IN THE STATE OF SOUTH CAROLINA
COURT OF APPEALS

FROM THE SOUTH CAROLINA ADMINISTRATIVE LAW COURT

Honorable Shirley C. Robinson, Judge

Case No.: 2013-000525

Mary L. Dinkins Higher Learning Academy (MLD) ..... APPELLANT

v.

South Carolina Public Charter School District (District)..... RESPONDENT

RECORD OF APPEAL

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Volume II

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COURT OF APPEALS

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SPARTANBURG CHARTER SCHOOL

REPORT ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2011

SPARTANBURG CHARTER SCHOOL
SPARTANBURG, SOUTH CAROLINA

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Spartanburg Charter School
Spartanburg, South Carolina

We have audited the accompanying financial statements of the governmental activities and each major fund of Spartanburg Charter School (the School), a component unit of the South Carolina Public Charter School District, as of and for the year ended June 30, 2011, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Spartanburg Charter School as of June 30, 2011, and the respective changes in financial position, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2011, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting nor 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 our audit.

The Management's Discussion and Analysis on pages 3 through 8, and the budgetary comparison information on pages 23 through 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School's basic financial statements. The accompanying other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Elliott Davis LLC

Myrtle Beach, South Carolina
November 3, 2011

SPARTANBURG CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

As management of Spartanburg Charter School (the School), we offer readers of the School's audited financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2011. We encourage readers to read the information presented herein in conjunction with additional information that we have furnished in the School's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

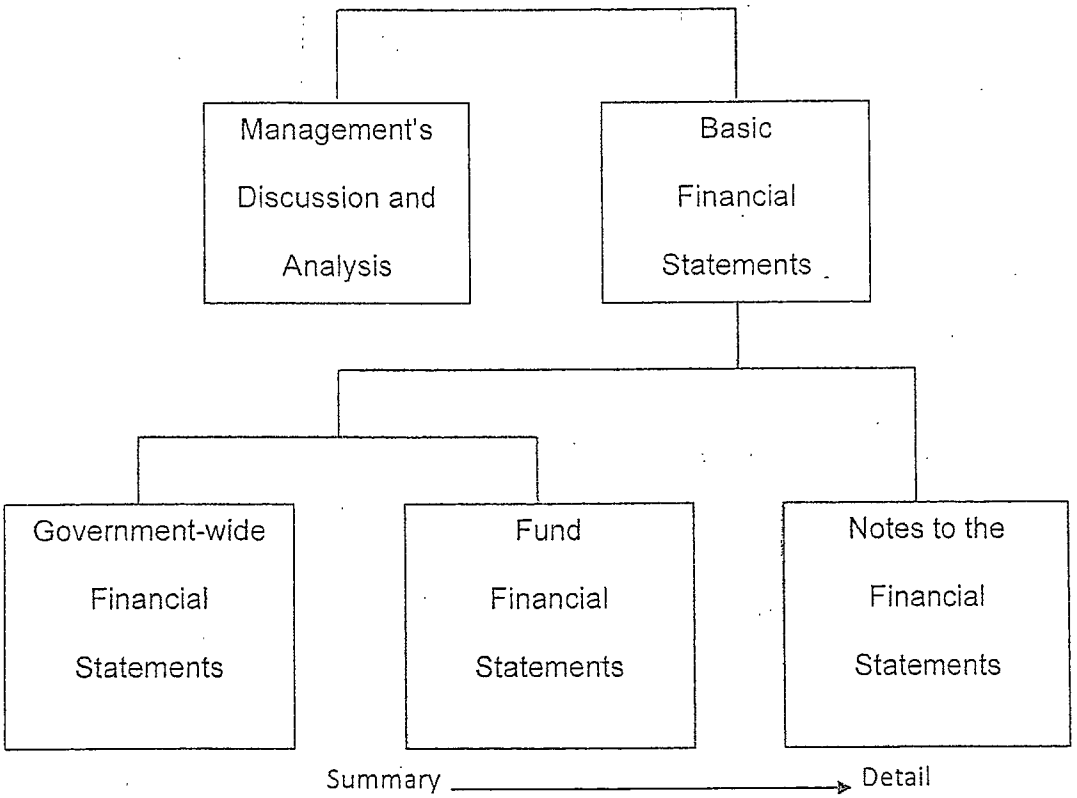
- The assets of the School exceeded its liabilities at the close of the fiscal year by $625,361 *(net assets)*.
- The School's total net assets increased by $500,636.
- The 2010-2011 45-day headcount is 327.
- The 2010-2011 135-day headcount was 288.
- Spartanburg Charter School had $865,681 in long-term debt as of June 30, 2011.
- The School has won a grant from Kohl's during the year totaling approximately $500,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two distinct financial perspectives of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the School.

Figure 1

Required Components of Annual Financial Report



BASIC FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the **Government-wide Financial Statements.** They provide both short and long-term information about the School's financial standing.

The next statements are **Fund Financial Statements.** These statements focus on the activities of the individual segments of the School's government. These statements are more detailed than the government-wide financial statements.

Immediately following the fund financial statements are the **Notes to the Financial Statements** (the Notes). The Notes offer a detailed explanation of the data contained in those statements. Next, **Supplemental Information** is provided to show details about the School's funds. Budgetary information for the School also can be found in this section of the statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide the reader with a broad overview of the School's finances, similar in format to the financial statements of a private-sector business. The government-wide statements provide short and long-term information about the School's financial status as a whole.

The two government-wide statements report the School's net assets and how they have changed. Net assets equal the difference between the School's total assets and total liabilities. Measuring net assets is one way to gauge the School's financial condition.

The government-wide statements include most of the School's basic functions such as instructional services and support services. These functions are funded almost entirely through state, county, and federal educational funds.

The government-wide financial statements are enumerated in pages 9 and 10 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and reflect compliance, or non-compliance with finance-related requirements, such as the School's budget, where and when applicable. All of the funds of Spartanburg Charter School are governmental funds.

Governmental funds - Governmental funds are used to account for functions reported as governmental activities in the government-wide financial statements. Most of the School's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and monies remaining at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using the modified accrual accounting method, which provides a short-term spending focus. The governmental fund financial statements assist the reader in determining whether there has been an increase or a decrease in the financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation, which is an integral part of the fund financial statements.

The School has elected to adopt an annual budget. The budget incorporates input from the faculty, management, and the Board of Directors of the School and specifies which activities will be pursued and which services the School will provide during the year. It also authorizes the School to obtain funds from identified sources to finance current period activities. The budgetary statement demonstrates how well the School has complied with the budget and whether or not the School has succeeded in providing the services as originally planned.

Notes to the Financial Statements - The Notes provide additional information essential to facilitating a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the financial statements begin on page 13 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as one useful indicator of a School's financial condition. The assets of Spartanburg Charter School exceeded liabilities by $625,361 as of June 30, 2011. $303,857 reflects the School's investment in capital assets (e.g. building, furniture and fixtures, and equipment), less any related debt still outstanding that was issued to acquire those items. Spartanburg Charter School uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although Spartanburg Charter School's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The remaining net assets of $321,504 are unrestricted.

Figure 2

Spartanburg Charter School's Net Assets

	Governmental Activities	
	2011	2010
Current and other assets	$ 322,630	$ 303,075
Capital assets, net of depreciation	1,169,538	983,000
Total assets	$ 1,526,413	$ 1,286,075
Current liabilities	$ 35,371	$ 275,474
Long-term liabilities	865,681	885,876
Total liabilities	901,052	1,161,350
Net assets		
Invested in capital assets, net of related debt	303,857	97,124
Unrestricted	321,504	27,601
Total liabilities and net assets	$ 1,526,413	$ 1,286,075

Several aspects of the School's financial operations positively influenced the total unrestricted governmental net assets:

- The School adopted an annual budget. The School's performance was measured using this budget on a monthly basis, allowing changes to be made in spending as needed to remain within the confines of the budget.

Figure 3
Spartanburg Charter School's Changes in Net Assets

	Governmental Activities 2011	Governmental Activities 2010	Business-Type Activities 2010	Total 2010
Charges for services	$ -	$ -	$ 20,940	$ 20,940
County, state, and federal funds	2,240,062	1,564,400	2,695	1,567,095
Total revenues	2,240,062	1,564,400	23,635	1,588,035
Instructional programs	1,088,390	817,337	-	817,377
Support services	580,896	604,024	-	604,204
Interest	70,140	-	43,190	43,190
Total expenses	1,739,426	1,421,361	43,190	1,464,551
Increase (decrease) in net assets before transfers	500,636	143,039	(19,555)	123,484
Transfers	-	(19,555)	19,555	-
Increase in net assets	500,636	123,484	-	123,484
Net assets, July 1	124,725	1,241	-	1,241
Net assets, June 30	$ 625,361	$ 124,725	$ -	$ 124,725

Governmental activities - Governmental activities increased the School's net assets by $500,636.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of Spartanburg Charter School's governmental funds is to provide information on near-term inflows, outflows, and balances of usable financial resources. Such information is useful in assessing Spartanburg Charter School's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General fund is the chief operating fund of Spartanburg Charter School. At the end of the current fiscal year, unassigned fund balance of the General fund was $321,504.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - Spartanburg Charter School's investment in capital assets for its governmental activities as of June 30, 2011, totals $1,169,538 (net of accumulated depreciation). Capital assets include the building, building improvements and equipment.

Figure 4
Spartanburg Charter School's Capital Assets
(net of depreciation)

	Balance June 30, 2010	Governmental Activities 2011	Balance June 30, 2011
Building improvements	$ 48,008	$ 198,028	$ 246,036
Building	711,420	(14,196)	697,224
Land	166,080	-	166,080
Construction in progress	-	4,991	4,991
Equipment	57,492	(2,285)	55,207
Total	$ 983,000	$ 186,538	$ 1,169,538

Additional information about the School's capital assets can be found in Note 3 of the Notes to basic financial statements.

Long-term debt - As of June 30, 2011, the School had $865,681 in long-term debt related to the acquisition of the building. Subsequent to June 30, 2011, the loan was refinanced extending the note through 2016.

ECONOMIC FACTORS

The following key economic indicators reflect the growth and prosperity of the School:

- Spartanburg Charter School continues to see community support as evidenced by the volunteerism, local organizations donating classroom and office supplies, private donations, and support through fundraising.
- The School has a returning staff of professionals that are committed to the School.
- The School continues to seek both federal and private grant funds to supplement its EFA funding.
- The South Carolina Charter District has revised its funding of charter schools within its district resulting in a significant increase in funding for Spartanburg Charter School for fiscal year 2012.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the School's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Principal, Spartanburg Charter School, 385 S. Spring Street, Spartanburg, South Carolina, 29306-5264, telephone number 864.621.3882.

SPARTANBURG CHARTER SCHOOL
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental activities
ASSETS	
CURRENT ASSETS	
Cash	$ 322,630
Accounts receivable	34,245
Total current assets	356,875
NON-CURRENT ASSETS	
Capital assets - net	1,169,538
Total non-current assets	1,169,538
Total assets	$ 1,526,413
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 35,371
Total current liabilities	35,371
LONG-TERM LIABILITIES	
Due within one year	21,872
Due in more than one year	843,809
Total long-term liabilities	865,681
Total liabilities	901,052
NET ASSETS	
Invested in capital assets, net of related debt	303,857
Unrestricted	321,504
Total net assets	625,361
	$ 1,526,413

The accompanying notes are an integral part of these financial statements.

SPARTANBURG CHARTER SCHOOL
STATEMENT OF ACTIVITIES
For the year ended June 30, 2011

Functions/Programs	Expenses	Program revenues: Operating Grants and charges for sales	Net (expense) revenue and changes in net assets: Total
Governmental activities			
Instruction	$ 1,088,390	$ 1,553,099	$ 464,709
Support services	580,896	-	(580,896)
Interest on long-term debt	70,140	-	(70,140)
Total governmental activities	1,739,426	1,553,099	(186,327)
Total	**$ 1,739,426**	**$ 1,553,099**	(186,327)
General revenues:			
Miscellaneous			686,963
Total general revenues			686,963
Change in net assets			500,636
Net assets, beginning of year			124,725
Net assets, end of year			**$ 625,361**

The accompanying notes are an integral part of these financial statements.

SPARTANBURG CHARTER SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Funds: Special Projects	Special Revenue Funds: Education Improvement Act	Total Governmental Funds
ASSETS				
Cash	$ 322,630	$ -	$ -	$ 322,630
Accounts receivable	34,245	-	-	34,245
Total assets	$ 356,875	$ -	$ -	$ 356,875
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 35,371	$ -	$ -	$ 35,371
Total liabilities	35,371	-	-	35,371
Fund balances:				
Unassigned	321,504	-	-	321,504
Total fund balances	321,504	-	-	321,504
Total liabilities and fund balances	$ 356,875	$ -	$ -	$ 356,875
Total governmental fund balance				$ 321,504
Amounts reported for governmental activities in the statement of net assets are different because of the following:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is $1,244,877, and the accumulated depreciation is $75,339.				1,169,538
Some liabilities, including long term liabilities, are not due and payable in the current period and therefore are not reported in the funds.				(865,681)
Net assets of governmental activities				$ 625,361

The accompanying notes are an integral part of these financial statements.

SPARTANBURG CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the year ended June 30, 2011

	General Fund	Special Revenue Funds: Special Projects	Special Revenue Funds: Education Improvement Act	Total Governmental Funds
REVENUES				
Local	$ 653,190	$ 33,773	$ -	$ 686,963
State	1,011,481	63,651	112,590	1,187,722
Federal	-	365,377	-	365,377
Total revenues	1,664,671	462,801	112,590	2,240,062
EXPENDITURES				
Current:				
Instruction	646,700	292,440	73,479	1,012,619
Support services	413,235	147,157	1,537	561,929
Capital outlay	251,498	29,778	-	281,276
Debt service:				
Principal	20,195	-	-	20,195
Interest and other charges	70,140	-	-	70,140
Total expenditures	1,401,768	469,375	75,016	1,946,159
Excess (deficit) of revenues over (under) expenditures	262,903	(6,574)	37,574	293,903
OTHER FINANCING SOURCES (USES)				
Transfers (to) from other funds	31,000	6,574	(37,574)	-
Total other financing sources (uses)	31,000	6,574	(37,574)	-
Net change in fund balances	293,903	-	-	293,903
FUND BALANCES, BEGINNING OF YEAR	27,601	-	-	27,601
FUND BALANCES, END OF YEAR	$ 321,504	$ -	$ -	$ 321,504

Total net change in fund balance - governmental funds	$ 293,903
Amounts reported for governmental activities in the statement of activities are different because of the following:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays ($228,197) exceeds depreciation expense ($41,659) in the period.	186,538
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	20,195
Change in net assets of governmental activities	$ 500,636

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Spartanburg Charter School (the School) is a not-for-profit organization incorporated in the State of South Carolina and organized under the South Carolina Charter School Act. The School was initially approved by the South Carolina Public Charter School District in December 2008 and began operations in July 2009. The School operates within the South Carolina Public Charter School District and serves approximately 280 students from kindergarten to 5th grade in Spartanburg County, South Carolina.

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School does not apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its governmental activities funds. The following is a summary of the more significant policies:

A. Reporting entity

The School's financial statements include all funds over which the Board is considered to be financially accountable. The School receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. Board members have decision-making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters.

As required by state law, the School is a component unit of the South Carolina Public Charter School District. The School has determined that there are no support entities that meet the requirements for inclusion as a discretely presented component unit.

B. Basis of presentation

The statements of the School are presented as follows:

Government-wide financial statements - The statement of net assets, and the statement of activities, display information about the School as a whole, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The School's activities are governmental activities generally financed through intergovernmental revenues and other non-exchange transactions.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of presentation, continued

Government-wide financial statements, continued

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing, or draws from the general revenues of the School.

Fund financial statements - Fund financial statements report detailed information about the School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The School has no non-major funds. Proprietary funds, if any, are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are: a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Fiduciary funds, if any, are reported using the economic resources measurement focus.

C. Measurement focus and basis of accounting

Fund accounting

The accounts of the School are organized and operated on the basis of funds during the fiscal year, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts. The various funds are grouped into two categories - governmental and proprietary.

Governmental funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may, or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is separated as fund balance. The following are the School's major governmental funds:

General fund - to account for all financial transactions not properly accounted for in another fund. The School uses this fund to account for expenditures principally for administration, instruction, pupil services, operation and maintenance of plant and related fixed charges.

(Continued)

C. Measurement focus and basis of accounting, continued

Special revenue funds - to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action. The School has two special revenue funds:

1. Special projects fund - Other - a budgeted fund used to account for financial resources provided by federal, state, and local projects and grants.
2. The Education Improvement Act (EIA) fund, a budgeted fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source.

Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds also use the accrual basis of accounting. On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues and expenditures are recognized when they become both measurable and available.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, grants, student fees and rentals.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period are also reported as deferred revenue.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities, if any, received during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement focus and basis of accounting, continued

Basis of accounting, continued

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

D. Assets, liabilities and equity

Cash - The School may have cash presented on the financial statements which include cash held in local financial institutions and certificates of deposit held in local institutions.

Receivables and payables - During the course of operations, numerous transactions occur between the School and vendors and revenue sources or individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables are classified as accounts receivable, accounts payable or "due from other funds" or "due to other funds" on the balance sheet. The transactions between funds are eliminated in the governmental activities columns of the statement of net assets.

Capital assets - Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are stated at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. The costs and accumulated depreciation of property sold or retired are removed from the accounts, and gain or losses, if any, are reflected in revenue or expenditures/expenses for the year. The School maintains a capitalization threshold of $1,000. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset nor materially extend an asset's life are expensed.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives used in computing depreciation for financial reporting are as follows:

Description	Governmental Activities Estimated Lives
Buildings	40 years
Equipment	5 years
Improvements	10 years

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, liabilities and equity, continued

Accrued liabilities - All payables and accrued liabilities are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements, regardless of whether they will be liquidated with current resources. However, claims and judgments that will be paid from governmental funds, are reported as a liability in the fund financial statements, only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources.

Long-term obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, statement of net assets.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Fund balances and net assets - The School has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines five classifications of governmental fund balances: nonspendable, restricted, committed, assigned and unassigned. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

For the government wide financial statements the School applies restricted resources when an expenditure is incurred for the purposes for which both restricted and unrestricted net assets are available. For the governmental funds financial statements the School applies committed, then assigned, then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets reduced by accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvement of the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

E. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the School's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

The School is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina, or any of its political units;
3. Banks and savings and loan associations to the extent they are guaranteed by the Federal Deposit Insurance Corporation (FDIC);
4. Deposits in Certificates of Deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above, held by a third party as escrow agent or custodian, or a market value not less than the amount of the Certificate of Deposit so secured, including interest;
5. The State Treasurer's Local Government Investment Pool (monitored by the State Treasurer for investments invested in government guaranteed securities in accordance with South Carolina state laws);
6. Repurchase agreements.

At June 30, 2011, the carrying amount of the School's deposits was $322,630 and the bank balance was $344,415.

Custodial credit risk - Custodial credit risk is the risk that the School's deposits will not be returned to it. The School has no formal policy regarding custodial credit risk. The total cash balances are insured by the FDIC up to $250,000 per bank. At times during the year, the School had cash on deposit with banks that exceeded the balance insured by the FDIC.

Credit risk - South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, obligations of the United States Government and government agencies unconditionally guaranteed by the United States Government. The School has no investment policy that would further restrict its choices.

Interest rate risk - The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investments in a single issuer. The School does not have a policy that limits the amount that may be invested in any one issuer.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance, July 1, 2010	Additions/ Transfers	Deletions/ Transfers	Balance, June 30, 2011
Governmental activities				
Capital assets, not being depreciated				
Land	$ 166,080	$ -	$ -	$ 166,080
Construction-in-progress	-	4,991	-	4,991
Total capital assets, not being depreciated	166,080	4,991	-	171,071
Capital assets, being depreciated, at cost				
Building	733,920	-	-	733,920
Equipment	67,332	12,141	-	79,473
Improvements	49,348	211,065	-	260,413
Total capital assets, being depreciated, at cost	850,600	223,206	-	1,073,806
Total capital assets	1,016,680	228,197	-	1,244,877
Less accumulated depreciation				
Building	(22,500)	(14,196)	-	(36,696)
Equipment	(9,840)	(14,426)	-	(24,266)
Improvements	(1,340)	(13,037)	-	(14,377)
Total accumulated depreciation	(33,680)	(41,659)	-	(75,339)
Governmental activities capital assets, net	$ 983,000	$ 186,538	$ -	$ 1,169,538

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 13,108
Supporting services	28,551
Total depreciation expense	$ 41,659

NOTE 4 - LINE OF CREDIT

The School had a $150,000 unsecured line of credit with a lending institution. During 2011, the line was repaid and subsequently closed as of June 30, 2011.

NOTE 5 - LONG-TERM OBLIGATIONS

Notes payable - On July 7, 2009, the School entered into a loan for the purchase of a building for $900,000. This note is payable monthly at $7,528, including interest at 8%, and a balloon payment of $787,730 due on September 15, 2014 and is secured by a purchase money mortgage agreement. Scheduled maturities of long-term debt are as follows:

Year ended June 30,	Principal	Interest
2012	$ 21,872	68,464
2013	23,687	66,649
2014	25,653	64,683
2015	794,469	15,844
	$ 865,681	$ 215,640

Changes in general long-term obligations - The following is a summary of changes in the School's long-term obligations for the fiscal year ended June 30, 2011:

	Balance, July 1, 2010	Increases	Decreases	Balance, June 30, 2011	Current Portion
Governmental activities:					
Bank loan	$ 885,876	$ -	$ 20,195	$ 865,681	$ 21,872
Total	$ 885,876	$ -	$ 20,195	$ 865,681	$ 21,872

NOTE 6 - RISK MANAGEMENT

Spartanburg Charter School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the School carries commercial insurance.

The School obtains its employee health and life insurance through the South Carolina Public Charter School District who insure through the South Carolina State Budget and Control Board, Office of Insurance Services which represents all state agencies in South Carolina joined together in a public entity risk pool. The School pays a portion of monthly premiums based on each participating employee.

During the year ended June 30, 2011, the School obtained its worker's compensation insurance through the Utica National Insurance Company under the Workers Compensation laws of the State of South Carolina.

The School continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage.

NOTE 7 - TRANSFERS FROM AND TO OTHER FUNDS

During the course of normal operations, the School has transactions between funds to provide services, purchase assets, service debt, etc. These transactions are generally reflected as transfers. Total transfers during the year ended June 30, 2011 consisted of the following individual fund amounts:

	Transfers In	Transfers Out
General fund	$ 37,574	$ (6,574)
Special revenue fund	6,574	-
Education Improvement Act fund	-	(37,574)
	$ 44,148	$ (44,148)

NOTE 8 - FUND BALANCE AND NET ASSETS

The fund balances/net assets and other credits have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

Governmental fund financial statements

Fund balances - Nonspendable - balances that by their nature are unable to be spent.

Fund balances - Restricted - balances that can only be spent for the specific purpose stipulated by constitution, external resources providers, or through enabling legislation.

Fund balances - Committed - balances that can only be used for the specific purpose determined by the School's Board of Directors.

Fund balances - Assigned - balances meant to be used for a specific purpose but don't meet the criteria as restricted or committed.

Fund balances - Unassigned - balances that are spendable amounts not contained in other classifications.

Government-wide financial statement

Invested in capital assets, net of related debt - represents the net cost less accumulated depreciation and outstanding debt attributable to the organization of the capital assets.

Restricted - represents net assets restricted externally by creditors, grantors, contributors or laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - represents the remainder of the School's net assets in government-wide and business-type activities.

NOTE 9 - CONTINGENCIES

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

The School is by law, a public school. The operations of the School are subject to administrative directives, rules and regulations of its federal and state funding services. Such directions and funding levels are subject to change with little notice. If the School's funding levels are significantly impacted by continued reductions in federal and state funding, it may adversely affect the School's ability to continue as a going concern.

The School entered into a 3 year contract for bookkeeping and consulting services commencing July 1, 2009. The contract commitment totals $30,000 for the 2011-2012 school year and is payable in equal monthly installments.

NOTE 10 - SUBSEQUENT EVENTS

In August 2011 the School refinanced the mortgage held on the building with a new financial institution. The new loan is for $850,000, payable in 59 installments of $6,140 beginning September 2011 with a balloon payment of $671,677 in August 2016. The loan has an indexed rate relative to the 10 largest banks as reported by the Wall Street Journal, but no lower than 4.75% or higher than 7.25%.

SPARTANBURG CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the year ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
REVENUES			
1000 Revenue from local sources			
1700 Pupil activities			
1790 Other pupil activity income	$ -	$ 75,454	$ 75,454
1900 Other revenue from local sources			
1920 Contributions & Donations from private sources	25,000	577,736	552,736
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	86,796	-	(86,796)
Total local sources	111,796	653,190	541,394
3000 Revenue from state sources			
3100 Restricted state funding			
3120 General education			
3129 Consolidated funding	-	6,880	6,880
3180 Fringe benefits employer contributions	203,976	203,976	-
3300 Education Finance Act (EFA)			
3310 Full-time programs			
3311 Kindergarten	-	132,288	132,288
3312 Primary	-	342,862	342,862
3313 Elementary	796,610	221,075	(575,535)
3316 Speech handicapped (part-time)	-	27,115	27,115
3320 Part-time programs			
3323 Learning disabilities	-	71,454	71,454
3330 Miscellaneous EFA programs			
3331 Autism	-	5,831	5,831
Total state sources	1,000,586	1,011,481	10,895
Total revenue all sources	1,112,382	1,664,671	552,289
EXPENDITURES			
100 Instruction			
110 General instruction			
112 Primary programs			
100 Salaries	669,293	15,509	653,784
200 Employee benefits	127,427	7,729	119,698
400 Supplies and materials	2,296	8,808	(6,512)
500 Capital outlay	-	8,018	(8,018)
	799,016	40,064	758,952
113 Elementary programs			
100 Salaries	-	428,809	(428,809)
200 Employee benefits	-	53,948	(53,948)
300 Puchased services	-	11,330	(11,330)
400 Supplies and materials	-	19,974	(19,974)
500 Capital outlay	-	27,572	(27,572)
	-	541,633	(541,633)
120 Exceptional programs			
127 Learning disabilities			
100 Salaries	-	25,616	(25,616)
200 Employee benefits	-	2,173	(2,173)
	-	27,789	(27,789)

(Continued)

SPARTANBURG CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the year ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
EXPENDITURES, Continued			
100 Instruction, Continued			
140 Special programs			
145 Homebound			
100 Salaries	161	150	11
	161	150	11
170 Summer school programs			
175 Instructional programs beyond regular school day			
100 Salaries	1,475	1,955	(480)
200 Employee benefits	81	117	(36)
300 Purchased services	67,403	65,348	2,055
400 Supplies and materials	6,842	5,234	1,608
	75,801	72,654	3,147
Total instruction	874,978	682,290	192,688
200 Support services			
210 Pupil services			
213 Health services			
100 Salaries	32,382	7,786	24,596
200 Employee benefits	6,780	1,534	5,246
400 Supplies and materials	-	498	(498)
	39,162	9,818	29,344
215 Exceptional program services			
300 Speech hearing and OT	25,000	-	25,000
400 Supplies and materials	-	1,150	(1,150)
	25,000	1,150	23,850
224 Improvement of instruction- inservice and staff training:			
300 Purchased services	5,000	343	4,657
	5,000	343	4,657
230 General administration services			
231 Board of education			
300 Purchased services	36,931	38,326	(1,395)
318 Audit services	14,000	14,004	(4)
600 Other objects	179,604	11,580	168,024
	230,535	63,910	166,625
233 School administration			
100 Salaries	172,500	99,120	73,380
200 Employee benefits	24,785	24,430	355
300 Purchased services	5,000	730	4,270
400 Supplies and materials	9,000	10,597	(1,597)
500 Capital Outlay	10,391	11,347	(956)
	221,676	146,224	75,452
250 Finance and operations services			
252 Fiscal services			
300 Purchased services	27,000	27,000	-
600 Bank Fees	600	-	600
	27,600	27,000	600

(Continued)

SPARTANBURG CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the year ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
EXPENDITURES, Continued			
200 Support services, continued			
250 Finance and operations services, Continued			
253 Facilities acquisition and construction			
300 Purchased services	20,525	8,445	12,080
500 Capital outlay			
520 Construction services	-	204,561	(204,561)
	20,525	213,006	(192,481)
254 Operation and maintenance of plant			
100 Salaries	27,894	27,894	-
200 Employee benefits	2,861	2,404	457
300 Purchased services	136,943	169,681	(32,738)
321 Public utilities	6,000	3,763	2,237
400 Supplies and materials	6,000	6,431	(431)
470 Energy	48,000	41,177	6,823
	227,698	251,350	(23,652)
258 Security			
300 Purchased services	2,188	2,755	(567)
	2,188	2,755	(567)
260 Central support services			
263 Information services			
300 Purchased services	2,000	1,053	947
	2,000	1,053	947
266 Technology and data processing services			
300 Purchased services	-	2,716	(2,716)
	-	2,716	(2,716)
271 Pupil services activities			
660 Pupil activity	169	153	16
	169	153	16
Total support services	801,553	719,478	82,075
Total expenditures	1,676,531	1,401,768	274,763
OTHER FINANCING SOURCES			
Transfer to special revenue fund	-	(6,574)	(6,574)
Transfer from special revenue EIA fund	-	37,574	37,574
Total other financing sources	-	31,000	31,001
Excess (deficit) of revenues over (under) expenditures	(564,149)	293,903	858,052
FUND BALANCE, BEGINNING OF YEAR		27,601	
FUND BALANCE, END OF YEAR		$ 321,504	

SPARTANBURG CHARTER SCHOOL
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2011

	Title I BA Projects (201/202)	IDEA CA Projects (203/204)	Other Designated Restricted State Grants (900)	Other Special Revenue Programs (200/800)	Total
REVENUES					
1000 Revenue from local sources					
1900 Other revenue from local sources					
1990 Miscellaneous local revenue					
1999 Revenue from other local sources	$ -	$ -	$ -	$ 33,773	$ 33,773
Total local sources	-	-	-	33,773	33,773
3000 Revenue from state sources					
3100 Restricted state funding					
3120 General education					
3123 Formative assessment	-	-	1,918	-	1,918
3125 Refurbishment of K-8 science kits			8,438		8,438
3130 Special programs					
3136 Student health and fitness - nurses	-	-	29,466	-	29,466
3600 Education lottery act revenue					
3610 K-5 Enhancement	-	-	23,829	-	23,829
Total state sources	-	-	63,651	-	63,651
4000 Revenue from federal sources					
4300 Elementary & Secondary Education Act of 1965 (ESEA)					
4310 Title I, basic state grant programs	230,950	-	-	-	230,950
4350 State fiscal stabilization fund (ARRA)	-	-	-	44,951	44,951
4351 Improving teacher quality	-	-	-	22,554	22,554
4500 Programs for children with disabilities					
4510 Individuals with Disabilities Education Act (IDEA)	-	14,220	-	-	14,220
4540 IDEA (ARRA 611)	-	5,140	-	-	5,140
4900 Other federal sources					
4990 Other federal revenue					
4999 Revenue from other federal sources	-	-	-	47,562	47,562
Total federal sources	230,950	19,360	-	115,067	365,377
Total revenue all sources	230,950	19,360	63,651	148,840	462,801
EXPENDITURES					
100 Instruction					
110 General instruction					
112 Primary programs					
100 Salaries	-	-	18,625	-	18,625
200 Employee benefits	-	-	5,204	-	5,204
	-	-	23,829	-	23,829
113 Elementary programs					
100 Salaries	172,618	790	-	44,442	217,850
200 Employee benefits	28,554	-	-	6,898	35,452
300 Purchased services	-	13,431	-	221	13,652
500 Capital outlay	29,778	-	-	-	29,778
	230,950	14,221	-	51,561	296,732
170 Summer school programs					
175 Instructional programs beyond regular school day					
400 Supplies and materials	-	-	1,657	-	1,657
	-	-	1,657	-	1,657
Total instruction	230,950	14,221	25,486	51,561	322,218
200 Support services					
210 Pupil services					
213 Health services					
100 Salaries			24,656		24,656
200 Employee benefits	-	-	4,810	-	4,810
	-	-	29,466	-	29,466
220 Instructional staff services					
221 Improvement of instruction - curriculum development					
300 Purchased services	-	-	-	3,330	3,330
	-	-	-	3,330	3,330
224 Improvement of instruction - inservice and staff training					
300 Purchased services	-	-	261	27,638	27,899
	-	-	261	27,638	27,899
230 General administrative services					
233 School administration					
300 Purchased services	-	-	-	669	669
	-	-	-	669	669

(Continued)

SPARTANBURG CHARTER SCHOOL
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2011

	Title I BA Projects (201/202)	IDEA CA Projects (203/204)	Other Designated Restricted State Grants (900)	Other Special Revenue Programs (200/800)	Total
EXPENDITURES, Continued					
200 Support services, continued					
250 Finance and operations services					
256 Food services					
100 Salaries	-	-	-	13,305	13,305
200 Employee benefits	-	-	-	1,118	1,118
400 Supplies and materials	-	-	-	71,370	71,370
Total support services	-	-	-	85,793	85,793
Total expenditures	230,950	14,221	29,727	117,430	147,157
OTHER FINANCING SOURCES (USES)			55,213	168,991	469,375
Transfers in (out)					
	-	(5,139)	(8,438)	20,151	6,574
	-	(5,139)	(8,438)	20,151	6,574
Excess (deficit) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -	$ -

SPARTANBURG CHARTER SCHOOL
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2011

		Total
REVENUES		
3000 Revenue from state sources		
3500 Education Improvement Act		
3511	Professional development	$ 1,537
3532	National board certification salary supplement	9,071
3538	Students at risk of school failure	57,524
3540	Early childhood program	709
3550	Teacher salary increase	18,212
3555	School employer contributions	3,781
3558	Reading	1,500
3577	Teachers supplies	3,850
3588	Maintenance of fiscal effort	16,406
	Total revenue from state sources	112,590
	Total revenue	112,590
EXPENDITURES		
100 Instruction		
110 General instruction		
112 Primary programs		
100	Salaries	1,500
400	Supplies and materials	275
		1,775
113 Elementary programs		
100	Salaries	54,806
200	Employee benefits	11,789
400	Supplies and materials	5,109
		71,704
	Total instruction	73,479
220 Support services		
220 Instructional staff services		
224	Improvement of instruction inservice and staff training	
300	Purchased services	1,537
		1,537
	Total support services	1,537
	Total expenditures	75,016
OTHER FINANCING USES		
5210 Transfer to general fund		(37,574)
	Total other financing uses	(37,574)
	Excess of revenues over expenditures and other financing uses	-
FUND BALANCE BEGINNING OF YEAR		-
FUND BALANCE END OF YEAR		$ -

SPARTANBURG CHARTER SCHOOL
SPECIAL PROJECTS FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
For the year ended June 30, 2011

Subfund	Revenue	Programs	Revenues	Expenditures	Transfers Out/ (In)	Deferred Revenue
933	3123	Formative assessment	$ 1,918	$ 1,918	$ -	$ -
908	3126	Refurbishment of K-8 science kits	8,438	-	8,438	-
936	3136	Student health and fitness - nurses	29,466	29,466	-	-
960	3610	K-5 Enhancement	23,829	23,829	-	-
			$ 63,651	$ 55,213	$ 8,438	$ -

SPARTANBURG CHARTER SCHOOL
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
For the year ended June 30, 2011

		Revenues	Expenditures	Transfers Out / (In)	Deferred Revenue
3500	Education Improvement Act				
3511	Professional development	$ 1,537	$ 1,537	$ -	$ -
3532	National board certification salary supplement	9,071	9,071	-	-
3538	Students at risk of school failure	57,524	57,524	-	-
3540	Early childhood program	709	709	-	-
3550	Teacher salary increase	18,212	-	18,212	-
3555	School employer contributions	3,781	-	3,781	-
3558	Reading	1,500	1,500	-	-
3577	Teachers supplies	3,850	4,675	(825)	-
3588	Maintenance of fiscal effort	16,406	-	16,406	-
	Total	$ 112,590	$ 75,016	$ 37,574	$ -

SPARTANBURG CHARTER SCHOOL
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT
OF EDUCATION/ FEDERAL GOVERNMENT

Program	Grant or project number	Revenue code	Description	Amount due	Status of Amount due
NONE					

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Spartanburg Charter School
Spartanburg, South Carolina

We have audited the financial statements of Spartanburg Charter School ("the School") as of and for the year ended June 30, 2011, which collectively comprise the School's basic financial statements and have issued our report thereon dated November 3, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal control over financial reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as 2010 B.1 and 2011 B.2 that we consider to be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and other matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements; noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* described in the accompanying schedule of findings and responses.

This report is intended solely for the information and use of the Board of Directors, management, the South Carolina Department of Education and the federal and state awarding agencies and is not intended to be, and should not be, used by anyone other than those specified parties.

Elliott Davis LLC

Myrtle Beach, South Carolina
November 3, 2011

SPARTANBURG CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
For the year ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. Significant deficiencies relating to the audit of the financial statements were disclosed during the audit.
3. No material weaknesses relating to the audit of the financial statements were disclosed during the audit.
4. One instance of noncompliance relating to the financial statements was disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2010 B.1 - Preparation of financial statements and accrual entries in accordance with generally accepted accounting principles.

Significant deficiency

Condition and criteria: Internal controls over financial reporting should be in place to provide reasonable assurance that financial statements are prepared in accordance with generally accepted accounting principles including adjustments for accounts receivable and accounts payable.

Effect: Because management is not trained currently in preparing financial statements or posting accrual entries in accordance with generally accepted accounting principles, a material misstatement to the School's financial statements could occur and not be prevented or detected by the School's internal controls over financial reporting.

Cause: Currently, management responsible for the accounting and reporting function is not trained to prepare the School's financial statements or post accrual adjustments in accordance with generally accepted accounting principles.

Auditor's recommendation: Consideration should be given to requiring management to attend or obtain additional training in this area.

Auditee's response: The School's management considers the risk tolerable when compared to the cost of implementing a mitigating control.

2011 B.2 - Segregation of duties relating to disbursements

Significant deficiency

Condition and Criteria: Internal controls over disbursements should be in place to ensure that adequate documentation is being maintained for each disbursement made and to provide proper segregation of duties over the authorization, purchasing and check signing functions.

Effect: Because there is no proper segregation of duties related to disbursements including expense reimbursements, there could be instances of management override of control.

Cause: Currently the principal has signature authority on the account and is responsible for the authorization and purchasing function. Additionally, the principal signs the checks for his reimbursement requests.

Auditor's Recommendation: We believe that controls over cash disbursements would be improved if the individual responsible for authorizing and making purchases did not have check-signing authority. Therefore, at a minimum, an individual outside of the check signing function should review and approve purchases.

Auditee's Response: Management is considering a control that requires monthly review of approved purchases by an additional member of management. On a go forward basis all reimbursements checks to the principal will be signed by someone other than the principal.

C. FINDINGS – COMPLIANCE

None

SOUTH CAROLINA CALVERT ACADEMY

REPORT ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2011

SOUTH CAROLINA CALVERT ACADEMY

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elliott davis

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
South Carolina Calvert Academy
Columbia, South Carolina

We have audited the accompanying financial statements of the governmental activities and each major fund of South Carolina Calvert Academy (the Academy), a component unit of the South Carolina Public Charter School District, as of and for the year ended June 30, 2011, which collectively comprise the Academy's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the basic 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Academy as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Academy will continue as a going concern. As discussed in Note 2 to the financial statements, the Academy has a deficit in the unrestricted portion of its net assets and general fund fund balance and incurred a net loss from operations. This condition raises substantial doubt about the Academy's ability to continue as a going concern. Management's plans regarding those matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2011 on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting nor 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 our audit.

