
1531 Vehicles		34,559.27		34,559.27
1539 Furniture and Equipment	1,380,154.62	1,640,261.26	290,891.44	3,311,307.32
1569 Licenses and Media		27,000.00		27,000.00
Total Capital Assets	\$ <u>1,455,080.40</u>	\$ <u>10,779,044.22</u>	\$ <u>322,555.05</u>	\$ <u>12,556,679.67</u>

The accompanying notes are an integral part of these financial statements

**RESPONSIVE EDUCATION SOLUTIONS**  
**Budgetary Comparison Schedule**  
**For the Year Ended August 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUE AND OTHER SUPPORT</u></b>				
Local Support--				
5740 Other Revenues from Local Sources	\$	\$	\$ 364,631.04	\$ 364,631.04
5750 Other Revenues from Local Sources			62,690.82	62,690.82
Total Local Revenues			427,321.86	427,321.86
State Program Revenues--				
5810 State Program Revenues	36,394,473.00	37,779,473.00	38,607,549.83	828,076.83
5820 State Program Revenues from TEA	132,426.00	132,426.00	138,480.00	6,054.00
Total State Revenues	36,526,899.00	37,911,899.00	38,746,029.83	834,130.83
Federal Program Revenues--				
5920 Federal Program Revenues	4,615,040.00	4,798,402.00	3,496,571.91	(1,301,830.09)
5930 Federal Program Revenues			53.00	53.00
5940 Federal Program Revenues			428,866.07	428,866.07
Total Federal Revenues	4,615,040.00	4,798,402.00	3,925,490.98	(872,911.02)
Total Revenue and Other Support	41,141,939.00	42,710,301.00	43,098,842.67	388,541.67
<b><u>EXPENSES</u></b>				
11 Instruction	24,025,441.00	24,461,093.00	24,375,444.14	(85,648.86)
12 Instructional Resources and Media Svcs.	29,000.00	29,000.00	9,239.65	(19,760.35)
13 Curriculum Dev. & Instructional Staff Dev.	1,949,256.00	2,075,018.00	1,733,969.39	(341,048.61)
21 Instructional Leadership	763,547.00	1,325,047.00	1,275,165.79	(49,881.21)
23 School Leadership	4,272,841.00	4,595,841.00	4,551,653.26	(44,187.74)
31 Guidance, Counseling and Evaluation Svcs.	968,963.00	895,021.00	597,593.29	(297,427.71)
32 Social Work	40,000.00	40,000.00		(40,000.00)
33 Health Services	94,000.00	94,000.00	36,056.73	(57,943.27)
34 Student (Pupil) Transportation	94,000.00	94,000.00	54,797.26	(39,202.74)
35 Food Services	514,684.00	514,684.00	419,507.16	(95,176.84)
36 Cocurricular/Extracurricular Activities	29,000.00	29,000.00	8,120.25	(20,879.75)
41 General Administration	2,875,397.00	2,516,947.00	2,296,909.02	(220,037.98)
51 Plant Maintenance and Operations	2,756,757.00	2,873,257.00	2,586,350.14	(286,906.86)
52 Security and Monitoring Services	33,000.00	35,000.00	30,899.21	(4,100.79)
53 Data Processing Services	767,505.00	748,445.00	527,067.09	(221,377.91)
61 Community Services	29,000.00	149,000.00	147,481.28	(1,518.72)
71 Debt Service		244,000.00	220,401.02	(23,598.98)
81 Fundraising	70,800.00	162,200.00	155,634.19	(6,565.81)
Total Expenses	39,313,191.00	40,881,553.00	39,026,288.87	(1,855,264.13)
Change in Net Assets	1,828,748.00	1,828,748.00	4,072,553.80	2,243,805.80
Net Assets (Deficiency), Beginning of Year	5,265,706.94	5,265,706.94	5,265,706.94	—
Net Assets (Deficiency), End of Year	\$ 7,094,454.94	\$ 7,094,454.94	\$ 9,338,260.74	\$ 2,243,805.80

The accompanying notes are an integral part of these financial statements

# **COMPLIANCE AND INTERNAL CONTROL**



**GREGORY S. DELK**



**CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FINANCIAL PLANNER™**

**INDEPENDENT AUDITOR'S REPORT**

**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***

Board of Directors  
Responsive Education Solutions  
Lewisville, Texas

I have audited the financial statements of Responsive Education Solutions as of and for the year ended August 31, 2010, and have issued my report thereon dated January 10, 2011. I conducted my 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.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Responsive Education Solutions' internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Responsive Education Solutions' internal control over financial reporting.

