THE NEW YORK CITY DEPARTMENT OF EDUCATION
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December 13, 2007

Brooklyn Charter School Board of Trustees
Brooklyn Charter School
545 Willoughby Avenue
Brooklyn, NY 11206

Dear Brooklyn Charter School Board of Trustees:

On behalf of the New York City Department of Education's (NYCDOE) Office of Charter School (OCS), I would like to thank you and the staff of Brooklyn Charter School (BCS) for your cooperation and cordiality during our Annual Site Visit on February 15, 2007.

Our oversight framework is set up to ensure that we provide clear accountability and feedback to help the Board and school leadership to be successful in achieving the goals of the charter. Prior to the visit, we shared our Annual Site Visit protocol documents and the Performance and Compliance standards. These standards serve as benchmarks through which the NYC DOE views the performance of all the NYC DOE authorized charter schools. The Standards are not a replacement of your individual school's goals; they encompass your school specific goals as one component of a detailed, rigorous, renewal-focused framework.

The purpose of our Annual Site Visit is to assess compliance with applicable law, determine organizational strengths and areas for development, and to make an on-site assessment of the learning environment in order to steer a direct course toward charter renewal. It is important to emphasize that the standards are rigorous, and are intended as leading indicators towards charter renewal, when the school must demonstrate not only that it has met the specific goals of the charter, but also that the school operates in an educationally and fiscally sound manner, and meets the requirements set forth in all applicable laws and regulations. We hope and expect that you find the feedback helpful in fulfilling the school's charter.

Attached to this letter you will find a comprehensive report of our findings. Should you have any comments, or would like to submit a formal response (3-5 pages max.) to the findings presented in this report, please respond to our office by **January 3, 2008.**

Our office can be reached at 212.374.6904 (Aamir Raza) or 212.374.5140 (Jeannemarie Hendershot) for further assistance in this matter.

Sincerely,

Aamir Raza

Cc:
Michael Duffy
Jeannemarie Hendershot
Ira Schwartz

The New York City Department of Education

Quality Review Report

Brooklyn Charter School

545 Willoughby Avenue
Brooklyn, NY 11206

Principal: Omigbade Escayg

Dates of review: February 15, 2007
Reviewer: Aamir Raza, Andrea Zayas

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Part 1: The school context

Information about the school

The Brooklyn Charter School (BCS) is in its seventh year of operation as an elementary school serving grades K-5. The school serves approximately 230 students. The ethnic background of the school population is 95.4% Black and Hispanic and 4.6 % students from other ethnic backgrounds. There are currently no English Language Learners enrolled at the school. The school benefits from Title I funding, and 46% of its students are eligible for free lunch. Of the total student body, 4.2% are special education students who have Individual Education Plans. Attendance is currently running at 90%.

Information about this report

This report represents a snapshot evaluation of the school's board governance and financial viability.

Part 2: Overview

What the school does well

- The Board of Trustees remains committed to the vision of the school.
- The school maintains impeccable human resource records for its employees.
- The school staff is following financial policies as adopted by the school's board.
- Hiring a business manager has helped the school tremendously on the fiscal compliance issues.

What the school needs to improve

- Strategic planning is needed at the board level that outlines long-term goals.
- The school's fiscal and operations dept. lacks adequate support to carry on its responsibilities effectively.
- School needs to tag all its assets and keep maintain an inventory log.
- Committees of the board should try keeping agenda and dates of the meetings.

Part 3: Main findings

Overall Evaluation

The BCS board of trustees has worked immensely to bring the school out of its troubled past since they broke the partnership with Clearpool Inc. The board has achieved many of its aims but most notably, they have brought back the fiscal accountability, internal controls, and effective board oversight to the forefront of the governance agenda. The board still needs to adapt new strategies to integrate parents into the school community. The board has good ideas to improve the school's progress but there is no strategic planning, benchmark or a list of goals that the school needs to target by a given period in time.

The school has made "significant" progress on the fiscal oversight issues that have haunted the school in the past year(s). The school's financial audit for fiscal year ended June 30, 2007 did not show troubling signs of mismanagement of poor financial condition. A fair amount of oversight has been provided in the monitoring of school's finances. The hiring of a school based business manager and increased oversight by the board has shown positive effects on the school's finances and more importantly, on the internal control structure.

How well the school meets Office of Charter School's evaluation criteria

Quality Statement 6 – School's Board has provided "effective" oversight ad leadership as needed and is functioning in accordance with the agreed upon charter.

This area of the school's work is proficient.

The Board is responsible for the overall direction and fiscal well being of the school. As such, the Board has the authority and duty to adopt policies and by-laws that are necessary to meet its statutory responsibilities and produce optimal academic results. Those administrative and daily operational responsibilities need to be delegated to principals, senior management/administrators, and board appointed officers to manage the school within the established policies. The principal senior administrators, and board appointed officers should then be held accountable for performance.

Brooklyn Charter School's (BCS) board of trustees is functioning as stipulated by charter contract. The board is equipped with paralegal, real estate, legal, finance, development, and educational expertise to continue providing guidance in policy implementation. BCS' board is composed of development, education, finance, and executive committees.