Management's discussion and analysis on pages 3 through 8, and the budgetary comparison information on pages 23 through 25, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Academy's basic financial statements. The individual fund financial statements, and other schedules as listed in the table of contents, are presented for purposes of additional analysis and are 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 our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Elliott Davis LLC

Myrtle Beach, South Carolina
November 16, 2011

SOUTH CAROLINA CALVERT ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

As management of South Carolina Calvert Academy (the Academy), we offer readers of the Academy's audited financial statements this narrative overview and analysis of the financial activities of the Academy for the fiscal year ended June 30, 2011. We encourage readers to read the information presented herein in conjunction with additional information that we have furnished in the Academy's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

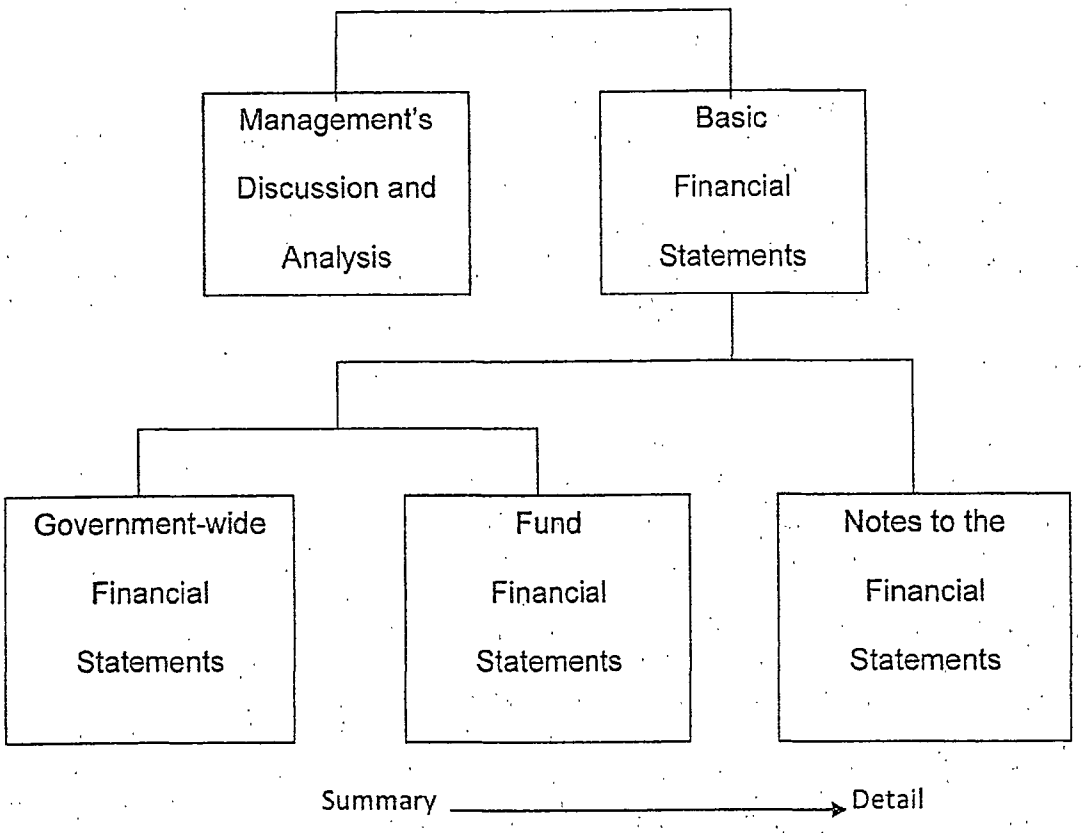
- The liabilities of the Academy exceeded its assets at the close of the fiscal year by ($638,269) ***(net deficit)***.
- The Academy's total net assets decreased by $164,761.
- As of the close of the current fiscal year, the Academy's governmental funds reported combined ending fund deficit of ($27,099).
- The 2010-2011 45-day headcount was 286.
- The 2010-2011 135-day headcount was 276.
- South Carolina Calvert Academy had $508,104 in long-term debt as of June 30, 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Academy's basic financial statements. The Academy's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two distinct financial perspectives of the Academy through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of South Carolina Calvert Academy.

Figure 1

Required Components of Annual Financial Report



BASIC FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the **Government-wide Financial Statements.** They provide both short and long-term information about the Academy's financial standing.

The next statements are **Fund Financial Statements.** These statements focus on the activities of the individual segments of the Academy's government. These statements are more detailed than the government-wide financial statements.

Immediately following the fund financial statements are the **Notes to the Financial Statements** (the Notes). The Notes offer a detailed explanation of the data contained in those statements. Next, **supplemental information** is provided to show details about the Academy's funds. Budgetary information for the Academy also can be found in this section of the statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide the reader with a broad overview of the Academy's finances, similar in format to the financial statements of a private-sector business. The government-wide statements provide short and long-term information about the Academy's financial status, as a whole.

The two government-wide statements report the Academy's net assets and how they have changed. Net assets equal the difference between the Academy's total assets and total liabilities. Measuring net assets is one way to gauge the Academy's financial condition.

The government-wide statements include all governmental activities. The governmental activities include most of the Academy's basic functions such as instructional services and business services. These functions are funded almost entirely through state, county, and federal educational funds.

The government-wide financial statements are enumerated on pages 9 and 10 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide a more detailed look at the Academy's most significant activities. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Academy uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related requirements, such as the Academy's budget, where and when applicable. All of the funds of the Academy are considered governmental funds.

Governmental Funds - Governmental funds are used to account for functions reported as governmental activities in the government-wide financial statements. Most of the Academy's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and monies remaining at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using the modified accrual accounting method, which provides a short-term spending focus. The governmental fund financial statements assist the reader in determining whether there has been an increase or a decrease in the financial resources available to finance the Academy's programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation, which is an integral part of the fund financial statements.

The Academy has elected to adopt an annual budget. The budget incorporates input from the faculty, management, and the Board of Directors of the Academy and specifies which activities will be pursued and which services the Academy will provide during the year. It also authorizes the Academy to obtain funds from identified sources to finance current period activities. The budgetary statement demonstrates how well the Academy has complied with its budget and whether or not the Academy has succeeded in providing the services as originally planned.

Notes to the Financial Statements - The notes provide additional information essential to facilitating a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 13 of this report and are followed by supplemental information about the Academy's funds and budgetary comparisons as described above.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as one useful indicator of a school's financial condition. The liabilities of the Academy exceeded its assets by ($638,269), as of June 30, 2011. ($97,537) reflects the Academy's investment in capital assets (e.g. equipment); less any related debt still outstanding that was issued to acquire those items. The Academy uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. The remaining balance of ($540,732) is unrestricted.

Figure 2

South Carolina Calvert Academy's Net Assets

	Governmental Activities	
	2011	2010
Current and other assets	$ 37,448	$ 104,486
Capital assets, net of depreciation	11,795	15,387
Total assets	49,243	119,873
Liabilities	687,512	593,381
Net assets		
Invested in capital assets, net of related debt	(97,537)	(130,875)
Unrestricted	(540,732)	(342,633)
Total liabilities and net assets	$ 49,243	$ 119,873

Several aspects of the Academy's financial operations influenced the total unrestricted governmental net assets:

- The Academy adopted an annual budget. The Academy's performance was measured using this budget on a monthly basis, allowing changes to be made in spending as needed to remain within the confines of the budget.
- Funding through the South Carolina Public Charter School District is one of the lowest of any district in the country.
- Headcount was less than originally budgeted.

Figure 3
South Carolina Calvert Academy's Changes in Net Assets

	Governmental Activities	
	2011	2010
Donations and other revenues	$ 601	$ 675
County, state, and federal funds	1,348,739	1,186,528
Total revenues	1,349,340	1,187,203
Instructional programs	832,990	844,329
Support services	644,843	588,610
Interest	36,268	-
Total expenses	1,514,101	1,432,939
Decrease in net assets	(164,761)	(245,736)
Net assets, July 1	(473,508)	(227,772)
Net assets, June 30	$ (638,269)	$ (473,508)

Governmental activities - Governmental activities decreased the Academy's net assets by $164,761.

FINANCIAL ANALYSIS OF THE ACADEMY'S FUNDS

As noted earlier, the Academy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Academy's governmental funds is to provide information on near-term inflows, outflows, and balances of usable financial resources. Such information is useful in assessing the Academy's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Academy. At the end of the current fiscal year, unreserved fund deficit of the General Fund was ($141,960).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The Academy's investment in capital assets for its governmental activities as of June 30, 2011, totals $11,795 (net of accumulated depreciation). Capital assets include equipment.

Figure 4
South Carolina Calvert Academy's Capital Assets
(net of depreciation)

	Balance July 1, 2010	Governmental Activities 2011	Balance June 30, 2011
Equipment	$ 15,387	$ (3,592)	$ 11,795
Total	$ 15,387	$ (3,592)	$ 11,795

Additional information about the Academy's capital assets can be found in Note 5 of the Basic Financial Statements.

Long-term Debt - As of June 30, 2011, the Academy had $508,104 in long-term debt.

ECONOMIC FACTORS

The following key economic indicators reflect the growth and prosperity of the Academy:

- The South Carolina Charter District has revised its funding of charter schools within the District resulting in a significant increase in funding for South Carolina Calvert Academy for fiscal year 2012.
- The Academy has increased its marketing efforts to attract new students for fiscal year 2012.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Academy's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Laura Blackmore, South Carolina Calvert Academy, 100 Summit Parkway, Columbia, South Carolina 29229, telephone number (803) 462-0254.

SOUTH CAROLINA CALVERT ACADEMY
STATEMENT OF NET ASSETS
JUNE 30, 2011

ASSETS

	Governmental activities
CURRENT ASSETS	
Cash	$ 8,093
Accounts receivable	29,355
Total current assets	37,448
NON-CURRENT ASSETS	
Capital assets - Net	11,795
Total non-current assets	11,795
Total assets	$ 49,243

LIABILITIES

CURRENT LIABILITIES	
Accounts payable	$ 179,408
Total current liabilities	179,408
LONG-TERM LIABILITIES	
Due within one year	41,512
Due in more than one year	466,592
	508,104
Total liabilities	687,512

NET ASSETS

Invested in capital assets, net of related debt	(97,537)
Unrestricted deficit	(540,732)
Total net deficit	(638,269)
	$ 49,243

The accompanying notes are an integral part of these basic financial statements.

SOUTH CAROLINA CALVERT ACADEMY
STATEMENT OF ACTIVITIES
For the year ended June 30, 2011

Functions/Programs	Expenses	Program revenues: Operating grants and contributions	Net (expense) revenues and changes in net assets: Governmental activities
Governmental activities:			
Instruction	$ 832,990	$ 1,348,739	$ 515,749
Support services	644,843	-	(644,843)
Interest on long-term debt	36,268	-	(36,268)
Total governmental activities	$ 1,514,101	$ 1,348,739	(165,362)
General revenues:			
Miscellaneous			601
Total general revenues			601
Change in net assets			(164,761)
Net deficit, beginning of year			(473,508)
Net deficit, end of year			$ (638,269)

The accompanying notes are an integral part of these basic financial statements.

SOUTH CAROLINA CALVERT ACADEMY
BALANCE SHEET -
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Funds: Other	Special Revenue Funds: Education Improvement Act	Total Governmental Funds
ASSETS				
Cash	$ 8,093	$ -	$ -	$ 8,093
Accounts receivable	29,355	-	-	29,355
Total assets	$ 37,448	$ -	$ -	$ 37,448
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 179,408	$ -	$ -	$ 179,408
Total liabilities	179,408	-	-	179,408
Fund balances:				
Unassigned	(141,960)	-	-	(141,960)
Total fund balances	(141,960)	-	-	(141,960)
Total liabilities and fund balances	$ 37,448	$ -	$ -	$ 37,448
Total governmental fund balance				$ (141,960)
Amounts reported for governmental activities in the statement of net assets are different because of the following:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is $189,198, and the accumulated depreciation is $177,403.				11,795
Some liabilities, including long term liabilities, are not due and payable in the current period and therefore are not reported in funds.				(508,104)
Net deficit of governmental activities				$ (638,269)

The accompanying notes are an integral part of these basic financial statements.

SOUTH CAROLINA CALVERT ACADEMY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the year ended June 30, 2011

	General Fund	Special Revenue Funds: Special Projects	Special Revenue Funds: Education Improvement Act	Total Governmental Funds
REVENUES				
Local	$ 601	$ -	$ -	$ 601
State	929,567	19,406	94,832	1,043,805
Federal	-	304,934	-	304,934
Total revenues	930,168	324,340	94,832	1,349,340
EXPENDITURES				
Current:				
Instruction	453,053	314,724	28,740	796,518
Support services	461,674	7,859	2,869	472,402
Capital outlay	-	1,300	33,022	34,321
Debt service:				
Principal	36,930	-	-	36,930
Interest and other charges	36,268	-	-	36,268
Total expenditures	987,925	323,883	64,631	1,376,439
Excess (deficit) of revenues over (under) expenditures	(57,757)	457	30,201	(27,099)
OTHER FINANCING SOURCES (USES)				
Transfers to (from)	30,658	(457)	(30,201)	-
Total other financing sources (uses)	30,658	(457)	(30,201)	-
Net change in fund balances	(27,099)	-	-	(27,099)
FUND BALANCES, BEGINNING OF YEAR	(114,861)	-	-	(114,861)
FUND BALANCES, END OF YEAR	$ (141,960)	$ -	$ -	$ (141,960)
Total net change in fund balance - governmental funds				$ (27,099)
Amounts reported for governmental activities in the statement of activities are different because of the following:				
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense ($3,592) in the period.				(3,592)
The issuance of long-term debt provides current financial resources to govermental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.				(134,070)
Change in net deficit of governmental activities				$ (164,761)

The accompanying notes are an integral part of these basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

South Carolina Calvert Academy (the Academy) is a nonprofit organization incorporated in the state of South Carolina and organized under the South Carolina Charter School Act. The Academy's charter was approved by the South Carolina Public Charter School District, under which the Academy operates. The Academy serves approximately 250 students in kindergarten through grade 8, by way of a virtual learning environment in which students are enrolled throughout the state of South Carolina and study the curriculum from their homes.

A. Reporting entity

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

As required by state law, the Academy is a component unit of the South Carolina Charter School District.

B. Basis of presentation

The financial statements of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities, provided they do not conflict with, nor contradict, GASB pronouncements.

The statements of the Academy are presented as follows:

Government-wide financial statements - The statement of net assets, and the statement of activities display information about the Academy as a whole. These statements include the financial activities of the Academy. For the most part, the effect of interfund activity has been removed from these statements. The Academy's activities are governmental activities generally financed through intergovernmental revenues and other non-exchange transactions.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

(Continued)

B. Basis of presentation - (continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Academy's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Academy, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing, or draws from the general revenues of the Academy.

Fund financial statements - Fund financial statements report detailed information about the Academy. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The Academy has no non-major funds.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are: a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources), and uses (i.e., expenditures and other financing uses) of current financial resources.

C. Measurement focus and basis of accounting

Fund accounting

The Academy uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance, and to aid management by segregating transactions related to certain school functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may, or must, be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is separated as fund balance. The general fund and special revenue fund are the Academy's major governmental funds and are described as follows:

General fund - to account for all financial transactions not properly accounted for in another fund. The Academy uses this fund to account for expenditures principally for administration, instruction, pupil services, operation and maintenance of plant and related fixed charges.

Special revenue funds - to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action. The Academy has two special revenue funds:

(Continued)

C. Measurement focus and basis of accounting, (continued)

Fund accounting, (continued)

Special revenue funds, (continued)

1. The Education Improvement Act (EIA) fund - a budgeted fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source;
2. Special projects fund - a budgeted fund used to account for financial resources provided by federal, state and local projects and grants.

Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. On the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues and expenditures are recognized when they become both measurable and available.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Academy, available means expected to be received within sixty days of fiscal year-end.

The Academy follows GASB No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions,* to account for non-exchange revenues. Non-exchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, tuition, grants, student fees and rentals. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period are also reported as deferred revenue. The Academy had no deferred revenues at June 30, 2011.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement focus and basis of accounting, (continued)

Basis of accounting - (continued)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

D. Assets, liabilities and equity

Cash - The Academy may have cash presented on the financial statements which includes cash held in local financial institutions.

Receivables and payables - During the course of operations, numerous transactions occur between the School and vendors and revenue sources or individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables are classified as accounts receivable, accounts payable or "due from other funds" or "due to other funds" on the balance sheet. The transactions between funds are eliminated in the governmental activities columns of the statement of net assets.

Capital assets - Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are stated at cost or, if donated, at estimated fair value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives used in computing depreciation for financial reporting are as follows:

Description	Governmental Activities Estimated Lives
Equipment	3 - 5 years

Fund balances and net assets - The School has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines five classifications of governmental fund balances: nonspendable, restricted, committed, assigned and unassigned. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

For the government wide financial statements the School applies restricted resources when an expenditure is incurred for the purposes for which both restricted and unrestricted net assets are available. For the governmental funds financial statements the School applies committed, then assigned, then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets reduced by accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvement of the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. **Assets, liabilities and equity, (continued)**

Use of estimates - The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the Academy's financial position and results of operations, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 2 - GOING CONCERN

When the Academy was originally chartered, it used a "per pupil" revenue expectation based on funding levels in existence before the 2008 - 2009 state budget cuts. Because of the reductions in per pupil funding, the Academy has losses from operations resulting in a deficit in the general fund balance and a deficit in net assets.

The Academy entered the 2010-2011 school year using a budget that projected a small gain from operations. The budget reflected, among other things, management's efforts to reduce staffing levels and expenditures in all areas that are controllable and management's intentions to increase its marketing efforts to increase student headcount and increase its focus on student retention. Despite these efforts the Academy had a loss in both the fund and government-wide operating statements. Additionally, the Academy did not significantly reduce any of its long-term debt. Also, Calvert Education Services has provided significant support to the Academy during its existence. There is no guarantee that additional support would be available should the Academy need it. These factors raise doubt about the Academy's ability to continue as a going concern.

NOTE 3 - DEPOSITS

The Academy is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof.
2. General obligations of the State of South Carolina or any of its political units.
3. Banks and savings and loan associations to the extent they are guaranteed by the Federal Deposit Insurance Corporation (FDIC).
4. Deposits in certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above, held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificate of deposit so secured, including interest.
5. The State Treasurer's Local Government Investment Pool (monitored by the State Treasurer for investments invested in government guaranteed securities in accordance with South Carolina state laws).
6. Repurchase agreements.

At June 30, 2011, the carrying amount of the Academy's deposits was $8,093 and the bank balance was $90,759.

Custodial credit risk - Custodial credit risk is the risk that the Academy's deposits will not be returned to it. The Academy has no formal policy regarding custodial credit risk. The total cash balances are insured by the FDIC.

(Continued)

NOTE 3 - DEPOSITS, Continued

Credit risk - South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The Academy has no investment policy that would further restrict its choices.

Interest rate risk - The Academy does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Academy's investments in a single issuer. The Academy does not have a policy that limits the amount that may be invested in any one issuer.

NOTE 4 - TRANSFERS FROM AND TO OTHER FUNDS

During the course of normal operations, the Academy has transactions between funds to provide services, purchase assets, service debt, etc. These transactions are generally reflected as transfers. Total transfers during the year ended June 30, 2011 consisted of the following individual fund amounts:

	Transfers In	Transfers Out
General fund	$ 30,658	$ -
Special projects fund	-	(457)
Education Improvement Act fund	-	(30,201)
	$ 30,658	$ (30,658)

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 is as follows:

	Balance, July 1, 2010	Additions/ Transfers	Deletions/ Transfers	Balance, June 30, 2011
Governmental activities				
Equipment	$ 189,198	$ -	$ -	$ 189,198
Total capital assets, being depreciated, at historical cost	189,198	-	-	189,198
Less accumulated depreciation				
Equipment	(173,811)	(3,592)	-	(177,403)
Total accumulated depreciation	(173,811)	(3,592)	-	(177,403)
Governmental activities capital assets, net	$ 15,387	$ (3,592)	$ -	$ 11,795

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 2,152
Supporting services	1,440
Total depreciation expense	$ 3,592

NOTE 6 - LONG-TERM OBLIGATIONS

Notes Payable - On June 17, 2010, the Academy entered into a long-term debt obligation with Calvert Education Services (CES) to extend the terms of three advances that were made to the Academy. The three advances included $227,772 of pre-opening costs which were incurred prior to the 09-10 school year, $20,000 that was originally a short-term working capital loan and $151,000 in CES service fees. The principal on the note totals $398,772 and is payable annually based on a formula of 50% of any excess revenue over expenses less reasonable reserves determined by the Board of Directors. Interest at 5.0% will be paid monthly based on the outstanding principal balance. As of June 30, 2011 no reductions of principal have occurred.

Capital lease - In October 2009, the Academy entered into a four year lease agreement for electronic equipment including printers and computers, for the amount of $171,238. The lease agreement qualifies as a capital lease for accounting purposes; therefore, the obligation has been recorded at the present value of the future minimum lease payments as of the date of its inception.

The following is a schedule of the future minimum lease payments and the net present value of the minimum lease payments as of June 30, 2011:

Year ending June 30	
2012	$ 52,176
2013	52,176
2014	21,740
Total minimum lease payments	126,092
Less: amount representing interest	16,760
Present value of the minimum lease payments	$ 109,332

Changes in general long-term obligations - The following is a summary of changes in the School's long-term obligations for the fiscal year ended June 30, 2011:

	Balance, July 1, 2010	Increases	Decreases	Balance, June 30, 2011	Current Portion
Governmental activities:					
Calvert Education Services (CES)	$ 398,772	$ -	$ -	$ 398,772	$ -
Capital lease	146,262	-	36,930	109,332	41,512
Total	$ 545,034	$	$ 36,930	$ 508,104	$ 41,512

NOTE 7 - EMPLOYEE BENEFITS

Retirement plan

Substantially all school employees are members of the South Carolina Retirement System (SCRS or the System), a cost-sharing multiple-employer plan administered by the Retirement Division of the State Budget and Control Board. The System provides retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. The System issues a publicly available financial report that includes financial statements and required information for the South Carolina Retirement System. That report may be obtained by writing to the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

(Continued)

NOTE 7 - EMPLOYEE BENEFITS, Continued

Retirement plan, (continued)

Plan members are required to contribute 6.50% of their annual covered salary and the Academy is required to contribute at an actuarially determined rate. The current rate is 9.24% of annual covered payroll plus the retiree surcharge of 3.90%. The Academy's contributions to the Plan for the years ended June 30, 2011 and 2010 was $49,992 and 45,922, respectively.

Employees eligible for service retirement may participate in the Teacher and Employee Retention Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program July 1, 2005 or later must contribute to the SCRS as long as they are covered under the TERI program.

Optional retirement program

Certain State employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual, fixed or variable, annuity contracts which are issued to, and become the property of, the participants. The State assumes no liability for this plan other than for payment of contributions to designated insurance companies. Employees who enroll in ORP are eligible to change their election to SCRS, if done before the 5th anniversary of enrollment in ORP.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.24% plus the retiree surcharge of 3.50% from the employer in fiscal year 2011. The Academy did not have any of their employees participate in the ORP.

Some of the Academy's employees have elected to be covered under optional retirement plans. The Academy's total contribution requirements to the ORP for the year ended June 30, 2011 was $1,569 (excluding the surcharge) from the Academy as employer, and $2,405 from its employees as plan members. All amounts were remitted to the Retirement Division of the State Budget and Control Board for distribution to the respective annuity policy providers. The obligation for payment of benefits resides with the insurance companies.

NOTE 8 - FUND BALANCES/DEFICITS AND NET ASSETS

The fund balances/net assets and other credits have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

Governmental fund financial statements

Fund balances - Nonspendable - balances that by their nature are unable to be spent.

Fund balances - Restricted - balances that can only be spent for the specific purpose stipulated by constitution, external resources providers, or through enabling legislation.

Fund balances - Committed - balances that can only be used for the specific purpose determined by the School's Board of Directors.

NOTE 8 - FUND BALANCES/DEFICITS AND NET ASSETS, Continued

Governmental fund financial statements, continued

Fund balances - Assigned - balances meant to be used for a specific purpose but don't meet the criteria as restricted or committed.

Fund balances - Unassigned - balances that are spendable amounts not contained in other classifications.

Government-wide financial statements

Invested in capital assets, net of related debt - represents the net cost less accumulated depreciation and outstanding debt attributable to the organization of the capital assets.

Restricted - represents net assets restricted externally by creditors, grantors, contributors or laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - represents the remainder of the School's net assets in government-wide and business-type activities.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Academy expects such amounts, if any, to be immaterial.

The Academy has entered into a three year lease for office space. The lease commenced on July 1, 2009, and ends June 30, 2012. Lease expense for the year ended June 30, 2011 totaled $50,025. Minimum lease expense for the year ending June 30, 2012 is expected to be $50,025.

The Academy has entered into a service agreement with Calvert Education Services (CES). The term of the agreement is for ten years commencing May 21, 2009. Under the agreement, CES provides various services to the Academy including, among other things, curriculum development for both regular and special needs students, on-line educational infrastructure, training, human resources, technical support and student recruitment. Fees for the educational portion of the services provided vary according to the number of students of the Academy. Support services provided by CES are charged at a rate of $11,800 per month.

NOTE 10 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and errors and omissions. The Academy pays premiums to a private insurance carrier for all forms of coverage. The insurance carrier promises to pay to, or on behalf of, the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There were no significant reductions in coverage, and there were no settlements that exceeded coverage during the past two years.

The Academy is involved in various potential claims. The Academy's management and attorneys are continually evaluating the possible effects of these claims. Management intends to vigorously contest these claims. The Academy's management and attorneys have determined, based on available data, that the resolution of these matters is not expected to have a material adverse effect on the financial condition of the Academy.

SOUTH CAROLINA CALVERT ACADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the year ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
REVENUES			
1000 Revenue from local sources			
1700 Pupil activities			
1790 Other pupil activity income	$ -	$ 600	$ 600
1900 Other revenue from local sources			
1920 Contributions & Donations from private sources	281	1	(280)
Total local sources	281	601	320
3000 Revenue from state sources			
3100 Restricted state funding			
3120 General education			
3129 Consolidated funding	6,620	6,620	-
3180 Fringe benefits employer contributions	196,220	196,220	-
3300 Education finance act			
3311 Kindergarten	67,155	67,377	222
3312 Primary	209,883	210,579	696
3313 Elementary	363,238	364,442	1,204
3316 Speech handicapped (part-time)	17,143	17,200	57
3321 Emotionally handicapped	4,429	4,443	14
3323 Learning disabilities	34,350	34,464	114
3324 Hearing handicapped	5,812	5,831	19
3331 Autism	22,317	22,391	74
Total state sources	927,167	929,567	2,400
Total revenue all sources	927,448	930,168	2,720
EXPENDITURES			
100 Instruction			
110 General instruction			
113 Elementary programs			
100 Salaries	419,815	249,302	170,513
200 Employee benefits	139,360	81,358	58,002
300 Purchased services	16,702	17,155	(453)
400 Supplies and materials	268,196	104,928	163,268
500 Capital outlay	54,621	-	54,621
	898,694	452,743	445,951
180 Adult continuing education programs			
188 Parenting/family literacy			
400 Supplies and materials	310	310	-
	310	310	-
Total instruction	899,004	453,053	445,951
200 Support services			
210 Pupil services			
215 Exceptional program services			
300 Purchased services	-	305	(305)
	-	305	(305)
220 Instructional staff services			
221 Improvement of instruction curriculum development			
300 Purchased services	-	2,497	(2,497)
	-	2,497	(2,497)

(Continued)

SOUTH CAROLINA CALVERT ACADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the year ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
EXPENDITURES, Continued			
200 Support services, Continued			
220 Instructional staff services, continued			
224 Improvement of instruction inservice and staff training			
300 Purchased services	3,410	23,908	(20,498)
	3,410	23,908	(20,498)
230 General administration services			
231 Board of Education			
300 Purchased services	43,744	42,744	1,000
318 Audit services	14,000	14,040	(40)
600 Other objects	5,414	4,174	1,240
	63,158	60,958	2,200
233 School administration			
100 Salaries	-	115,750	(115,750)
200 Employee benefits	-	40,345	(40,345)
300 Purchased services	19,500	77,153	(57,653)
400 Supplies and materials	5,500	5,798	(298)
500 Capital outlay	2,247	-	2,247
	27,247	239,046	(211,799)
250 Finance and operations services			
252 Fiscal services			
300 Purchased services	24,000	24,000	-
600 Other objects	306	353	(47)
	24,306	24,353	(47)
254 Operation and maintenance of plant			
300 Purchased services	67,176	69,668	(2,492)
321 Public utilities	511	511	0
400 Supplies and materials	-	4	(4)
470 Energy	5,000	4,750	250
	72,687	74,933	(2,246)
255 Student transportation (state mandated)			
600 Other objects	186	-	186
	186	-	186
258 Security			
300 Purchased services	550	552	(2)
	550	552	(2)
260 Central support services			
263 Information services			
300 Purchased services	1,279	37,534	(36,255)
	1,279	37,534	(36,255)
266 Technology and data processing services			
300 Purchased services	-	34,518	(34,518)
	-	34,518	(34,518)
Total support services	192,823	498,604	(305,781)
500 Debt service			
620 Interest	-	36,268	(36,268)
Total debt service	-	36,268	(36,268)
Total expenditures	1,091,827	987,925	103,902

(Continued)

SOUTH CAROLINA CALVERT ACADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the year ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
OTHER FINANCING SOURCES			
Transfer from special revenue fund	-	457	457
Transfer from special revenue EIA fund	-	30,201	30,201
Total other financing sources	-	30,658	30,658
Excess (deficit) of revenues over (under) expenditures	$ (164,379)	(27,099)	$ 137,280
FUND DEFICIT, BEGINNING OF YEAR		(114,861)	
FUND DEFICIT, END OF YEAR		$ (141,960)	

SOUTH CAROLINA CALVERT ACADEMY
SPECIAL PROJECTS FUND
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2011

	TITLE 1 BA Projects (201/202)	IDEA CA Projects (203/204)	Other Designated Restricted State Grants (900)	Other Special Revenue Programs (200/800)	Total
REVENUES					
3000 Revenue from state sources					
3100 Restricted state funding	$ -	$ -	$ 2,008	$ -	$ 2,008
3110 Occupational educati			938	-	938
3126 Refurbish of K-	-	-	16,460	-	16,460
3600 Education lottery act reveni	-	-			
3607 6-8 Enhancem			19,406	-	19,406
3610 K-5 Enhancem	-	-			
Total state sou	-	-	-	-	35,763
4000 Revenue from federal sources					
4300 Elementary & Secondary Ei65 (ESEA)	35,763	-	-	232,479	232,479
4310 Title, I Basic State Gr	-	-	-	20,304	20,304
4320 Public Charter Schoc	-	-	-	585	585
4350 State Fiscal Stabiliza	-	-	-		
4351 Improving teacher q				-	9,750
4500 Programs for children with	-	9,750	-	3,747	3,747
4510 Individuals with Dis Act (IDEA)	-	-	-	2,306	2,306
4520 IDEA (ARRA 611)	-	-	-		
4550 IDEA preschool (ARI				259,421	304,934
Total federal	35,763	9,750	-		
Total revenu	35,763	9,750	19,406	259,421	324,340
EXPENDITURES					
100 Instruction					
110 General instruction				-	30,320
112 Primary programs	27,820	2,500	-	-	16,157
100 Salaries	8,657	7,500	-	-	46,477
200 Employee be	36,477	10,000	-		
113 Elementary progra				16,760	16,760
100 Salaries	-	-	-	3,788	3,788
200 Employee b	-	-	-	300	300
300 Purchased s	-	-	-	227,147	245,093
400 Supplies ani	-	-	17,946	1,300	1,300
500 Capital outl	-	-	-	249,295	267,241
	-	-	17,946		
120 Exceptional programs				2,306	2,306
127 Learning disabiliti	-	-	-	2,306	2,306
400 Supplies an	-	-	-	251,601	316,024
Total instru	36,477	10,000	17,946		
200 Support services					
220 Instructional staff servi				5,648	5,648
224 Improvement of and staff training	-	-	-	5,648	5,648
300 Purchased	-	-	-		
230 General administration				400	400
231 Board of educati	-	-	-	400	400
600 Other obj	-	-	-		
233 School administ				1,811	1,811
400 Supplies a	-	-	-	1,811	1,811
	-	-	-	7,859	7,859
Total sup	-	-	-	259,460	323,883
Total exp	36,477	10,000	17,946		

(Continued)

SOUTH CAROLINA CALVERT ACADEMY
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2011

	TITLE 1 BA Projects (201/202)	IDEA CA Projects (203/204)	Other Designated Restricted State Grants (900)	Other Special Revenue Programs (200/800)	Total
OTHER FINANCING SOURCES (USES)					
5210 Transfer from (to) general fund	714	250	(1,460)	39	(457)
Total other financing sources (uses)	714	250	(1,460)	39	(457)
Excess (deficit) of revenues over (under) expenditures and other financing sources					
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCE, END OF YEAR	-	-	-	-	-
	$ -	$ -	$ -	$ -	$ -

SOUTH CAROLINA CALVERT ACADEMY
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2011

			Actual
REVENUES			
3000	Revenue from state sources		
3500	Education Improvement Act		
3511	Professional development		$ 1,462
3532	National board certification salary supplement		9,071
3538	Students at risk of school failure		54,720
3540	Early childhood program		350
3550	Teacher salary increase		10,460
3555	School employer contributions		2,186
3558	Reading		1,407
3577	Teachers supplies		1,925
3588	Maintenance of fiscal effort		13,251
	Total revenue from state sources		94,832
	Total revenue		94,832
EXPENDITURES			
100	Instruction		
110	General Instruction		
113	Elementary programs		
100	Salaries		7,500
200	Employee benefits		1,571
400	Supplies and materials		19,669
500	Capital outlay		33,022
			61,762
	Total instruction		61,762
200	Support services		
220	Finance and operations services		
221	Improvement of instruction curriculum development		
300	Purchased services		1,407
			1,407
224	Improvement of instruction inservice and staff training		
300	Purchased services		1,462
			1,462
	Total support services		2,869
	Total expenditures		64,631
OTHER FINANCING USES			
5210	Transfer to general fund		(30,201)
	Total other financing sources		(30,201)
	Excess of revenues over expenditures and other financing uses		-
FUND BALANCE, BEGINNING OF YEAR			-
FUND BALANCE, END OF YEAR			$ -

SOUTH CAROLINA CALVERT ACADEMY
SPECIAL PROJECTS FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
For the year ended June 30, 2011

Subfund	Revenue	Programs	Revenues	Expenditures	Transfers In/ (Out)	Deferred Revenue
908	3126	Refurbishment of K-8 science kits	$ 2,008	$ 2,008	$ -	$ -
967	3607	6-8 Enhancement	938	938	-	-
960	3610	K-5 Enhancement	16,460	15,000	(1,460)	-
			$ 19,406	$ 17,946	$ (1,460)	$ -

SOUTH CAROLINA CALVERT ACADEMY
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
For the year ended June 30, 2011

			Revenues	Expenditures	Transfers In/ (Out)	Deferred Revenue
3500	Education Improvement Act					
	3511	Professional development	$ 1,462	$ 1,462	$ -	$ -
	3532	National board certification salary supplement	9,071	9,071	-	-
	3538	Students at risk of school failure	54,720	51,166	(3,554)	-
	3540	Early childhood program	350	350	-	-
	3550	Teacher salary increase	10,460	-	(10,460)	-
	3555	School employer contributions	2,186	-	(2,186)	-
	3558	Reading	1,407	1,407	-	-
	3577	Teachers supplies	1,925	1,175	(750)	-
	3588	Maintenance of fiscal effort	13,251	-	(13,251)	-
		Total	$ 94,832	$ 64,631	$ (30,201)	$ -

SOUTH CAROLINA CALVERT ACADEMY
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/ FEDERAL GOVERNMENT
JUNE 30, 2011

Program	Grant or project number	Revenue code	Description	Amount due	Status of Amount due
None					

elliott davis

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
South Carolina Calvert Academy
Columbia, South Carolina

We have audited the financial statements of South Carolina Calvert Academy (the Academy) as of and for the year ended June 30, 2011, and have disclaimed our opinion on our report thereon dated November 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal control over financial reporting

In planning and performing our audit, we considered the Academy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as 2010 B.1 and 2011 B.2 that we consider to be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and other matters

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

This report is intended solely for the information and use of the Board of Directors, management, the South Carolina Public Charter School District, the South Carolina Department of Education and the federal and state awarding agencies and is not intended to be, and should not be, used by anyone other than those specified parties.

Elliott Davis LLC

Myrtle Beach, South Carolina
November 16, 2011

SOUTH CAROLINA CALVERT ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the financial statements.
2. Significant deficiencies relating to the audit of the financial statements were disclosed during the audit.
3. No material weaknesses relating to the audit of the financial statements were disclosed during the audit.
4. No instances of noncompliance relating to the financial statements were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2010 B.1 - Preparation of financial statements and accrual entries in accordance with generally accepted accounting principles.

Significant deficiency

Condition and criteria: Internal controls over financial reporting should be in place to provide reasonable assurance that financial statements are prepared in accordance with generally accepted accounting principles including adjustments for accounts receivable and accounts payable.

Effect: Because the auditee is not trained currently in preparing financial statements or posting accrual entries in accordance with generally accepted accounting principles, a material misstatement to the Academy's financial statements could occur and not be prevented or detected by the Academy's internal controls over financial reporting.

Cause: Currently, auditee personnel responsible for the accounting and reporting function are not trained to prepare the Academy's financial statements or post accrual adjustments in accordance with generally accepted accounting principles.

Auditor's recommendation: Consideration should be given to requiring auditee personnel to attend or obtain additional training in this area.

Auditee's Response: The auditee considers the risk tolerable when compared to the cost of implementing a mitigating control.

2011 B.2 - Segregation of duties relating to disbursements

Significant deficiency

Condition and Criteria: Internal controls over disbursements, including debit card purchases, should be in place to ensure that adequate documentation is being maintained for each disbursement made and to provide proper segregation of duties over the authorization, purchasing and check signing functions.

Effect: Because there is no proper segregation of duties related to disbursements including expense reimbursements, there could be instances of management override of control.

Cause: Currently the principal has signature authority on the account and is responsible for the authorization and purchasing function. Additionally, the principal signs the checks for his reimbursement requests.

Auditor's Recommendation: We believe that controls over cash disbursements would be improved if the individual responsible for authorizing and making purchases did not have check-signing authority. Therefore, at a minimum, an individual outside of the check signing function should review and approve purchases.

Auditee's Response: The Board of South Carolina Calvert Academy, upon discovery of increased risk, took immediate action designed to address the concerns noted by the auditor. The Board authorized personnel changes of the administration team. The Board also has elected to remove the principal's role as a check endorser and have authorized only the Board chair and Board treasurer to sign checks. The principal reviews monthly statements with the financial provider, and monitors each purchase. The currently implemented procedure ensures that the payment authorizer and the check signer are two separate individuals, improving internal audit controls and reducing risk.

AUDITED FINANCIAL STATEMENTS
and
SUPPLEMENTAL INFORMATION

PROVOST ACADEMY SOUTH CAROLINA, INC.

June 30, 2011

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June 30, 2011

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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
Provost Academy South Carolina, Inc.
Columbia, South Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Provost Academy South Carolina, Inc. (*"the Charter School"*), as of and for the year ended June 30, 2011, which collectively comprise the Charter School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter School's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Charter School, as of June 30, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2011, on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 26 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be

an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Hall Group, P.A.

Columbia, South Carolina
October 28, 2011

PROVOST ACADEMY SOUTH CAROLINA
June 30, 2011

MANAGEMENT'S DISCUSSION & ANALYSIS

The following report presents our discussion and analysis of Provost Academy South Carolina's (*"the Charter School"*) financial performance during the year ended June 30, 2011. The Charter School's report consists of financial statements, notes to those statements and other information. The financial statements provide information about the activities of the Charter School, presenting both an aggregate and long-term view of those finances.

The financial reports for the Charter School provide detailed information about the Charter School as a whole, not just the operating fund. This information shows how money flows into and out of funds and the balances left at year-end. It is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. These reports provide a detailed short-term view of the operations of the Charter School.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2010 – 2011 fiscal year include the following:

- The Charter School's net assets decreased by $5,313. Current assets increased by $54,360. This is mainly a result of an increase in the amount due from the Federal government of $82,819. In addition, all computer equipment was placed in service during the year, which resulted in a $57,426 decrease to the inventory balance. Also, capital assets, net of accumulated depreciation decreased by $922,398 as a result of asset disposal during the year.
- Current liabilities increased by $335,306 primarily due to an increase in the amount due to EdisonLearning.
- Total revenue from all sources was $5,993,157 for fiscal year 2011. Approximately 80% of revenue is attributed to unrestricted general funds and the remaining 20% is a combination of federal and state restricted funding.
- EdisonLearning, under the terms of its Management Agreement, has reduced the operating expenses/charges/notes by issuing deficit credits to Provost Academy for the fiscal years 2011 and 2010 in the amounts of $ 1,781,682 and $ 2,334,519, respectively. EdisonLearning anticipates recouping these charges through future operating performance of Provost Academy. If these deficit credits were not issued, then the operating deficit at Provost Academy would be approximately $4.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of five parts – Independent Auditor's Report, required supplementary information which includes the MD&A (this section), the basic financial statements, supplemental information, and the single audit section. The basic financial statements include two kinds of statements that present different views of the Charter School.

School-wide Statements

The School-wide statements report information about the Charter School as a whole using accounting methods similar to those used by private sector companies. The statement of net assets includes all of the Charter School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two school-wide statements report the Charter School's net assets and how they have changed.

The statement of net assets presents information on all of the Charter School's assets and liabilities, with the difference between the two being reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Charter School is improving or deteriorating.

The statement of activities presents information showing how the Charter School's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The school-wide financial statements outline functions of the Charter School that are principally supported by intergovernmental revenues. The governmental activities of the Charter School include instructional and support services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School uses fund accounting to ensure and demonstrate compliance with state statutes and to control and manage money for particular purposes.

Governmental funds – The Charter School's basic services are included in governmental funds. Governmental fund financial statements focus on near-term inflows of cash and other financial assets that can readily be converted to cash, as well as the balances at year-end that are available for spending. Consequently, the government funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financials resources that can be spent in the near future to finance the Charter School's programs. The general fund is the Charter School's major fund, followed by two special revenue funds- special projects fund, and Education Improvement Act (EIA) fund.

FINANCIAL ANALYSIS OF THE CHARTER SCHOOL AS A WHOLE

Net assets may serve over time as a useful indicator of a Charter School's financial position. In the case of this Charter School, assets equaled liabilities as of June 30, 2011 and net assets included $256,866 as invested in capital assets, net of related debt, and ($256,866) as unrestricted fund balance.

Statement of Net Assets

	June 30, 2011
Current Assets	$ 353,813
Capital Assets	997,423
TOTAL ASSETS	$ 1,351,236
Current Liabilities	$ 1,166,432
Note Payable due in more than one year	184,804
Total Liabilities	1,351,236
Net Assets:	
Invested in capital assets, net of related debt	256,866
Unrestricted	(256,866)
Total Net Assets	0
TOTAL LIABILITIES AND NET ASSETS	$ 1,351,236

Provost Academy South Carolina
Statement of Activities

REVENUE	
Program Revenue	$ 1,178,089
General Revenue	
Federal and state aid not restricted	4,812,066
Miscellaneous	3,002
Total Revenue	5,993,157
EXPENSES	
Instruction	4,614,888
Support Services	1,983,211
Total Expenses	6,598,099
CHG IN NET ASSETS before deficit credit	**$ (604,942)**

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund adopted a final revenue budget of $5,084,996.