A deficiency in 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.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Responsive Education Solutions' financial statements are free of material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, The Texas Education Agency, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Gregory S. Delk, CPA, CFP  
January 10, 2011



**GREGORY S. DELK**



**CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED FINANCIAL PLANNER™**

**INDEPENDENT AUDITOR'S REPORT**

Report on Compliance with Requirements Applicable to Each Major  
Program and on Internal Control over Compliance in Accordance with  
OMB Circular A-133

Board of Directors  
Responsive Education Solutions  
Lewisville, Texas

**Compliance**

I have audited the compliance of Responsive Education Solutions (a non-profit organization) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2010. Responsive Education Solutions' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Responsive Education Solutions' management. My responsibility is to express an opinion on Responsive Education Solutions' compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Responsive Education Solutions' compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Responsive Education Solutions' compliance with those requirements.

In my opinion, Responsive Education Solutions complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2010.

**Internal Control Over Compliance**

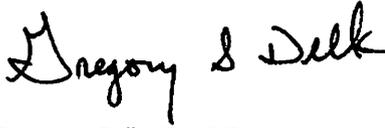
The management of Responsive Education Solutions is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Responsive Education Solutions' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Responsive Education Solutions' internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, The Texas Education Agency, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Gregory S. Delk". The signature is written in a cursive style with a large initial 'G'.

Gregory S. Delk, CPA, CFP  
January 10, 2011

**RESPONSIVE EDUCATION SOLUTIONS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended August 31, 2009**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Exhibit F-1**

**FINANCIAL STATEMENTS**

Type of auditor’s report issued:

Unqualified

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_\_\_ Yes  X  No

Significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes  X  No

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes  X  No

**FEDERAL AWARDS**

Internal control over major programs:

Material weaknesses identified?

\_\_\_\_\_ Yes  X  No

Significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes  X  No

Type of auditor’s report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

\_\_\_\_\_ Yes  X  No

Identification of major programs:

CFDA 84.010A Title I

CFDA 84.027 IDEA-B

CFDA 84.389A ARRA Title I

CFDA 84.391A ARRA IDEA-B

CFDA 84.394A ARRA Title XIV SFSF

Dollar threshold used to distinguish between type A and type B programs:

\$300,000.00

Auditee qualified as low-risk auditee?

X  Yes \_\_\_\_\_ No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None Identified

**SECTION III – STATE AND FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None Identified

**RESPONSIVE EDUCATION SOLUTIONS**

**STATUS OF PRIOR AUDIT FINDINGS**

**For the Year Ended August 31, 2010**

**No prior audit findings**

**RESPONSIVE EDUCATION SOLUTIONS  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2010**

**No Corrective Action Plan Needed**

**RESPONSIVE EDUCATION SOLUTIONS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended August 31, 2010**

	<b>Federal Catalog Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<b>Passed through State Department of Education</b>			
School Breakfast Program	10.553	71301001-71401001	402,308.89
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b><u><u>402,308.89</u></u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<b>Passed through State Department of Education</b>			
Title I, Part A Program	84.010A	10610101221801	914,387.69
IDEA-B Program	84.027	106600012218016000	667,557.36
Title IV Program	84.186A	10691001221801	8,691.66
Title II, Part D Program	84.318X	10630001221801	13,930.28
Title III Bilingual/ELA Program	84.365A	10671001221801	140,576.65
Title II, Part A Program	84.367A	10694501221801	192,436.58
ARRA, Title II, D Program	84.386A	10553001221801	13,518.06
ARRA, Title I Program	84.389A	10551001221801	426,103.93
ARRA, IDEA-B Program	84.391A	10554001221801	166,679.62
ARRA, Title XIV SFSF Program	84.394A	10557001221801	542,198.27
<b>Total U.S. Department of Education     passed through State Dept. of Education</b>			<b>3,086,080.10</b>
<b>Direct Awards (no pass through entity)</b>			
Advanced Placement Fee Payment Grant	84.330C	n/a	427,444.84
<b>Total U.S. Department of Education     directly awarded</b>			<b>427,444.84</b>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b><u><u>3,513,524.94</u></u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u><u>3,915,833.83</u></u></b>

# RESPONSIVE EDUCATION SOLUTIONS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

August 31, 2010

### NOTE 1 – STANDARD FINANCIAL ACCOUNTING SYSTEM

For all federal programs, the corporation used the net asset classes and codes specified by the Texas Education Agency in the *Special Supplement to Financial Accounting and Reporting, Nonprofit Charter School Chart of Accounts*. Temporarily restricted net asset codes are used to account for resources restricted to or designated for specific purposes by a grantor. Federal and state financial assistance is generally accounted for in temporarily restricted net asset codes.