According to the board, its members are comfortable with financial information presented to them at the board meetings. The board expressed optimism in the school's academic success but also expressed concerns about the lack of resources in the community where the school is located. The board plans to bring additional resources to the school by bringing new members on the board of trustees. A central piece of this effort requires having some board meetings to be conducted in Manhattan (TBD), an idea to which the New York City Office of Charter Schools is willing to consider. Furthermore, our office recognizes the need for parent engagement and parents' voice in school governance and will call for the school to conduct most of its board meetings at the school site. While financial resources are crucial in a school's ability to deliver its programs, the

empowerment of school based staff, hiring of best teachers, regular board committee meetings, strategic planning, and adjustment of those goals cannot be solely achieved by the presence of adequate or abundant financial resources.

The board is requested to send our office a copy of each board member's current role on the board as well as description of each committee at the school. In addition, adopting a list of expectations (or a formal board member job description) for potential board members may further benefit the board of trustees.

The board of trustees has been presented with sufficient financial, educational data and other relevant information during board meetings to make informed decisions and work collaboratively towards the school's stated mission. The board approved budget is monitored and justifications provided by school staff. The budget preparation process involves board members, the business manager, and school leader.

The board conducts a formal evaluation of the school leader and other school staff each year.

Quality Statement 7 – School has developed internal controls in place to detect and prevent financial fraud. School has written policies to guide ongoing operations and those policies are followed by school employees.

This area of the school's work is well developed.

BCS has come a long way after struggling with the financial arm of the school governance structure. The school has been under additional oversight since some deficiencies were found related to the financial solvency of the school and its ability to fulfil its short-term financial obligations. The school has overcome that hurdle and has built cash reserves along with strong fiscal policies and procedures to continue that progress. The school is no longer required to send documents backed by a signature by the board chair. However, the school should continue financial reporting on a quarterly basis to our office.

The school conducts an inventory at least twice a year. The school is advised to tag all assets (including DYCD related purchases saying property of DYCD) properly with item tag, location, person assigned to, along with other necessary information. A sampling of invoices, purchase orders, and proof of payment was conducted during the site visit. The school board should look into setting parameters (or range) in regards to the procurement of goods and services. School staff maintains human resources records, performs bank reconciliation(s), and maintains fingerprinting records with great care.

Quality Statement 8 – Based on the most recent financial statements, school is in sound fiscal condition.

This area of the school's work is well developed.

A charter school should be able to operate with an annual budget that reflects the expected revenue and expenses for the fiscal year. Since the revenue stream for charter schools tend to be based upon the number of students served (per pupil revenue) and the State and Federal grant (Title funding, etc.) funding, a continued and growing negative net balance poses threat to school's stability and the ability to fulfill its short and long-term financial obligations.

Based on BCS' financial statements for the year ended June 30, 2007, BCS is in good financial condition. The school spent 80% of its funds on educational programs and 19%

on administrative expenses. The school is well positioned to fulfil its short term financial obligations in near future.

Part 4: School Quality Criteria Summary

SCHOOL NAME: Brooklyn Charter School	Ø	✓	+

Quality Statement 6 – School's Board has provided "effective" oversight and leadership as needed and is functioning in accordance with the agreed upon charter.	Ø	✓	+
6.1 The Board size, structure and composition are appropriate. The membership is diverse (G/S/E) and compliments a broad skill set.		X	
6.2 Board functions as stipulated by contract, and is a well-functioning organization.		X	
6.3 Board has adopted and communicated the whistleblower policy with staff members.		X	
6.4 Board has provided effective oversight in operational, fiscal, academic, hiring & firing (as appropriate) issues of the school.		X	
6.5 Board conflicts (if any) were resolved in timely fashion and had no effect on school operations.		X	
6.6 Board evaluates partner organization at least once a year. OCS was notified of any changes in partnership agreement.	n/a		
6.7 Board has been responsive to both parent and school staff concerns/complaints (if any)		X	
Overall score for Quality Statement 6		X	
Quality Statement 7 – School has developed internal controls in place to detect and prevent financial fraud. School has written policies to guide ongoing operations and those policies are followed by school employees.	**Ø**	**✓**	**+**
7.1 School has a comprehensive financial control system in place. Check signing, procurement, inventory controls, bank reconciliation, travel reimbursement, investment, petty cash, conflict of interest, vacation and sick leave, bonus relocation, etc. policy is in place.			X
7.2 School has segregated staff duties to prevent and detect fraud.			X
7.3 School is consistently following its adopted financial procedures for requisition approval, certification of funds and placing of orders for goods.			X
7.4 School's employees are familiar with school's established financial procedures.		X	
Overall score for Quality Statement 7			X
Quality Statement 8 – Based on the most recent financial statements, school is in sound fiscal condition.	**Ø**	**✓**	**+**
8.1 School's total educational expense / total expense ratio is above 70% for this fiscal year.			X
8.2 School's administrative ratio is under 30% for this fiscal year.			X
8.3 School's current ratio is greater than or equal to 2.0.			X
8.4 School's debt to asset ratio is less than or equal to 1.0.			X
Overall score for Quality Statement 8			X

***Note on Statement 8: School's current year in operation and other extenuating circumstances (facilities acquisition, capital renovation, etc..) will be taken into account while assigning a grade.**