The general fund adopted a final expenditure budget of $5,084,996.

The general fund actual results for the year showed revenues equaling expenditures after a transfer in of $50,374 of EIA state funding and a deficit credit adjustment of $599,629..

- Actual revenues were $4,815,068, which were ($269,928) less than anticipated due to less state funding than expected.
- Actual expenditures were $5,465,071, which were ($380,075) more than anticipated due to more actual support service cost than anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2011, the Charter School has a total capital asset balance of $997,423 comprised primarily of student technology equipment such as laptop computers, printers, USB tablets, and software. During the 2010-2011 year, the charter school wrote off net assets of $433,681, comprising of uncollected Technology kits from the year end June 30 2010, while estimating 250 Technology kits, with a net net book value of $207,063, uncollectable for the year ended June 30,2011. Please see Management's corrective action under Finding 10-1, in "Schedule of Prior Year Findings"

Debt Administration

As of June 30, 2011, the Charter School has a long term debt balance of $184,804 which is due to a note agreement with EdisonLearning which provided funding for the purchase of 1,500 student technology kits.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Charter School's administration considers many factors when setting the 2011-2012 fiscal year budget. The Charter School expects to continue the current enrollment through 2011 – 2012. One of the most important factors affecting the budget is pupil count. The 2012 budget was based on an estimate of student enrollment for the 2011 – 2012 year, estimating average daily membership using historical data, multiplied by the per pupil dollar amount received in the prior year.

All of the total operating budget revenues are from State and Federal aid. As a result, the Charter School is heavily dependent on the State's and Federal government's ability to fund local charter school operations. Based on current enrollment data at the start of the 2011 – 2012 school year, we anticipate no significant fluctuations in revenues or expenditures from the current year.

PROVOST ACADEMY SOUTH CAROLINA MANAGEMENT CONTACT

This financial report is designed to provide a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. Any questions concerning this report or requests for additional information can be directed to the Treasurer, 400 Arbor Lake Drive, Suite B-800, Columbia, South Carolina 29223.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS
PROVOST ACADEMY SOUTH CAROLINA, INC.
June 30, 2011

ASSETS

Current Assets		
Cash and cash equivalents		$ 100,430
Due from federal government		253,383
	Total Current Assets	353,813
Capital Assets, net of accumulated depreciation		997,423
	TOTAL ASSETS	$ 1,351,236

LIABILITIES AND NET ASSETS

Current Liabilities		
Due to Edison Learning, Inc.		$ 555,803
Accounts payable		38,293
Interest payable		2,242
Revenue received in advance		16,583
Note payable due within one year		553,511
	Total Current Liabilities	1,166,432
Note payable due in more than one year		184,804
	Total Liabilities	1,351,236
Net Assets		
Invested in capital assets, net of related debt		256,866
Unrestricted		(256,866)
	Total Net Assets	0
	TOTAL LIABILITIES AND NET ASSETS	$ 1,351,236

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACTIVITIES
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net Revenues (Expense) and Change in Net Governmental Activities
Governmental Activities			
Instruction	$ 4,614,888	$ 992,237	$ (3,622,651)
Support Services	1,983,211	185,852	(1,797,359)
Total Governmental Activities	$ 6,598,099	$ 1,178,089	$ (5,420,010)
General revenues			
Federal and state aid not restricted for a specific purpose			4,812,066
Miscellaneous			3,002
Total General Revenues			4,815,068
Special item			
Debt forgiven by deficit credit			599,629
Change in Net Assets			(5,313)
Net Assets, Beginning of Year			5,313
Net Assets, End of Year			$ 0

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET - GOVERNMENTAL FUNDS
PROVOST ACADEMY SOUTH CAROLINA, INC.
June 30, 2011

	General Fund	Special Revenue Funds: Specials Projects	Special Revenue Funds: Education Improvement Act	Total Governmenal Funds
ASSETS				
Cash and cash equivalents	$ 83,847	$ 1,200	$ 15,383	$ 100,430
Due from federal government		253,383		253,383
TOTAL ASSETS	$ 83,847	$ 254,583	$ 15,383	$ 353,813
LIABILITIES				
Due to Edison Learning, Inc.	$ 302,420			$ 302,420
Due to other funds		$ 253,383		253,383
Accounts payable	38,293			38,293
Deferred revenue		1,200	$ 15,383	16,583
Total Liabilities	340,713	254,583	15,383	610,679
FUND BALANCES				
Unrestricted	(256,866)			(256,866)
Total Fund Balances	(256,866)	0	0	(256,866)
TOTAL LIABILITIES AND FUND BALANCES	$ 83,847	$ 254,583	$ 15,383	$ 353,813

The accompanying notes are an integral part of these financial statements.

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

PROVOST ACADEMY SOUTH CAROLINA, INC.

June 30, 2011

Fund Balances of Governmental Funds		$ (256,866)
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital Assets, net of depreciation, are not current financial resources and are not included in the governmental funds.		997,423
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Interest is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
Note payable	(738,315)	
Interest payable	(2,242)	
Total Long-term Liabilities		(740,557)
Net Assets of Governmental Activities		$ 0

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

		Special Revenue Funds		
	General Fund	Special Projects	Education Improvement	Total Governmental
REVENUES				
Local	$ 3,002			$ 3,002
State	4,812,066	$ 134,050	$ 405,879	5,351,995
Federal		638,160		638,160
Total Revenues	4,815,068	772,210	405,879	5,993,157
EXPENDITURES				
Current				
Instruction	2,614,802	591,671	355,505	3,561,978
Support Services	1,797,359	185,852		1,983,211
Capital Outlays	1,052,910			1,052,910
Total Expenditures	5,465,071	777,523	355,505	6,598,099
Excess (deficiency) of revenues over expenditures	(650,003)	(5,313)	50,374	(604,942)
OTHER FINANCING SOURCES (USES)				
Transfers in	50,374			50,374
Transfers out			(50,374)	(50,374)
Total Other Financing Sources (Uses)	50,374	0	(50,374)	0
SPECIAL ITEMS				
Debt forgiven by deficit credit	599,629			599,629
Net Change in Fund Balance	0	(5,313)	0	(5,313)
Fund balance, beginning of year	0	5,313	0	5,313
FUND BALANCE, END OF YEAR	$ 0	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

PROVOST ACADEMY SOUTH CAROLINA, INC.

For the Year Ended June 30, 2011

	Budgeted amounts Original & Final	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local		$ 3,002	$ 3,002
State	$ 5,084,996	4,812,066	(272,930)
Total Revenues	5,084,996	4,815,068	(269,928)
EXPENDITURES			
Current			
Instruction	3,801,096	3,667,712	133,384
Support Services	1,283,900	1,797,359	(513,459)
Total Expenditures	5,084,996	5,465,071	380,075
Excess (deficiency) of revenues over expenditures	0	(650,003)	(650,003)
OTHER FINANCING SOURCES			
Transfers in		50,374	50,374
SPECIAL ITEMS			
Debt forgiven by deficit credit		599,629	599,629
Net Change in Fund Balance	$ 0	0	$ 0
Fund balance, beginning of year		0	
FUND BALANCE, END OF YEAR		$ 0	

The accompanying notes are an integral part of these financial statements.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Provost Academy South Carolina, Inc. (*"the Charter School"*) is a nonprofit organization operating in the state of South Carolina and organized under the South Carolina Charter School Act. The Charter School was formed in October 2008 to serve the State of South Carolina as an online public high school serving grades 9-12 that is uniquely designed to address student needs on an individual basis.

Reporting Entity: The Charter School began operations in July 2008, and signed the agreement with the South Carolina Public Charter School District ("the District") on October 15, 2008. The Charter School's charter was approved on December 15, 2008. The Charter School receives funding at local, state and federal levels and must adhere to the legal requirements of each funding entity. The Charter School operates under the direction of a four member Board of Directors and Judy Sherman, Executive Director. Provost Academy provides educational services to approximately 1,200 students during fiscal year 2011.

The financial reporting entity, as defined by GASB statement No. 14, *The Financial Reporting Entity*, and as amended by GASB statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments,* consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such the exclusion could cause the financial statements to be misleading or incomplete. As required by state law, the School is a component unit of the South Carolina Public Charter School District.

The primary entity is financially accountable if it appoints a voting majority of the organization's governing body including situations in which the voting majority consists of the primary entity's officials serving as required by law and (1) it is able to impose its will on the organization or (2) there is a potential for organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity also may be financially accountable if an organization is fiscally dependent on it even if it does not appoint a voting majority of the board. An organization is fiscally dependent on the primary entity that holds one or more of the following powers: determined its budget without another government's having the authority to approve and modify that budget, levy taxes or set rates or charges without approval by another government, and issue bonded debt without approval by another government.

Basis of Presentation: The financial statements of the Charter School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Charter School also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The statements of the Charter School are presented as follows:

Government-Wide Financial Statements – The statement of net assets and the statement of activities display information about the Charter School. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. The Charter School had no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been eliminated for the statement of activities. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not program revenues are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the Charter School's funds. The emphasis of fund financial statements is on major governmental funds each displayed in a separate column. All of the Charter School's governmental funds are reported as major funds.

The Charter School has adopted GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions* effective for reporting periods after June 15, 2010. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Charter School's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Charter School does not have any nonspendable items. In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints. Currently, the Charter School only has an unassigned fund balance in the governmental fund financial statements.

Restricted: Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed: Fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.

Assigned: Fund balances that contain self-imposed constraints of the government to be used for a particular purpose.

Unassigned: Fund balance of the general fund that is not constrained for any particular purpose.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Measurement Focus and Basis of Accounting:

Fund Accounting – The Charter School uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Charter School functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is separated as fund balance. The general fund is the Charter School's major governmental fund and is described as follows:

General Fund – The General Fund is the general operating fund of the Charter School. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. Operational expenditures for general instruction, support services, general administration and other departments of the Charter School are paid through the General Fund.

Special Revenue Fund - Special Projects Fund – The Special Revenue Projects Fund accounts for the financial transactions of the various special projects in which the Charter School participates. All special projects supported in whole or in part with federal and state resources (other than Education Improvement Act proceeds) are accounted for in this fund.

Special Revenue Fund - Education Improvement Act – The Education Improvement Act (EIA) fund accounts for the proceeds of the additional one percent sales and use tax that are restricted to expenditures of the Education Improvement Act strategies. The purpose of the EIA, in general, is to provide additional funding to schools in an effort to raise academic standards by providing for, among other functions, basic skills remediation, teacher salary increases and the modernization of equipment and instructional facilities.

Basis of Accounting – Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues are recognized when earned and expenses are recognized when they become both measurable and available.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Charter School, available means expected to be received within sixty days of fiscal year-end.

The Charter School follows GASB No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions,* to account for non-exchange revenues. Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted matching requirements, in which the Charter School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, grants, student fees and rentals. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period are also reported as deferred revenue.

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Budgets and Budgetary Accounting: The Charter School's sole adopted budget is for the general fund as approved by the Board of Directors prior to the beginning of each fiscal year. The adopted budget specifies total expenditure limits. For any expenditure exceeding total appropriations, the Charter School's Board makes supplemental budget appropriations. Budget amounts reflected in the accompanying financial statements represent the adopted budget and any revision during the fiscal year. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America and consistent with actual financial statement presentation to provide meaningful comparisons.

Cash and Cash Equivalents: The Charter School has no investments or other cash equivalents. All of the Charter School's funds are in the cash operating account.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Receivables and Payables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables, if containing a balance at the end of the fiscal year, are classified as "due from other funds" or "due to other funds" on the balance sheet. These amounts are eliminated in the governmental column of the Statement of Net Assets.

Capital Assets: Capital assets are reported in the governmental activities column of the Government-Wide Statement of Net Assets but are not reported in the fund financial statements. Capital assets are stated at cost at the date of acquisition. The Charter School capitalizes moveable personal property with a unit value in excess of $1,000. Depreciation is computed using the straight-line method over the estimated useful lives of assets, which is 48 months for computers and related equipment. Depreciation is pro-rated for the year the asset is placed in service and in the year of disposition.

Long-term Liabilities: In the government-wide financial statements long-term debt is reported as a liability. In the fund financial statements the principal reductions are recognized as expenditures.

Net Assets/Fund Balances: The Charter School's net assets in the government-wide financial statements are classified as follows:

Invested in Capital Assets, Net of Related Debt – This represents the Charter School's total investment in capital assets, net of accumulated depreciation and reduced by outstanding liabilities that are attributable to the acquisition of those assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt but rather as a restricted net asset.

Unassigned Net Assets – Unrestricted net assets consist of all other net assets not included in the above categories.

The Charter School's policy for applying expenses that can use both restricted and unrestricted resources is designated to the program administrative level. General practice is to first apply the expense to the restricted resource then to unrestricted resources.

Income Taxes: The Charter School has received a determination letter from the Internal Revenue Service (IRS) indicating it is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is subject to federal income tax only on net unrelated business income. Management has determined that the Charter School has no current obligations for unrelated business income tax. Accordingly, no provisions for federal and state income taxes are required.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Charter School and recognize a tax liability (or asset) if the Charter School has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Management has analyzed the tax position taken by the Charter School, and has concluded that as of June 30, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Charter School is subject to routine audits by taxing jurisdiction; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for tax years prior to 2007.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

A significant estimate included herein is Management's estimate that they will not recover 250 out of 572 outstanding technology kits aggregating a net book value of $207,063 at June 30, 2011.

Subsequent Events: Management performed an evaluation of subsequent events through October 28, 2011, the date in which the financial statements were available to be issued.

NOTE B -- DEPOSITS AND INVESTMENTS

Custodial Credit Risk: Custodial credit risk for deposits is that, in the event of the failure of a depository financial institution, the Charter School will not be able to recover collateral securities that are in possession of an outside party. The Charter School has no formal policy regarding custodial credit risk. The Charter School's bank balances totaling $100,906 at June 30, 2011 were fully insured by FDIC.

Credit Risk: South Carolina Statute authorizes investments in certificates of deposits, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The Charter School has no investment policy that would further restrict its choices.

Interest Rate Risk: The Charter School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE C -- ACCOUNTS RECEIVABLE

Intergovernmental receivables at June 30, 2011 consisted primarily of reimbursable expenditures. All governmental receivables are considered collectible in full due to the stable condition of State programs and the current year guarantee of federal revenue. Receivables consist of the following at June 30, 2011:

Governmental Activities	
Due from state government	
Maintenance of Effort	$ 48,184
Due from federal government	
Title I	154,649
IDEA	35,602
State Fiscal Stabilization Fund, ARRA	14,948
Total due from federal government	205,200
Total Governmental Activities	$ 253,383

NOTE D -- CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2011:

	June 30, 2010	Additions	Disposals	June 30, 2011
Capital Assets				
Computer equipment	$ 2,417,214	$ 57,426	$ (658,185)	$ 1,816,455
Less Accumulated Depreciation	(497,393)	(546,143)	224,504	(819,032)
NET INVESTMENT IN CAPITAL ASSETS	$ 1,919,821	$ (488,717)	$ (433,681)	$ 997,423

Depreciation expense for the year ended June 30, 2011 was $546,143. Of the computer equipment outstanding since June 30, 2010, 197 Technology Kits with a cumulative net book value of $226,619, are still unaccounted for. Of the computer equipment issued during the year ended June 30, 2011, management estimates that 250 Technology Kits with a cumulative net book value of $207,063, should be written off as a disposal on equipment. The remaining 322 Kits outstanding at June 30, 2011, are expected to be recovered by December 31, 2011.

NOTE E -- INTERFUND ACTIVITY

Interfund Balances: The Charter School's General Fund and Special Projects Fund have advanced money between the funds to finance operations and supplement other fund sources. The repayment terms are indefinite and are dependent upon future receipts. The advance is between governmental funds and is therefore not reflected in the Statement of Net Assets.

NOTE E -- INTERFUND ACTIVITY- Continued

The following summarizes interfund balances for the fiscal year ended June 30, 2011:

Due to/due from	Receivables	Payables
General Fund	$ 253,383	
Special Revenue Fund- Special Projects		$ 253,383
Total	$ 253,383	$ 253,383

Interfund Transfers: During the course of normal operations, the Charter School has transactions between funds to provide services, purchase assets, service debt, etc. These transactions are generally reflected as transfers.

Total transfers during the year ended June 30, 2011 consisted of the following individual fund amounts:

	Transfers In	Transfers Out
General Fund	$ 50,374	
Special Revenue Fund- Education Improvement Act		$ 50,374
Total	$ 50,374	$ 50,374

NOTE F -- OPERATING LEASE

The Charter School has an operating lease for office space. The lease contract commenced on May 1, 2009 and expires on April 30, 2014. Current year lease payments totaled $49,493. Future minimum lease payments under the operating lease in excess of one year are as follows:

Year ending June 30	
2012	$ 51,292
2013	53,278
2014	55,263
	$ 159,833

NOTE G -- RETIREMENT PLAN

South Carolina Retirement System ("SCRS")

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues a publicly available Comprehensive Annual Financial Report (CAFR), which includes financial statement and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the Retirement Division, 202 Arbor Lake Drive, Columbia, SC 29223.

Article X Section 16 of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan Employee and employer contribution rate for the South Carolina Retirement System are actuarially determined. Annual benefits payable monthly for life are based on length of service and on average final compensation.

The majority of employees of the Charter School are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group life insurance benefits to eligible employees and retirees.

Both employees and employers are required to contribute to the Plan under authority of Title 9 of the S.C. Code of Laws. Employees are required to contribute to the Plan, 6.50% of all earnings. Employers are required to contribute at the actuarially determined rate. The current rate is 9.24% of annual covered payroll plus the retiree surcharge of 3.50% for retiree health care coverage. The employer contribution and the actual percentage contributed of total covered payroll by the employer for the fiscal year is as follows:

Fiscal Year June 30	Annual Employer Contributions	Percentage Contributed for Current Year
2011	$ 97,457	100%

Effective January 1, 2001, Section 9-1 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost-of-living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits.

NOTE H -- LONG-TERM LIABILITY

The Charter School entered into a Loan agreement on August 7, 2009 with Edison Learning, Inc. in the amount of $2,208,675, to acquire 1,500 computer kits, each Kit containing various equipment, hardware products, software products, licenses, agreements and services, purchased by the lender at retail price on the Charter School's behalf. Principal amount and accrued interest is to be repaid starting December 1, 2009 and payable in 48 equal monthly installments. There is no prepayment penalty on the loan. Interest is compounded monthly at a rate of 5% per annum whichever is less.

The total amount paid for interest for the year ended June 30, 2011 was $ 83,509.

Future principal and interest payments of notes payable are as follows:

	Principal	Interest	Total
Fiscal Year 2012	$ 553,511	$ 54,327	$ 607,838
Fiscal Year 2013	146,915	5,904	152,819
Fiscal Year 2014	37,889	316	38,205
Total	$ 738,315	$ 60,547	$ 798,862

The following is a summary of transactions in long-term liabilities for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Notes Payable	$ 1,896,450	$	$ 1,158,135	$ 738,315	$ 553,511
Total Long-Term Liabilities	$ 1,896,450	$ 0	$ 1,158,135	$ 738,315	$ 553,511

Included in the reductions for the year is $599,629 of the deficit credit. A portion of the long-term note payable has been forgiven as a result of the operating losses of the Charter School. Note N further describes the deficit credit.

NOTE I -- RISK MANAGEMENT

The Charter School is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Charter School pays an annual premium to the Allied World Assurance Company, Inc. for all forms of coverage. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There were no significant reductions in coverage and there were no settlements that exceeded coverage during the year.

NOTE J -- CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Charter School expects such amounts, if any, to be immaterial.

NOTE K -- LEGAL COMPLIANCE

All schedules and exhibits are presented in the level of detail as required by the South Carolina Department of Education. Account numbers are presented on the combining fund statements and supporting schedules as required.

NOTE L -- INTERNET SERVICE PROVIDER REIMBURSEMENT

Students demonstrating a need as determined by the federal standards for free and reduced lunch are eligible to receive funds from the Charter School for internet service provider reimbursement. The Charter School's policy is families of high school students who qualify for free and reduced lunch receive $20 per month for up to 12 months. The subsidy rate is a flat rate per family, regardless of the amount of children the family has enrolled in the Charter School.

NOTE M -- SERVICE AGREEMENT WITH EDISON LEARNING, INC.

The Charter School and Edison Learning, Inc. ("Edison") and its affiliates entered into a contract in February 2009 with the agreement that Edison would provide the Charter School with the Edison curriculum, instructional tools, and other products along with administrative and technology services. Edison also agrees to assist the Charter School with the preparation and submission of reports on the Charter School's finances in addition to those financial reports required by applicable laws. The agreement remains in effect upon signature ("Effective Date") and remains in effect until June 30, 2019 ("Initial Term") unless terminated prior to that date. Following the Initial Term, the agreement automatically extends for an additional ten year period ("Renewal Term"), unless either party provides written notice by January 1st of the academic year in which the Agreement is set to expire. Edison Learning, Inc. can be contacted at: 485 Lexington Avenue, 2nd Floor, New York, New York 10017.

Termination of Contract: The contract agreement as stated above between the Charter School and Edison can be terminated for various reasons. Those grounds for termination include: breach, material reduction in qualified revenue, failure of the Charter School to pay any monetary obligations as required by the agreement, failure of the Charter School to receive accreditation from its regional accrediting agency, loss of charter or non-profit status, material reduction in performance by Edison, failure for the Charter School to approve a reasonable budget, or the event of certain changes in the charter, the customer-support agreement, customer policies, or applicable laws.

NOTE M -- SERVICE AGREEMENT WITH EDISON LEARNING, INC. – Continued

Budget: Each year Edison proposes the first draft of the annual budget for the Charter School for the upcoming term. Edison prepares the budget based on assumptions, number of students, estimated basic funding and grants, the number of administrative staff to be employed, number of teachers to be employed, and the proposed compensation for the Head of School, and for each person reporting to the Head of School. The Board of Directors for the Charter School must then approve the budget by the 30th of April every year.

Deficit Credits: As part of the agreement with Edison, the Charter School's objective is to avoid operating at a deficit. If however the Charter School does end the fiscal year in a deficit, Edison will issue "deficit credits" to cover the deficit. A typical deficit credit would reduce expenses charged from Edison and reduce the payable balance due to Edison from the Charter School. A portion of the long-term note payable was also forgiven.

The breakout of the cumulative deficit credit issued to the Charter School is as follows:

Fiscal Year June 30	Amount Deficit Credit Issued
2010	$ 2,334,519
2011	1,781,682
Total	$ 4,116,201

Payment: The Charter School pays Edison for educational products, administrative fees, and technology fees; although fees are not limited to those. The Charter School is invoiced 15.4% of qualified revenues for administrative services and $2,060 per student for technology services. Payments from qualifying revenues are made in the following order: sponsor fee, teacher salaries, program expenses (which includes curriculum, materials, books, computers e.g. educational products), administrative and technology fees, and repayment of any advances or deficit credits. However if the Charter School adopts a budget that would cause Edison to increase materially the level of services required to be provided or to materially increase the financial risk to Edison from its obligations (meaning Edison would have to issue deficit credits greater than the amount proposed), Edison may terminate the contract and the payment priority would change to: educational products payable to Edison, administrative and technology fees, repayment of any advances or deficit credits, sponsor fee, teacher salaries, and then program expenses.

Advances: In the event that the cash receipts of the Charter School available are insufficient to cover payment of the Charter School's expenses, Edison will advance to the Charter School necessary funds. The Charter School is then obligated to repay any advances when there is a surplus (though the repayment cannot exceed 90% of the surplus for the year.)

NOTE M -- SERVICE AGREEMENT WITH EDISON LEARNING, INC. – Continued

Edison charges to the Charter School before the issuance of deficit credits for the year ended June 30, 2011 were as follows:

Reimbursable operating expenses	$	2,492,232
eAcademy fee		393,037
Management fee		2,085,187
Total Charges	$	4,970,456

SUPPLEMENTAL INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
REVENUES			
1000 Revenue from Local Sources			
1900 Other revenue from local sources			
1990 Miscellaneous local revenue			
1999 Revenue from other local sources		$ 3,002	$ 3,002
Total Local Sources	$ 0	3,002	3,002
3000 Revenue from State Sources			
3100 Restricted state funding			
3120 General Education			
3129 Consolidated funding		40,336	40,336
3180 Fringe benefits employer contributions		916,596	916,596
3300 Education Finance Act (EFA)			
3310 Full-time programs			
3314 High school	4,197,324	3,269,437	(927,887)
3316 Speech handicapped (part-time)	887,672	2,242	(885,430)
3320 Part-time programs			
3321 Emotionally handicapped		43,553	43,553
3322 Educable mentally handicapped		23,292	23,292
3323 Learning disabilities		491,141	491,141
3324 Hearing handicapped		5,831	5,831
3326 Orthopedically handicapped		2,962	2,962
3330 Miscellaneous EFA programs			
3331 Autism		16,676	16,676
Total State Sources	5,084,996	4,812,066	(272,930)
TOTAL REVENUE - ALL SOURCES	$ 5,084,996	$ 4,815,068	$ (269,928)
EXPENDITURES			
100 Instruction			
110 General Instruction			
114 High school programs			
100 Salaries	678,695	606,841	71,854
200 Employee benefits	179,573	385,367	(205,794)
300 Purchased services	755,865	1,578,717	(822,852)
400 Supplies and materials	475,804	5,089	470,715
500 Capital outlay	1,297,838	1,052,910	244,928
120 Exceptional programs			
121 Educable mentally handicapped			
100 Salaries	88,000		88,000
200 Employee benefits	25,321	4,849	20,472
400 Supplies and materials	225,000	1,310	223,690
500 Capital outlay	75,000		75,000
127 Learning Disabilities			
100 Salaries		16,350	(16,350)
200 Employee benefits		16,279	(16,279)
Total Instruction	3,801,096	3,667,712	133,384
200 Support Services			
210 Pupil Services			
212 Guidance services			
100 Salaries	41,800	31,212	10,588
200 Employee benefits	15,624	17,478	(1,854)
215 Exceptional program services			
100 Salaries		126,679	(126,679)
200 Employee benefits		69,421	(69,421)
300 Purchased services		557	(557)

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL - Continued
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
EXPENDITURES, Continued			
217 Career Specialist Services			
100 Salaries	502,700		502,700
200 Employee benefits	187,717		187,717
220 Instructional staff			
221 Improvement of instruction curriculum development			
100 Salaries	88,000	87,842	158
200 Employee benefits	25,321	23,384	1,937
230 General administration			
231 Board of Education			
300 Purchased services	457,159	81,096	376,063
600 Other objects	22,715	7,289	15,426
233 School administration			
100 Salaries	240,000	214,859	25,141
200 Employee benefits	70,856	55,350	15,506
300 Purchased services	15,000	33,987	(18,987)
400 Supplies and materials	15,000	20,120	(5,120)
500 Capital outlay	17,083		17,083
250 Finance and operations			
252 Fiscal services			
600 Other objects		91,279	(91,279)
254 Operation and maintenance of plant			
300 Purchased services	62,464	117,182	(54,718)
255 Student transportation			
300 Purchased services	25,000		25,000
260 Central support services			
263 Information services			
300 Purchased services	7,500	479,141	(471,641)
264 Staff services			
300 Purchased services	18,252	28,699	(10,447)
266 Technology and data processing services			
100 Salaries	130,900	28,377	102,523
200 Employee benefits	48,026	12,785	35,241
300 Purchased services		270,309	(270,309)
270 Pupil activity			
271 Pupil service activities			
600 Other objects	25,000	313	24,687
Total Support Services	1,283,900	1,797,359	(471,659)
Total Expenditures	5,084,996	5,465,071	(338,275)
OTHER FINANCING SOURCES			
Transfers in		50,374	50,374
Total Other Financing Sources	0	50,374	50,374
SPECIAL ITEM			
Debt forgiven by deficit credit		599,629	599,629
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 0	0	$ 0
Fund balance, beginning of year		0	
FUND BALANCE, END OF YEAR		$ 0	

The accompanying notes are an integral part of these financial statements.

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

	TITLE 1	IDEA	AMERICAN RECOVERY AND REINVESTMENT ACT, IDEA	AMERICAN RECOVERY AND REINVESTMENT ACT, STATE FISCAL STABILIZATION FUND	OTHER RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
REVENUES							
3000 Revenue from State Sources							
3100 Restricted State Funding							
3110 Occupational education							
3116 EEDA miscellaneous						$ 6,000	$ 6,000
3118 EEDA career specialists						79,866	79,866
3300 Education Finance Act							
3380 Miscellaneous							
3388 Maintenance of Effort						48,184	48,184
Total State Sources	$ 0	$ 0	$ 0	$ 0	$ 0	$ 134,050	$ 134,050
4000 Revenue from Federal Sources							
4300 Elementary and Secondary Education Act of 1965 (ESEA)							
4310 Title 1, Basic State Grant Programs	$ 174,855						174,855
4320 Public charter school programs					225,000		225,000
4350 State Fiscal Stabilization Fund (ARRA)				95,112			95,112
4500 Programs for children with disabilities							
4510 Individuals with Disabilities Education Act (IDEA)		35,603					35,603
4540 American Recovery and Reinvestment Act (ARRA), IDEA			107,590				107,590
Total Federal Sources	174,855	35,603	107,590	95,112	225,000	0	638,160
Total Revenues	174,855	35,603	107,590	95,112	225,000	134,050	772,210
EXPENDITURES							
100 Instruction							
110 General Instruction							
114 High school programs							
100 Salaries	101,605			79,187		85,319	266,111
200 Employee benefits	35,462					5,860	41,322
300 Purchased services	24,913				225,000		249,913
120 Exceptional programs							
127 Learning Disabilities							
100 Salaries		21,450					21,450
180 Adult/Continuing Education Programs							
188 Parenting/Family Literacy							
100 Salaries	11,650						11,650
200 Employee benefits	1,225						1,225
Total Instruction	174,855	21,450	-	79,187	225,000	91,179	591,671
200 Support Services							
210 Pupil services							
212 Guidance services							
100 Salaries				15,925			15,925
215 Exceptional program services							
100 Salaries			86,452			40,403	126,855
200 Employee benefits			21,138				21,138
300 Purchased services		14,153				7,781	21,934
Total Support Services	0	14,153	107,590	15,925	0	48,184	185,852
Total Expenditures	174,855	35,603	107,590	95,112	225,000	139,363	777,523
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	0	0	0	0	(5,313)	(5,313)
Fund balance, Beginning of Year	0	0	0	0	0	5,313	5,313
FUND BALANCE, END OF YEAR	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
ALL PROGRAMS - SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

REVENUES			
3000 Revenue from State Sources			
3500 Education Improvement Act			
3532	National Board Certification	$	18,141
3538	Students at risk of failure		324,966
3544	High achieving students		174
3550	Teacher salary increase		41,625
3555	School employer contributions		8,749
3558	Reading		8,099
3577	Teacher supplies		4,125
	Total State Sources		405,879
EXPENDITURES			
100 Instruction			
110 General instruction			
114 High school programs			
100	Salaries		327,037
200	Employee Benefits		16,070
400	Supplies and Materials		12,398
	Total Expenditures		355,505
OTHER FINANCING SOURCES			
Transfers out			(50,374)
	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		0
Fund Balance, Beginning of Year			0
	FUND BALANCE, END OF YEAR	$	0

The accompanying notes are an integral part of these financial statements.

GOVERNMENTAL SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PROVOST ACADEMY SOUTH CAROLINA, INC
For the Year Ended June 30, 2011

Federal Grantor / Pass-through Grantor Program Title		Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Pass-Through South Carolina Department of Education				
Title 1, Part A Cluster				
Title 1, Grants to Local Educational Agencies	*	84.010	11-BJ094	$ 174,855
Special Education Cluster (IDEA)				
Special Education - Grants to States (IDEA, Part B)	*	84.027	11-CA094	35,603
Special Education - Grants to States (IDEA, Part B), Recovery Act	*	84.392	11-SC094	107,590
Public Charter Schools Program		84.282	10BI23E-03	225,000
State Fiscal Stabilization Fund	*	84.394	11-SF094	95,112
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 638,160

* Audited as major program

NOTES TO THE SCHEDULE OF FEDERAL EXPENDITURES
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

NOTE A -- BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Provost Academy South Carolina, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, ***Audits of States, Local Governments, and Non-Profits Organizations***. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Provost Academy South Carolina, Inc.
Columbia, South Carolina

We have audited the financial statements of the governmental activities, major fund, and the aggregate remaining fund information of Provost Academy South Carolina, Inc. (*"the Charter School"*) as of and for the year ended June 30, 2011, which collectively comprise the Charter School's basic financial statements and have issued our report thereon dated October 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Charter School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over financial reporting.

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

Our consideration of 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified one deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Finding 11-1 that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 11-1.

The Charter School's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Charter School's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and 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.

Columbia, South Carolina
October 28, 2011

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Provost Academy South Carolina, Inc.
Columbia, South Carolina

Compliance

We have audited Provost Academy South Carolina, Inc.'s (*"the Charter School's"*) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal programs for the year ended June 30, 2011. The Charter School's 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 the Charter School's management. Our responsibility is to express an opinion on the Charter School's compliance based on our audit.

We conducted our 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 we 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 the Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Charter School's compliance with those requirements.

In our opinion, the Charter School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs.

Internal Control Over Compliance

Management of the Charter School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Charter School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, 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.

Columbia, South Carolina
October 28, 2011

The Hobbs Group, P.A.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

Summary of Auditors' Results

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Provost Academy South Carolina, Inc.

2. One control deficiency disclosed during the audit of the basic financial statements is reported in the "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*". There are no reported material weaknesses noted.

3. There were no instances of noncompliance material to the financial statements of Provost Academy South Carolina, Inc., which would be required to be reported in accordance with *Government Auditing Standards*.

4. No significant deficiencies in internal control over major federal award programs are reported on the "Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133."

5. The auditors' report on compliance for the major federal award programs for Provost Academy South Carolina, Inc. expresses an unqualified opinion on all major programs.

6. There were no audit findings relative to the major federal award programs for Provost Academy South Carolina, Inc.

7. The programs tested as major programs included:

CFDA 84.010	Title 1, Grants to Local Educational Agencies
CFDA 84.027	Special Education – Grants to States (IDEA, Part B)
CFDA 84.392	Special Education – Grants to States (IDEA, Part B), Recovery Act
CFDA 84.394	State Fiscal Stabilization Fund

8. The threshold used for distinguishing between Type A and B programs was $300,000.

9. Provost Academy South Carolina, Inc. did not qualify as a low risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

Findings -- Financial Statement Audit

SIGNIFICANT DEFICIENCY

11-1 Failure to Withdraw Students in a Timely Manner

Condition: Several students were not withdrawn as required by the Charter School's policies and procedures.

Criteria: An appropriate set of internal control procedures should be identified and used consistently so that Provost may stay in compliance with state law.

Context: A sample of 40 students out of 1,297 was tested for proper attendance records at the 135th day of school. There were 4 deviations in which the student was not withdrawn from the School on the 10th consecutive unexcused absence as they should have been. Due to the number of deviations, auditor expanded the sample size from 40 to 60 students. We determined that 3 of those students should have been withdrawn.

Cause: Internal controls were not consistently followed in order to be able to identify and withdraw students in a timely manner.

Effect: Students could be erroneously included in attendance numbers when, in reality, they should be considered withdrawn.

Recommendation: We recommend that school officials consistently follow internal control procedures that require updating attendance records in a timelier manner. In addition, we recommend that the school review their withdrawal policies and procedures on truancy and withdrawal with staff on a quarterly basis to ensure that guidelines are consistently followed and individual cases are discussed.

Response: School officials have modified internal control procedures since June 30, 2011 to more specifically address aspects of the withdrawal and truancy policies that were previously more open to interpretation in a virtual school environment. Additionally, the school data owner position has been filled by an employee with many years of district-level data accountability experience. Last year, the school had to fill the position twice with less seasoned personnel in a year when the entire district was transitioning to a new state data system. As a result, the school believes that data errors of this sort should no longer be an issue.

Findings and Questioned Costs -- Major Federal Award Programs Audit

None

SCHEDULE OF PRIOR AUDIT FINDINGS
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

PRIOR YEAR MATERIAL WEAKNESS

Finding No. 10-1

Condition: Audit procedures revealed 278 out of 1,690 technology kits held by Provost as a fixed asset were outstanding to students that were withdrawn from the Charter School. A portion of the funds used to purchase the technology kits was received under a grant agreement (see Finding No. 10-4).

Recommendation: Provost must develop controls to assure that they are in compliance with the grant agreement so that computers and related assets are recovered from students who withdraw from the Charter School.

Current Status: Management utilized many resources to recover fixed assets. The Executive Director, Academic Advisors, Teachers, the School Secretary, Director of Instruction, and School Operations Manager contacted all families with outstanding computers in their possession. Each staff member was assigned students to contact and was required to contact these families a minimum of three times. Means of contact used were phone calls to students and parents, letters sent to home address, and emails sent to students and parents.

In addition, the school hired a new School Secretary whose key role is to lead the computer recovery process. Every day the Executive Director, School Operations Manager, and School Secretary receive a report from the computer vendor, ICP, detailing the current outstanding computers, computers recovered, and computers shipped. This report is used to follow up with families who have not returned their computer equipment. On a daily basis, the School Secretary calls families to find out the status of the computer and discuss why it has not been shipped back. She also provides pre-paid FedEx shipping labels to families via email or USPS mail. The School Operation Manager overseas the computer recovery project to ensure it is being completed in a timely manner. Upon withdrawal of students, the Academic Advisors call them to discuss the process for returning the computer and send a letter via mail to the student's home. The School Secretary is also given the list of newly withdrawn students and makes it a priority to recover the computer as history shows the chances of recovering the asset is best early on. The Director of Instruction overseas the withdrawal process and ensures the Academic Advisors are providing the School Secretary with the information she needs on the withdrawn students.

Management consulted with American Lenders, a company who specializes in recovery of assets. American Lenders proposed a fee of $275 per computer recovered. After careful consideration, Management declined to use American Lenders as it would not be a cost efficient partnership given the depreciation of the computers.

In fiscal year 2011, PASC decided to issue laptops without accessories such as a printer, router, genius tablet, and headphones. The laptops were only issued to FRL qualifying families and Special Education students and were based on availability. Management will not purchase laptops in the future and will only use its current inventory.

SCHEDULE OF PRIOR AUDIT FINDINGS
PROVOST ACADEMY SOUTH CAROLINA, INC.
For the Year Ended June 30, 2011

PRIOR YEAR SIGNIFICANT DEFICIENCIES

Finding No. 10-2

Condition: The Charter School did not utilize a central functioning accounting system during the year.

Recommendation: The Charter School should keep track of all accounting on QuickBooks Accounting Software and policies and procedures should be put in place so that transactions are recorded in a timely manner.

Current Status: The recommendation was adopted. A School Operations Manager now works with the Regional Controller of the Edison Learning, the Management Company, to ensure all revenue and expenses are accounted for. PASC utilizes QuickBooks and reconciles all bank statements monthly. The finding has been resolved.

Finding No. 10-3

Condition: Audit procedures revealed that Provost does not have adequate insurance coverage over technology equipment held as fixed assets.

Recommendation: We recommended that management meet with an insurance agent responsible for Provost's policies to review all policies and ensure adequate coverage is met.

Current Status: PASC received a quote from Alliant Insurance to cover the laptops. The coverage would have increased PASC's insurance premium by 26.8% and included a $1,000 deductible. After careful consideration, PASC decided it was not economically feasible to add the technology to the policy.

MAJOR PROGRAM FINDING

DEPARTMENT OF EDUCATION
Title 1, Part A - Grants to Local Education Agencies—CFDA No. 84.010

Finding No. 10-4

Condition: As discussed in Finding 10-1, 278 technology kits that were partially funded by Title I, Part A are currently outstanding by students no longer attending the Charter School.

Recommendation: Provost must develop controls to assure that computers and related assets are recovered from students who withdraw from the School.

Current Status: See response to Finding 10-1. There were no funds spent with federal dollars, and therefore this finding is no longer applicable for the year ended June 30, 2011.

PALMETTO STATE E-CADEMY

REPORT ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2011

PALMETTO STATE E-CADEMY
COLUMBIA, SOUTH CAROLINA

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elliott davis

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Palmetto State E-cademy
Columbia, South Carolina

We have audited the accompanying financial statements of the governmental activities and each major fund of Palmetto State E-cademy (the School), a component unit of the South Carolina Public Charter School District, as of and for the year ended June 30, 2011, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Palmetto State E-cademy as of June 30, 2011, and the respective changes in financial position, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2011, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting nor 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 our audit.

The Management's Discussion and Analysis on pages 3 through 8, and the budgetary comparison information on pages 22 through 23, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Elliott Davis LLC

Myrtle Beach, South Carolina
November 9, 2011

PALMETTO STATE E-CADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

INTRODUCTION

This narrative overview provides an analysis of the financial activities of Palmetto State E-cademy (the School) for the fiscal year ended June 30, 2011. As management of Palmetto State E-cademy, our purpose is to inform readers of the School's audited financial statements by providing an overview and analysis of the School's operations and, to present our financial position. We encourage readers to read the information presented herein in conjunction with additional information that we have furnished in the School's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

Upon approval of the School's charter in April 2008, the School started offering virtual learning to students in grades 9 through 12 through the fiscal year ended June 30, 2011. The key financial highlights for the third year of operations are as follows:

- The assets of Palmetto State E-cademy exceeded its liabilities at the close of the fiscal year by $124,745 *(net assets)*.
- The School's total net assets decreased by $269,664.
- As of the close of the current fiscal year, Palmetto State E-cademy's governmental funds reported combined ending fund balances of $60,026.
- The 2010-2011 45-day headcount was 413.
- The 2010-2011 135-day headcount was 423.
- Palmetto State E-cademy had no long-term debt as of June 30, 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Palmetto State E-cademy's basic financial statements. The School's basic financial statements consist of three components, 1) government-wide financial statements, 2) fund financial statements (General and Special Revenue), and 3) Notes to the Financial Statements. The basic financial statements present two distinct financial perspectives of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Palmetto State E-cademy. A description of these components is presented as follows:

- *Government-wide Financial Statements* - The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business. The government-wide statements provide short and long-term information about the School's financial status, as a whole. The two government-wide statements report the School's net assets and how they have changed. Net assets equal the difference between the School's total assets and total liabilities. Measuring net assets is one way to gauge the School's financial condition. The governmental activities include most of the School's basic functions such as instructional services and support services. These functions are funded almost entirely through state, county, and federal educational funds. The government-wide financial statements can be found on pages 9 and 10 of this report.