### NOTE 2 – BASIS OF ACCOUNTING

The schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented may differ from amounts presented in, or used in preparation of the basic financial statements.

### NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Expenditures of federal financial assistance per accompanying schedule of expenditures of federal awards included in total expenses	\$3,915,833.83
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Premier High Schools

## Attachment 24

RESPONSIVE 

RESPONSIVE TO THE COMMUNITY...DESIGNED FOR THE STUDENT

LAWSUITS					
Date of Suit	Style of Case	Open / Closed	Issue	Status	Corrective Action
12/20/2004	Sherally Haskin v. Eagle Academies of Texas; Mr. Alan Wimberley, Superintendent; Mr. Jon Froelich, Asst. Superintendent; Ms. Keisha Binder, Principal; and Linda Emesih, Special Ed Teacher	C	Allegation that named parties committed employment discrimination (i.e. racial discrimination, disparate treatment, hostile working environment, retaliation, and defamation of character).	Case was dismissed on 3/6/2006.	N/A
9/20/2005	Dana Titus v. UNUM Life Ins Co. of America and Eagle Academy of Waco	C	Allegation that Eagle and UNUM committed a breach of contract and of fiduciary duty, as well as fraud regarding Ms. Titus' disability policy and coverage.	Case was settled on February 1, 2010.	N/A
1/11/2007	JSW Diversified, LLC v. Eagle Academies of Texas	C	Allegation of debt concerning alleged invoice for alleged labor, materials and/or services at or benefiting Eagle Academies of Texas' charter school in Mission, TX.	Case was settled on August 3, 2007.	N/A
1/30/2009	Davita Solorzano v. Responsive Education Solutions	C	Allegation that ResponsiveEd owed Ms. Solorzano unpaid overtime as required by the Fair Labor Standards Act ("FLSA").	Case was settled on January 6, 2010.	Mandatory training provided to all Campus Directors regarding FLSA compliance.
5/14/2010	County of Bexar v. S & S Shopping Centers, Ltd., et al.	C	Condemnation proceeding, condemning the property leased by ResponsiveEd at 3622 Fredricksburg Road, San Antonio Texas, resides.	Disclaimer of Interest filed with the court on January 27, 2011.	N/A
5/20/2010	303 Office Condominiums Owners' Association, Inc. v. Olive Grove Partners II, Ltd. and Responsive Education Solutions	C	Allegation that lease of space at condominium at 1011 San Jacinto, Austin Texas, violates the owners' association rules in that the presence of a school: (1) makes the building less desirable for business use, and (2) affects the insurance rates for the association. Plaintiff initially sought injunctive relief and attorney's fees.	Case was dismissed on December 19, 2011.	N/A
1/3/2011	Fighting to Rid Gangs in America Foundation, Inc. v. Responsive Education Solutions and God's Gym	C	Allegation that ResponsiveEd breached a contract with Plaintiff by not paying any rent and utilities (except some electricity) or reimbursing Plaintiff's expenses to pressure wash exterior of building, strip and wax floors, clean and replace carpet, and paint offices and classrooms.	Case was dismissed on September 26, 2011.	N/A

5/24/2011	Carlos E. Hernandez	O	Allegation that Mr. Hernandez was discriminated against because of his sex (because he declined a sexual advance from Mr. Gonzalez) and because of his medical condition (because he was terminated as a result of his poor health and an outstanding TWC claim).	ResponsiveEd's hearing on its Motion to Transfer Venue is scheduled for 2:30 p.m., March 29, 2012. An agreed order to dismiss Pl's Workers' Comp Retaliation claim with prejudice was filed on January 17, 2012. The only remaining claim is Pl's claim of unlawful discrimination based on his sex and perceived disability.	Mandatory annual sexual harassment training for all employees.
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