- *Fund Financial Statements* - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance (or non-compliance) with finance-related legal requirements, such as the School's budget, where and when applicable. The School only has one category of funds called governmental funds. Other categories that may exist in similar organizations are proprietary and fiduciary funds. The School has neither proprietary nor fiduciary funds. A description of governmental funds is provided as follows:

    - Governmental Funds - Governmental funds are used to account for functions reported as governmental activities in the government-wide financial statements. Most of the School's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and monies remaining at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using the modified accrual accounting method, which provides a short-term spending focus. The governmental fund financial statements assist the reader in determining whether there has been an increase or a decrease in the financial resources available to finance the School's programs. The relationship between government activities (reported in the Statement of net assets and the Statement of activities) and governmental funds is described in the reconciliation, which is an integral part of the fund financial statements.

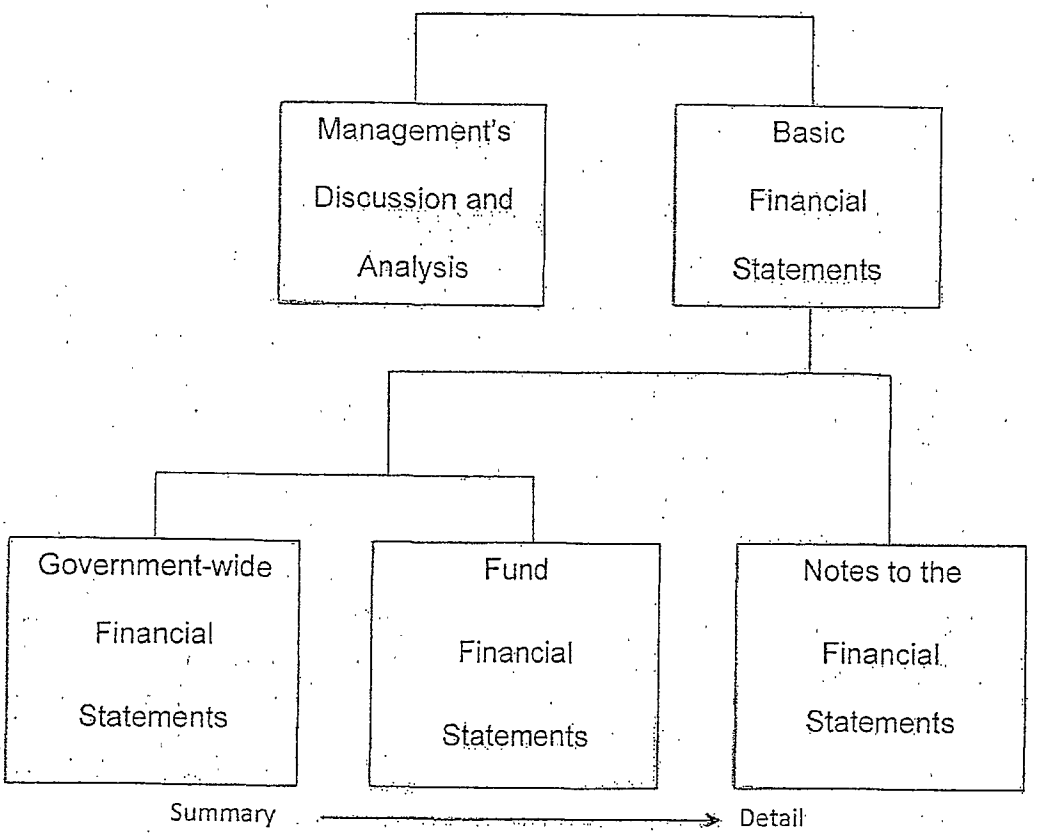
  Palmetto State E-cademy has elected to adopt an annual budget. The budget incorporates input from the faculty, management, and the Board of Directors of the School, and specifies which activities will be pursued and which services the School will provide during the year. It also authorizes the School to obtain funds from identified sources to finance current period activities. The budgetary statement demonstrates how well the School has complied with the budget and whether or not the School has succeeded in providing the services as originally planned. The general fund budgeting comparison schedule can be found on pages 22 and 23 for the general fund.

  The fund financial statements can be found on pages 11 and 12 of this report.

- *Notes to basic financial statements* - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 13 of this report and are followed by supplemental information about the School's funds and budgetary comparisons as described above.

Required Components of the Annual Financial Report

The following is a flow chart provided to illustrate the required components of the Annual Financial Report as discussed in detail above:



GOVERNMENT-WIDE FINANCIAL ANALYSIS – THE SCHOOL AS A WHOLE

As noted earlier, net assets may serve over time as one useful indicator of a school's financial condition. The assets of Palmetto State E-cademy exceeded liabilities by $124,745 as of June 30, 2011. $64,719 reflects the School's investment in capital assets (e.g. furniture and fixtures, and equipment) outstanding that was issued to acquire those items. Palmetto State E-cademy uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. The remaining balance of $60,026 is unrestricted.

The following table presents a summary of the School's net assets at June 30, 2011:

Figure 2

Palmetto State E-cademy Net Assets

	Governmental Activities 2011	Governmental Activities 2010
Current and other assets	$ 134,062	$ 465,132
Capital assets, net of depreciation	64,719	78,354
Total assets	198,781	543,486
Liabilities	74,036	149,077
Total liabilities	74,036	149,077
Investments in capital assets	64,719	78,354
Unrestricted	60,026	316,055
Total net assets	124,745	394,409
Total liabilities and net assets	$ 198,781	$ 543,486

Aspects of the School's financial operations that both positively and negatively influenced the total unrestricted governmental net assets:

- In 2010, the state of South Carolina funded schools at the lowest level in more than thirty years. The EFA payment per student was $1,630 with a proviso of $700 for all schools in the South Carolina Public Charter School District. The district requested a financial analysis of this funding level and the US Department of Education found that our district was funded at the lowest level in the nation. A "hold harmless" clause was written into the budget stating that the districts per-pupil funding could not be cut further. However, in January of 2011, the SDE cut teacher benefit funding because of PSE's 45 day student count. This cut totaled $75,000 over the remaining months of the fiscal year.

  Because the budget was already extremely tight, the PSE Board of Directors was forced to implement employee furloughs to ensure that the school remained open and finished the year without any debt. The furlough consisted of one day per pay period during the months of April, May, and June. Finally a one-week furlough during the week of the 4th of July ensured the debt free status of the school.

- Federal funding was significantly lower during this school year and consisted primarily of Title I and EIA funding.

- The School had no outstanding litigation or legal issues.

The following table shows the changes in net assets for fiscal years ended June 30, 2011:

Figure 3

Palmetto State E-cademy Changes in Net Assets

	Governmental Activities 2011	Governmental Activities 2010
Donations and other revenues	$ 867	$ 7,253
Local, state, and federal funds	1,962,793	3,047,106
Total revenues	1,963,660	3,054,359
Instruction	1,611,422	1,784,926
Support services	621,902	1,255,791
Total expenses	2,233,324	3,040,717
Increase in net assets	(269,664)	13,642
Net assets, July 1	394,409	380,767
Net assets, June 30	$ 124,745	$ 394,409

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As noted earlier, Palmetto State E-cademy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of Palmetto State E-cademy's governmental funds is to provide information on near-term inflows, outflows, and balances of usable financial resources. Such information is useful in assessing Palmetto State E-cademy's financing requirements. Specifically, unreserved fund balances can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of Palmetto State E-cademy. Unreserved fund balance of the general fund was $60,026 for the year ending June 30, 2011.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - Palmetto State E-cademy's investment in capital assets for its governmental activities as of June 30, 2011, totals $64,719 (net of accumulated depreciation). Capital assets include leasehold improvements, furniture and fixtures, and all equipment.

The following table shows the detail of the School's capital assets (net of depreciation) as of June 30, 2011:

	Governmental Activities
Leasehold improvements	$ 1,919
Equipment	29,640
Furniture and equipment	33,160
	$ 64,719

Additional information about the School's capital assets can be found in the notes to the basic financial statements.

ECONOMIC FACTORS

The following key economic and political indicators reflect the growth and prosperity of the School:

- Palmetto State E-cademy was created as Insight School of South Carolina by the Charter Formation Committee in November, 2007. In 2009, the School changed its name to Palmetto State E-cademy. It will remain a governmental agency barring any further legislation to abolish it.
- The School's purpose is to provide a virtual high school for students in South Carolina culminating with a high school diploma. The mission of the school is to provide South Carolina youth an opportunity to realize their potential in a superior online learning environment.
- Funding for the coming 2011-2012 school year is significantly higher and should allow the School to begin building a reserve for future years and growth.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the School's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Director, Palmetto State E-cademy, 115 Atrium Way, Suite 200, Columbia, South Carolina 29223, at (877) 593-9138.

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PALMETTO STATE E-CADEMY
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental activities
ASSETS	
CURRENT ASSETS	
Cash	$ 60,027
Accounts receivable	67,113
Prepaids	6,922
Total current assets	134,062
NON-CURRENT ASSETS	
Capital assets, net of accumulated depreciation	64,719
Total non-current assets	64,719
Total assets	$ 198,781
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 6,580
Accrued liabilities	67,456
Total current liabilities	74,036
Total liabilities	74,036
NET ASSETS	
Invested in capital assets	64,719
Unrestricted	60,026
Total net assets	124,745
Total liabilities and net assets	$ 198,781

The accompanying notes are an integral part of these basic financial statements.

PALMETTO STATE E-CADEMY
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2011

Functions/Programs	Expenses	Program revenues: Operating grants and contributions	Net (expense) revenues and changes in net assets: Governmental activities
Governmental activities:			
Instruction	$ 1,611,422	$ 1,962,793	$ 351,371
Support services	621,902	-	(621,902)
Total governmental activities	$ 2,233,324	$ 1,962,793	(270,531)
General revenues:			
Miscellaneous			867
Total general revenues			867
Change in net assets			(269,664)
Net assets, beginning of year			394,409
Net assets, end of year			$ 124,745

The accompanying notes are an integral part of these basic financial statements.

PALMETTO STATE E-CADEMY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Special revenue funds: Special projects	Special revenue funds: Education improvement act	Total
ASSETS				
Cash	$ 60,027	$ -	$ -	$ 60,027
Accounts receivable	67,113	-	-	67,113
Prepaids	6,922	-	-	6,922
Total assets	$ 134,062	$ -	$ -	$ 134,062
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 6,580	$ -	$ -	$ 6,580
Accrued liabilities	67,456	-	-	67,456
Total liabilities	74,036	-	-	74,036
Fund balances:				
Unassigned	60,026	-	-	60,026
Total fund balances	60,026	-	-	60,026
Total liabilities and fund balances	$ 134,062	$ -	$ -	$ 134,062
Total governmental fund balance				$ 60,026
Amounts reported for governmental activities are different because of the following:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is $96,183 and the accumulated depreciation is $31,464.				64,719
				$ 124,745

The accompanying notes are an integral part of these basic financial statements.

PALMETTO STATE E-CADEMY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2011

	General fund	Special Revenue Funds: Special projects	Special Revenue Funds: Education Improvement act	Total
REVENUES				
Local sources				
Other	$ 867	$ -	$ -	$ 867
State sources	1,579,544	-	210,796	1,790,340
Federal sources	-	172,453	-	172,453
Total revenues	1,580,411	172,453	210,796	1,963,660
EXPENDITURES				
Current				
Instruction	1,231,965	171,203	208,254	1,611,422
Support services	578,792	1,250	2,542	582,584
Capital outlay	25,683	-	-	25,683
Total expenditures	1,836,440	172,453	210,796	2,219,689
Deficit of revenues under expenditures	(256,029)	-	-	(256,029)
Net change in fund balance	(256,029)	-	-	(256,029)
FUND BALANCE, BEGINNING OF YEAR	316,055	-	-	316,055
FUND BALANCE, END OF YEAR	$ 60,026	$ -	$ -	$ 60,026
Total net change in fund balance - governmental funds				$ (256,029)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense $16,250 exceeds net capital outlays $2,615 in the period.				(13,635)
Change in net assets of governmental activities				$ (269,664)

The accompanying notes are an integral part of these basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Palmetto State E-cademy (the School) is a not-for-profit organization incorporated in the state of South Carolina and organized under the South Carolina Charter School Act. The School was initially formed in October of 2007 as Insight School of South Carolina, later changing its name to Palmetto State E-cademy in June of 2009, under which the School operates. The School's charter was approved on April 3, 2008 by the South Carolina Public Charter School District and serves 413 students from grades 9 through 12 by way of a virtual learning environment in which students are enrolled throughout the state of South Carolina and study the curriculum from their homes.

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities funds. The following is a summary of the more significant policies:

A. Reporting entity

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

As required by state law, the School is a component unit of the South Carolina Public Charter School District.

B. Basis of presentation

The statements of the School are presented as follows:

Government-wide financial statements - The statement of net assets, and the statement of activities, display information about the School as a whole, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The School's activities are governmental activities generally financed through intergovernmental revenues and other non-exchange transactions.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of presentation, continued

Government-wide financial statements, continued

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing, or draws from the general revenues of the School.

Fund financial statements - Fund financial statements report detailed information about the School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The School has no non-major funds.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are: a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

C. Measurement focus and basis of accounting

Fund accounting

The School uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain school functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may, or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is separated as fund balance. The following are the School's major governmental funds:

General fund - to account for all financial transactions not properly accounted for in another fund. The School uses this fund to account for expenditures principally for administration, instruction, pupil services, operation and maintenance of plant and related fixed charges.

(Continued)

C. Measurement focus and basis of accounting, continued

Special revenue funds - to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action. The School has two special revenue funds:

1. Special projects fund - a budgeted fund used to account for financial resources provided by federal, state, and local projects and grants.
2. The Education Improvement Act (EIA) fund - a budgeted fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source.

Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues and expenditures are recognized when they become both measurable and available.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School, available means expected to be received within sixty days of fiscal year-end

The School follows GASB No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions,* to account for non-exchange revenues. Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, tuition, grants, student fees and rentals. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period are also reported as deferred revenue.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement focus and basis of accounting, continued

Basis of accounting, continued

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

D. Assets, liabilities and equity

Cash - The School may have cash presented on the financial statements which include cash held in local financial institutions.

Prepaids - Payments made to vendors for services benefiting future periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Receivables and payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. These amounts are eliminated in the governmental activities columns of the statement of net assets.

Capital assets - Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are stated at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. The costs and accumulated depreciation of property sold or retired are removed from the accounts, and gain or losses, if any, are reflected in revenue or expenditures/expenses for the year.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives used in computing depreciation for financial reporting are as follows:

Description	Governmental Activities Estimated Lives
Leasehold improvements	15 years
Equipment	3 - 5 years
Furniture and fixtures	5 - 10 years

Accrued liabilities - All accrued liabilities are reported in the government-wide financial statements. In general, accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements, regardless of whether they will be liquidated with current resources. However, claims and judgments, and the noncurrent portion of capital leases that will be paid from governmental funds, are reported as a liability in the fund financial statements, only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, liabilities and equity, continued

Fund balances and net assets - The School has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines five classifications of governmental fund balances: nonspendable, restricted, committed, assigned and unassigned. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

For the government wide financial statements the School applies restricted resources when an expenditure is incurred for the purposes for which both restricted and unrestricted net assets are available. For the governmental funds financial statements the School applies committed, then assigned, then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets reduced by accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvement of the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the School's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The School is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof;
2. General obligations of the state of South Carolina, or any of its political units;
3. Banks and savings and loan associations to the extent they are guaranteed by the Federal Deposit Insurance Corporation (FDIC);
4. Deposits in Certificates of Deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above, held by a third party as escrow agent or custodian, or a market value not less than the amount of the Certificate of Deposit so secured, including interest;
5. The State Treasurer's Local Government Investment Pool (monitored by the State Treasurer for investments invested in government guaranteed securities in accordance with South Carolina state laws);
6. Repurchase agreements.

At June 30, 2011, the carrying amount of the School's deposits was $60,027 and the bank balance was $217,601.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS, Continued

Custodial credit risk - Custodial credit risk is the risk that the School's deposits will not be returned to it. The School has no formal policy regarding custodial credit risk. The total cash balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per bank. At June 30, 2011, the School had no cash balances on deposit with banks that exceeded the balance insured by the FDIC.

Credit risk - South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, obligations of the United States Government and government agencies unconditionally guaranteed by the United States Government. The School has no investment policy that would further restrict its choices.

Interest rate risk - The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance, July 1, 2010	Additions/ Transfers	Deletions/ Transfers	Balance, June 30, 2011
Governmental activities				
Leasehold improvements	$ 2,213	$ -	$ -	$ 2,213
Equipment	44,455	2,615	-	47,070
Furniture and fixtures	46,900	-	-	46,900
Total capital assets, being depreciated, at historical cost	93,568	2,615	-	96,183
Less accumulated depreciation				
Leasehold improvements	(147)	(147)	-	(294)
Equipment	(8,147)	(9,283)	-	(17,430)
Furniture and fixtures	(6,920)	(6,820)	-	(13,740)
Total accumulated depreciation	(15,214)	(16,250)	-	(31,464)
Governmental activities capital assets, net	$ 78,354	$ (13,635)	$ -	$ 64,719

Depreciation expense was charged to governmental functions as follows:

Support services	$ 16,250
Total depreciation expense	$ 16,250

NOTE 4 - OPERATING LEASE

The School leases its facility under an operating lease agreement with Atrium Northeast Limited Partnership. The lease expires on June 30, 2014.

Future minimum lease commitments at June 30, 2011 are as follows:

2012	$ 53,516
2013	55,114
2014	55,913
	$ 164,543

NOTE 5 - EMPLOYEE BENEFITS

Retirement plan

Substantially all School employees are members of the South Carolina Retirement System (SCRS or the System), a cost-sharing multiple-employer plan administered by the Retirement Division of the State Budget and Control Board. The System provides retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. The System issues a publicly available financial report that includes financial statements and required information for the South Carolina Retirement System. That report may be obtained by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Plan members are required to contribute 6.50% of their annual covered salary and the Charter School is required to contribute at an actuarially determined rate. The current rate is 9.24% of annual covered payroll plus the retiree surcharge of 3.90%. The School's contributions to the Plan for the years ended June 30, 2011, 2010 and 2009 were $147,676, $171,511 and $73,920, respectively.

Employees eligible for service retirement may participate in the Teacher and Employee Retention Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment, or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program July 1, 2005 or later have to contribute to the SCRS as long as they are covered under the TERI program.

Optional retirement program

Certain state employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual, fixed or variable, annuity contracts which are issued to, and become the property of, the participants. The State assumes no liability for this plan other than for payment of contributions to designated insurance companies. Employee's who enroll in ORP are eligible to change their election to SCRS, if done before the 5th anniversary of enrollment in ORP.

Under state law, contributions to the ORP are required at the same rates as for the SCRS, 9.24% plus the retiree surcharge of 3.90% from the employer in fiscal year 2011.

(Continued)

NOTE 5 - EMPLOYEE BENEFITS, Continued

Optional retirement program, continued

Some of the School's employees have elected to be covered under optional retirement plans. The School's total contribution requirements to the ORP for the year ended June 30, 2011 was $7,486 (excluding the surcharge) from the School as employer. All amounts were remitted to the Retirement Division of the State Budget and Control Board for distribution to the respective annuity policy providers. The obligation for payment of benefits resides with the insurance companies.

NOTE 6 - FUND BALANCES AND NET ASSETS

The fund balances/net assets and other credits have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

Governmental fund financial statements

Fund balances - Nonspendable - balances that by their nature are unable to be spent.

Fund balances - Restricted - balances that can only be spent for the specific purpose stipulated by constitution, external resources providers, or through enabling legislation.

Fund balances - Committed - balances that can only be used for the specific purpose determined by the School's Board of Directors.

Fund balances - Assigned - balances meant to be used for a specific purpose but don't meet the criteria as restricted or committed.

Fund balances - Unassigned - balances that are spendable amounts not contained in other classifications.

Government-wide fund financial statement

Invested in capital assets, net of related debt - represents the net cost less accumulated depreciation and outstanding debt attributable to the organization of the capital assets.

Restricted - represents net assets restricted externally by creditors, grantors, contributors or laws and regulations of other governments; or restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - represents the remainder of the School's net assets in government-wide and business-type activities.

NOTE 7 - CONTINGENCIES

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

The School is by law, a public school. The operations of the School are subject to administrative directives, rules and regulations of its federal and state funding services. Such directions and funding levels are subject to change with little notice. If the School's funding levels are significantly impacted by continued reductions in federal and state funding, it may adversely affect the School's ability to continue as a going concern.

NOTE 8 - RISK MANAGEMENT

Palmetto State E-cademy is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions. The School pays premiums to a private insurance carrier for all forms of coverage. The insurance carrier promises to pay to, or on behalf of, the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit programs limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risk. There were no significant reductions in coverage and there were no settlements that exceeded coverage during the year.

From time to time, in the ordinary course of business the school may become a defendant in various claims or lawsuits. The School's management and attorneys continually evaluate the possible effects, if any, from these claims. The School's management and attorneys have determined, based on available data, that the resolution of these matters, if necessary, are not expected to have a material adverse effect on the financial condition of the School.

PALMETTO STATE E-CADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2011

	Original and final budget	Actual	Variance from final budget
REVENUES			
1000 Revenue from local sources			
1500 Earnings on investments			
1510 Interest on investments	$ -	$ 767	$ 767
1700 Pupil activities			
1790 Other pupil activity income	-	100	100
Total local sources	-	867	867
3000 Revenue from state sources			
3100 Restricted state funding			
3129 Consolidated funding	-	14,780	14,780
3180 Fringe benefits employer contributions	351,690	293,115	(58,575)
3300 Education Finance Act (EFA)			
3310 Full-time programs			
3314 High school	1,158,360	1,271,649	113,289
Total state sources	1,510,050	1,579,544	69,494
Total revenue all sources	1,510,050	1,580,411	70,361
EXPENDITURES			
100 Instruction			
110 General instruction			
114 High school programs			
100 Salaries	712,961	885,137	(172,176)
200 Employee benefits	78,797	234,770	(155,973)
300 Purchased services	142,789	97,563	45,226
400 Supplies and materials	11,829	14,495	(2,666)
600 Other objects	2,840	-	2,840
	949,216	1,231,965	(282,749)
Total instruction	949,216	1,231,965	(282,749)
200 Support services			
220 Instructional staff services			
224 Improvement of instruction in-service and staff training			
300 Purchased services	18,500	12,320	6,180
	18,500	12,320	6,180
230 General administrative services			
231 Board of education			
318 Audit services	15,000	15,000	-
400 Supplies and materials	100	-	100
	15,100	15,000	100

(Continued)

PALMETTO STATE E-CADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2011

			Original and final budget	Actual	Variance from final budget
EXPENDITURES, Continued					
200	Support services, continued				
	233	School administration			
		100 Salaries	238,300	142,936	95,364
		200 Employee benefits	45,340	95,831	(50,491)
		300 Purchased services	303,070	183,807	119,263
		400 Supplies and materials	83,500	43,620	39,880
		500 Capital outlay	22,500	25,683	(3,183)
		600 Other objects	-	353	(353)
250	Finance and operations services		692,710	492,230	200,480
	254	Operation and maintenance of plant			
		100 Salaries	1,729	-	1,729
		300 Purchased services	33,657	23,477	10,180
		500 Capital outlay	2,500	-	2,500
		600 Other objects	56,062	61,448	(5,386)
			93,948	84,925	9,023
		Total support services	820,258	604,475	215,783
		Total expenditures	1,769,474	1,836,440	(66,966)
		Excess (deficiency) of revenues over (under) expenditures	$ (259,424)	(256,029)	$ 3,395
FUND BALANCE, BEGINNING OF THE YEAR				316,055	
FUND BALANCE, END OF THE YEAR				$ 60,026	

PALMETTO STATE E-CADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL PROJECTS FUND
For the fiscal year ended June 30, 2011

	Title I (BA Projects) (201)	IDEA (CA Projects) (203/204)	Other special revenue programs (200's/800's)	Total
REVENUES				
4000 Revenue from federal sources				
4300 Elementary and Secondary Education Act of 1965 (ESEA)				
4310 Title I basic state grant programs	$ 73,200	$ -	$ -	$ 73,200
4314 Title I school improvement grant	27,331	-	-	27,331
4325 Mathematics science partnership	-	-	1,250	1,250
4350 State fiscal stabalization fund	-	-	29,808	29,808
4500 Programs for children with disabilities				
4510 Individuals with Disabilities Education Act (IDEA)	-	16,110	-	16,110
4540 IDEA - ARRA	-	24,754	-	24,754
Total federal sources	100,531	40,864	31,058	172,453
EXPENDITURES				
100 Instruction				
110 General instruction				
114 High school programs				
100 Salaries	-	-	20,866	20,866
200 Employee benefits	-	-	8,942	8,942
300 Purchased services	100,531	40,864	-	141,395
Total instruction	100,531	40,864	29,808	171,203
200 Support services				
230 General administrative services				
233 School administration				
300 Purchased services	-	-	1,250	1,250
Total support services	-	-	1,250	1,250
Total expenditures	100,531	40,864	31,058	172,453
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
FUND BALANCE , BEGINNING OF YEAR	-	-	-	-
FUND BALANCE , END OF YEAR	$ -	$ -	$ -	$ -

PALMETTO STATE E-CADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION IMPROVEMENT ACT FUND
For the fiscal year ended June 30, 2011

	Actual
REVENUES	
3000 Revenue from state sources	
3500 Education Improvement Act (EIA)	
3530 Disabled student services	$ 1,353
3532 National Board Certification (NBC) salary supplement	25,446
3538 Students at risk of school failure	125,201
3544 High achieving students	2,542
3550 Teacher salary increase	30,365
3555 School employer contributions	6,303
3577 Teacher supplies	6,875
3588 IDEA - maintenance of effort	12,711
	210,796
EXPENDITURES	
100 Instruction	
110 General instruction	
114 High school programs	
100 Salaries	195,076
200 Employee benefits	13,178
	208,254
Total instruction	208,254
200 Support services	
220 Instructional staff services	
224 Improvement of instruction and staff training	
300 Purchased services	2,542
	2,542
Total support services	2,542
Total expenditures	210,796
Excess of revenues over expenditures	-
FUND BALANCE, BEGINNING OF THE YEAR	-
FUND BALANCE, END OF THE YEAR	$ -

PALMETTO STATE E-CADEMY
SPECIAL REVENUE FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
For the year ended June 30, 2011

Subfund	Revenue	Programs	Revenues	Expenditures	Transfers in/ (out)	Deferred revenue
None						

PALMETTO STATE E-CADEMY
EDUCATION IMPROVEMENT ACT SUMMARY SCHEDULE BY PROGRAM
For the year ended June 30, 2011

		Revenues	Expenditures	Transfers in/ (out)	Deferred revenue
3500	Education Improvement Act				
3530	Trainable and profoundly mentally disabled student services	$ 1,353	$ 1,353	$ -	$ -
3532	National Board Certification (NBC) salary supplement	25,446	25,446	-	-
3538	Students at risk of school failure	125,201	125,201	-	-
3544	High achieving students	2,542	2,542	-	-
3550	Teacher salary increase	30,365	30,365	-	-
3555	School employer contributions	6,303	6,303	-	-
3577	Teacher supplies (no carryover provision)	6,875	6,875	-	-
3588	IDEA - maintenance of effort	12,711	12,711	-	-
	Total	$ 210,796	$ 210,796	$ -	$ -

PALMETTO STATE E-CADEMY
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT
OF EDUCATION/ FEDERAL GOVERNMENT
June 30, 2011

Program	Grant or project number	Revenue code	Description	Amount due	Status of amount due
None					

elliott davis

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Palmetto State E-cademy
Columbia, South Carolina

We have audited the financial statements of Palmetto State E-cademy (the School) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal control over financial reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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 the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and other matters

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

This report is intended solely for the information and use of the Board of Directors, management, the South Carolina Department of Education and the federal and state awarding agencies and is not intended to be, and should not be, used by anyone other than those specified parties.

Elliott Davis LLC

Myrtle Beach, South Carolina
November 9, 2011

LAKE CITY COLLEGE PREPARATORY ACADEMY

REPORT ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2011

LAKE CITY COLLEGE PREPARATORY ACADEMY
LAKE CITY, SOUTH CAROLINA

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elliott davis

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Lake City College Preparatory Academy
Lake City, South Carolina

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Lake City College Preparatory Academy, (the Academy), a component unit of the South Carolina Public Charter School District, as of and for the year ended June 30, 2011, which collectively comprise the Academy's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements have been prepared assuming the Academy will continue as a going concern. As discussed in Note 2 to the financial statements, the Academy has a deficit in the unrestricted portion of its net assets and general fund fund balance. This condition raises substantial doubt about the Academy's ability to continue as a going concern. Management's plans regarding this matter are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Due to the magnitude of the potential effects on the financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainty referred to in the preceding paragraph been known, we do not express an opinion on the financial statements referred to above.

Management's Discussion and Analysis on pages 3 through 8, and the budgetary comparison information on pages 22 through 24, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information; however, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Academy's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the United States 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 individual fund financial statements and other schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Due to the magnitude of the potential effects of the uncertainty described in the third paragraph of this letter, we do not express an opinion on the individual fund financial statements and other schedules as listed in the table of contents referred to above.

Elliott Davis LLC

Myrtle Beach, South Carolina
November 29, 2011

LAKE CITY COLLEGE PREPARATORY ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

As management of Lake City College Preparatory Academy (the Academy), we offer readers of the Academy's audited financial statements this narrative overview and analysis of the financial activities of the Academy for the fiscal year ended June 30, 2011. We encourage readers to read the information presented herein in conjunction with additional information that we have furnished in the Academy's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

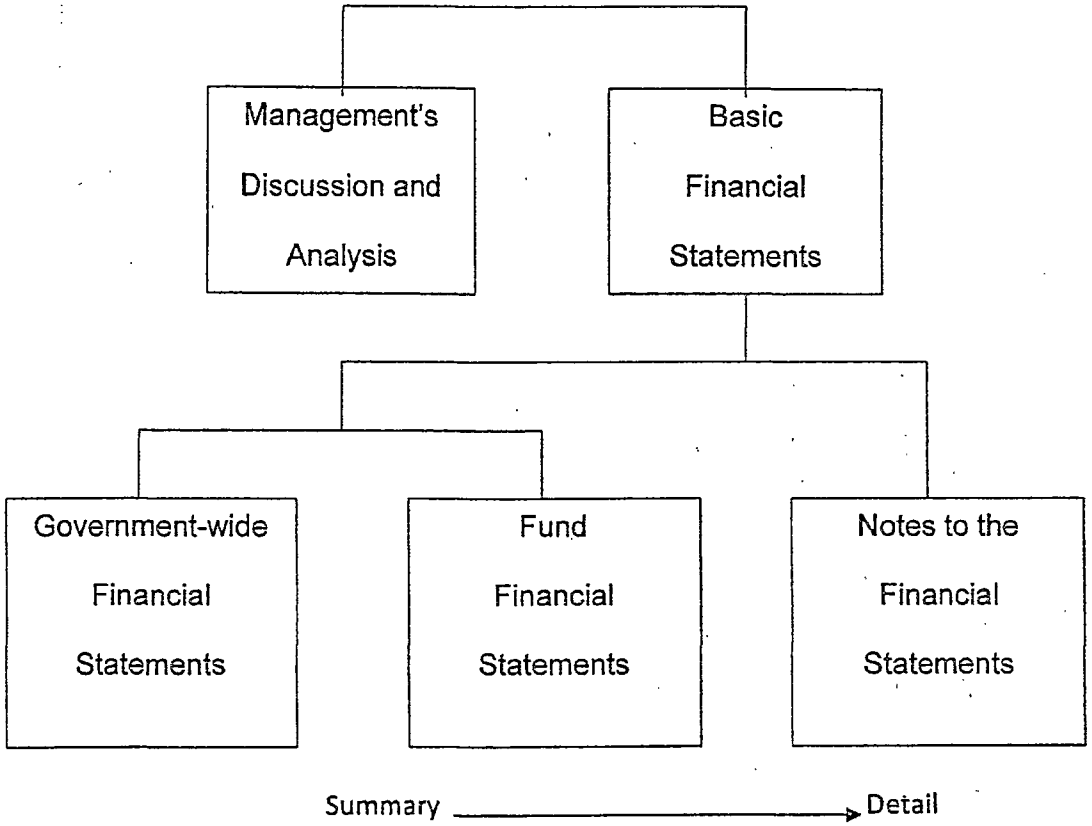
- The assets of the Academy exceeded its liabilities at the close of the fiscal year by $15,675 ***(net assets)***.
- As of the close of the current fiscal year, the Academy's governmental funds reported combined ending fund deficit of $67,860.
- The 2010-2011 45-day headcount was 209.
- The 2010-2011 135-day headcount was 182.
- The Academy had no long-term debt as of June 30, 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Academy's basic financial statements. The Academy's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two distinct financial perspectives of the Academy through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Academy.

Figure 1

Required Components of Annual Financial Report



BASIC FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the **Government-wide Financial Statements.** They provide both short and long-term information about the Academy's financial standing.

The next statements are **Fund Financial Statements.** These statements focus on the activities of the individual segments of the Academy's government. These statements are more detailed than the government-wide financial statements.

Immediately following the fund financial statements are the **Notes to the Financial Statements** (the Notes). The Notes offer a detailed explanation of the data contained in those statements. Next, **supplemental information** is provided to show details about the Academy's funds. Budgetary information for the Academy also can be found in this section of the statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide the reader with a broad overview of the Academy's finances, similar in format to the financial statements of a private-sector business. The government-wide statements provide short and long-term information about the Academy's financial status, as a whole.

The two government-wide statements report the Academy's net assets and how they have changed. Net assets equal the difference between the Academy's total assets and total liabilities. Measuring net assets is one way to gauge the Academy's financial condition.

The government-wide statements include all governmental activities. The governmental activities include most of the Academy's basic functions consisting primarily of instructional services. These functions are funded almost entirely through state, county, and federal educational funds.

The government-wide financial statements are enumerated on pages 9 and 10 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide a more detailed look at the Academy's most significant activities. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Academy uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related requirements, such as the Academy's budget, where and when applicable. All of the funds of the Academy are considered to be governmental funds.

Governmental Funds - Governmental funds are used to account for functions reported as governmental activities in the government-wide financial statements. Most of the Academy's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and monies remaining at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using the modified accrual accounting method, which provides a short-term spending focus. The governmental fund financial statements assist the reader in determining whether there has been an increase or a decrease in the financial resources available to finance the Academy's programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation, which is an integral part of the fund financial statements.

The Academy has elected to adopt an annual budget. The budget incorporates input from the faculty, management, and the Board of Directors of the Academy and specifies which activities will be pursued and which services the Academy will provide during the year. It also authorizes the Academy to obtain funds from identified sources to finance current period activities. The budgetary statement demonstrates how well the Academy has complied with its budget and whether or not the Academy has succeeded in providing the services as originally planned.

Notes to the Financial Statements - The notes provide additional information essential to facilitating a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 13 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as one useful indicator of a school's financial condition. The assets of the Academy exceeded its liabilities by $15,675, as of June 30, 2011. $83,535 reflects the Academy's investment in capital assets (e.g. equipment, vehicles, and improvements). The Academy uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. The remaining deficit of $67,860 is unrestricted.

Figure 2

Lake City College Preparatory Academy's Net Assets

	Governmental Activities	
	2011	2010
Current and other assets	$ 172,353	$ -
Capital assets, net of depreciation	83,535	-
Total assets	255,888	-
Current liabilities	240,213	-
Total liabilities	240,213	-
Net assets (deficit)		
Invested in capital assets, net of related debt	83,535	-
Unrestricted deficit	(67,860)	(717)
Total liabilities and net assets (deficit)	$ 255,888	$ (717)

Several aspects of the Academy's financial operations influenced the total unrestricted governmental net assets:

- The Academy built a budget based on 299 students and the FY-11 Annual Operating Budget was approved in June 2011 with funding using this headcount. During the months of July and August the Academy lost approximately 75 fully enrolled students through circumstances beyond its control. The revenue impact was a decrease of approximately $170,000 in Education Finance Act (EFA) funding which resulted in the Academy's operating deficit for FY 2011.

- Funding through the South Carolina Public Charter School District is one of the lowest of any district in the country.

- The Academy borrowed $30,000 under three lines of credit during the year and repaid the entire balance.

Figure 3
Lake City College Preparatory Academy's Changes in Net Assets

	Governmental Activities 2011
Donations and other revenues	$ 87,444
County, state, and federal funds	1,446,905
Total revenues	1,534,349
Instructional programs	918,113
Support services	599,844
Total expenses	1,517,957
Increase in net assets	16,392
Net deficit, July 1	(717)
Net assets, June 30	$ 15,675

FINANCIAL ANALYSIS OF THE ACADEMY'S FUNDS

As noted earlier, the Academy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Academy's governmental funds is to provide information on near-term inflows, outflows, and balances of usable financial resources. Such information is useful in assessing the Academy's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Academy. At the end of the current fiscal year, unassigned fund deficit of the General Fund was ($67,860).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The Academy's investment in capital assets for its governmental activities as of June 30, 2011, totals $83,535 (net of accumulated depreciation). Capital assets include improvements, vehicles and equipment. The major capital asset transactions during the year include the donation of two buses with a fair market value of $51,319 and the Academy's purchase of musical equipment.

Figure 4
Lake City College Preparatory Academy's Capital Assets
(net of depreciation)

	Balance July 1, 2010	Governmental Activities 2011	Balance June 30, 2011
Equipment	$ -	$ 38,748	$ 38,748
Improvements	-	2,021	2,021
Vehicles	-	42,766	42,766
Total	$ -	$ 83,535	$ 83,535

Additional information about the Academy's capital assets can be found in Note 4 of the Basic Financial Statements.

Long-term Debt - As of June 30, 2011, the Academy had no long-term debt.

ECONOMIC FACTORS

The following key economic indicators reflect the growth and prosperity of the Academy:

- The community continues to support the efforts of the Academy.
- Subsequent to year end, the Academy was able to finance portable classrooms to move out of their existing space which will decrease expenses overall.
- The State of South Carolina revised its funding of charter schools within the South Carolina Charter School District resulting in a significant increase in funding for Lake City College Preparatory Academy for fiscal year 2012.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Academy's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Principal, Dr. Delores Brown, Lake City College Preparatory Academy, 1310 N. Matthews Road, Lake City, South Carolina 29560, telephone number 843-374-0128.

LAKE CITY COLLEGE PREPARATORY ACADEMY
STATEMENT OF NET ASSETS
JUNE 30, 2011

ASSETS

	Governmental activities
CURRENT ASSETS	
Cash	$ 317
Accounts receivable	172,036
Total current assets	172,353
NON-CURRENT ASSETS	
Capital assets, net	83,535
Total non-current assets	83,535
Total assets	$ 255,888

LIABILITIES

CURRENT LIABILITIES	
Accounts payable	$ 234,114
Accrued liabilities	6,099
Total current liabilities	240,213
Total liabilities	240,213

NET ASSETS

Invested in capital assets, net of related debt	83,535
Unrestricted deficit	(67,860)
Total net assets	15,675
	$ 255,888

The accompanying notes are an integral part of these basic financial statements.

LAKE CITY COLLEGE PREPARATORY ACADEMY
STATEMENT OF ACTIVITIES
For the year ended June 30, 2011

Functions/Programs	Expenses	Program revenues: Operating grants and contributions	Net (expense) revenues and changes in net assets: Governmental activities
Governmental activities:			
Instruction	$ 918,113	$ 1,446,905	$ 528,792
Support services	599,844	-	(599,844)
Total governmental activities	**$ 1,517,957**	**$ 1,446,905**	(71,052)
General revenues:			
Miscellaneous			87,444
Total general revenues			87,444
Change in net assets			16,392
Net assets, beginning of year			(717)
Net assets, end of year			**$ 15,675**

The accompanying notes are an integral part of these basic financial statements.

LAKE CITY COLLEGE PREPARATORY ACADEMY
BALANCE SHEET -
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Funds: Special Projects	Special Revenue Funds: Education Improvement Act	Total Governmental Funds
ASSETS				
Cash	$ 317	$ -	$ -	$ 317
Accounts receivable	172,036	-	-	172,036
Total assets	$ 172,353	$ -	$ -	$ 172,353
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 234,114	$ -	$ -	$ 234,114
Accrued liabilities	6,099	-	-	6,099
Total liabilities	240,213	-	-	240,213
Fund balances:				
Unassigned	(67,860)	-	-	(67,860)
Total fund balances	(67,860)	-	-	(67,860)
Total liabilities and fund balances	$ 172,353	$ -	$ -	$ 172,353
Total governmental fund balance				$ (67,860)
Amounts reported for governmental activities in the statement of net assets are different because of the following:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is $97,830, and the accumulated depreciation is $14,295.				83,535
Net assets of governmental activities				$ 15,675

The accompanying notes are an integral part of these basic financial statements.

LAKE CITY COLLEGE PREPARATORY ACADEMY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the year ended June 30, 2011

	General Fund	Special Revenue Funds: Special Projects	Special Revenue Funds: Education Improvement Act	Total Governmental Funds
REVENUES				
Local	$ 87,444	$ -	$ -	$ 87,444
State	681,932	-	44,941	726,873
Federal	-	720,032	-	720,032
Total revenues	769,376	720,032	44,941	1,534,349
EXPENDITURES				
Current:				
Instruction	487,372	312,964	10,509	810,845
Support services	452,264	188,997	216	641,477
Capital outlay	-	149,170	-	149,170
Total expenditures	939,636	651,131	10,725	1,601,492
Excess (deficit) of revenues over (under) expenditures	(170,260)	68,901	34,216	(67,143)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	103,117	(68,901)	(34,216)	-
Total other financing sources (uses)	103,117	(68,901)	(34,216)	-
Net change in fund balances	(67,143)	-	-	(67,143)
FUND DEFICIT, BEGINNING OF YEAR	(717)	-	-	(717)
FUND DEFICIT, END OF YEAR	$ (67,860)	$ -	$ -	$ (67,860)
Total net change in fund balance - governmental funds				$ (67,143)
Amounts reported for governmental activities in the statement of activities are different because of the following:				
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays ($97,831) exceeds depreciation expense ($14,296) in the period.				83,535
Change in net assets of governmental activities				$ 16,392

The accompanying notes are an integral part of these basic financial statements.

LAKE CITY COLLEGE PREPARATORY ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake City College Preparatory Academy (the Academy) is a not-for-profit organization incorporated in the State of South Carolina and organized under the South Carolina Charter School Act. The Academy was initially formed on May 22, 2007 and began operations in July 2010. The Academy operates within the South Carolina Public Charter School District and serves approximately 200 students from kindergarten to 10th grade in Lake City, South Carolina.

The financial statements of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy does not apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its governmental activities funds. The following is a summary of the more significant policies:

A. Reporting entity

The Academy's financial statements include all funds over which the Board of Directors is considered to be financially accountable. The Academy receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. Board members have decision-making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters.

As required by state law, the Academy is a component unit of the South Carolina Public Charter School District.

B. Basis of presentation

The statements of the Academy are presented as follows:

Government-wide financial statements - The statement of net assets, and the statement of activities, display information about the Academy as a whole, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The Academy's activities are governmental activities generally financed through intergovernmental revenues and other non-exchange transactions.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of presentation, continued

Government-wide financial statements - continued

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Academy's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Academy, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Academy.

Fund financial statements - Fund financial statements report detailed information about the Academy. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The Academy has no non-major funds. Fiduciary funds, if any, are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Fiduciary funds are reported using the economic resources measurement focus.

C. Measurement focus and basis of accounting

Fund accounting

The accounts of the Academy are organized and operated on the basis of funds during the fiscal year, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts. The various funds of the Academy are all governmental in nature. The Academy has no proprietary or fiduciary funds.

Governmental funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is separated as fund balance. The following are the Academy's major governmental funds:

General fund - to account for all financial transactions not properly accounted for in another fund. The Academy uses this fund to account for expenditures principally for administration, instruction, pupil services, operation and maintenance of plant and related fixed charges.

(Continued)

C. Measurement focus and basis of accounting, continued

Governmental funds, continued

Special revenue funds - to account for the proceeds of specific revenue sources requiring separate accounting due to legal or regulatory provisions or administrative action. The Academy has two special revenue funds:

1. Special projects fund - A budgeted fund used to account for financial resources provided by federal, state, and local projects and grants;
2. The Education Improvement Act (EIA) fund, a budgeted fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source.

Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. On the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues and expenditures are recognized when they become both measurable and available.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Academy, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, tuition, grants, student fees and rentals.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. **Measurement focus and basis of accounting, continued**

Governmental funds, continued

Basis of accounting, continued

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period are also reported as deferred revenue. The Academy had no deferred revenues at June 30, 2011.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities, if any, received during the year is reported in the operating statement as an expense with a like-amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

D. **Assets, liabilities and equity**

Cash - The Academy may have cash presented on the financial statements which includes cash held in local financial institutions and certificates of deposit held in local institutions.

Receivables and payables - During the course of operations, numerous transactions occur between the Academy and vendors and revenue sources or individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables are classified as accounts receivable, accounts payable or "due from other funds" or "due to other funds" on the balance sheet. The transactions between funds are eliminated in the governmental activities columns of the statement of net assets.

Capital assets - Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are stated at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. The costs and accumulated depreciation of property sold or retired are removed from the accounts, and gain or losses, if any, are reflected in revenue or expenditures/expenses for the year. The Academy maintains a capitalization threshold of $1,000. The Academy does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extends an asset's life are expensed.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, liabilities and equity, continued

Capital assets, continued

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives used in computing depreciation for financial reporting are as follows:

Description	Governmental Activities Estimated Lives
Equipment	5 years
Improvements	5 years
Vehicles	5 years

Accrued liabilities and long-term obligations - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Those that meet the modified accrual basis of accounting are also recognized in the fund financial statements.

Fund balances and net assets - The Academy has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines five classifications of governmental fund balances: nonspendable, restricted, committed, assigned and unassigned. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

For the government wide financial statements the Academy applies restricted resources when an expenditure is incurred for the purposes for which both restricted and unrestricted net assets are available. For the governmental funds financial statements the Academy applies committed, then assigned, then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets reduced by accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvement of the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

E. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the Academy's financial position and results of operations, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 2 - GOING CONCERN

The Academy has generated a deficit in the general fund balance and a deficit in the unrestricted portion of its net assets. For 2011 - 2012 the Academy is budgeting an increase in net assets of $138,449 based on increased per pupil funding. However, the operations for data have caused the Academy to have to find short term financing for operations. This factor raises substantial doubt about the Academy's ability to continue as a going concern.

NOTE 3 - DEPOSITS

The Academy is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Banks and savings and loan associations, to the extent they are guaranteed by the Federal Deposit Insurance Corporation (FDIC);
4. Deposits in Certificates of Deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above, held by a third party as escrow agent or custodian, or a market value not less than the amount of the Certificate of Deposit so secured, including interest;
5. The State Treasurer's Local Government Investment Pool (monitored by the State Treasurer for investments invested in government guaranteed securities in accordance with South Carolina state laws.);
6. Repurchase agreements.

At June 30, 2011, the carrying amount of the Academy's deposits was $317 and the bank balance was $317.

Custodial credit risk - Custodial credit risk is the risk that the Academy's deposits will not be returned to it. The Academy has no formal policy regarding custodial credit risk. The Academy's deposits were covered by Federal Depository Insurance.

Credit risk - South Carolina statutes authorize investments in Certificates of Deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, obligations of the United States Government and government agencies unconditionally guaranteed by the United States Government. The Academy has no investment policy that would further restrict its choices.

Interest rate risk - The Academy does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Academy's investments in a single issuer. The Academy places no limit on the amount that may be invested in any one issuer.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance, July 1, 2010	Additions/ Transfers	Deletions/ Transfers	Balance, June 30, 2011
Governmental activities				
Capital assets, being depreciated, at cost				
Equipment	$ -	$ 44,036	$ -	$ 44,036
Improvements	-	2,475	-	2,475
Vehicles	-	51,319	-	51,319
Total capital assets, being depreciated, at cost	-	97,830	-	97,830
Less accumulated depreciation				
Equipment	-	5,288	-	5,288
Improvements	-	454	-	454
Vehicles	-	8,553	-	8,553
Total accumulated depreciation	-	14,295	-	14,295
Governmental activities capital assets, net	$ -	$ 83,535	$ -	$ 83,535

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 5,033
Support services	9,262
Total depreciation expense	$ 14,295

NOTE 5 - OTHER INFORMATION

Deferred compensation plans

Employees who have reached the age of 21 and work more than 20 hours per week are eligible to participate in a 403B Plan with TIAA-CREF. The Academy makes matching contributions up to 6% of employee compensation. The Academy contributed $3,049 to the Plan for the year ended June 30, 2011.

NOTE 6 - FUND BALANCE (DEFICIT) AND NET ASSETS

The fund balances/net assets and other credits have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

Governmental fund financial statements

Fund balances - Nonspendable - balances that by their nature are unable to be spent.

Fund balances - Restricted - balances that can only be spent for the specific purpose stipulated by constitution, external resources providers, or through enabling legislation.

Fund balances - Committed - balances that can only be used for the specific purpose determined by the Academy's Board of Directors.

Fund balances - Assigned - balances meant to be used for a specific purpose but don't meet the criteria as restricted or committed.

Fund balances - Unassigned - balances that are spendable amounts not contained in other classifications.

Government-wide fund financial statements

Invested in capital assets, net of related debt - represents the net cost less accumulated depreciation and outstanding debt attributable to the acquisition of the capital assets.

Restricted - represents net assets restricted externally by creditors, grantors, contributors or laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - represents the remainder of the Academy's net assets in government-wide activities.

NOTE 7 - TRANSFERS FROM AND TO OTHER FUNDS

During the course of normal operations, the Academy has transactions between funds to provide services, purchase assets, service debt, etc. These transactions are generally reflected as transfers. Total transfers during the year ended June 30, 2011 consisted of the following individual fund amounts:

	Transfers In	Transfers Out
General fund	$ 103,117	$ -
Special projects fund	-	68,901
Education Improvement Act fund	-	34,216
	$ 103,117	$ 103,117

NOTE 8 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. The Academy pays premiums to a private insurance carrier for all forms of coverage. The insurance carrier promises to pay to, or on behalf of, the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks.

NOTE 9 - COMMITMENTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Academy expects such amounts, if any, to be immaterial.

The Academy is by law, a public school. The operations of the Academy are subject to administrative directives, rules and regulations of its federal and state funding services. Such directions and funding levels are subject to change with little notice.

The Academy entered into a three year contract for bookkeeping and consulting services commencing July 1, 2010. The contract commitment for the years ended June 30, 2012 and 2013 is $34,000 and $39,000, respectively.

NOTE 10 - OPERATING LEASE

The Academy leases its facilities under lease which runs from July 1, 2011 to June 30, 2012. Annual lease payments of $60,000 are payable in equal monthly installments of $5,000. In addition to the base lease the Academy is assessed a pro rata charge for taxes and insurance.

NOTE 11 - RELATED PARTIES

The Academy purchased $3,648 of instructional books from a company owned by a member of the Board of Directors.

NOTE 12 - SUBSEQUENT EVENTS

Subsequent to year end, the Academy entered into a lease for six portable classrooms. The lease term is for 12 months, commencing on July 18, 2011, at a monthly rate of $11,898.

LAKE CITY COLLEGE PREPARATORY ACADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the year ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
REVENUES			
1000 Revenue from local sources			
1700 Pupil activities			
1790 Other pupil activity income	-	3,181	3,181
1900 Other revenue from local sources			
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	12,706	84,263	71,557
Total local sources	12,706	87,444	74,738
3000 Revenue from state sources			
3100 Restricted state funding			
3180 Fringe benefits employer contributions	146,510	145,558	(952)
3300 Education Finance Act (EFA)			
3310 Full-time programs			
3311 Kindergarten	534,603	49,522	(485,081)
3312 Primary	-	129,301	129,301
3313 Elementary	-	164,106	164,106
3314 High school	-	18,973	18,973
3315 Trainable mentally handicapped	-	4,628	4,628
3316 Speech handicapped (part-time)	-	50,953	50,953
3320 Part-time programs			
3321 Emotionally handicapped	-	23,142	23,142
3322 Educable mentally handicapped	-	6,198	6,198
3323 Learning disabilities	-	77,889	77,889
3330 Miscellaneous EFA programs			
3331 Autism	-	11,662	11,662
Total state sources	681,113	681,932	819
Total revenue all sources	693,819	769,376	75,557
EXPENDITURES			
100 Instruction			
110 General instruction			
113 Elementary programs			
100 Salaries	330,955	346,065	(15,110)
200 Employee benefits	81,051	71,384	9,667
300 Purchased services	22,500	32,733	(10,233)
300 Purchased services	6,907	-	6,907
	441,413	450,182	(8,769)
120 Exceptional programs			
127 Learning disabilities			
100 Salaries	-	30,431	(30,431)
200 Employee benefits	-	6,759	(6,759)
	-	37,190	(37,190)
Total instruction	441,413	487,372	(45,959)

(Continued)

LAKE CITY COLLEGE PREPARATORY ACADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the year ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
EXPENDITURES, CONTINUED			
200 Support services			
210 Pupil services			
212 Guidance services			
100 Salaries	18,060	14,448	3,612
200 Employee benefits	2,049	1,389	660
	20,109	15,837	4,272
213 Health services			
100 Salaries	24,761	1,220	23,541
200 Employee benefits	5,315	93	5,222
300 Purchased services	19,000	5,391	13,609
	49,076	6,704	42,372
220 Instructional staff services			
224 Improvement of instruction inservice and staff training			
300 Purchased services	2,745	8,610	(5,865)
	2,745	8,610	(5,865)
230 General administration services			
231 Board of education			
300 Purchased services	807	2,676	(1,869)
400 Supplies and materials	-	2,500	(2,500)
600 Other objects	29,391	10,966	18,425
	30,198	16,142	14,056
233 School administration			
100 Salaries	120,890	88,890	32,000
200 Employee benefits	24,873	18,906	5,967
300 Purchased services	5,300	5,981	(681)
400 Supplies and materials	7	2,490	(2,483)
	151,070	116,267	34,803
250 Finance and operations services			
252 Fiscal services			
300 Purchased services	9,333.00	7,000	2,333
600 Other objects	400	254	146
	9,733	7,254	2,479
253 Facilities acquisition and construction			
300 Purchased services	38,780	38,780	-
	38,780	38,780	-
254 Operation and maintenance of plant			
100 Salaries	20,000	20,000	-
200 Employee benefits	3,418	3,070	348
300 Purchased services	99,200	81,490	17,710
400 Supplies and materials	8,500	610	7,890
470 Energy	35,000	8,528	26,472
	166,118	113,698	52,420
255 Student transportation (state mandated)			
300 Purchased services	20,196	124,981	(104,785)
	20,196	124,981	(104,785)

(Continued)

LAKE CITY COLLEGE PREPARATORY ACADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the year ended June 30, 2011

	Original and Final Budget	Actual	Variance from Final Budget
EXPENDITURES, CONTINUED			
200 Support services			
260 Central support services			
263 Information services			
300 Purchased services	-	301	(301)
	-	301	(301)
270 Support services- pupil activity			
271 Pupil service activities	5,000	3,690	1,310
660 Supporting services pupil activity	5,000	3,690	1,310
Total support services	493,025	452,264	40,761
Total expenditures	934,438	939,636	(5,198)
OTHER FINANCING SOURCES			
Transfer from special revenue fund	-	(68,901)	(68,901)
Transfer from special revenue EIA fund	-	(34,216)	(34,216)
Total other financing sources	-	(103,117)	(103,117)
Excess of expenditures over revenues	$ (240,619)	(67,143)	$ 32,758
FUND DEFICIT, BEGINNING OF YEAR		(717)	
FUND DEFICIT, END OF YEAR		$ (67,860)	

LAKE CITY COLLEGE PREPARATORY ACADEMY
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2011

	Title I BA Projects (201/202)	IDEA CA Projects (203/204)	Other Designated Restricted State Grants (900)	Other Special Revenue Programs (200/800)	Total
REVENUES					
4000 Revenue from federal sources					
4300 Elementary & Secondary Education Act of 1965 (ESEA)					
4310 Title I, basic state grant programs	$ 297,600	$ -	$ -	$ -	$ 297,600
4320 Public charter school grant	-	-	-	250,057	250,057
4350 State fiscal stabilization fund (ARRA)	-	-	-	19,646	19,646
4500 Programs for children with disabilities					
4510 Individuals with Disabilities Education Act (IDEA)	-	21,203	-	-	21,203
4800 USDA reimbursement					
4810 School lunch and after school snacks program	-	-	-	88,000	88,000
4830 School breakfast program	-	-	-	43,526	43,526
Total federal sources	297,600	21,203	-	401,229	720,032
EXPENDITURES					
100 Instruction					
113 Elementary programs					
100 Salaries	159,837	5,500	-	15,350	180,687
200 Employee benefits	33,659	-	-	4,296	37,955
300 Purchased services	3,376	15,703	-	-	19,079
400 Supplies and materials	44,776	-	-	30,467	75,243
500 Capital outlay	55,952	-	-	88,928	144,880
	297,600	21,203	-	139,041	457,844
Total instruction	297,600	21,203	-	139,041	457,844
200 Support services					
220 Instructional staff services					
224 Improvement of instruction inservice and staff training					
300 Purchased services	-	-	-	8,908	8,908
230 General administrative services					
233 School administration					
300 Purchased services	-	-	-	231	231
400 Supplies and materials	-	-	-	5,152	5,152
500 Capital outlay	-	-	-	4,290	4,290
	-	-	-	9,673	9,673
250 Finance and operations services					
252 Fiscal services					
300 Purchased services	-	-	-	21,000	21,000
253 Facilities acquisition and construction					
300 Purchased services	-	-	-	2,600	2,600
254 Operation and maintenance of plant					
300 Purchased services	-	-	-	3,000	3,000
400 Supplies and materials	-	-	-	1,179	1,179
	-	-	-	4,179	4,179
256 Food services					
100 Salaries	-	-	-	10,932	10,932
200 Employee benefits	-	-	-	988	988
300 Purchased services	-	-	-	122,638	122,638
	-	-	-	134,558	134,558
258 Security					
300 Purchased services	-	-	-	9,294	9,294

(Continued)

LAKE CITY COLLEGE PREPARATORY ACADEMY
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2011

	Title I BA Projects (201/202)	IDEA CA Projects (203/204)	Other Designated Restricted State Grants (900)	Other Special Revenue Programs (200/800)	Total
EXPENDITURES, CONTINUED					
200 Support services, continued					
260 Central support services					
263 Information services					
300 Purchased services	-	-	-	2,355	2,355
266 Technology and data processing services					
300 Purchased services	-	-	-	720	720
Total support services	-	-	-	193,287	193,287
Total expenditures	297,600	21,203	-	332,328	651,131
OTHER FINANCING USES					
5210 Transfer to general fund	-	-	-	(68,901)	(68,901)
Total other financing uses	-	-	-	(68,901)	(68,901)
Excess (deficit) of revenues over (under) expenditures and other financing uses	-	-	-	-	-
FUND BALANCE BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCE END OF YEAR	$ -	$ -	$ -	$ -	$ -

LAKE CITY COLLEGE PREPARATORY ACADEMY
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2011

			Actual
REVENUES			
3000	Revenue from state sources		
3500	Education Improvement Act		
3511	Professional development		$ 216
3530	Trainable and profoundly mentally disabled student		206
3538	Students at risk of school failure		8,069
3540	Early childhood programs		538
3550	Teacher salary increase		3,912
3555	School employer contributions		831
3558	Reading		454
3577	Teachers supplies		3,300
3588	IDEA - maintenance of effort		27,415
	Total revenue from state sources		44,941
	Total revenue		44,941
EXPENDITURES			
100	Instruction		
110	General instruction		
113	Elementary programs		
100		Salaries	8,069
400		Supplies and materials	2,234
			10,303
120	Exceptional programs		
127	Learning disabilities		
400		Supplies and materials	206
			206
	Total instruction		10,509
200	Support services		
220	Instructional staff services		
224	Improvement of instruction Inservice and staff training		
300		Purchased services	216
			216
	Total support services		216
	Total expenditures		10,725
OTHER FINANCING USES			
5210	Transfer to general fund		(34,216)
	Total other financing uses		(34,216)
	Excess of revenues over expenditures and other financing uses		-
FUND BALANCE BEGINNING OF YEAR			-
FUND BALANCE END OF YEAR			$ -

LAKE CITY COLLEGE PREPARATORY ACADEMY
SPECIAL PROJECT FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
For the year ended June 30, 2011

Subfund	Revenue	Programs	Revenues	Expenditures	Transfers In/ (Out)	Deferred Revenue
None						

LAKE CITY COLLEGE PREPARATORY ACADEMY
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
For the year ended June 30, 2011

		Revenues	Expenditures	Transfers In/ (Out)	Deferred Revenue
3500	Education Improvement Act				
3511	Professional development	$ 216	$ 216	$ -	$ -
3530	Trainable and profoundly mentally disabled student	206	206	-	-
3538	Students at risk of school failure	8,069	8,069	-	-
3540	Early childhood program	538	538	-	-
3550	Teacher salary increase	3,912	-	(3,912)	-
3555	School employer contributions	831	-	(831)	-
3558	Reading	454	454	-	-
3577	Teachers supplies	3,300	1,242	(2,058)	-
3588	IDEA - Maintenance of effort	27,415	-	(27,415)	-
	Total	$ 44,941	$ 10,725	$ (34,216)	$ -

LAKE CITY COLLEGE PREPARATORY ACADEMY
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT

Program	Grant or project number	Revenue code	Description	Amount due	Status of Amount due
None					

LAKE CITY COLLEGE PREPARATORY ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2011

LEA Subfund Code	Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Federal Award/ Grant Number	Pass-Through Grantor's Number	Total Expenditures
	U.S. DEPARTMENT OF EDUCATION				
	Passed through SCDE:				
	Child Nutrition Cluster				
	U.S. Department of Agriculture				
600	School Breakfast Program	10.553	N/A	N/A	$ 43,526
600	School Lunch Program	10.555	N/A	11-CA27E	88,000
	Total Child Nutrition Cluster				131,526
201	Title I	84.010	N/A	11-BA094	297,600
252	Planning and Implementation	84.282B	N/A	10-BI27E	250,057
250	State Fiscal Stabilization Fund (ARRA)	84.394	N/A	11-SF094	19,646
203	Individuals with Disabilities Education Act (IDEA)	84.027	N/A	11-CA094	21,203
	Total U.S. Department of Education				588,506
	Total federal assistance expended				$ 720,032

elliott davis

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Lake City College Preparatory Academy
Lake City, South Carolina

We have audited the financial statements of Lake City College Preparatory Academy (the Academy) as of and for the year ended June 30, 2011, and have disclaimed our opinion on our report thereon dated November 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal control over financial reporting

In planning and performing our audit, we considered Lake City College Preparatory Academy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lake City College Preparatory Academy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lake City College Preparatory Academy's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and other matters

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

This report is intended solely for the information and use of the Board of Directors, management, the South Carolina Department of Education, the South Carolina Public Charter School District and the federal and state awarding agencies and is not intended to be, and should not be, used by anyone other than those specified parties.

Elliott Davis LLC

Myrtle Beach, South Carolina
November 29, 2011

elliott davis

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Lake City College Preparatory Academy
Lake City, South Carolina

Compliance

We have audited the compliance of Lake City College Preparatory Academy (the Academy) 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 June 30, 2011. The Academy's major federal programs are identified in the summary of auditors' 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 the Academy's management. Our responsibility is to express an opinion on the Academy's compliance based on our audit.

We conducted our 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 we 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 the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Academy's compliance with those requirements.

In our opinion, the Academy complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the Academy 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 our audit, we considered the Academy's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy's 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 any entity's internal control.

Our 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 over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, the South Carolina Department of Education, the South Carolina Public Charter School District and federal and state awarding agencies and is not intended to be, and should not be, used by anyone other than those specified parties.

Elliott Davis LLC

Myrtle Beach, South Carolina
November 29, 2011

LAKE CITY COLLEGE PREPARATORY ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor disclaimed an opinion on the financial statements.
2. Significant deficiencies relating to the audit of the financial statements were disclosed during the audit.
3. No material weaknesses relating to the audit of the financial statements were disclosed during the audit.
4. No instances of noncompliance related to the financial statements were disclosed during the audit.
5. No material weaknesses in internal controls over major programs were identified.
6. The report on compliance for major programs expressed an unqualified opinion.
7. All findings for which the auditor is required to report are noted herein.
8. For the year ended June 30, 2011, the following programs were considered to be major programs: State Fiscal Stabilization (CFDA 84.394), Title I (CFDA 84.010), and Child Nutrition Cluster (CFDA 10.5xx).
9. For purposes of determining major programs, a $300,000 threshold of expenditures was used.
10. The Academy was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2011 B.1 - Preparation of financial statements and accrual entries in accordance with generally accepted accounting principles.

Significant deficiency

Condition and criteria: Internal controls over financial reporting should be in place to provide reasonable assurance that financial statements are prepared in accordance with generally accepted accounting principles including adjustments for accounts receivable and accounts payable.

Effect: Because management is not trained currently in preparing financial statements or posting accrual entries in accordance with generally accepted accounting principles, a material misstatement to the Academy's financial statements could occur and not be prevented or detected by the Academy's internal controls over financial reporting.

Cause: Currently, management responsible for the accounting and reporting function is not trained to prepare the Academy's financial statements or post accrual adjustments in accordance with generally accepted accounting principles.

Auditor's recommendation: Consideration should be given to requiring management to attend or obtain additional training in this area.

Auditee's response: The Academy's management considers the risk tolerable when compared to the cost of implementing a mitigating control.

B. FINDINGS - FINANCIAL STATEMENT AUDIT (Continued)

2011 B.2 - Documentation and segregation of duties relating to disbursements via credit cards

Significant deficiency

Condition and Criteria: Internal controls over disbursements via credit cards should be in place to ensure that adequate documentation is being maintained for each disbursement made and to provide proper segregation of duties over the authorization, purchasing and check signing functions.

Effect: Because there is no proper segregation of duties related to disbursements via credit cards, there could be instances of management override of control.

Cause: Currently the principal has access to the card and is responsible for the authorization and purchasing function.

Auditor's Recommendation: Controls over cash disbursements should be improved by segregating the access, and approval function. Therefore, at a minimum, an individual outside of the purchasing function should review and approve purchases. Additionally, all disbursements should include a copy of the approved invoice, receipt or other applicable support along with the credit card statement.

Auditee's Response: Management is considering a control that requires monthly review of approved purchases by an additional member of management.

C. FINDINGS - FEDERAL AWARDS

NONE

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Lee County School Board Board of Trustees, Appellant, v. Mary L. Dinkins Higher Learning Academy, Respondent.	)	Docket No. 07-ALJ-30-0597-AP **ORDER**

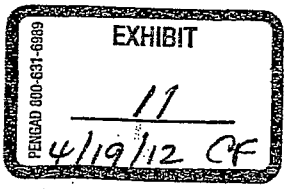
Appearances: Lee County School Board Board of Trustees: Charles J. Boykin, Esquire
Kenneth A. Davis, Esquire
Deidre D. Hill, Esquire

Mary L. Dinkins Higher Learning Academy: Kirby D. Shealy, III, Esquire
Samuel M. Mokeba, Esquire

AFFIRMED

STATEMENT OF THE CASE

This matter is before the Administrative Law Court ("ALC" or "Court") pursuant to S. C. Code Ann. §§ 59-40-10 et seq., the South Carolina Charter Schools Act of 1996 ("Act"). The Lee County School Board of Trustees ("School Board") filed an appeal with the ALC on November 29, 2007, seeking review of the State Board of Education's ("State Board") decision dated October 30, 2007. In its decision, the State Board reversed the decision of the School Board to revoke the charter of Mary L. Dinkins Higher Learning Academy ("MLD Academy"). After timely notice to the parties, a hearing was held at the ALC in Columbia, South Carolina on May 20, 2008, at which time the parties presented arguments on their respective positions. After a review of the Record on Appeal and careful consideration of the parties' arguments, the Court affirms the State Board's decision.



FACTUAL AND PROCEDURAL BACKGROUND

MLD Academy filed a charter school application ("Application") on June 1, 2004. It was denied by the School Board on July 20, 2004. MLD Academy appealed the denial to the State Board which reversed the School Board's decision. The State Board's decision effectively granted the charter to MLD Academy and required the School Board to serve as MLD Academy's sponsor. Thereafter, the School Board appealed the State Board's decision to circuit court, which affirmed the State Board's decision.[1] Subsequently, the School Board appealed to the South Carolina Court of Appeals and filed a Petition for Supersedeas with the South Carolina Supreme Court. On July 6, 2005, the Supreme Court granted certiorari.

During the pendency of the initial appeal, MLD Academy became operational and opened on September 1, 2005. Beginning September 1, 2005, the School Board began making monthly payments to MLD Academy based upon its requests. On February 1, 2006, Dr. Lloyd Hunter, Superintendent for the Lee County School District ("School District"), notified MLD Academy that the School District would evaluate its performance for the 2005-2006 school year. The School District's evaluation team conducted an evaluation on April 27, 2006; however, MLD Academy did not permit the evaluation team to observe instruction, interview core area teachers, or examine school records. Additionally, on July 27, 2006, the landlord terminated the lease on MLD Academy's facility.

On August 1, 2006, the School Board adopted a motion to initiate revocation proceedings against MLD Academy's charter because of MLD Academy's failure to employ a certified administrator with experience in school administration as required by the Application, the School District's inability to fully evaluate MLD Academy in April 2006, and the proposed lease termination.[2] However, the School Board held the revocation in abeyance pending a ruling on its appeal to the South Carolina Supreme Court regarding the Application, improvement of the conditions on which its revocation determination was based, or further action by the School Board, whichever occurred earliest. On January 29, 2007, the Supreme Court affirmed the State Board's decision which granted the charter to MLD Academy.

On February 20, 2007, less than one month after the Supreme Court's decision, Dr.

[1] Prior to the enactment of Act 387, appeals from the State Board were made to the circuit court. Act 387 of 2006 effectively changed the appeals process and made all appeals from the State Board to the ALC.

[2] The Notice of Violation and Revocation was signed on August 3, 2006.

Hunter wrote MLD Academy, offering it the opportunity to demonstrate that the issues cited in its 2006 revocation determination had been remedied. Further, the School District notified MLD Academy that it wished to complete its evaluation. On March 20, 2007, Dr. Hunter notified MLD Academy that the School District would appoint an evaluation team ("team") to evaluate MLD Academy's performance for the 2006-2007 school year and MLD Academy was given the opportunity to make recommendations for members of the team. In response, MLD Academy questioned the School District's authority to conduct an evaluation and did not recommend any members for the team. Thereafter, the School District appointed Dr. Yvonne Barnes and Titus Duren to serve as the evaluation team; neither were employees of the School District.

Prior to the on-site evaluation, Dr. Barnes met with Bonita Dinkins-Robinson, the director of MLD Academy, to discuss the evaluation tool the team would utilize. Subsequently, the team conducted an evaluation on May 16, 2007 and May 21, 2007.[3] During the evaluation, MLD Academy refused permission for the team to observe instructional delivery and methodology, interview core area teachers, and examine individual student records.

The team submitted its formal report detailing its findings to the School District on May 24, 2007. It was accepted by the School Board at a meeting on June 14, 2007. The findings noted that MLD Academy "met" 29 of the 32 areas observed, but only "partially met" the other three. After considering the report, the School Board voted on June 27, 2007 to notify MLD Academy of its intent to revoke its charter. It stated that the revocation was due to MLD Academy's failure to fully cooperate with the evaluation team and because of its poor grades on its 2006 Annual School Report Card.

After it had been notified of the School Board's revocation determination, MLD Academy requested a hearing. The School Board held a hearing on July 20, 2007, and on August 6, 2007, it revoked the charter. In its written Order ("School Board Order") dated August 7, 2007, the School Board made the revocation effective on September 1, 2007 and concluded that:

[3] The School District attempted to contact MLD Academy about dates for the 2007 evaluation beginning in March 2007. In response, MLD Academy questioned whether the School District was authorized to conduct an evaluation and noted that "the timing is bad, as it is coming at the time of PACT testing, when the school really does not have time to gather information." However, PACT testing was not scheduled to begin until May 7, 2007, approximately six weeks later, with five potential weeks within which to conduct the evaluation, excluding spring break. Subsequently, MLD Academy suggested that the evaluation take place in June 2007, after the school year had ended. The evaluation was finally conducted on May 16, 2007 and May 21, 2007, and although there was PACT testing at the school on the dates the evaluation was finally conducted, it was concluded each morning by 10:00 a.m.

(1) the Supreme Court's decision dated January 29, 2007 effectively made it the sponsor of MLD Academy;

(2) Section 59-40-110(A) provided that the School District, as sponsor of MLD Academy, must annually evaluate the conditions outlined in subsection (C) thereof in making a determination for the nonrenewal or revocation of its charter;

(3) Section 59-40-110 (C) requires that a school district revoke a charter if it determines that the school committed a material violation of the conditions, standards, or procedures provided for in its charter application or failed to meet or make reasonable progress, as defined in its application, toward pupil achievement standards identified therein;

(4) MLD Academy failed to cure several material violations remaining from the 2006 evaluation, i.e. not offering evidence of its implementation strategies, methodologies, techniques, and practices with respect to curriculum and instruction as required by its Application, which constituted a material violation of its Application;

(5) MLD Academy materially violated its Application by failing to fully cooperate with the 2007 evaluation team during its evaluation by: (a) prohibiting it from reviewing its practices and techniques with respect to its curriculum and instruction; (b) not providing it with any evidence of its implementation strategies, methodologies, techniques and practices with respect to its curriculum and instruction; and (c) refusing to allow the team to observe instruction being delivered by its teachers or to speak with its teachers in core instructional areas;

(6) MLD Academy's instruction and curriculum implementation failed to meet pupil achievement standards specified in its Application as measured by its 2006 Annual School Report Card and constituted a material violation of Section 59-40-110(C)(2);

(7) MLD Academy did not meet the adequate yearly progress established in the No Child Left Behind Act;

(8) MLD Academy, by failing to provide evidence of proper documentation of student records, or by refusing to allow the evaluation team to review the records, committed a material violation of its Application and of Section 59-40-110(C)(1); and

(9) MLD Academy's failure to demonstrate community involvement in the governance and operation of the school, or by refusing the evaluation team the opportunity to speak with parents or teachers who could verify community involvement

with school activities, constituted a material violation of Section 59-40-110(C)(1).[4]

MLD Academy appealed the School Board's Order to the State Board which held a hearing on October 10, 2007. On October 30, 2007, the State Board issued its Order ("State Board Order"), reversing the School Board's decision. On November 29, 2007, the School Board filed an appeal with the ALC.

On December 10, 2007, MLD Academy filed a Petition for Writ of Mandamus with the South Carolina Supreme Court, requesting it to exercise its original jurisdiction and order the School Board to continue providing funding to MLD Academy during the pendency of the appeal to the ALC. On December 14, 2007, the Supreme Court denied MLD Academy's Petition for Writ of Mandamus. On December 19, 2007, MLD Academy filed a Petition for Writ of Mandamus, or in the alternative, a motion for a Lift of Stay with the ALC. After conducting a telephonic hearing, this Court issued an order on December 28, 2007, which lifted the stay and ordered the School Board to continue funding MLD Academy during the pendency of this appeal.

JURISDICTION AND STANDARD OF REVIEW

S.C. Code Ann. § 59-40-110(C) provides that a sponsor must revoke a school's charter if it determines that the charter school:

> (1) committed a material violation of the conditions, standards, or procedure provided for in the charter application;
>
> (2) failed to meet or make reasonable progress, as defined in the charter application, toward pupil achievement standards identified in the charter application;
>
> (3) failed to meet generally accepted standards of fiscal management; or
>
> (4) violated any provision of law from which the charter school was specifically exempted.[5]

Section 59-40-110(A) requires the sponsor to annually evaluate the conditions outlined in

[4] The School Board explained in its order that many of these findings resulted from the evaluation team's inability to observe instruction or speak with core area teachers, have access to student records, or speak with parents and teachers who could verify community involvement with school activities.

[5] The only grounds for revocation of a charter are those contained in § 59-40-110(C). S.C. Code Ann. § 59-40-110(E).

§ 59-40-110(C) and to use those evaluation results in making a determination for nonrenewal or revocation of the charter. If a sponsor decides to revoke a charter, it must notify the charter school's governing body in writing and in reasonable detail of the grounds for the proposed termination at least sixty days prior to termination of the charter. § 59-40-110(D). A charter school's governing body may then request, in writing, a hearing before the sponsor within fourteen days of receipt of the notice of termination of the charter. § 59-40-110(F). After receipt of a timely request for a hearing by a charter school governing body, the sponsor shall conduct a hearing prior to taking final action. § 59-40-110(F). A final decision of the sponsor to revoke a charter may then be appealed to the State Board pursuant to the provisions of §§ 59-40-90 and 59-40-110(H).[6]

Appeals from a decision by a local school board must be filed with the State Board within 10 days of the school board's decision. § 59-40-90 (B); see also Reg. 43-600. Pursuant to § 59-40-90(C) and 24 S.C. Code Ann. Reg. 43-600(I)(G), the State Board must, within 45 days after receipt of the Notice of Appeal and, after reasonable public notice, conduct a public hearing to consider the appeal. Each party to the appeal is authorized to make an oral argument at the hearing addressing the issues on appeal, and the State Board may, at its discretion, allow public comments addressing the issues on appeal. Within 20 days of the public hearing, the State Board must issue a final written order. Reg. 43-600(I)(D) provides that the State Board's review will be limited to the record on appeal and that it will not consider any fact that does not appear in the record on appeal. Further, Reg. 43-600(I)(E) provides that the standard of review to be applied by the State Board in its appellate review mirrors the limited standard of review contained in the South Carolina Administrative Procedures Act ("APA"); Beaufort County Bd. of Educ. v. Lighthouse Charter School Comm., et al, 335 S.C. 230, 234, 516 S.E. 2d 655, 657 (1999); S.C. Code Ann. § 1-23-380(5) (as amended 2008).[7]

A final order by the State Board may be appealed to the ALC as provided in § 1-23-600(D) and (E) (as amended 2008). See § 59-40-90(D). The ALC has authority to review the final order of the State Board as an appeal under § 1-23-380(5), which provides for reversal only if its findings are:

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[6] Effective May 21, 2008, Act No. 239, § 4 (2008) changed the appeals process to provide that all appeals from final decisions by local school boards are made directly to the ALC.

[7] The APA was recently amended by R.413, H.3575, 117th Sess. (S.C. 2008); Act No. 334 of 2008, § 5 (effective June 16, 2008).

(a) in violation of constitutional or statutory provisions;
(b) in excess of the statutory authority of the agency;
(c) made upon unlawful procedure;
(d) clearly erroneous in view of the reliable, probative and substantial evidence on the whole record; or
(e) arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise or discretion.

In applying this scope of review, the reviewing court may not substitute its judgment for that of the agency as to the weight of the evidence on questions of fact, but may reverse where the decision is affected by an error of law. Liberty Mutual Ins. Co. v. S.C. Second Injury Fund, 363 S.C. 612, 611 S.E.2d 297 (Ct. App. 2005). This Court reviews the findings of the School Board to determine if its findings of fact or conclusions of law are based on substantial evidence contained in the whole record. The South Carolina Supreme Court in Porter v. South Carolina Public Service Commission, 333 S.C. 12, 20-21, 507 S.E.2d 328, 332 (1998) defined the substantial evidence standard of review:

> Substantial evidence is relevant evidence that, considering the record as a whole, a reasonable mind would accept to support an administrative agency's action. Substantial evidence exists when, if the case were presented to a jury, the court would refuse to direct a verdict because the evidence raises questions of fact for the jury. It is more than a mere scintilla of evidence, but is something less than the weight of the evidence. Furthermore, the possibility of drawing two inconsistent conclusions from the evidence does not prevent a court from concluding that substantial evidence supports an administrative agency's finding.

The Supreme Court found "[t]his deferential standard of review does not mean, however, the Court will accept an administrative agency's decision at face value without requiring the agency to explain its reasoning." Id. at 21, 507 S.E.2d at 332. Further, the agency "must fully document its findings of fact and base its decision on reliable, probative, and substantial evidence on the whole record." Id. "An administrative body must make findings, which are sufficiently detailed to enable this Court to determine whether the findings are supported by the evidence and whether the law has been applied properly to those findings." Id. And if "material facts are in dispute, the administrative body must make specific, express findings of fact." Id.

DISCUSSION

Appellant raises the following issues on appeal:

1. Whether the State Board erred in finding that the School Board's decision was not supported by substantial evidence when the record included admissions that MLD

Academy failed to meet its specified academic performance standards and failed to cooperate fully with the statutory annual evaluation?

2. Whether the State Board erred by substituting its judgment for that of the School Board in ignoring the School Board's reliance on specific findings from the evaluation team?

3. Whether the State Board erred in substituting its judgment for that of the School Board by concluding that MLD Academy's failure to cooperate with the evaluation of its instructional delivery was not a material breach of the terms of the school's charter application?

4. Whether the State Board erred in reversing the School Board's decision by concluding that MLD Academy's failure to provide student records was not a material breach of the terms of the school's charter application?

5. Whether the State Board erred in reversing the School Board's decision by concluding that MLD Academy's refusal to provide access to student records was immaterial because most of the information listed under VI(A) of the School Board's Monitoring Tool is information that is uploaded in SASI and maintained on the School District level?

6. Whether the State Board erred in reversing the decision of the School Board in finding that there was adequate support from parents in the community, when no surveys were returned by any parents to the State Board?

7. Whether the State Board erred in reversing the School Board's decision after MLD Academy failed to meet the instructional standard specified in its application for a charter school?

Instructional Delivery

In its Order, the School Board found that MLD Academy materially violated the Application because it did not fully cooperate with the School Board's 2007 annual evaluation of instructional delivery and offered no evidence of its "implementation strategies, methodologies, techniques and practices with respect to curriculum and instruction as required by the charter school application." (R. at 192). In addition, it found that MLD Academy failed to fully cooperate with the 2006 annual evaluation of instructional delivery.[8] The State Board reversed

[8] The specific grounds for revocation in 2006, as stated in Finding of Fact #13 in the School Board's Order and in a letter from Dr. Hunter to MLD Academy dated February 20, 2007, were: (1) failure to employ a certified administrator who had experience in school administration; (2) failure to cooperate with the evaluation team, i.e. offering no evidence that it had complied with student enrollment procedures, student discipline procedures, student records, and employee evaluations, as well as offering no evidence of its implementation strategies, methodologies,

this finding, concluding that MLD Academy's failure to fully cooperate with an annual evaluation by itself is not among the specifically enumerated statutory reasons to justify revocation of a school's charter. In addition, the State Board found there was not substantial evidence in the record to support the conclusion reached by the School Board that MLD Academy materially violated its application.

There were lengthy communications between the parties concerning the 2007 revocation.[9] In addition, MLD Academy responded to each concern about the 2006 revocation[10] and invited Dr. Hunter to visit with its Board of Trustees and attend a parent meeting, which he subsequently refused to attend. Notwithstanding all the communications in both 2006 and 2007, the School District selected a team to conduct an on-site evaluation of MLD Academy in 2007, and although MLD Academy had concerns about the legality of the on-site visit, it cooperated with the team and made available for its review many of its records.

On appeal to this Court, the School Board asserts there is substantial evidence in the record to support its finding that MLD Academy's failure to fully cooperate with the team's annual evaluation of instructional delivery constituted a material violation of the Application. It asserts that the State Board erred in reversing that finding and that the State Board substituted its judgment for the School Board in determining that MLD Academy's failure to cooperate with the evaluation, by itself, was not a sufficient ground of revocation pursuant to § 59-40-110(C).

Section 59-40-110(A) provides that "[t]he sponsor annually shall evaluate the conditions outlined in subsection (C). The annual evaluation results must be used in making a determination for nonrenewal or revocation."[11] Further, Section 59-40-110(C)(1) provides that a charter must be revoked or not renewed by the sponsor if the sponsor determines that the charter school "committed a material violation of the conditions, standards, or procedures provided for in the

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techniques and practices with respect to curriculum and instruction; and (3) failing to secure an alternate facility. (R. at 188, 260-261).

[9] When the second evaluation was performed in 2007, several of the concerns held over from 2006 had been resolved. The evaluation report provided that MLD Academy had hired a certified administrator and had secured a facility that would enhance its ability to meet the needs of its students. According to the School Board's Order, other concerns had been resolved as well, except the issue of the "failure to cooperate."

[10] See Letter dated July 7, 2006. (R. at 270-316).

[11] To ensure compliance with the Act, the General Assembly clearly mandated that charter schools be evaluated annually by their sponsors. However, it is noteworthy that although it was specific in providing that a charter school must report at least annually to its sponsor all information required by the sponsor, the General Assembly did not specifically provide for on-site inspections. No statute or regulation specifically requires an on-site evaluation; neither does the instant Application. Therefore, it is unclear whether a charter school is subject to an on-site evaluation.

charter application."

Section 59-40-110(C) specifically defines the grounds for which a charter can be revoked. The failure to cooperate with an evaluation is not listed as a specific ground in subsection (C) and a School Board cannot revoke a charter based solely upon a lack of cooperation by the charter school. However, the School Board asserts that it did not rely solely on MLD Academy's failure to cooperate as the reason for revoking the charter. Rather, it argues that because the Act permitted evaluations and MLD Academy contracted to "report at least annually to its sponsor...all information required by the sponsor," MLD Academy's failure to cooperate fully in the annual evaluation of instructional delivery and its failure to provide all requested information together constituted a material violation of the conditions, standards or procedures provided for in the Application. (R. at 655); see § 59-40-140(H). Also, the School Board determined that MLD Academy's actions or inactions constituted a material violation of the Application because it failed to fully cooperate with evaluations of its instructional delivery for two consecutive years (evaluations during the 2005-2006 and the 2006-2007 school years).[12]

Since the Application constitutes a contract between MLD Academy and the School District,[13] it must be read in conjunction with Sections 59-40-110 and 59-40-140 (H). Item N of the Statement of Assurances in the Application provides that MLD Academy will report at least annually to its sponsor, i.e. the School Board, and to the Department of Education "all information required by the sponsor and by the Department, including, at a minimum, the number of students enrolled in the charter school, the success of students in achieving the specific educational goals for which the charter school was established, and the identity and certification status of the teaching staff." [14] (R. at 655) (emphasis added). Therefore, to be in compliance with § 59-40-140(H) and Item N, the school only need report these three pieces of information. Notwithstanding, as stated by the State Board in its order, the failure to cooperate with an evaluation team and process can certainly have a negative impact on the evaluation results. Further, a failure to provide the team with on-site access to requested information can result in the evaluation team determining that the school did not meet the requirements of its contract.

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[12] In its Order of Revocation, the Board noted that although MLD Academy had corrected most of the deficiencies noted during the 2006 evaluation, MLD Academy's failure to cooperate was a serious violation of the charter application that had not been corrected.

[13] See § 59-40-60(F).

[14] Item N in the Statement of Assurances mirrors Section 59-40-140(H).

The School Board conducted an evaluation of MLD Academy in 2007. Prior to conducting the evaluation in 2007, the evaluation team informed MLD Academy of the thirty-two (32) criteria/standards it would be evaluating. For each criterion identified, the team determined whether there was evidence that MLD "met" or "partially met" the criterion or whether evidence of that criterion was "absent" in their review. The team addressed each criterion separately in its evaluation report and found that MLD Academy "met" twenty-nine (29) of the criteria and "partially met" three (3) others; however, the team did not conclude that there was an absolute absence of any of the criteria.[15] Notwithstanding, in its order the School Board found that the three (3) criteria MLD Academy "partially met" constituted sufficient grounds for revocation of the charter.

One of the criteria the team found that MLD Academy "partially met" was Standard II(A). For this criterion, the team evaluated whether MLD Academy's "educational program and instructional methodology are consistent with the approved charter application." In its report, the team commented as follows:

> Resources and excellent instructional materials were available for review; however, the team was unable to observe instruction being delivered, or have an opportunity to speak with teachers of core instructional areas. Instructional methodology was not observable. The team could not therefore substantiate the following charter school program reference: "The program offered school-wide, progressive, holistic education, child-centered, small class size, and small school size." Based on enrollment numbers the teams surmised that the small school and class size components were feasible. (Methodology could not be reviewed.)

(R. at 209).

The School Board asserts that because MLD Academy refused to allow observation of instructional delivery, the team was unable to determine whether the students at MLD Academy were receiving a quality education, were achieving the specific educational goals for which the school was established, and whether the teachers were providing instruction to students based on the South Carolina Academic Standards for all subjects. However, the team was provided access to MLD Academy's curriculum materials and found them to be excellent. Further, the team did not find an absolute absence of evidence for Standard II.A. in their review. Therefore, a review

[15] The criteria are broken down in 13 subheadings: I. Personnel, II. Curriculum and Instruction, III. Enrollment Procedures, IV. School Calendar and Student Attendance, V. Student Discipline Procedures, VI. Student Records, VII. Health, Safety, Civil Rights, and Disability Rights, VIII. Transportation, IX. Financial Audit, X. Insurance, XI. Governance, XII. Employee Evaluation and XIII. Grievance and Termination Procedures.

of the record does not support the School Board's determination that MLD Academy failed to provide evidence of its "implementation strategies, methodologies, techniques and practices with respect to curriculum and instruction as required by the charter school application." (R. at 192).

Accordingly, I find that there is not substantial evidence in the record to support the School Board's determination that MLD materially violated its charter school application by failing to allow observation of instructional delivery. MLD Academy attempted to comply with all requests for information made by the School Board and permitted on-site evaluations in both 2006 and 2007. Furthermore, MLD Academy provided the team with the success of its students in achieving the specific educational goals for which the school was established, thereby meeting the requirements of Item N of the Statement of Assurances and Section 59-40-140(H). Moreover, the refusal by MLD Academy to allow the evaluation team to sit in its classrooms and observe instruction, which is not required by any of the applicable statutes, regulations or the Application, does not amount to a material violation of the Application. Therefore, the State Board's determination on this issue is affirmed.

Pupil Achievement Standards and the Annual Report Card

The School Board asserts that there is substantial evidence in the record to support its determination that MLD Academy materially violated the Application in that its instruction and curriculum implementation failed to meet pupil achievement standards specified in the Application as measured by its 2006 Annual School Report Card[16] and it did not meet the adequate yearly progress ("AYP") established in the No Child Left Behind Act of 2001 ("NCLB"), 20 U.S.C.A. § 6301, et seq. Further, it asserts that the State Board, in reversing this finding, erred in substituting its judgment for that of the School Board because it ignored the School Board's reliance on specific findings from the 2006 Annual Report Card.

Section 59-40-110(C)(2) provides that a charter must be revoked or not renewed by the sponsor if the sponsor determines that the charter school "failed to meet or make reasonable progress, as defined in the charter application, toward pupil achievement standards identified in the charter application." In the Application, MLD Academy stated that it expected its students'

[16] On its Annual Report Card issued for the 2006 school year, MLD Academy received "Unsatisfactory" scores in its "Absolute Rating" and "Improvement Rating." Further, the Report Card stated that they did not meet adequate yearly progress. (R. at 327-333). Based upon this report card, the School Board determined that MLD Academy materially violated its charter because its "instruction and curriculum implementation failed to meet pupil achievement standards specified in the charter school application."

yearly progress would meet the AYP established in NCLB[17] and agreed to use as an indicator of student achievement those testing models utilized by the District, which were primarily PACT. However, MLD Academy qualified that assertion by stating that it would "adhere to all federal guidelines with regard to the amount of time that schools have in order for students to be performing at the required grade level." (R. at 637). In fact, NCLB does not require that all students reach proficiency until 2013-2014. 20 U.S.C.A. § 6311(b)(2)(F).

In its Order, the State Board noted that although MLD Academy did not meet AYP, as evidenced by its 2006 Report card, it did meet seven of the thirteen objectives that applied to it. Further, it commented that it is unreasonable to expect every school to reach AYP in its first year because it takes time for students to reach the goals of NCLB. Additionally, it noted that under the federal guidelines regarding Title I schools and AYP, there is no legal implication for those schools not meeting AYP for one year because a school must fail to make AYP for two consecutive years before becoming "newly identified."[18] (R. at 16). Therefore, in its order the State Board found it unreasonable to use the first year's report card rating as a trigger for revocation. It remarked that such rating should be used as the "base" from which improvement and failure can be determined and that an "[a]nalysis of subsequent year's report cards will allow a clearer view of how that school is performing." (R. at 16).

Additionally, the State Board noted that a charter school's application contains timelines for meeting long-term performance goals and the requirements of NCLB. Furthermore, at the time of the Application, MLD Academy anticipated that there would be children in need of assistance and that it would take time for the students to be assisted sufficiently to reach a point of proficiency, or the federal standard. In fact, in its Application MLD Academy stated that it "aim[ed] to provide a net for those students who have previously or are in danger of falling behind," and that it would provide tutoring during lunch and after school, extra assignments, and computer-based instruction to assist students who performed below acceptable levels of proficiency on PACT. (R. at 637).

It is apparent to this Court that the State Board read the record carefully and noted the

[17] NCLB provides that each state plan shall demonstrate what constitutes adequate yearly progress of the state and of all public elementary schools toward enabling all public elementary and secondary school students to meet the state's student academic achievement standards. 20 U.S.C.A. § 6311(b)(2)(B). South Carolina determines adequate yearly progress through established, annual measurable objectives. The annual measurable objectives are evaluated each school year and each school receives a South Carolina Annual School Report Card.

[18] The Court takes note, as did the State Board, that MLD Academy is not a Title I school. However, it finds these guidelines are helpful in analyzing the arguments presented with regard to AYP as established in NCLB.

many difficulties, struggles and problems the parties had working with each other. The creation of the charter school would take funds away from School District which it could use in its public schools, and there is a history of litigation involving the parties, including the issue of the grant of the original charter which was ultimately decided by the South Carolina Supreme Court. This court has reviewed the record carefully and also is aware of the funding issues MLD Academy had to overcome. Therefore, the Court finds that the State Board correctly addressed this issue and adopts its analysis. The School Board misapplied § 59-40-110(C) which amounted to an error of law, as Section 59-40-110(C)(2) does not require a charter school to meet its stated pupil achievement standards, only that "reasonable progress" be made. Accordingly, the decision of the State Board with regard to this issue is affirmed.

Access to Student Records

With regard to access to student records, the School Board argues that there is substantial evidence in the record to support its determination that the refusal by MLD Academy to provide access to student records during the 2006 and 2007 annual evaluations constituted a material violation of the Application, and that the State Board erred in reversing that finding. Further, the School Board argues that the State Board erred in concluding that MLD Academy's refusal to provide access to student records was immaterial because most of the information listed under VI(A) of the School Board's Monitoring Tool is information that is uploaded in SASI and maintained on the District level. Expressly, in its order, the School Board found that because MLD Academy did not allow the evaluation team access to student records in 2006 or 2007, it failed to provide evidence that its student records contained appropriate documentation and that this amounted to a material breach of its Application.

As stated earlier herein, the failure to cooperate with the evaluation team and process can certainly have a negative impact on the evaluation results. Likewise, the failure to provide the team with access to information can result in the team determining that the school does not meet the requirements of its contract. However, the failure to cooperate with the evaluation team, by itself, is not specific grounds for revocation.

As previously noted, Item N of the Statement of Assurances in the Application states that MLD Academy will report at least annually to its sponsor, "all information required by the sponsor... including at a minimum...the success of students in achieving the specific educational

goals for which the charter school was established." (R. at 655). Prior to conducting its evaluation in 2006 and 2007, the School Board notified MLD Academy that it would be reviewing student records to ensure that they contained certain required documentation. Specifically, the team evaluated whether "[e]ach permanent record contains appropriate documentation of the following: academic placement, grades, and credits; standardized test scores; attendance; required immunizations; and emergency contact information." (R. at 214). In its 2007 report, the team found that MLD Academy "partially met" this criterion and included the following narrative:

> Based on a review of the information provided, the program appears to be implementing the required guidelines and keeping appropriate records. The team could not, however, indicate that each permanent record contained the appropriate documentation because it did not have access to the records (even to select randomly) for review. A folder was pulled for the team to review. That folder did contain the required information. The team felt that under "[Family Educational Rights and Privacy Act]" in its position as Officials for audit or evaluation purposes it should have had access to the records. (Cumulative Folders).

(R. at 214).

The team was allowed to review one folder and found that it contained all necessary documentation. However, it was not allowed to review any other student folders, even at random, to determine that the majority of MLD Academy's student records contained the appropriate documentation. MLD Academy asserted that it was prohibited from allowing the team to review student records without parental permission pursuant to the Family Educational Rights and Privacy Act ("FERPA").

FERPA provides, in pertinent part:

> No funds shall be made available under any applicable program to any educational agency or institution which has a policy or practice of permitting the release of education records...of students without the written consent of their parents to any individual, agency, or organization, other than the following – (A) other school officials...who have been determined by such agency or institution to have legitimate educational interests, including the educational interests of the child for whom consent would otherwise be required.

20 U.S.C.A. § 1232g(b)(1)(A). MLD Academy asserts that because the members of the team were not employees of the Lee County School District, but those of other school districts, they were not "other school officials" within the meaning of FERPA. Further, MLD Academy asserted that it did not receive any notice of an advance determination from the School Board

that the team had legitimate educational interests in MLD Academy's student records. The State Board declined to rule on the interpretation of FERPA, and the Court finds it unnecessary to address this issue. As the State Board correctly found in its order, the issue is whether the failure to provide access to those records and the resultant finding by the team that the standard was "partially met," is ground for revocation of the charter. (R. at 12). The team was given access to one student record and found that it contained all necessary documentation. In addition, folders containing Individualized Education Plans were made available and the team found that MLD Academy "met" Standard VI(B), with regard to student records containing Individualized Education Plans and/or 504 Plans. (R. at 214). Furthermore, the majority of the student information the team sought to review under Standard VI(A) is maintained in SASI so it can be uploaded and maintained at the District level.

Accordingly, the Court finds that there is not substantial evidence in the record to support the School Board's determination with regard to student records. Furthermore, a failure by MLD Academy to provide student records to the team to evaluate when they were available to the School District at its office is not a material violation of the Application and MLD Academy's contract with the School District. Therefore, the ruling by the State Board on this issue is affirmed.

Parental and Community Involvement

The School Board argues that there is substantial evidence in the record to support its determination that MLD Academy materially breached the terms of the Application by failing to demonstrate community involvement in the governance and operation of the school, and that the State Board erred in reversing that finding. The School Board based its decision in part upon the fact that the evaluation team was unable to speak with parents or teachers who could verify community involvement with school activities and the fact that none of the evaluation surveys provided to students, teachers and parents as part of the Annual School Report Card process were returned.

In its Application, MLD Academy included a section on "family involvement" which states that it "expect[s] parental involvement and will work with parents.... At a minimum, we expect parents to be involved with their child's daily and weekly homework assignments" and to be "involved as volunteers at all levels: in the classroom, on the Parent/Teacher/Student Council, on all-school committees, and on the Board of Directors." (R. at 641). Additionally, MLD

Academy's Application provides that it "will expect parents and community members to be active[ly] involved in all aspects of the school life." (R. at 623). MLD Academy also had an "Open Door Policy" which invited parents to be active participants in the school. (R. at 959).

In its Order, the State Board concluded that "[t]he fact that the evaluation team did not speak to parents and teachers, alone, is not under any reasonable reading of the charter school law valid ground for revocation of a charter." (R. at 12). I agree. Although the team did not speak to parents and teachers, MLD Academy had invited school district officials and its superintendent to a parent meeting on March 22, 2007. Additionally, the record shows that the team did evaluate whether "[p]arental, professional educator, and community involvement in the governance and operation of the school is consistent with the approved charter application" and found that MLD Academy "partially met" this criteria. (R. at 217). In its report, the team found that documentation was provided which showed that the board's make-up consisted of the categories identified. Further, other information was included in the record which evidenced parental and community involvement, including the agendas and attendance sheets of participation by parents at parents meetings, parent surveys, community meetings, author's teas, Mornings with Moms announcements, and open houses.

Therefore, I find that there is not substantial evidence in the record to support the School Board's conclusion that MLD materially violated its charter school application by failing to demonstrate parental and community involvement in the operation and governance of the school. Accordingly, the State Board's determination on this issue is affirmed.

ORDER

Based upon the foregoing, it is hereby

ORDERED that the State Board's Order dated October 30, 2007 is affirmed.

AND IT IS SO ORDERED.

Marvin F. Kittrell
Chief Judge

August __, 2008
Columbia, South Carolina

MLD HIGHER LEARNING ACADEMY

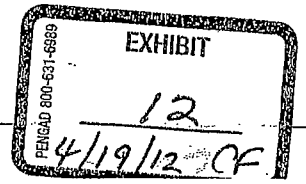
2010-2011 Accountability Report



BENITA DINKINS ROBINSON, EXECUTIVE DIRECTOR

ENNIS BRYANT, CONSULTANT PRINCIPAL

Date of Report: 12/09/2011



2011 Graduating Class

The 2011 senior class of MLD Higher Learning Academy MLD) consisted of 9 seniors, with all earning a South Carolina High School Diploma. Of these seniors, five are attending a two-year technical college, two are attending a four-year university, one enlisted with the United States Army, and one is employed. The class of 2011 accrued $215,000 in scholarships. The graduation rate for this cohort is 100%.

Academic Profile

MLD Higher Learning Academy is now a K4 through 8th. We elected to drop the high school, so that we could be more centrally focused on the elementary and middle grade levels. The Elementary and Middle School curriculum consists of core curriculum courses (ELA, Math, Science & Social Studies), along with electives in the Arts, Reading Enrichment, PE, math Enrichment, Music, and Technology. Eighth graders who scored Exemplary in the areas of ELA and mathematics are encouraged to enroll in English I and Algebra I. We also encourage those students to take the PSAT. MLD Higher Learning Academy students planned to attend a college were encouraged to take the SAT or ACT. Graduating seniors that took SAT had an average score of 1063. Five of the eight students that took the SAT scored over 1100.

MLD Higher Learning Academy continues to be a vital part of Lee County. We have an outstanding Fine Arts Department that has allowed for the academic and social growth of our students and community as a whole. Our students have performed for several community events to include the Annual Cotton Festival, Lee Central High Homecoming, Morris College Annual parade. Our children also completed community services projects. They are also exposed to a variety of educational and cultural field trips.

AYP and School Report Card

MLD AYP SUMMARY							
Objective(s) Met	**Objective(s) Not Met**	**Objectives**	**Compliance Index**	**Student Performance**	**Percent tested**	**Graduation or Attendance Rate**	**AYP**
4	**7**	**11**	**36.4**	**Not met**	**Not Met**	**Met**	**Not Met**

MLD Academy has met 4 objectives out of 11. MLD has successfully met the graduation and the attendance rate. The objectives that MLD did not meet were student performance and percent of students tested.

ELEMENTARY PASS SCORES FROM 2010-2011

ENGLISH LANGUAGE ARTS

PASS SCORES	MLD Exemplary	Elementary schools with Students Like Ours	MLD Met	Elementary schools with Students Like Ours	MLD Not Met	Elementary schools with Students Like Ours
2010	11%	24%	32.4%	40.5%	55.9%	35%
2011	10.7%	25.5%	39.3%	40.3%	50%	34.6%

In English Language Arts MLD's scores were below like elementary school settings in Exemplary and Met from 2010-2011. They were above in Not Met during the same year. The percentage of students scoring Exemplary decreased by .3% from 2010-2011, decreased in Met by 6.9% and increased in Not Met by 5.9 %.

MATHEMATICS

PASS SCORES	MLD Exemplary	Elementary schools with Students Like Ours	MLD Met	Elementary schools with Students Like Ours	MLD Not Met	Elementary schools with Students Like Ours
2010	0%	18.6%	32.4%	38.9%	67.6%	43.6%
2011	0%	21.3%	14.3%	39.3%	85.7%	40.3%

In mathematics MLD's scores were below like elementary school settings in Exemplary and Met from 2010-2011. They were above in Not Met during the same year. There was no increase in Exemplary from 210-2011, a decrease in Met by 18.1% and an increase in Not Met by 18.1%

SCIENCE

PASS SCORES	MLD Exemplary	Elementary schools with Students Like Ours	MLD Met	Elementary schools with Students Like Ours	MLD Not Met	Elementary schools with Students Like Ours
2010	0%	5.7%	30.4%	38.6%	69.6%	56.5%
2011	0%	6.1%	5.9%	39.4%	94.1%	54.8%

In science MLD's scores were below like elementary school settings in Exemplary and Met from 2010-2011. They were above in Not Met during the same year. There was No Exemplary growth from 2010-2011, a decrease in Met by 24.5% and an increase in Not Met by 24.5%.

SOCIAL STUDIES

PASS SCORES	MLD Exemplary	Elementary schools with Students Like Ours	MLD Met	Elementary schools with Students Like Ours	MLD Not Met	Elementary schools with Students Like Ours
2010	0%	11.2%	21.7%	46.2%	78.3%	49.4%
2011	0%	11.1%	38.9%	45.2%	61.1%	41.7%

In social studies MLD's scores were below like elementary school settings in Exemplary and Met from 2010-2011. They were above in Not Met during the same year. There was no Exemplary growth from 2010-2011 and an increase in Met by 17.2% and a decrease in Not Met by 17.2%.

WRITING

PASS SCORES	MLD Exemplary	Elementary schools with Students Like Ours	MLD Met	Elementary schools with Students Like Ours	MLD Not Met	Elementary schools with Students Like Ours
2010	14.7%	21%	26.5%	38.1%	58.8%	41.5%
2011	18.2%	23.4%	36.4%	44.8%	45.5%	33.1%

In writing MLD's scores were below like elementary school settings in Exemplary and Met from 2010-2011. They were above in Not Met during the same year. There was an increase in Exemplary by 35%, an increase in Met by 9.9% and a decrease in Not Met by 13.3%.

MIDDLE SCHOOL SPASS SCORES FROM 2010-2011

ENGLISH LANGUAGE ARTS

PASS SCORES	MLD Exemplary	Middle schools with Students Like Ours	MLD Met	Middle schools with Students Like Ours	MLD Not Met	Middle schools with Students Like Ours
2010	15%	15.1%	30%	32.5%	55%	52.4%
2011	10.5%	14.6%	10.5%	30.4%	78.9%	55%

In English Language Arts MLD's scores were below like middle school settings in Exemplary and Met from 2010-2011. They were above in Not Met during the same year. There was a decrease in Exemplary by 5.5% from 2010-2011, a decrease in Met by 20.5% and an increase in Not Met by 23.9%

MATHEMATICS

PASS SCORES	MLD Exemplary	Middle schools with Students Like Ours	MLD Met	Middle schools with Students Like Ours	MLD Not Met	Middle schools with Students Like Ours
2010	5.6%	9.6%	5.6%	35.8%	88.9%	54.8%
2011	0%	9.6%	21.1%	38.3%	78.9%	53.6%

In mathematics MLD's scores were below like middle school settings in Exemplary and Met from 2010-2011. They were above in Not Met during the same year. There was a decrease in Exemplary by 5.6% in 2010-2011, an increase in Met by 15.5% and a decrease in Not Met by 10%

SCIENCE

PASS SCORES	MLD Exemplary	Middle schools with Students Like Ours	MLD Met	Middle schools with Students Like Ours	MLD Not Met	Middle schools with Students Like Ours
2010	0%	8.2%	0%	36.7%	0%	56.3%
2011	9.1%	7.6%	18.2%	36.9%	72.7%	55.9%

In science MLD's scores were below like middle school settings in Exemplary and Met from 2010-2011. They were below Not Met in 2010 and above in 2011. There was a 9.1 % growth in Exemplary from 2010-2011, 1.2% growth in Met and 72.7% increase in Not Met.

SOCIAL STUDIES

PASS SCORES	MLD Exemplary	Middle schools with Students Like Ours	MLD Met	Middle schools with Students Like Ours	MLD Not Met	Middle schools with Students Like Ours
2010	0%	10.7%	45.5%	56.4%	54.5%	54.6%
2011	0%	11.3%	16.7%	32.9%	83.3%	56.4%

In social studies MLD's scores were below like middle school settings in Exemplary and Met from 2010-2011. They were below in Not Met in 2010 and above in 2011. There was no growth in Exemplary from 2010-2011 and 28.8% decrease in Met and 28.8% increase in Not Met..

WRITING

PASS SCORES	MLD Exemplary	Middle schools with Students Like Ours	MLD Met	Middle schools with Students Like Ours	MLD Not Met	Middle schools with Students Like Ours
2010	25%	11.6%	5%	39.7%	70%	49.6%
2011	0%	11.6%	0%	38.1%	0%	51.2%

In writing MLD's scores were below like middle school settings in Exemplary and Met from 2010-2011. They were above in Not Met during the same year. There was a 25% decrease in Exemplary from 2010-2011, 5% decrease in Met and 70% decrease in Not Met.

The following subgroups showed gains from 2010 to 2011 on the ELA portion of PASS:

- Females made a 0.5% gain. **(Missed objective)**

The following subgroups showed a decline from 2010 to 2011 on the ELA portion of PASS:

- African American students declined by 9.5%
- Males declined by 21.2%
- Students with Subsidized meals declined by 3%

The following subgroups showed a decline from 2010 to 2011 on the math portion of PASS:

- Males declined by 13%
- Females declined by 13.4%
- African American students declined by 6%
- Students on Subsidized Meals declined by 11%

Commentary

The challenges and obstacles are many but not insurmountable. MLD being a charter school and school of choice, there are various hurdles that the school has to face throughout the school year. We accept students regardless of their innate ability. This becomes an obstacle when we accept students who are classified as special needs and they are placed in our classrooms for mainstream instruction. We believe all children can learn given time and patience. However, this becomes a barrier when we are compared to schools from which they have come when they have problems instructionally. The leadership is working to create a new Mary Lee Dinkins Academy that is unique and has a sense of oneness.

In addition, the high poverty level of the area creates an additional set of obstacles. While our students are very poor, they can learn. It is necessary for the staff of Mary Lee Dinkins Academy to provide experiential knowledge for students in order to close the achievement gap. High expectations of staff and students along with increased rigor in instruction and assessment is required. Staff members must know the state standards and work tirelessly to provide high quality bell-to-bell instruction for all students.

The consensus of the team is to implement instructional programs that will ultimately improve student academic success. Strategies include visibility of the administrative team with feedback for teachers, supplemental reading and math instruction for the bottom 25% of the students, Making, administering MAP and benchmarks to provide data that will drive instruction, as well as providing quality professional development for staff members. Staff development targets areas such as the use of data in the classrooms, using technology as an instructional tool, the improvement and enhancement of instructional strategies and providing a healthy school climate.

By placing a stronger concentration on the standards and instructional strategies as well as innovative assessments, classroom instruction and delivery will improve. Additionally, by revising the schedule to include at least 90 minutes of uninterrupted ELA

instruction for grades 1-6 and providing an additional enrichment class in reading and mathematics for grades seven and eight our students will have the opportunity to grow intellectually. We have designed our afterschool program to assist students who are having difficulty in their classes. All groups will utilize computer-assisted instruction that will be at the appropriate cognitive level. In order for teachers to effect change in these small groups professional development will be focused on how to effectively move student achievement to higher levels through differentiated instructional techniques. Mandatory professional development sessions are held on the first Wednesday of every month and are considered common planning days. Weekly staff meetings are also held. During these sessions, teachers are involved in a variety of professional development opportunities which include: data analysis, instructional strategies, curriculum standards, and Revised Bloom's Taxonomy, effective use of assessment and technology integration.

School climate affects every part of the school from the faculty arriving in the morning to students' lunch. Strong positive collaborative school climates have powerful effects on the success of schools. Establishing a positive and nurturing school climate fosters school effectiveness and productivity. MLD holds a good standing relation with the community which enables us in developing a school of high academic achievers.

Our Plan of Action places our focus directly on student achievement. The implementation of these goals will hold teachers accountable for the planning of instruction as well as the actual instruction that takes place in the classroom. The implementation and monitoring of these goals ensures that best practices occur and that the state standards are being taught at the appropriate cognitive level with pacing of instruction closely adhering to the district instructional timeline, and ensuring that data is driving instruction.

Specific accomplishments:

1) Students attended various work related field trips. This provided students with firsthand experience related to the topic or concept being discussed in the classes. Field trips provide unique opportunities for learning that are not available within the four walls of a classroom.

2) Students participated in school science fair and presented their science project results in the form of a reports, display boards, and models that they created. Science fairs provided a mechanism for students with intense interest in the sciences to be paired with mentors from nearby colleges and universities, so that they can get access to instruction and equipment that the local schools could not provide.

3) MLD Drum and Band line participated in Lee County Cotton Festival parade, Morris college parade and winter break parade.

4) MLD Chorus presented at various occasion in school and community events. The Chorus team was an essential element in building relationships with the community.

5) Students participated twice in Measures of Academic Progress (MAPS) testing and showed exceptional participation during the test. 60% of the students made 20 points gain from spring to fall testing.

6) Students participated in Edu test during various intervals of the year. Edu test was used to assess the students and also as an instructional tool.

7) Smart boards and LCD projectors were provided to all classrooms and technology is provided across the board to enhance instruction.

2011-2012 Goals

Goal 1.....Area (AYP)

By June 2012, Mary Lee Dinkins Academy will meet or exceed the South Carolina test participation rate objective of 95%.

Strategies:

- Parents will be notified about the testing dates through newsletters, monthly calendars and phone calls if necessary.
- Testing dates will be posted on the school website and student journal.
- Teachers will encourage students to get excited about testing and request them to take all their tests.
- Importance of test participation will be enforced and practiced year long during benchmark testing and MAP testing.
- School will have a daily record of students that are being tested and contact the parent or guardian immediately if the students do not show up for testing.
- School will take measures to pick up the students from home if there is a need a transportation if they student have missed the bus or have no transportation.
- School field day will be planned for the students who have participated in all their tests.
- School testing coordinator will coordinate with the parents of students who are in medical assistance and measures will be taken to take test at home.

Goal 2.....Area (State test scores)

By , 2012, students at Mary lee Dinkins Academy in grades 3-8 will make 5% growth in mathematics as determined by PASS scores from 2010-2011 and 2011-2012.

Strategy	Person(s) Responsible	Documentation	

	(Position/Name)		Next Steps
Students from grade 2-8 will be split into groups based upon their spring RIT band scores. Each group will have students with different age groups and grade levels. The last 30 minutes of the school day will focus on skills that particular RIT band needs.	All teachers and administration	RIT band schedule	October-Dividing the students into respective RIT's.
Administer benchmarks every 4 weeks beginning in January.	Benita Robinson/Executive Director Vamshi Rudrapati/Curriculum Coordinator	*Sample benchmark tests *Sample item analyses *Sample feedback from teachers to students	December-Development of first benchmark
Administer MAP and use data to drive instruction.	All teachers and administration	*Schedule for testing *Rosters of RIT Band groups *Sample lesson plans from RIT Band instruction	October- —Administer MAP beginning September 21st —Develop RIT Band groups for use during last period.

Provide supplemental instruction for students in the bottom 25th percent of each grade.	Benita Robinson/Executive Director Vamshi Rudrapati/Curriculum Coordinator	*Rosters of students to be served *Attendance info *MAP math data	December- —Select students to be served —Serve students during the school day and/or afterschool
Provide staff development opportunities for teachers that will enhance their skills.	Benita Robinson/Executive Director Vamshi Rudrapati/Curriculum Coordinator	September- —Provide opportunities as available —Teachers will share as appropriate upon return —Teachers will implement strategies learned	*Sample teacher travel forms *Sample notes or handouts from meetings/sessions
Provide technology to facilitate and enhance instruction.	Benita Robinson/Executive Director Vamshi Rudrapati/Curriculum Coordinator	*Sample purchase orders *Sample notes or handouts from meetings/sessions *Sample lesson plans that reflect use of technology *Sample observations that reflect use of technology	September- —Get quotes and prepare purchase orders —Provide training as equipment becomes available
Accommodations for special needs will be given to general education teachers.	Vamshi Rudrapati/Special Education Coordinator Earl Jefferson/Special	Special education accommodation accountability document	

Teachers will follow the accommodations and classroom observations will be made if needed.	education teacher		
Students with special accommodations will be encouraged to use the calculators whenever needed in the classroom and on tests.	All teachers		
PASS type tests will be conducted all yearlong to transition students to state testing strategies.	All teachers and administration	Teacher lesson plans	
Test taking strategies will be taught and practiced before each benchmark and MAP testing.	Vamshi Rudrapati/Special Education Coordinator Earl Jefferson/Special education teacher	Presentation material	Plan testing dates

Goal 3.....**Area (Student achievement)**

By May 3, 2012, 60% of students at Mary lee Dinkins Academy in grades 2-8 will make 10 points gain in reading comprehension as determined by MAP scores from spring 2011 and spring 2012.

Strategy	Person(s) Responsible (Position/Name)	Documentation	Next Steps
Students from grade 2-8 will be split into groups based upon their spring RIT band scores. Each group will have students with different age groups and grade levels. The last 30 minutes of the school day will focus on skills that particular RIT band needs.	All teachers and administration	RIT band schedule	October-Dividing the students into respective RIT's.
Administer benchmarks every 4 weeks beginning in January.	Benita Robinson/Executive Director Vamshi Rudrapati/Curriculum Coordinator	*Sample benchmark tests *Sample item analyses *Sample feedback from teachers to students	December-Development of first benchmark
Administer MAP and use data to drive instruction.	All teachers and administration	*Schedule for testing *Rosters of RIT Band groups *Sample lesson plans from RIT Band	October- —Administer MAP beginning September 21st

		instruction	—Develop RIT Band groups for use during last period.
Plan and conduct various reading initiative workshops at school to reinforce learning.	All teachers and administration	Program Agendas Sign-in sheets	Planning the programs.
Provide supplemental instruction for students in the bottom 25th percent of each grade.	Benita Robinson/Executive Director Vamshi Rudrapati/Curriculum Coordinator	*Rosters of students to be served *Attendance info *MAP math data	December- —Select students to be served —Serve students during the school day and/or afterschool
Provide staff development opportunities for teachers that will enhance their skills.	Benita Robinson/Executive Director Vamshi Rudrapati/Curriculum Coordinator	September- —Provide opportunities as available —Teachers will share as appropriate upon return —Teachers will implement strategies learned	*Sample teacher travel forms *Sample notes or handouts from meetings/sessions
Provide technology to facilitate and enhance instruction.	Benita Robinson/Executive Director Vamshi Rudrapati/Curriculum	*Sample purchase orders *Sample notes or handouts from meetings/sessions	September- —Get quotes and prepare purchase orders

	Coordinator	*Sample lesson plans that reflect use of technology *Sample observations that reflect use of technology	—Provide training as equipment becomes available

Additional Efforts to Improve Overall Student Achievement

Mary Lee Dinkins Academy has been placed on academic probation by the South Carolina Public Charter School District for the 2011-2012 school year based on AYP data and state test scores. The following are additional efforts we are taking to improve overall student achievement beyond the specific goals listed above.

1. The Administrative team will monitor teachers' instructional practices through weekly observations, will provide written feedback, will conference with teachers regarding feedback, and will make follow-up observations to ensure that effective adjustments have been made in the delivery of instruction.

   - The administrative team will observe instruction in at least five classes weekly with written feedback.
   - The administrative team will review lesson plans weekly and provide written feedback.
   - Provide incentives for teachers and students for improved scores on benchmarks and MAP.
   - Provide staff development opportunities for staff members that will enhance their skills.
   - Provide technology to facilitate and enhance instruction.

School Consultant: A consultant is working with the administrative and instructional team by providing and accentuating the components of quality classroom instruction.

Scholastic Reading Counts: is the only independent reading program that is built on the Lexile Framework® for Reading. Developed by Meta-Metrics, Inc. after more than 20 years of ongoing research, the Lexile Framework® for Reading is proven to accurately match readers to text. Students using Scholastic Reading Counts successfully read books that are difficult enough for them to gain reading skills—but not so difficult that they are frustrated. Books in the Scholastic Reading Counts program range from below 200L for beginning readers to above 2000L. Using the e-Catalog, educators can search the entire Scholastic Reading Counts library of more than 40,000 titles to find Lexile-leveled books that meet their students' needs. With Scholastic Reading Counts students of all abilities can read successfully.

Literacy Night is an opportunity to expose parents and the community to a variety of reading strategies that will enhance the awareness and appreciation of reading. Students and parents will interact in interdisciplinary activities that will involve role-play and theatrical productions as a way of promoting the importance and the enjoyment of reading as a foundation for everyday life.

Reading is Fun Day is the opportunity for students to use their creative minds and share their love for reading with primary students at our feeder school. This day will be designated for our school identified authors to read their self-published books.

Read-A-Thon will help students to develop interests for self-selecting or independent reading through the exposure to a wide variety of literatures and models effective reading behavior. Selecting a book-of the month will provide opportunities for accessing and understanding of story and character development, as well as, provide an opportunity for students to converse about the love of books and create a community of learners and readers. This opportunity will create an atmosphere for developing discussion skills and high

order thinking skills. Students will demonstrate their understanding by participating in a variety of reading activities, such as round-table discussions, role-play, literature circles, and theatrical productions.

Higher Order Thinking of Revised Bloom's Taxonomy defines six different levels of thinking. The levels build on increasing order of difficulty from basic, rote memorization to higher (more difficult and sophisticated) levels of critical thinking skills. For example, a test question that requires simple factual recall shows that you have **knowledge** of the subject. Answering an essay question often requires that you **comprehend** the facts and perhaps **apply** the information to a problem. Having students break a complex historical process or event into constituent parts **will be analyzing** the subject matter. Having students organize and present pieces of historical evidence in a new way would allow them to **create or synthesize** an argument. Students would be **evaluating** evidence, and making judgments about the validity and accuracy of primary sources.

Data Analysis is the process of looking at and summarizing data with the intent to extract useful information and develop conclusions. Data analysis is closely related to data mining, but data mining tends to focus on larger data sets, with less emphasis on making inference, and often uses data that was originally collected for a different purpose.

The **DesCartes Continuum of Learning** orders specific reading, language usage, mathematics, and science skills and concepts by achievement level. For reading, language usage, and mathematics, the skills and concepts align to the goal structures and content of our state standards. For districts using a state-aligned science test, the skills and concepts align to the goal structures and content of state standards. For districts using nationally-aligned science tests, the skills and concepts align to national standards. For easy reference, the skills and concepts are grouped along the continuum according to the NWEA measurement scale.

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NorthWest Educational Association's Measures of Academic Progress (NWEA's MAP) is a national diagnostic testing program that is aligned to ELA, mathematics and science standards. These tests can be administered up to three times a year and provide specific diagnostic information which can be used to drive instruction for individual students or groups of students.

Edu test (Plato learning): PLATO Learning is a leading provider of high-value, comprehensive education technology solutions with a focus on learner achievement leading to academic and career success. Edu test is a national diagnostic program that is aligned in ELA, mathematics, science and social studies standards from grade k-12. Edu test gives teachers and administrators a variety of pre made tests and also designs their own tests. Administrators can develop benchmarks and set them up as either online or paper test.

Education city: Education City is transforming teaching and learning, helping to improve children's education. The program provides fun educational games in the form of online activities for kids and interactive whiteboard activities for teachers. Inspiring, engaging and award-winning, Education City provides fun games for children aged between 3 and 12 years old, as well as for older children in special education. The website's resources, activities and games cover the core subjects of Language Arts, Math, Science and Spanish Math.

Advisor/Advisee program will have two components: 1) the communication of high expectations through goal setting and planning; and 2) encouragement from teachers to do well in school. Young adolescents need the support and guidance of caring adults as they make the transition into adulthood. Students enter the middles grades with their eagerness and curiosity intact. High-implementation schools nurture these characteristics, challenge students to work hard, and provide support when students are making decisions about the future.

Drop everything and read (DEAR): A daily DEAR program (Drop Everything and Read) provides students with much more than a just-sit-there-and-read experience. It gives the teacher a structured time to touch base with each student over a period of time, assess progress, and target instruction. Even more important, it gives students time to read what they want to read, share what they've read, and receive the support they need for further reading explorations and reflections. Daily reading sessions last between twenty and thirty minutes and are followed by fifteen minutes in which students can write in their reading response logs. When a student completes a book, he or she conferences with the teacher to discuss the book and share his or her reading log.

Reading Buddy Program: is a monthly program that allows elementary students to work one-on-one with a trained, supportive mentor to help boost reading skills such as fluency and comprehension. Every month, a Big Buddy and a Little Buddy pair read together in 30-minute segments. This allows each volunteer mentor to work with one student over the course of the academic year. The Big Buddy's job is to be a coach and role model whose love of books is contagious -- and maybe even life-changing -- for the Little Buddy.

Math Buddy Program: is a monthly program that allows elementary students to work one-on-one with a trained, supportive mentor to help boost Math skills such as problem solving and computation skills. Every month, a Big Buddy and a Little Buddy pair math together in 30-minute segments. This allows each volunteer mentor to work with one student over the course of the academic year. The Big Buddy's job is to be a coach and role model whose love of Math is contagious -- and maybe even life-changing -- for the Little Buddy.

Math Festival: MLD Math Festival is an exciting school wide event to expose students, teachers, and parents to key critical mathematics topics in a positive, self exploratory, festival-like atmosphere.

Reading Festival: Reading Festival is a day of celebrating books and reading. We have parent & guardians/volunteers from various divisions to read books to students from grades 3-8. Students read a book and use a graphic organizer to express their ideas and concepts. After reading the book, the students will write a summary of the book they read.

Teachers will use **Data Analysis notebooks** to conduct **Academic Parent Conferences.** These notebooks will be design by advisors for all advisees. It will contain all standardized and district assessments for each student. This will be used as a conference tool to aid teachers in discussing the progress of students throughout the year. The Advisor will conduct the Academic Parent Conference and share data collected with other content area teachers. The Data Analysis Notebooks will be used to drive continuous discussion among teachers on the academic progress of their students.

(5)/6

MLD HIGHER LEARNING ACADEMY

PLAN TO RESTRUCTURE OF PLANNING FOR THE

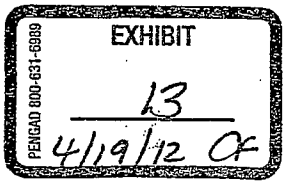
2011-2012 SCHOOL YEAR



BENITA DINKINS ROBINSON, EXECUTIVE DIRECTOR

ENNIS BRYANT, LEAD BUILDING ADMINISTRATOR

Date of Report: 01/09/2012



Introduction

Student achievement data has been analyzed over time with emphasis on the 2010 AYP data and PASS test data. According to this data, our school has various subgroups that need immediate attention. The most common areas are socio-economic, free and reduced lunch, and racial/ethnic.

1. The 2011 NCLB AYP ELA data indicates that 41.1% of our students scored Met or Exemplary on the PASS 2010. 59.1% of our students did not meet PASS 2010.
2. The 2011 NCLB AYP MATH data indicates that 17.4% of our students scored Met on the PASS 2010. 82.6% of our students scored not meet in PASS 2010.

The comprehensive needs assessment that was done by the school addressed the following areas:

(1) Administration
(2) Student Achievement
(3) Teacher Quality
(4) Technology
(5) Parent Involvement

For each of these areas, a plan of restructure has been determined for improvement. Strengths, weaknesses, and areas that need improving were determined from this information. Strategies and action steps were then developed.

MLD began in **November, 2010**, as a leadership team met and analyzed the school standing and strategies to promote student achievement.

These are some actions that the leadership team decided to focus on:

Administration:

1) The team decided to design an effective organizational chart where individuals will have specific goals and responsibilities.

2) Implement an effective school schedule that increases instructional time and student learning.

3) Release teachers and staff that have displayed consistent failure to show significant gains.

4) Employ highly qualified, enthusiastic and motivational teachers to stimulate significant growth.

5) Formal and Informal classroom observations will be made on a regular basis by the school leadership team. The administrative team will monitor teachers' instructional practices through weekly observations, will provide written feedback, will conference with teachers regarding feedback, and will make follow-up observations to ensure that effective adjustments have been made in the delivery of instruction.

6) Hire an Educational consultant to work with the administrative and instructional team and provide assistance in accentuating the components of quality classroom instruction.

Student Achievement:

1) Develop an instructional timeline for all subjects and grade levels. The instructional timeline will be aligned with state standards and assessments in all subject areas.

2) Provide supplemental instruction for students in the bottom 25th percent of each grade. After school and Saturday school programs will be put in place to assist students who need additional assistance in the area of Math and ELA.

3) Test taking skills will be taught in every classroom as a part of instruction. Students will be prepared for the state testing

4) PASS type tests will be conducted on a regular basis as shown in the instructional timeline.

5) Various activities and programs will be conducted and organized to increase student achievement

Teacher Quality:

1) Design a new lesson plan template that is clear, engaging and efficient.

2) Train personnel in effective use of Power School and Power teacher.

3) Measures of Academic Progress (MAPS) will be conducted three times each school year and the data needs to be used for classroom instruction.

4) Teachers will start using Power teacher grade book and record grades each week. All assignments will be graded and evidence of tests and quizzes will be checked on a regular basis.

5) Provide staff development opportunities for teachers that will enhance their skills.

Parent Involvement:

1) Though MLD has good relationships with the parents and the local community, the team decided to involve parents and community in the learning process. The team planned to shut down the current school website and design a new one which is user friendly. Teachers will design class newsletters so that the parents understand what is happening in the classrooms and assist their children accordingly.

Technology:

1) Smart boards will be provided to each classroom and training will be provided for the teachers to become familiar with the program. Teachers will be encouraged to increase the use of technology and observations will be made in the classroom to see if teachers are using technology that is provided. Use of the computer lab will be mandated and teachers will be asked to include the strategies in their lesson plans.

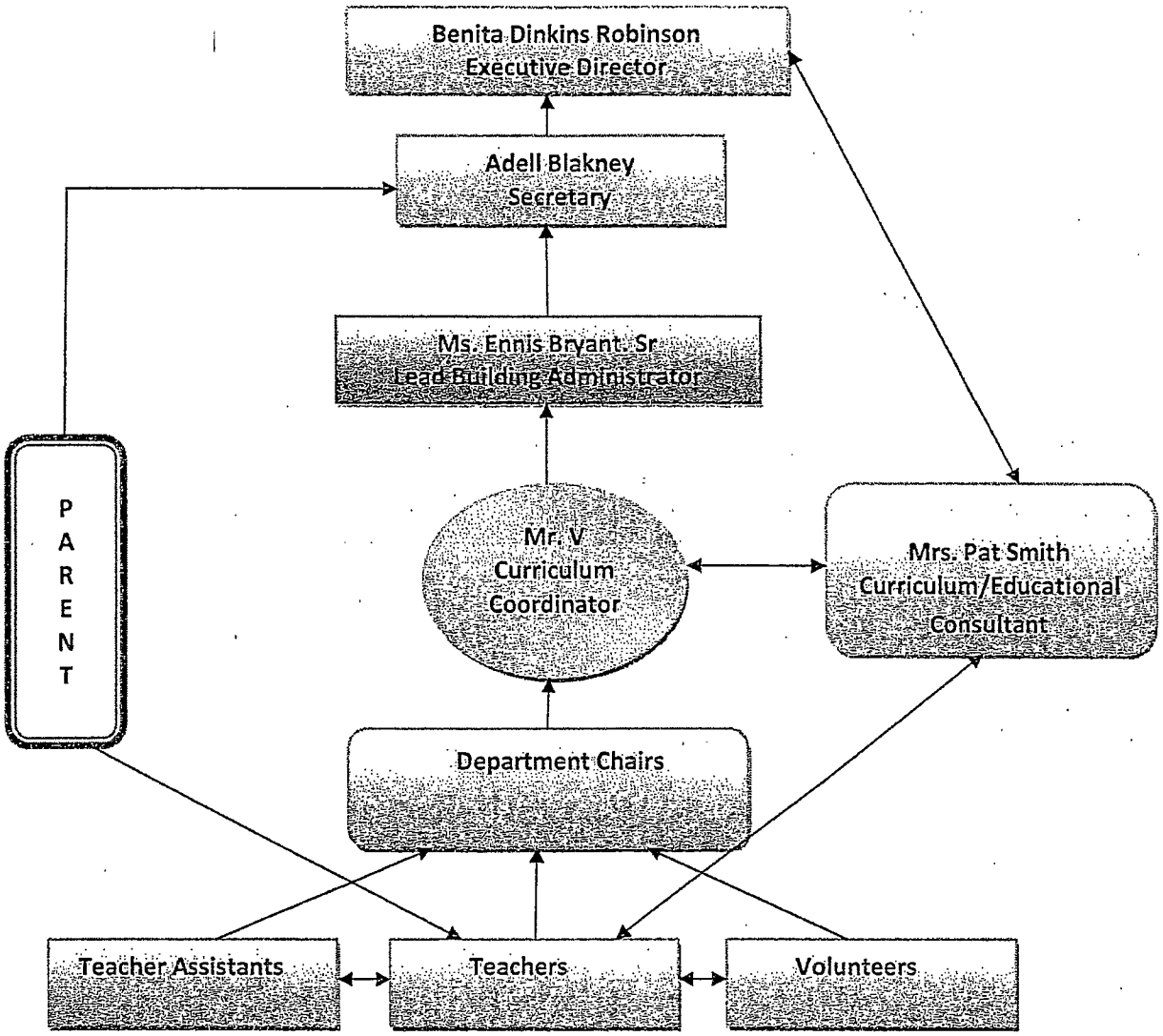
RESTRUCTURE IN ADMINISTRATION

- The second semester of 2010-2011 started forming our new leadership team and have continue to expand on the quality of this team for the current 2011-2012 school year.

Leadership Team:

George Williams.....Board Chair
Benita Dinkins Robinson.....Executive Director
Pat Smith.....Curriculum Specialist
Ennis Bryant Sr.....Lead Building Administrator
Vamshi Rudrapati.....Curriculum Coordinator
Naomi Wells.....Lead Teacher

Organizational Chart Developed by the Leadership Team



- An effective school schedule has been developed and several changes were made to it on needed basis.

- Most of the school staff at MLD is new. Teachers and staff were released that have displayed consistent failure to show gains. MLD also employed highly qualified teachers to replace the teaching positions.

ORIGINAL	POSITION	REPLACED BY
Lola Houston	Building Administrator	Adell Blakney
ORIGINAL	POSITION	REPLACED BY
Amy Hankins	K	LatoyaBurns
Rachel Geene	1	Continuing
Claudia Commander	2	Allisyn Steverson
Debra Mouzon	3, 4	Janice Crocco
Noiami Wells	5	Continuing
Antonio Dinkins	Mathematics (6,7,8)	Romeo Ranera
Minnie Collins	Science (6,7,8)	Shawn Ragin
Brett Smith	Social Studies (6,7,8)	Bevlin Collier
Rebecca McCardle	ELA (6,7,8)	Ieshia Farmer
Tina Wallace	Curriculum Coordinator	Vamshi Rudrapati

- The administrative team is observing the classrooms in at least five classes weekly with written feedback.
- The administrative team is reviewing teachers lesson plans weekly and provide written feedback.
- Since the beginning of the school year 2011-2012, Ms. Pat Smith is working rigorously to ensure students of MLD succeed in the state pass test. She has conducted various professional workshops to ensure teachers learn skills and strategies to teach efficiently in their classrooms.

RESTRUCTURE IN STUDENT ACHEIVEMENT

- The leadership team worked rigorously during the spring 2011 and developed MLD instructional timelines for all subjects and grade levels.
- The information was transferred into a cd's and was provided to all the teachers.
- Workshops have been conducted to ensure teachers understand how to use the timeline in planning their lessons.
- SES program "Barron Academy" provided tutoring for 35 students.
- We also had a Title 1 after school program.
- We offered mandatory Saturday school at MLD and an average of 45 students from grade 3-10 was benefited by the program.

- All students received free and reduced lunch were eligible for these services. Teachers used MAP scores to group the students.
- Test taking skills are taught as a daily routine in teacher classrooms. Parents are notified before every testing period at MLD. Parents are given ideas and strategies to keep their children ready for testing on an ongoing basis.
- PASS type tests are given as per the instructional timelines and also as needed. Evidence of the tests will be turned into the leadership team during staff meeting.
- Various reading and math initiative programs are being conducted on a regular basis. Programs like parent night, literacy night, Book buddy program, math buddy program, Math festival and several other projects are organized to ensure students enjoy learning.

RESTRUCTURE IN TEACHER QUALITY

- The leadership team developed a new lesson plan format that shows evidence several levels of blooms taxonomy.
- The lesson plans are placed in Dropbox and are shared to all the leadership team members and the special education teachers.
- Feedback is given to teachers on their lesson plans for them to change or modify if needed.
- Teachers who turn in their lesson plans timely and make it to the expectations of the school are motivated with timely rewards.
- Two personnel from MLD attended several training sessions for Power School conducted by the SCPCSD. Power School is used on a daily basis and MLD has come a long way in inputting the information into the system. Generic forms were created by MLD technology department which would be very beneficial for other schools.
- MLD conducted Measure of Academic Progress (MAPS), two times during the school year 2010-2011. MLD conducted spring 2011 MAP testing during the month of September. MLD is planning to start MAP testing again in the third week of January, 2012.
- The MAP testing results are used for daily classroom instruction. MLD conducts RIT band classes where students from grades 2-8 will be split into groups based upon their spring RIT band scores. Each group will have students with different age groups and grade levels. The last 30 minutes of the school day will focus on skills that particular RIT band needs.
- MLD started using power teacher grade book efficiently since the beginning of the school year 2011-2012. Teachers use Power teacher to generate weekly progress reports and quarterly report cards. They also use it to check student demographics when needed.
- Professional development has been on ongoing process at MLD. Teachers are sent to various conferences during the school year 2011-2012. Weekly staff meetings are conducted on a regular basis. Professional Development workshops are scheduled on every first Wednesday of every month.

RESTRUCTURE IN PARENT INVOLVEMENT

- MLD developed its new website www.mldcharter.org which started at the beginning of the 2011-2012 school year. The website has all the current information about the school and staff. The website also has current calendar events, videos and students pictures and work samples posted.
- Teachers send out weekly newsletters to help parents understand what is happening in the classrooms and how to assist their children accordingly.
- Administration is planning to send out monthly newsletters about the current events at school.

RESTRUCTURE IN TECHNOLOGY

- Smart boards have been provided to each classroom.
- Teachers received level 1 training in using Smart board effectively in the classroom.
- Leadership is planning to provide level 2 training in the fourth week of January 2012.
- A schedule has been developed for the computer lab and teachers frequently sign up to take students to the lab for computer assisted instruction and other projects.
- The leadership team observes the lesson plans to see evidence of teachers using technology in classrooms.

Overall MLD had made significant progress since the 2010-2011 school year to 2011-2012 school year in the areas were identified by the leadership team. MLD has the best staff and teachers and everyone is working on a common goal of student achievement. MLD receives ample support from the parents, community, South Carolina Public Charter School District and the State Board of Education in reaching our goals.

DEPARTMENT of EDUCATION · SOUTH CAROLINA ·	**Charter School Application Cover Page**	FOR SDE USE Date Rec'd ____ Initials of Receiver _____

Name of Proposed Charter School:	**MLD Higher Learning Academy**
School Address (if known):	
Contact Information	
Name	**Benita Dinkins-Robinson**
Address	**54 Joe Road**
	Bishopville, SC 29010
Daytime Phone	**(803) 428-3350**
Fax Number	
Other Phone (cellular)	
E-mail Address	Dinkinsb2001@yahoo.com

Grade Levels of Charter School (or Age Groupings if the school will not use grades to distinguish students):

K4 though 12th Grade

Sponsor (local school district board):

South Carolina Public Charter School

Signature of charter school planning committee chair:

_____ _____

Signature **Date**

EXHIBIT 14 4/19/12 CF

PENGAD 800-631-6989

I. PROGRAM

(A) MISSION STATEMENT

The mission of **Mary Lee Dinkins (MLD) HIGHER LEARNING ACADEMY** is to provide a comprehensive holistic academic and fine arts learning experience for youth ages kindergarten through twelfth grade by providing a structured interdisciplinary based program integrating of the arts with English Language Arts, mathematics, science and social studies.

Working in partnership with parents, teachers and elders of the community, the **MLD Higher Learning Academy** offers an academically challenging, developmentally appropriate, experiential, holistic, child-centered education to all young people. Our objective is to equip students to become literate, self-motivated, critical thinkers and life-long learners by providing a multi-cultural and student centered environment in which all students will be held to high academic and behavioral standards.

Vision

Our vision is to provide a safe environment where each individual is accepted, supported, valued and challenged to work up to their full potential. **MLD Higher Learning Academy** will be a key provider of elementary and secondary education in Lee County and surrounding areas . As an educational institution responsible for the total development of students, our goal is to enable students to become totally self aware and to be seamlessly integrated into our society.

MLD Higher Learning Academy embraces the intent of the South Carolina Charter School Act and is committed to:

- Improving student learning
- Increasing learning opportunities for students
- Encouraging the use of a variety of productive teaching methods
- Establishing forms of accountability for schools
- Creating new professional opportunities for teachers
- Assisting South Carolina in reaching academic excellence

(B) EDUCATIONAL PROGRAM, GOALS, OBJECTIVES, PUPIL ACHIEVEMENT STANDARDS, AND CURRICULUM

STUDENT ENROLLMENT PROJECTIONS

Name of Charter School MLD Higher Learning Academy

GRADE	2010-2011	Special Needs	2011-2012	2012-2013	2013-2014	2014-2015
Pre-Kindergarten	5	2	15	15	15	15
Kindergarten	10	3	30	30	30	30
First	10	3	30	30	30	30
Second	10	3	30	30	30	30
Third	15	4	30	30	30	30
Fourth	15	4	30	30	30	30
Fifth	15	4	30	30	30	30
Sixth	15	4	15	30	30	30
Seventh	10	4	15	15	30	30
Eighth	10	2	15	15	15	30
Ninth	10	2				
Tenth	10	4				
Eleventh	10	4				
Twelfth	10	1				
TOTALS	150	44	240	255	270	285

B. EDUCATIONAL PROGRAM

Philosophy

The Lee County Community is dedicated to educating our children and wanting them to excel in life. Parents, community members, and teachers want our children to be able to compete in a global and growing society.

In Lee County, our children are continuously falling short and we feel that it is now time for us to put a learning tool in place to help them excel. We have found that we are continuously losing students for various reasons to include peer pressure, low teacher moral, high teacher turn over rate, high level of discipline problems, parents moving their children to other districts (private and public setting), and etc. Many of these children are continuously falling below grade level and are underachievers. Our children have lost hope and are dropping out of our system, falling by the way side. Thus, far too many students fail to acquire the knowledge, skills, learning habits, and motivation necessary to compete in the economy or contribute to society in the 21st Century. It is our intention to develop a school of higher learning, that demands discipline and academic success. Our over all objective is to provide an educational setting that fosters learning and demands excellence. Our program intends to use a holistic approach to learning that is child centered. We believe that all children can excel in the right environment.

The community now has an opportunity to provide our children with a more structured and rigorous educational program which focuses intensely on fine arts integration. Our plan is to have serve students in grades 4K through 12 during the school year 2010-2011. Beginning in school year 2011-2012 the school will limit grades to 4K-8th.

MLD Higher Learning Academy will be a fine arts integrated school committed to providing our children with a Holistic education. We feel it is vital to educate children on how all areas of life are interdependent. Thus, fine arts integration is integral to our curriculum and woven throughout the fabric of our school. We will also use the Core Knowledge Curriculum as a guide to help us get to the next level. Core Knowledge is a curriculum that stresses academic excellence and achievement, greater fairness, and higher literacy. Elementary and middle schools need a solid, specific, shared core curriculum in order to help children establish strong foundations of knowledge, grade by grade Preschool through grade 8.

While current events and technology are constantly changing, there is nevertheless a body of lasting knowledge that should form the core of a Preschool-Grade 8 curriculum. Such solid knowledge includes, for example, the basic principles of constitutional government, important events of world history, essential elements of mathematics and of oral and written expression, widely acknowledged masterpieces of art and music, and stories and poems passed down from generation to generation. Core Knowledge Curriculum is built around three concepts: Sequential building of knowledge, specifying important knowledge, and shared knowledge. Sequenced deals with the fact that knowledge builds on knowledge. Children learn new knowledge by building on what they already know. Only a school system that clearly defines the knowledge and skills

required to participate in each successive grade can be excellent and fair for all students. For this reason, the Core Knowledge sequence provides a clear outline of content to be learned grade by grade. This sequential building of knowledge not only helps ensure that children enter each new grade ready to learn, but also helps prevent the many repetitions and gaps that characterize much current schooling (repeated units, for example, on pioneer days or the rain forest, but little or no attention to the Bill of Rights, or to adding fractions with unlike denominators). The Core Knowledge S sequence is distinguished by its specificity. By clearly specifying important knowledge in language arts, history and geography, math, science, and the fine arts, the Core Knowledge sequence presents a practical answer to the question, "What do our children need to know?" Shared means that literacy depends on shared knowledge. To be literate means, in part, to be familiar with a broad range of knowledge taken for granted by speakers and writers. For example, when sportscasters refer to an upset victory as "David knocking off Goliath," or when reporters refer to a "threatened presidential veto," they are assuming that their audience shares certain knowledge. One goal of the Core Knowledge Foundation is to provide all children, regardless of background, with the shared knowledge they need to be included in our national literate culture.

The foundation of our philosophy recognizes and values holism and provides educational opportunities for each dimension of the human being. The spheres we work with are the intellectual, emotional, physical, social, artistic, moral, and in a non-sectarian way, the human spirit, These 7 dimensions of human experience are the matrix within which our curriculum develops.

Because of our commitment to Holistic education, we feel it is vital to educate children on how all areas of life are interdependent. Thus, fine arts education is integral to our curriculum and woven throughout the fabric of our school.

We educate children to be self-motivated and self-directed while also providing daily opportunities to work collaboratively with others. Wherever possible, learning is hands-on and experiential in nature. Our students learn from direct experiences rather than just from listening to lectures or reading textbooks. We use constructivist theory which asserts that through hands-on experiences, students will construct their own knowledge and use critical thinking skills to evaluate that knowledge as they have more experiences. Constructivist theory is developmentally based. Learning experiences build upon each other, which allows the student to explore areas of knowledge at successively higher levels of mastery and to discover alternate pathways and links to the area being studied. Because of our commitment to this approach, we highly value a process of learning that views "mistakes" as corrective experiences which will happen over and over again as new learning takes place. However, teachers provide clear standards for children to attain at each developmental level, and school-wide, we will provide challenging academic work within a non-competitive environment. Additionally, all teachers are committed to attending to the equal empowerment of girls and boys.

We are committed to community service with a focus on fine arts education. Our core belief in the community's importance commits us to maintaining a small school size. Remaining small allows relationships to develop and deepen and for all voices to be respectfully heard.

Our school will be one where students, parents, teachers and board members work together to continuously explore the school's mission and assure that its goals are carried out in the classroom and in the whole school community.

Our highest priority is to develop thoughtful, caring human beings. We have adapted Steven Covey's principle of beginning with the end in mind.

Upon graduating, our students will be independent, life-long learners who are able to discover his/her own passions and possess the research skills to learn more about whatever field of endeavor he/she chooses. He/she is aware of his/her own strengths and weaknesses and seeks to continually refine the former while patiently accepting and improving the latter.

Methods

The design of the school will include the following:

1. Sound educational approaches based on published research:
   - The South Carolina Standard Course of Study
   - Piaget's model of child cognitive development
   - Coalition for Essential School's design model and principles
   - Gardner's model of Multiple Intelligences
   - Positive Discipline approach to classroom management
2. Team teaching by subject area
3. Project based hands-on learning model using many disciplines including hands-on science, math, creative writing, visual arts, and performing arts
4. Integrated interdisciplinary curriculum: learning takes place in a context, not just isolated subject, e.g., using math in science experiments and class field trips, or using art and music when creating a shadow puppet show about our natural resources
5. Multi-age, continuous progressive classrooms: a class may have 9-, 10, and 12-year-olds, etc, based on academic skills.
6. Use of daily ,weekly, and/or monthly academic goal setting
7. Integrative community service learning projects continuously through all grade levels, e.g., while studying cities,a class may spend an afternoon packing food for homeless people.
8. A continuous social curriculum which will offer students, parents and staff ongoing training in conflict-resolution skills
9. Small class size: staff/student ratios ranging from 1:7 up to 1:15
10. A holistic curriculum which addresses the intellectual, emotional, social, artistic, physical, moral and human spirit needs of the child within a context of respect for self and others.

By using the above strategies students will be :

- Compassionate, tolerant of diversity and bring strong conflict resolution skills to every situation; have strong communication skills, both written and oral, and unafraid to express him/herself on any subject while participating actively in our democratic society.
- A critical thinker who brings solid analysis and synthesis abilities to every situation;

comfortable in leadership roles, approaches his/her tasks with keen problem solving skills and is able to agree to disagree when that best serves the needs of the whole; has strong organizational and time management skills and is able to complete his/her goals in a timely and effective manner.

- Self-reflective and aware of the inherent meaning and value of all life; appreciates the diverse beauty of the arts and culture of world and knows that s/he is a small but important part of the whole world; recognizes the interdependent nature of life and is aware of the importance of caring for and preserving our natural environment; is respected by young and old alike because people can see that s/he respects others and is genuinely interested in learning from them.

Goals, Objectives and Strategies

The school's academic goals and objectives will be aligned with the South Carolina Academic Achievement Standards: The following are sample objectives:

Goal 1: To improve student learning by assisting students in reaching academic success. (All academic goals will be aligned with the South Carolina Academic Standards.).

Objective 1: Students will read, write and communicate effectively. Each year, in years 1 through 5 of the charter there will be a progression of learning. MLD began in 2010 with a ELA baseline score on PASS of the following: (a.) Elementary student scores of exemplary and met was 55.25%. There will be an increase of a minimum of 5% each consecutive year. (b.) Middle School scores of exemplary and met was 50%. There will be an increase of a minimum of 5% each consecutive year. (c.) 2010 HSAP test results of high school students who passed ELA with a score of 2 or higher was 38%. There will be a minimum of 10% increase of students who score a 2 or higher in 2011 which will be the final year that a high school program will be offered at MLD.

Strategies: Monthly formative assessment will be used to determine areas of strength and areas of concern. Three software programs Accelerated Reading, EduTest, a PLATO product and Brainchild PASS Achiever, assesses student reading levels, grammar and usage, comprehension, analysis of texts, research, word study, vocabulary and literature analysis.

Testing results will lead to the design of individualized intervention. One on one tutoring during the school school day, peer tutoring, flexible grouping, after school and Saturday school will be available. Each Saturday will be designated as either a Writing,Reading, Math or Science Academy. Volunteer from from the community (4 with 3 being certified) tutoring students three days per week during the regular school day and after school.

Objective 2. Student will apply mathematical skills to interpret information and to solve problems. Each year in years 1 though 5 of the charter there will be a progression of learning. MLD begin in 2010 with a baseline of score of exemplary and and met on PASS in mathematics 34% and 6% for middle. There will be an increase of a

minimum of 12% for elementary for elementary 6% for middle consecutively each year until 100% is achieved in the fifth year of students meeting or exceeding expected levels of growth. 2010 HSAP Test results of high school students who passed math with 2 or higher was 37%. There will be a minimum of a 10% increase of students who will score a 2 or higher in 2011 which will be the final year that a high school program will be offered at MLD.

Strategies: Monthly formative assessment will be used to determine areas of strength and areas of concern. Again the three software programs (EduTest, Brainchild as well as Accelerated Math will be used to assess student mathematical levels. Student assessment will include the following based on grade level standards, i.e., computation, geometry, estimation, expression, graphs and charts.

Testing results will lead to the design of individualized intervention. One on one tutoring during the school school day, peer tutoring, flexible grouping, after school and Saturday school will be available. Volunteers from from the community (4 with 3 being certified) tutoring students three days per week during the regular school day and after school.

Goal 3: To integrate, visual, and performing arts the into curriculum to provide students with another avenue to achieve academic success.

Objective: Students will study music, art, drama, and dance as a part of the regular core curriculum to enhance three modes of knowledge: creative, historical, and analytical, with a special emphasis on creativity and active participation.

Strategies: The visual and performing arts teachers will plan with core area teachers to incorporate visual and performing arts into lessons. The visual and performing arts teachers will team teach students to ensure standards appropriate for each grade level are met.

The performing arts center in Bishopville will be used for for visual and performing arts. Music will include paino and vocal lessons. Students may also be able to take dance and art classes. Opportunities for students to further study, drama, dance will be available three afternoons and nights per week. Local parents and community volunteers will_Student performances will be held for parents and the community in December and May.

Professional development opportunities for teachers will be held bi-weekly to ensure that fine arts is being incorporated into the curriculum.

Local visual and performing artists will be invited to work with students and teachers.

The Arts

The arts are highly valued at our school and are woven daily into our thematic integrated curriculum. Playing music, singing, drawing, dancing, and acting out stories are an essential part of what it means to be human. These forms of expression historically and currently capture the profound and sublime issues that all people experience. Some of our children will know their greatest successes in the auditory, kinesthetic and visual realms.

Ongoing exposure to a wide variety of artistry will allow children to discover their own proclivities. South Carolina has a rich artistic heritage. We plan to reach out to various art organizations to form partnerships that will bring increasingly varied artistic opportunities into our school.

Visual Arts

Creative expression is integral to the world at large and to the curriculum of our school. Art work will be incorporated to all ages and all subjects as a means of self-expression, an opportunity to experiment, a vehicle to express ideas and a mirror of the child's experiences. Various media such as watercolor, acrylics, ceramics, collage, and sculpture will be explored as students have balanced experiences with art as process and art as product. Children will have access daily to art materials from which they will sometimes be encouraged and sometimes be required to explore. They will be guided to discover and develop their own style and artistic identity.

Research shows that art is an integral part of a child's writing development so the younger elementary classes will use drawing daily as a bridge into text. All children will be guided to represent the topics of study through artistic means. An example may be creations of clay imprints, dioramas, diagrams of various medicinal and poisonous plants to demonstrate a child's understanding of these imperative differences after an in-depth study of plant identification. We study the great artists of the world and observe their contributions. Local artists are invited to come in and share their experiences as artists as well as their work to inspire and motivate children's involvement with the visual arts.

Performing Arts

Drama, music and dance are integrated into the curriculum where possible and will be studied from time to time. Students are expected to make use of these media in projects, portfolios and exhibitions. Additionally, they will experience these media through field trips to plays, concerts, ballets, poetry slams, and other public performances.

Music is present in many forms at our school. Singing, percussion instruments, and rhythmic patterns mark transitions from one activity to another in many of our classrooms. Children create songs and perform them for each other. They learn about rhythm and melody and experiment with different ways of putting these together. Many styles of music are heard at varying times throughout the school. For example, classical music may be played during a quiet reflection and reading time, Native American drumming will be used in conjunction with a unit on South Carolina peoples, and rock and roll is studied as part of Vietnam era American history.

Ceremony, ritual, and acting out stories is a fundamental human instinct present from prehistory until today. With dance and drama, human thoughts and feelings of the past and present are brought to life so that audiences can experience and integrate them. As primarily collaborative arts, drama and dance are important venues for all students to experience. Live theater requires many skills: acting, directing, technical, props, set construction, costume construction, publicizing, and script-writing. The combination of these skills is what allows the final production to be realized. Students learn many valuable skills in such collaboration: empathy, critical thinking, problem solving and team work. "Pretending" will start out in kindergarten with dress-up and fantasy play, evolve through the lower school level with creative dramatics, movement, poetry recital and skits; and eventually flower in the middle and upper schools in script-writing, and full fledged performances.

Formative assessment will include performance on software for ELA and math as well as portfolios and performances scored by using rubrics to determine how arts integration helps with student achievement.

Goal 3: To assist the local community by cultivating and training students to be leaders through community roles and responsibilities at the local school level as well as in the community.

Objective 1. Students will demonstrate personal, social and civic responsibility by completing service learning projects in the community.

Strategies: Students in all grade levels will complete a minimum of one community service project. The projects will be developmentally appropriate and a list will be available for students to select a project. The service project can be completed during the school day or after school. A rubric will be used to determine success of the service learning projects.

Professional development for teachers on ways to incorporate service learning projects will be provided by South Carolina Department of Education (SCDE).

Academic Standards

The following processes will be utilized to ensure that the school's instructional program meets or exceeds the student academic standards adopted by the State Board of Education:

A. Long Range Plans that include the following components:
- description of students
- learning and developmental goals
- topics/units
- materials and resources
- assessment
- discipline plan
- plan for communicating with parents
- plan for evaluating/ adjusting long-range plans

B. Weekly Lesson Plans that specify the South Carolina State Curriculum Standards, strategies to accomplish the standards, and assessments to evaluate student outcomes.

C. Pacing Guides will be utilized by teachers in each of the instructional areas.

D.) Core Knowledge (along with other teaching tools) will be a key instrument used to ensure that our school's instructional program meets or exceeds the student standards adopted by the State Board of Education. One of the other tools we will utilize is Brainchild and EduTest two computerized educational system that is correlated with S.C. State Standards. Please see Attachment 3 and 4 for more on Core Knowledge and Brainchild and EduTest. Core Knowledge

Provides a template in which different states can correlate their state standard to the topics covered in the Core Knowledge Sequence. Please see *Attachment 5* for a Sample Correlation Chart for Core Knowledge. *Attachment 6* for as sample correlation of Brainchild and EduTest..

E.) The following reflects the results of our PASS scores for 2010 and the interventions we will put in place to help our students succeed.

Special Education Students that Did Not Pass the Test

	#of student	ELA	Math
3	3	2	3
4	5	4	5
5	6	5	5
6	3	2	2
7	1	1	1
8	3	2	3

Regular Education Students that Did Not Pass the Test

	#of student	ELA	Math
3	7	4	3
4	10	3	3
5	8	2	7
6	7	2	5
7	1	1	1
8	7	2	6

Interventions

MLD Higher Learning Academy will provide continuous assistance to students who do not perform at acceptable levels of exemplary on the Palmetto Assessment of State Standards (PASS) and/or at the satisfactory level of the instructional staff. Intensive intervention will be provided to these students including tutoring during lunch and after school, extra assignments

provided by teachers, computer-assisted instruction, more writing assignments with immediate feedback, and any other special academic programs that the teachers and administrators feel would benefit our students. We believe that high expectations from teachers along with perseverance from students is a winning combination. We believe that our children can excel and will achieve proficiency, some earlier than others.

MLD Higher Learning Academy will also employ strategies from Mastery Learning (ML). Mastery learning is an instructional method based on the principle that all students can learn a set of reasonable objectives with appropriate instructions and sufficient time to learn. MLD puts the techniques of tutoring and individualized instruction into a group learning situation. The application of mastery learning is similar to project-based learning in that both methods incorporate a group-based instructional approach and strategies for students to work independently. This model does not allow students to proceed to new material until basic prerequisite skills are mastered. Mastery learning also supports the "self-paced concept", where students work at their own pace with teacher motivation and guidance. Mastery learning affords each student the amount of time they personally need for mastering different subjects. With this concept, it is not uncommon for students to be on several different academic levels in the same classroom. The basic principles of mastery learning are described below.

- Ninety percent of students can learn what is normally taught in schools at an A level if they are given enough time and appropriate instruction
- Enough time means:
  - Time required to demonstrate mastery of objectives
- Appropriate instruction means:
  - Break course into units of instruction
  - Identify objectives of units
  - Require students to demonstrate mastery of objectives for unit before moving on to other units

- Grades may be determined by:
  - Actual number of objectives mastered
  - Number of units completed
  - Proficiency level reached on each unit
  - Any combination of above
- Students can work at own pace if course is so structured, but mastery learning can be accomplished with group instruction

Below is a list of some advantages of mastery learning.

1. Students have prerequisite skills to move to next unit
2. Requires teachers to do task analysis, thereby becoming better prepared to teach the unit
3. Requires teachers to state objectives before designing activities
4. Can break cycle of failure (especially important for minority and disadvantaged students)

MLD will incorporate mastery learning principles into all curriculum offered. We believe that by

employing mastery learning strategies and other innovative teaching methods, all students will be equipped to reach their academic goals and successfully complete middle and high school curriculum.

Additional Interventions that will be provided include:

1. Accelerated Reading Accelerated Reader (AR) provides daily information about our student's reading and makes it easy to continuously monitor comprehension, track the time students spend reading, and differentiate reading practice.
2. Accelerated Math Accelerated Math enables monitored, differentiated math practice. Recognized as a mastery measure by the National Center on Response to Intervention, Accelerated Math provides daily information about student progress towards math mastery, skill by skill, adding a robust dimension to each student's data profile.
3. **Edutest:** PLATO® eduTest Assessment is a comprehensive online assessment solution for grades–8 that quickly identifies strengths and needs for students, classrooms, schools, or entire districts and guides instructional decisions to improve student achievement over time.
4. Brainchild ***PASS Achiever!*** is a formative assessment and instructional PASS online assessment program to assess and adjust instruction on Grade-Level Indicators, as measured by the PASS tests.
5. One on One Tutoring: Students are provided individual tutoring in the areas of Math and ELA.
6. Afterschool assistance: We will provide additional small group tutoring in the areas of math, science and ELA.
7. Peer tutoring: Advance and older student work with struggling learners to provide them additional assistance in the areas of math and ELA.
8. Education City is an award-winning eLearning resource for children, which harnesses interactivity, animation and humor to appeal to 3-12 year olds. Its bright, colorful, animated activities bring learning to life, to help children master the essentials in Language Arts, Math and Science.

4. CURRICULUM

Overall Curriculum for Grades 4K-12th

As parents, community members and teachers, we recognize that all children have many gifts and particular interests. Our curriculum has been chosen with the realization that each student is "at-risk": of succumbing to mediocrity, apathy and burnout. A classroom ratio of twenty (20) students per class ($4K^h$-12^h) will allow the teacher to meet individual needs by employing a variety of teaching methods compatible with students' individual learning styles as a means of helping them reach their potential. We will also promote continuity between the disciplines. Our curriculum will be challenging and rich in content, while teaching the skills necessary at each grade level and encouraging the development of good study habits.

MLD Higher Learning Academy will teach a classical curriculum which espouses traditional values. We will also be founded on the belief that one must be able to communicate clearly one's ideas and understand the communication of others.

Our small class size, small school size, hands-on approach, project teaching methodology and staff will ensure that each child is provided with the resources needed to succeed. Our cooperative learning approach will create classrooms in which students find themselves in various groupings throughout the day with those of similar academic development, advanced development and mixed development. The student's strengths will be validated and s/he will be challenged to improve weak areas. Likewise academically gifted students will benefit from both diverse grouping and grouping with academic peers. Additionally, our individual approach will permit gifted students to engage in appropriately challenging projects and therefore be able to progress at their own individual pace.

MLD Higher Learning Academy will be a "model" school were teachers are involved in designing and implementing curriculum while continuously evaluating the real life efficacy of progressive educational theory. Teachers will meet weekly to share insights and information gained from professional development seminars, review and assess the strengths and weakness of the program, and provide validation and mentorship for each other. Based upon a developmentally appropriate, child-centered, holistic approach, teachers will be leaders in creating and implementing school-wide norms and standards of excellence that will exist in each classroom. These norms will include the above mentioned methodology which will give coherence to the school's vision while encouraging each teacher to develop and offer the individual gifts of her/his calling.

MLD Higher Learning Academy will expect parents and community members to be active involved in all aspects of the school life. This involvement in our small school will offer parents an opportunity to share their many talents, participate in community life, and actively participate in their child's education.

MLD Higher Learning Academy will be a clear educational choice for parents of Lee County and surrounding area as there is, currently no other public school in the district which is able to offer school-wide progressive, holistic education, child-centered, small class size, and small school size and fine arts integration.

In addition to English/Language Arts, Math, Science, and Social Studies, **MLD Higher Learning Academy** will offer a Visual and Performing Arts Integration . MLD will offer Dance, Music, Theater and Visual Arts. We believe that all children deserve access to the rich education that the arts provide, regardless of their background, talents, or disabilities.

MLD Higher Learning Academy will employ highly-trained, certified teachers to carryout our overall mission. We will provide extensive training in the innovative teaching methods and all other unique components of this program. MLD-HLA will also provide volunteer tutors for students who continue to have academic difficulty.

MLD–HLA will keep classroom sizes to a minimum of 20 students per class. In addition, each teacher will be assigned a group of "class parents" to assist with class activities. This will also increase parent participation and improve parent teacher relations.

Child (Learner)- Centered Approach

This is approach is one in which children get fully involved in activities, actively explore their

environments, feel proud when they can do things for themselves, and enjoy playing and learning with others. Individualizing gives each child the capacity to grow and learn now and in the future. At **MLD Higher Learning Academy**, teachers will engage in an ongoing cycle of individualization: assessment, planning, implementation and ongoing assessment. Teachers use a variety of strategies to get to know and plan for children, build partnerships with parents and assess children's progress. By combining the information gained from the family as well as staff members, the school can use the curriculum to plan and implement an individualized education.

Just as the child's environment offers challenges and opportunities, community settings offer challenges and opportunities for healthy family functioning. The Family-Centered Approach is a process for delivering services to families in which families are recognized as having unique concerns, strengths and values. This approach offers strategies to build and promote the strengths that families already have and to understand and improve the match between the needs of children and their families with community resources and support. Parents are involved as peers and collaborators, rather than clients. The relationship is based on mutual responsibility and participation. Two-way communication and advocacy strengthen both the community support network and family functioning.

The key components include:

- reating partnerships and helping relationships
- elping to build the community environment
- inking families and community support

Family-centered programs are planned to strengthen families so they can nurture children. Recognizing strengths in the families, building on family strengths, and working in partnership with families to support children, are critical activities in reforming the way agencies and schools respond to needs of children. The concepts "family support" and "family-centered" mean respectful work with families. Schools and agency staff know and understand what is meant by "client- or consumer-driven services," "family friendly, non-deficit approaches" and "individually and culturally appropriate activities." This means offering activities and services at hours that working or single parent families are free to utilize. It means attitudes toward families need to be explored and discussed. This is the commitment that **MLD Higher Learning Academy** makes to its community, its families, and its children.

Standards-Based Education (SBE)

MLD Higher Learning Academy will utilize the state standards as the central focus of developing and facilitating school curriculum.

Academic Standards at Each Grade Level

The teachers of MLD Higher Learning Academy will provide instruction to students

based on the South Carolina Academic Standards for all subjects. These standards identify the goals that our students will achieve at each grade level. A copy of the South Carolina Curriculum Standards for each area and grade level can be found at http://www.myscschools.com/offices/cso/. Our Core Knowledge has also established an outline of State Correlated guidelines and a pace scale for each grade level and main subject area, MLD Higher Learning Academy will work closely with the South Carolina Charter School District Instructional staff to ensure that we are coordinating and providing the children with a quality education.

K4-2rd Grade Instructional Program

MLD Higher Learning Academy will provide instruction to all students based on the South Carolina Academic Standards for all subjects. These standards identify the goals that our students will receive at each grade level.

MLD Higher Learning Academy curriculum will be developmentally appropriate, hands-on, integrated, and child-centered. Each child will have an individual education plan. These principles collectively define what happens in the classroom. "Developmentally-appropriate" instruction combines the following principles to create the learning environment: Domains of children's development -- physical, social, emotional, and cognitive -- are closely related. Development in one domain influences and is influenced by development in other domains.

Development occurs in a relatively orderly sequence, with later abilities, skills and knowledge building on those already acquired. Development proceeds at varying rates from child to child as well as unevenly within different areas of each child's functioning. Early experiences have both cumulative and delayed effects on individual children's development; optimal periods exist for certain types of development. Times of readiness should be taken advantage of in instructional planning. Development proceeds in predictable directions toward greater complexity, organization, and internalization. Development and learning occur in, and are influenced by, multiple social and cultural contexts. Children are active learners, drawing on direct physical and social experience as well as culturally transmitted knowledge to construct their own understandings of the world around them. Development and learning result from interaction of biological maturation and the environment, which includes both the physical and the social worlds that children live in. Play is an important vehicle for children's social, emotional, and cognitive development as well as a reflection of their development.

Development advances when children have opportunities to practice newly acquired skills, as well as when they experience a challenge just beyond the level of their present mastery. Children demonstrate different modes of knowing and learning and different ways of representing what they know. Children learn best in the context of a community in which they are safe and valued, their physical needs are met, and they feel psychologically secure.

An "integrated" curriculum considers the integrated nature of development - what happens in one aspect of development, such as physical development, inevitably influences development in other domains. It includes various subject matter disciplines, such as science, mathematics, and literacy, in common activities, rather than as separate branches of knowledge by providing an organizing topic or concept within the children's range of

experience that allows children to explore, interpret, and engage in learning activities that draw on goals from one or more subject-matter disciplines. There is an emphasis on building from children's interests and experiences, offering a concrete context of activities to associate learning in a meaningful way and opportunities to apply skills and knowledge on meaningful problems. Integrated curriculum activities also offer a variety of related experiences that allow for individual learning styles and multiple intelligences.

Hands-on curriculum encourages children to experience each concept. This idea is beautifully captured in the Chinese proverb "I hear and I forget; I see and I remember; I do and I understand." Closely related to the developmentally-appropriate principle, the non-graded, continuous progress instruction provides a framework where children are challenged appropriately, according to their ability to master intellectual, physical, emotional and social tasks at progressively more difficult levels. A non-graded instructional plan increases the educational possibilities for every child and thus makes success for each child more probable. Last, but most important, everything about **MLD Higher Learning Academy** will be Child Centered. "Child-centered" means that the organization and structuring of the school is based on responding to a particular image of the child as full of life, power, and confidence, rather than full of need. At its most basic level, it refers to the rights, potential and strengths of children. They have potential, plasticity, the desire to grow, curiosity, and ability to be amazed, and the desire to relate to other people and to communicate.

In addition to the child's right to growth, Child-centered also recognizes parent's rights to be involved in the life of the school, and teachers' rights to grow professionally, all three active protagonists coming together.The curriculum that flows from these principles is called an "emergent curriculum" It explores what is socially relevant, intellectually engaging, and personally meaningful to children. The basic idea is that organic, whole learning evolves from the interaction of the classroom participants, both children and adults. In emergent curricula, both adults and children have initiative and make decisions. This power to impact curriculum decisions is negotiated, between what interests children and what adults know is necessary for children's education and development. The curriculum is called emergent because it emerges, traveling along new paths as choices and connections are made, and it is always open to new possibilities that were not thought of during the initial planning process. Teachers follow children's lead, then introduce new activities to sustain their interests and deepen their explorations "a delicate balancing act that requires genuine responsiveness and attention to more than just the teacher's goals." Through this process, the curriculum keeps emerging and the teacher, together with the children, keeps learning.

The following descriptions include more details about how **MLD Higher Learning Academy** will teach several important skills:

Reading and Writing

Our program balances meaningful integrated language instruction with a phonics-based approach in order to provide for a rich learning environment that will meet a variety of student's needs. Phonics instruction will be offered as a tool to new readers in a meaningful context. Children learn to read and write by reading and writing rather than by doing pages of

abstract exercises in workbooks. Beginning readers dictate stories to teachers and learn to read back their own words. They are encouraged to attempt their own writing by spelling words the way they sound. They write or dictate signs, lists, letters, songs, stories, reports, recipes, new articles, or playscripts out of a need to communicate. They read in order to follow a recipe, to decipher a note from a friend, to gain information about a topic or interest and to enjoy good literature of many kinds.

Teachers will help children develop as readers and authors through the following activities: carefully organized projects that involve use of reading and writing, group writing during class meetings, smaller literature and writing discussion groups, mini-lessons in composition and writing mechanics, individual reading and writing conferences, reading and revision of writing with peers, class read-a-loud discussions, and quiet reading and writing times. Children receive specific response regarding things they are doing well, and set individualized goals during conferences with their Teaching Partner and in small group discussions. Their individual strengths and goals are listed for continued reference in their personal writing notebook or writing folder.

In the context of meaningful reading and writing, children are guided to develop knowledge of letter sounds, spelling patterns, punctuation, capitalization, and other skills necessary for communicating meaning through print. Children learn about important elements of literature and apply them in their own writing. They also learn to revise and edit their writing in order to publish or display it. By the upper elementary grades, children are composing and revising detailed reports, creative stories, letters of opinion, and eloquent poems.

MLD Higher Learning Academy emphasizes the fact that print is meant to carry meaning and that we read and write to communicate real ideas. Therefore learning to read and write is always done in a context which holds meaning for the children involved. We will also be implementing Dial 3 and/or Dibels. The DIAL-3 provides a positive, nonthreatening environment essential to effective early screening. Children complete fun, age appropriate tasks using bright, appealing, child-friendly materials. Stimuli are presented one at a time using a dial, manipulatives, or other materials. DIAL-3 uses the same popular station format as DIAL-R.

Screens all five early childhood areas

The DIAL-3, like DIAL-R, provides scores for *Motor, Concepts, Language*, totals an overall composite, and indicates behavioral observation cutoffs. The DIAL-3 also provides standardized scores for *Self-Help* and *Social Development*, assessed by a Parent Questionnaire.

- **Motor Area:** Gross Motor items include catching, jumping, hopping, and skipping. Fine Motor items include building with blocks, cutting, copying shapes and letters, and writing, and the popular finger-touching task from the DIAL-R.
- **Language Area:** Items include answering simple personal questions (name, age, sex), articulation, naming (expressive) or identifying (receptive) objects and actions, plus phonemic awareness tasks such as rhyming and I Spy.
- **Concepts Area:** Items include pointing to named body parts, naming or identifying colors, rote counting, counting blocks, placing a block in named positions relative to a little house, identifying concepts in a triad of pictures, and sorting shapes. The DIAL-3 includes

an item that assesses automatic naming of colors. This skill has been shown to be associated with potential learning disabilities.

- **Self-Help Development:** Looks at the child's development of personal care skills related to dressing, eating, and grooming.
- **Social Development:** Looks at the child's development of social skills with other children and parents, including rule compliance, sharing, self-control, and empathy.

The Dynamic Indicators of Basic Early Literacy Skills (DIBELS) are a set of procedures and measures for assessing the acquisition of early literacy skills from kindergarten through sixth grade. They are designed to be short (one minute) fluency measures used to regularly monitor the development of early literacy and early reading skills.DIBELS are individually administered measures of student skills in each of the key basic early literacy skills.

DIBELS are comprised of seven measures to function as indicators of phonemic awareness, alphabetic principle, accuracy and fluency with connected text, reading comprehension, and vocabulary. DIBELS were designed for use in identifying children experiencing difficulty in acquisition of basic early literacy skills in order to provide support early and prevent the occurrence of later reading difficulties.

Mathematics

The emphasis is on developing an understanding of mathematical concepts through use of manipulative materials and on problem solving in realistic situations. Math is seen as a tool with which children can sort, measure, compare, quantify, and calculate anything with which they are working. :

1 Application - an emphasis on using math for real problem solving. Children use math as they collect and analyze data in science experiments, as they cook, as they measure and graph weather conditions, as they draw plans for wood-working to scale, as they buy and sell crafts they have made in a classroom "store," and in a multitude of other ways. Teachers continually foster the uses of math inherent in children's self-chosen projects. They also create realistic projects that challenge children to apply specific math skills.

2 Developing understanding through use of manipulative materials. Teachers work toward helping children understand the underlying concepts behind a skill through use of manipulative materials (including counters, pattern blocks, base-ten blocks, rocks, leaves). Children are guided to discover mathematical rules or formulas for themselves whenever possible.

3 Finding patterns - Teachers help children learn to think mathematically by guiding them to find or create their own mathematical patterns.

4 Estimation - Children develop understanding of what qualities mean as they learn systematic ways to estimate and then measure volumes, lengths, distances, numbers, and weights of real objects. They also learn to estimate answers to numerical calculations. Estimation helps them focus on the math concept rather than only on mechanical pencil-paper computations, and it helps them test the validity of a given answer.

5 Reading and recording - Children become fluent at reading and recording mathematical experiences on graphs, in charts, through geometric designs, as numerical calculations and through written descriptions of mathematical activities. The recording that children do on paper represents only part of the important mathematical thought (estimating, looking for patterns, discovering properties, logical problem solving) which children are stimulated to engage in every day.

6 Practice. After children understand the concepts involved in a math skill and know how to apply it, they still need practice. Children practice math skills whenever they are engaged in problem solving, application, estimation, pattern finding, and recording of math. For additional practice, activities focus on particular skills. This may include challenging word problems and brief pencil and paper practice of math facts or computation. However, children learn best when practice is fun and relevant, so games are often used to help children develop their mathematical abilities. In card games, dice games, board games, and various other games, children are challenged to think quickly, use math facts, use logic, and solve problems. Specific games can help children develop the concept of place value, use coordinate on a grid, learn to simplify fractions, or practice multiplication tables.

Most math activities can be approached from a variety of levels of understanding. This makes it easy for teachers to help each child extend his or her learning as far as possible in each situation. In these "open-ended" activities, children are often able to go much further in their mathematical understanding than they could if limited to a textbook.

The goal is for children to view math as an accessible, logical tool, rather than as a set of unfathomable, arbitrary rules applied to rows of number problems. This is experiential, problem-solving oriented mathematics, realistically applied in integration with other curriculum areas.

Science

At **MLD Higher Learning Academy**, science is considered to be the process of actively exploring and discovering the world around us. Children are continually involved in the process of doing science. Children of all ages explore materials and conduct experiments. They observe as they raise animals, build structures, recreate ecosystems in terrariums, create electrical circuits, cook, find ways to conserve the soil on their playground, make instruments to measure weather conditions or explore properties of sand and water. As children explore, their Teachers will guide them in the use of science skills: Observing, classifying, questioning, predicting (forming hypotheses), gathering information from may sources, experimenting, identifying and controlling variables, collecting and analyzing data, drawing conclusions and communicating them effectively, learning from "mistakes".

Children's understanding of a scientific concept requires direct experience. And children come to understand concepts best when they have "discovered" ideas for themselves. Therefore, Teachers ask many open-ended questions which lead children to discoveries through their own experimentation, rather than merely giving them answers and formulas. Such questions might include: "How can we find out how much water is in an apple?" "What kinds of food does our guinea pig prefer to eat?" "How could you lift Susan off the floor without touching her?" Then as children "discover" things, the Teaching Partner supplies the relevant vocabulary, helping children generalize and extend their understanding

through discussion related to their direct experiences.

Social Studies

Social Studies begins with and continually involves children's growing awareness of self in relation to others. It is essential that children see themselves as important, independent individuals who are related to and interdependent with other people. Experiences are geared toward helping children learn that they have many contributions to make as individuals and as members of a group. The opportunities they have to make choices, ask questions, plan their own projects, solve their own problems, and think independently help children develop their own sense of worth and their ability to be self-directed.

Children undertake many cooperative projects and have frequent interactions with peers. These situations provide opportunities to practice group problem-solving, democratic decision-making, consensus building, conflict resolution, and respect for others. Emphasis is placed on building understanding and appreciation of diverse ideas and backgrounds.

Children have a limited ability to comprehend geographical space or historical time until their early adolescence. Therefore teachers must insure that topics investigated are developmentally appropriate for each age level. Children in early elementary grades start with direct personal experiences with time, space, and roles in society. This begins with their classroom interactions. They take walks around the neighborhood, go on field trips around the city, invite guests with varied occupations into their classrooms, act out adult roles in their dramatic play, and map out their community in the block center.

MLD Higher Learning Academy will provide instruction to all students based on the South Carolina Academic Standards for all subjects. These standards identify the goals that our students will receive at each grade level.

3rd through 8th Curriculum

English/Language Arts

Philosophy

Our English Language Arts (ELA) curriculum intends to make literacy relevant to children's lives. This will foster a love of reading and communicating. Learning to effectively read, write, speak, think, and listen will rest on the child's natural impulse to communicate ideas, fantasies, emotions, thoughts, questions and experiences with others and for themselves. Our ELA curriculum is based on the premise that communication involves "complex processes and skills, all of them basic not only to communication, but to living as a fully functioning creative human being" (quoted from Explorations in the Teaching of English by Stephen N. Judy, p.41).

Methodology:

Our curriculum is rooted in the Language-Experience approach based on Piaget's work, where a child's interests and experiences are used as a springboard into further

investigation via reading and writing. Younger children as well as older children will be encouraged to make sense of their experiences by learning the thinking skills necessary to articulate effectively those experiences. For example, a child may have an interest in undersea life or the thematic unit of study may involve ocean life. In an introductory discussion a student may share his/her experience witnessing a beached whale at the beach and naturally begin to respond emotionally, human spirit and intellectually to that scene. As a facilitator, our ELA teacher would encourage him/her to make abstractions about that event, which may involve more questions about whales. The student would be invited to connect with what s/he already knows about other sea animals like dolphins as a way of hypothesizing about whales. Then the student may choose to research whales by reading a book, watching a video, or interviewing an expert on whales from which s/he will assimilate this information into his/her new understandings and perceptions of the world around him/her. These new perceptions and understandings may then be shared formally or informally with his/her peers, his/her teacher or the community at large. In short, reading and writing are taught as tools in an environment saturated with reading opportunities.

While reading, writing, speaking, listening and thinking skills are all taught holistically in our program, there will be direct instruction of specific strategies for retrieving and creating meaning in text. In the context of meaningful reading and writing, children are guided to develop knowledge of letter sounds, vocabulary, spelling patterns, punctuation, capitalization and other skills necessary for communicating meaning through print. Specifically, children who have used inventive spelling in the lower grades will learn the relevance of standard spelling as a means of communicating ideas to a wider audience. At developmentally appropriate levels, children use their reading skills to decode and comprehend instructions in Learning Centers. Through reading and discussing various literary techniques, children at all levels learn about important elements of literature and apply them in their own writing. Revising and editing are taught as relevant skills necessary for displaying or publishing work. By the upper elementary grades, children compose and revise detailed reports, creative stories, letters of opinion and eloquent poems. Mini-lessons that focus on grammar, spelling, mechanics and specific skills that are deemed relevant to the student's need for more effective communication will be taught in all grades. And because the art of communication exists in science, social studies, math, art, music and dance, the thematic units and the literature chosen for reading and the writing will be interdisciplinary.

Reading

- ☐ **Individual reading conferences**: self-selection by child (guidance when necessary), assessment of strategies used, sampling, predicting, monitoring, confirming, etc.; assessment of understanding, fluency in reading and writing; assessment of cueing systems—meaning, language graphophonic, reading to reference an answer or to support an opinion; interests—build on individual interests and expand field of reference; appropriateness of selection—level, topic, variety of genres; reading record kept on each child; use of literary elements
- ☐ **Homework** reading: 30 minutes reading for older students with periodic discussions of material read, Parents will be required to read nightly to emerging readers.
- ☐ **Read aloud daily**: exposure to different genres (stories, poems, informational), demonstrations of writing and reading, use of prediction
- ☐ **Sustained Silent Reading**: discuss choice of books read, required reading for older students over vacation breaks, suggested reading list for each level will be developed that

reaches across the curricular areas, time to read independently. Familiarity with books, titles, authors, opportunities for the social aspect of reading—partner and peer learning, sharing experience of reading a particular book or genre, chances to engage and grow in language development. Assessment opportunities—diversity of selection, speed, miscue analysis, identification of self as reader, time for story telling and development of sense of story. Universal nature of storytelling, concepts of print, increase interest in reading and expand reading interests

- **Content**: as related to thematic unit of study, interdisciplinary topics as related to current or future projects, inquiry as to nature and relevance
- **Response opportunities**: dialogue with peers and teacher, reading log, inquiry into facts and links in material read, literature response journal (weekly responses for older students),whole class and small group discussions about material read
- **Shared reading**: dramatic interpretation, individual and two part poems, charts, songs, schedules, directions for learning centers, abundance of functional print on field trip, text is seen, students reading to other students
- **Literature studies**: interpretation, dialogue, same title, author, genre or topic, small group, in-depth over time, literary elements, critical analysis
- **Guided reading**: focus on specific skill/strategies, small group, same text
- **Daily, incidental, purposeful reading**: daily plans, Learning Centers, directions, graphs, etc.
- **Listening**: books, songs, poems on tape
- **Speaking and viewing experiences**: class meetings, project presentations, storytelling—fiction, biography, and non-fiction
- **Studio time**: hands-on experience with a variety of mediums to explore other forms of communicating (dance, music, drama, art)

Writing

Methods used to developmentally increase writing skills are: writing samples, journal writing, dictation, writing workshop, and treating writing as a process that includes brainstorming, outlining, creating rough drafts, editing, revising, creating a final draft and possibly publishing.

- Strategy/skill lessons: Focused time on skills needed both individually and in groups
- Exploring useful writing: notes to parents, cards, posters, letters, lists, and signs.

Oral Communication

Speaking is an integral part to the ELA curriculum. Communicating through language is so important because it is our primary form of relaying thoughts, ideas, and feelings to others. Being able to verbalize thoughts precedes making sense of the written word and complements the writing process. So, in the lower elementary grades, children will be encouraged to develop oral articulation about their experiences as a precursor and motivator to recording these thoughts and feelings in text. As developmentally appropriate, oral communication will be emphasized through daily class meetings, storytelling, creative dramatics, mediation, dramatic readings, debates, and project presentations. In terms of the social curriculum, learning how to articulate feelings and to listen to the feelings of others is vital. Thus, we assist children in developing their spoken vocabulary to serve this need. Because our curriculum in all areas is experiential, processing daily events and interactions verbally is important to the child's learning process.

Mathematics

Philosophy/Goal

Mathematics at our school is taught by giving students opportunities to solve engaging problems and by building on the natural ways children make sense of numbers. Rather than giving students worksheets of problems and prescribed algorithms to find the answers, teachers will guide students to solve problems that are meaningful to them and ask them to explain their thinking. By explaining how they solve problems, children learn that math is a process of thinking and a tool to use in life, not just a set of rules to memorize which has no connection to their world. The primary role of the math teacher at our school is to guide students toward more efficient and higher orders of thinking about solving problems, moving developmentally from the concrete to the abstract. In this way, students can discover for themselves the methods that work best. Research has shown that when children construct for themselves new ways of thinking about problems, understanding is much deeper and can therefore be applied to new situations.

Methodology

We will base our math curriculum on the following resources:

- ☐ Saxon Mathematics
- ☐ SRA Mathematics
- ☐ TransMath
- ☐ Accelerated Mathematics

Using these programs, we will cover all elements in the South Carolina Standard Course of Study. In addition to these programs, the primary materials our school we will use to teach math are:

- ☐ math manipulative such as unifix cubes, counters of all kinds (shells, plastic discs, beans, teddy bear counters), fraction bars, base ten blocks
- ☐ counting tools such as hundreds boards and 300's boards
- ☐ pattern blocks, geometric solids, geoboards, tangrams, paper for students to cut out their own geometric shapes
- ☐ measuring devices such as rulers, meter sticks, graduated cylinders, inch and centimeter blocks, and balance scales
- ☐ calculators
- ☐ math journals in which students record and reflect on their process of solving different problems

Students will have opportunities to work independently and in groups, and will learn to see themselves and their peers as resources and teachers in group problem-solving efforts. Because the teacher is not teaching a "right way" to solve math problems, s/he is no longer the expert imparting a formula to the students. Instead, s/he is a guide, helping students discover for themselves effective methods to solve problems. Moreover, because students are constructing and reconstructing their own methods of solving problems, they can be much more active in peer teaching.

Finally, our school does not see math as an isolated subject divorced from other

classroom activities and from daily life. Instead, mathematics is viewed as a tool to solve problems that arise in all aspects of life. As a result, the teaching of math at our school will be integrated into the theme studies of the class and everyday issues that come up in the classroom. For instance, students could use math to:

- plan and implement fundraising projects for the class
- figure out how many cars the class needs for a field trip
- measure the classroom and make a scale model when rearranging the room
- learn about the calendar, and use it to figure out when the 100th day of school will be
- gather and compute information during a science experiment, e.g., measuring how far a snail travels in a minute; figuring out the average rate of a snail; graphing the average rates of large snails and small snails
- take measurements and make calculations to do science projects such as creating an invention that uses at least 2 simple machines
- apply for a business loan and keep a ledger when the class is creating a town
- graph findings on who in the class has which kind of fingerprints in a Mystery unit
- measure and make calculations when making moon crater cakes (aka pancakes) in the cooking center during a unit on space, or sewing pillows for the class reading nook in the sewing center

Through real life, engaging experiences, and building on the natural ways children learn to make sense of numbers, the students at our school will develop true understanding of mathematical concepts and be able to apply these concepts to most any situation that arises.

Social Studies

Philosophy/Goal

At our school we believe that Social Studies is the active process of discovering the social and cultural world around us. Social Studies is explored through interdisciplinary units in which our students gain a better understanding of the diverse world in which we live. In a given unit students study the different cultures, social structures, religions, ways of making a living, and governments. Students develop an awareness that s/he is a small but important part of the world.

Methodology

Students will gain an enriched knowledge about the world in which they live through direct experiences such as:

- creating communities, cities or villages within the classroom
- field trips
- guest speakers
- letter writing to elected officials
- individual and cooperative research projects
- community service projects
- class meetings

An important component of social studies which is woven throughout grade levels is a study of women and their roles throughout history. Early on the student learns about values attitudes, self-worth and practices mediation skills in order to deal with conflicts they may

have with others. They, likewise, learn to respect others, to make choices, to work both independently and cooperatively, and to begin to develop the skills necessary to become a self-directed learner. Teachers weave into their interdisciplinary units cultural celebrations so that students can experience and learn about others in a fun way.

When developmentally appropriate, students will begin to investigate geographical, cultural, historical, and governmental topics. Beginning with their local community, students learn to identify different roles in society. A variety of careers will be studied with guest speakers sharing their own personal experiences. Field trips to local community organizations help students gain a better understanding of their community. They bring this knowledge back to the classroom and use it to help create their own community of stores and businesses in which they practice buying and selling and learning about commerce. Timelines are introduced in grade 2 with students creating their own personal timeline to gain a sense of their own history. Later, timelines with important historical events will be posted around the classroom,

Cooperative projects, class meetings, and community service projects give them first-hand experience in democratic decision making, consensus building, and practical experience with government.

In the middle elementary grades, students begin to move from local community to an exploration of city and state. Through individual and group projects, students begin to explore the history, government, and economic system of their city and state. One method of exploration could be forming their own town with a governmental structure used to decide on important issues such as: keeping the town clean, paying town employees, etc. Other methods include: field trips to local and state businesses, governmental buildings and historic sites; letter writing and visiting elected officials; and guest speakers. Again timelines give to students an understanding of historical events of the city and state.

In the upper elementary grades, students begin to explore the bigger world. They move from city and state to country and the Americas. Students begin to focus on a study of U.S. history, government and economics. They then move on to explore the customs, traditions, holidays, religions, history, government, and economics of North and South America. Likewise, they begin to gain an understanding of citizenship both locally and globally. These topics are discovered through: guest speakers, individual and group projects, securing pen-pals through programs such as World-Wise Schools, celebrations, creating a village from a geographical region they are studying, and perhaps even visiting one of the regions they have studied. Research skills will be enhanced by using Internet, encyclopedias, books, magazines and interviews.

In the middle grades students, move into a study of the rest of the world. They explore the customs, traditions, holidays, religions, history, government, and economics of Europe, Russia, Asia, and Africa. The methods of exploration include: creating an African village marketplace, an Asian Chinatown, or an European city; field trips to international businesses or restaurants; guest speakers from our international community; individual and group research projects; letter writing to international organizations to gain an awareness of international issues of social justice; and visiting a region they have studied.

At the high school level, students begin to go out into the community to do apprenticeships. We'll be looking at the possibility of students taking college level classes through one of the local colleges or universities while attending high school.

Science

Philosophy/Goal

At our school, we believe that science is an active process of discovering the physical world around us. We, therefore, plan to provide opportunities for students to explore and experiment actively, and to supplement these hands-on activities with projects involving research. Congruent with other areas of the curriculum, we believe that children learn and understand basic science concepts best when allowed to form their new knowledge from direct experience, rather than from reading text books or listening to lectures. Therefore, teachers at our school will guide students in scientific inquiry and in constructing logical conclusions.

Methodology

Scientific inquiry will be based on children learning science skills as they explore. Examples include:

- observing
- classifying
- questioning
- predicting and forming hypotheses
- experimenting
- gathering information from many sources, including books, magazines, encyclopedias, films, field trips, guest speakers, etc.
- identifying and controlling variables
- collecting and analyzing data
- drawing conclusions and communicating them effectively
- learning from "mistakes"

Scientific inquiry will be modified according to the developmental needs of the class. The primary grades will emphasize the wonder of the world around us, and the formal steps will be done orally as a group using developmentally appropriate language. In the upper elementary grades, students will be introduced to the formal scientific method and be taught the format for performing and writing up science experiments. In middle school and upper school, students will be using formal scientific inquiry regularly and supplementing their findings with research.

At our school, we will do scientific inquiries in all the major branches of science--Earth science (including geology, weather, astronomy, oceanography), life science (including human body, plants, insects, life cycles), and physical science (including simple and complex machines, electricity, light, sound, and energy). Using the natural resources at hand, in addition to lab equipment and hands-on materials from science kits, students will have opportunities to explore directly activities such as:

- the life cycle of a butterfly, starting with caterpillars, feeding them with leaves, observing them make their chrysalises, and watching them emerge in their metamorphosed form
- how clouds are created by making a cloud in a bottle
- how the layers of the earth are formed and can change by doing experiments with Jell-O earth formations
- how to get a light bulb to light by experimenting with creating different configurations of some simple materials—a flashlight bulb, a battery, and a wire—and thereby discovering how circuits work

In addition, we will highlight, at all grade levels, activities in environmental science. The

primary way we will teach about the environment will be through direct experiences in nature and our local environs. There is much evidence to show that people learn to care for things they understand and they understand things that they experience directly. We believe that one of the major challenges that today's children will face is how to live with respect for the diversity and the limits of the earth and all her creatures. Because this is an issue that transcends subject and career categories, we believe it is important to integrate environmental education into all grade levels at our school.

As with all other subjects, we see that science is connected to many other areas of learning. Therefore, we will integrate the teaching of science with other subject areas, especially math.

Examples of such integrated activities include:

- discovering how much of the earth's surface is water by figuring out the percentage of times that children's thumbs touch water when catching a blow-up globe
- learning about different gravitational forces on different planets in our solar system by computing how high each child can jump on different planets in the Space Olympics

We will not use science textbooks to teach about science concepts, although we will use books in the classroom and community library. The primary materials we will use. We utilize hands-on science kits and lab materials, such as thermometers, beakers, test tubes, flasks, petri dishes, scales, meter sticks, microscopes, etc.

9th through 12th Grade Curriculum By Grade Level

MLD Higher Learning Academy will comply with all state standards at each grade level. **MLD Higher Learning Academy**'s instructional program will utilize the semester block structure. Students may earn eight units a credit year. This structure affords flexibility and creativity in building an instructional plan. Ninth and Tenth graders will remain in some form of math and English for the entire school year.

The academic program is designed to meet the needs of constantly changing and growing community. Students have a varied choice of curriculum levels and programs both on the **MLD Higher Learning Academy** campus and at Lee County Career and Technology Center that serves the district. Students may choose from technical preparatory, and honors level course as they design their four year plan of study. Many special programs will be designed to meet student needs and interests.

Remedial courses will also be available in math, reading, and writing for students who need additional instruction. A resource program serves the needs of students with special learning needs through resource classes.

Advanced Placement course will be available in English, art calculus, statistics, American History, European history, biology, chemistry, physics, and Spanish.

MLD Higher Learning Academy will also offer at lest two foreign languages---French and Spanish.

The Fine Arts Department challenges the creativity and talents of students in art, dance,

chorus, music and drama.

MLD Higher Learning Academy's Business and Technology Departments and Lee County Career and Technology Departments and Lee County Career and Technology Center will offer students technical and occupational programs to equip students with the training and job skills demand by a highly competitive work environment.

MLD Higher Learning Academy's counselors will assist students in planning their programs of student in order to meet the goals they and their parents have established. They also help students reassess their goals based on personal motivation, academic success, standardized test scores, and changing interests. The guidance and counseling programs is implemented through classroom guidance activities, individual review of transcripts and career plans, and various workshop offerings.

MINIMUM COURSE LOAD

All students are required by state regulations to take at least three (3) credit-bearing course during any semester. At **MLD Higher Learning Academy**, high school students must take a minimum of 7 classes per year to include Virtual Classes through the South Carolina Virtual School.

Below are the requirements for promotion at each grade level and a sample of course offering at each grade level and the descriptions of the courses. The course sampling is comparable to the Lee County School District

Freshman, Grade 9

To be classified as a (ninth grader) freshman, a student must have been promoted from the eighth grade

Sample Ninth Grade Projected Courses

English I - Writing compositions and studying literary works in depth will be emphasized in this course. You will see compositions and literature interrelated with language study, including mechanics, usage, vocabulary, grammar and SAT skills.

High School 101- This course is required for all freshmen students entering high for the first time. The purpose of this course is to ease your transition from middle to high school by teaching study skills, note taking skills, library skills, time management , conflict resolutions, career decision making skills and collaborations and well has character development.

Drama I-This course is designed to help students develop poise and self confidence. it acquaints them with the basic aspects of theater. The student is introduced to improvisational acting, monologues, public speaking, puppetry, mime makeup and the technical elements of play production.

Accelerated Math-This course will help bridge the gap between mathematical concepts

taught in junior high school(middle) school mathematics and the skills taught in Mathematics for Technologies and Algebra I. This course helps to enhance old concepts and introduce new and exciting mathematical concepts. Emphasis is placed upon application of arithmetic, basic geometry, pre-algebra, and Algebra I skills through a hands on approach.

Algebra I-- This course is designed to offer algebraic content to students and the concepts taught will include the following: quadratic and polynomial functions, factoring, operations and properties of real numbers, simplifying, expressions, solving equations and applications.

Physical Science--This course is designed to give students a basic foundation in the chemistry and physics concepts and skills needed for success in college or technical college. Topics of study include atomic structure, acids, and bases, chemical formulas, motion, heat, light, sound, and electricity. This course is also designed to challenge students in their use of the scientific method in studying certain problems.

Physical Education I--This course is designed to provide physical activities, which will promote normal growth and development.

Sophomore, Grade 10

Students will be admitted to the 10th grade that have completed one year of high school and have earned six units to include one unit in English and one unit of Math.

Sample Sophomore Courses

English II-- This course will introduce the student to literacy forms such as the short story, poetry, the novel and drama. Independent reading is required. Elements of grammar are reviewed with emphasis on correct usage.

Spanish I

Algebra II This course is designed to offer intermediate and advanced algebra, which will prepare you for further theoretical, higher level mathematics studies. Concepts taught will include the following: Functions and relations, systems of equations and inequalities, the complex number system, graphing and problem solving.

Geometry-- This course is designed to foster logical inductive and deductive reasoning and understanding of the nature of mathematical proof.

Art I-- This course is designed as a beginning art appreciation class for students desiring to understand, produce and value art forms.

Chorus I --This course is designed for beginning to intermediate singers. Students are provided the opportunity to develop their voices through song and voice related instruction.

Biology I--This course is designed as an intensified study of plant and animal life and their functions. They will be introduced to the molecular basis of biology, the classification system

of plants and animals, heredity and ecology. Laboratory work is incorporated with classroom activities.

World History--This course is a broad survey of the social, political, economic, and geographic features of the significant civilizations and cultures from the emergence of man to the present.

Comprehensive Health--This course is designed to help students understand and accept their body and its function in a wholesome manner. The goal of this course is to enable students to form a well-defined self image and awareness of their individual values, strengths and limitations.

Junior, Grade 11
Students will be admitted to the 11th grade who have attended high school two years and earned twelve units to include 2 units of English and 2 units in mathematics, 1 unit in social studies and 1 unit in science

Sample of 11th Grade Courses

English III-This course is designed to develop the advanced level of grammar, usage, reading, vocabulary, and composition. Emphasis is placed on American literature, as well as on research skills.

Geometry--This course is designed to foster logical inductive and deductive reasoning and understanding of the nature of the mathematical proof.

Biology II--This course will cover cellular structure and organization, organisms and their growth development, species and their relationship to the environment, and extensive study of systems of the human body.

United States History and Constitution--This course is designed to give students a comprehensive study of the United States History, the Declaration of Independence and the Constitution. This course covers the discovery and establishment of the United States and its government. Emphasis is placed on the importance of people and events in helping to shape the growth and development of the nation.

Spanish II/Chorus II/Art II

Senior, Grade 12
Students will be admitted to 12th grade who have attended high school three years, earned sixteen units and can be scheduled to graduate.

Sample of 12th Grade Courses

English IV-- Students will study British literature and write compositions, continuing to develop language skills. Students will be required to write longer compositions as well as a research paper.

Pre-Calculus--This course will introduce calculus and trigonometry. They will study sets and relations, mathematics modeling, algebraic structure, functions, their graphs, and their applications

Chemistry--This course provides the background needed for an understanding of matter and its organization and interrelationships, Topics include atomic structure, chemical bonding, acids and bases, and chemical kinetics. Laboratory investigations are stressed.

American Government--This course teaches the foundation of our democratic heritage along with the basic strengths of our federal system at the national state and local levels of government. It embraces the study of institutions, people, policies, and powers at all level of the government as well as a basic understanding of the U.S. Constitution. Emphasis is placed on the role of the citizen in the government.

Economics-- This course teaches students about the American free enterprise economic system. This course will give students an understanding of how to survive in the everyday world and how to spend money wisely. Emphasis will be placed on the economic concepts of scarcity, supply and demand, opportunity costs, market system, money and banking and trade.

2. ESSENTIAL ENRICHMENTS

Our philosophy of Essential Enrichments is described in each section below. The methods used will be consistent with the experiential approach described in the preceding 0section. Assessments in these areas will be wholly performance based: portfolios, exhibitions, performances, oral recitations, etc. Feedback from faculty and peers will help to hone the learner's self assessment in these areas.

Spanish

At our school, we believe that communication with people of other cultures is a key element in understanding the importance of diversity and how all people are interconnected. To foster this communication, we are planning to teach Spanish or French to all students, from early elementary classes up through high school.

While most schools begin teaching language in middle school, research has confirmed that language acquisition is easiest, quickest, and most complete with younger children. Therefore, we plan to offer Spanish starting from the early elementary grades. Spanish will be integrated with activities in the classroom whenever possible and the thematic units in the classrooms will be reflected in the Spanish curriculum.

Physical Education

Physical Education activities at our school are taught in such a way that students are concentrating on self-improvement instead of competing with others. Our Physical Education program will be based on a national program called Physical Best. This program tests students in 4 areas: aerobic endurance, muscular strength and endurance, flexibility, and

body composition. Based upon students scores, goals are written and students will engage in appropriate activities to improve their scores.

Likewise, activities will be designed to integrate PE into interdisciplinary units. A class may calculate the total number of miles walked/jogged by students and then convert this number in meters, feet, yards, kilometers, etc. In addition, the class may find a place they may have visited if they had actually traveled that far. They may also learn games played by children in other countries.

When developmentally appropriate, activities such as manipulating hoops, ropes, bean bags, balls, etc., are used to allow students to develop their motor skills. Sports skills are also introduced that expose students to both a variety of team and individual sports.
Students will receive progress reports every four and half (41/2) weeks. The students will be required to attend classes at least 180 days per year, receiving a minimal of 140 seat hours in each course. To graduate the student must receive a passing grade in each course of study and pass the standard exit examine.

Students will receive reports every four and half (4 1/2) weeks. The students will be required to attend classes at least 180 days per year, receiving a minimal of 120 hours in each course. To graduate the student must receive a passing grade in each course of study and pass the standard exit examine.

In order for a student to graduate from MLD Higher Learning Academy they must meet the following requirements:

English	4 Units	Social Studies	3 Units
Mathematics	4 Units	Science	3 Units
Foreign Language	2 Units	Computer Literacy	2 Units
Physical Education	1 Unit	Health	1 Unit
Fine Arts	1 Unit	Additional Academic	3 Units

MLD Higher Learning Academy will comply with all state regulations in regards to students graduating and receiving a state high school diploma. Grades at MLD Higher Learning Academy will reflect not only academic progress, but also effort, attendance, class participation, and completion of assignments. Our grading scale will be based on the South Carolina uniform grading scale. Our high school students will also have the option of taking some classes at Central Carolina Technology College. We will also be utilizing SC Virtual classes for some of our classes.

MLD Higher Learning Academy will follow the yearly 2010-2011 Calendar Developed by the Lee County School System.

Instructional Day

The instructional day at **MLD Higher Learning Academy** will consist of a minimum of six hours of instructional time. The school year will include at least 180 days.

> The school calendar and schedule will reflect a minimum of 180 instructional days per year and the following instructional times broken down by grade level:

Grade Level	Instructional Time (minimums)	Start Time	End Time	Minimum Class Time
Grades K-5	6 hours per day (including lunch)	07:20:00 AM	02:20:00 PM	40 minutes
Grades 6-8	6 hours per day (including lunch) 120 hours per course for a Carnegie Unit	7:40 am	02:45:00 PM	50 minutes
Grades 9-12	6 hours per day (excluding lunch) 120 hours per course for a Carnegie Unit	07:55:00 AM	03:30:00 PM	60 minutes

The following is a sample daily schedule intended to illustrate what a typical day at **MLD HIGHER LEARNING ACADEMY** might look like. Teachers and the Administrator will devise a class schedule before the beginning of school and will submit it to the Board of Directors for approval. Any changes in class schedules will be initiated by the faculty and/or Administrator and presented to the Board of Directors for approval. Minimal time will be allotted for classroom changes.

K-5 Sample Daily Schedule

Start Time	End Time	Subject
07:20:00 AM	07:50:00 AM	Homeroom
07:50:00 AM	08:05:00 AM	Morning Work
08:05:00 AM	08:20:00 AM	Morning Board/Shared Reading/ Character Education
08:20:00 AM	09:00:00 AM	Mathematics
09:00:00 AM	09:50:00 AM	ELA
09:50:00 AM	10:40:00 AM	Science
10:40:00 AM	11:30:00 PM	Social Studies
11:30:00 AM	12:20:00 PM	Lunch/PE/Recess
12:20:00 PM	01:00:00 PM	Fine Arts/Technology/PASS Prep
01:00:00 PM	01:40:00 PM	Fine Arts/Technology/PASS Prep
01:40:00 PM	02:20:00 PM	Fine Arts/Technology/PASS Prep
02:20:00 PM	02:30:00 PM	Dismissal

6-8 Sample Daily Schedule

Start Time	End Time	Subject
7:40 am	7:55 am	Homeroom
7:55 am	08:55:00 AM	Math
08:55:00 AM	09:55:00 AM	Language Arts
09:55:00 AM	10:55:00 AM	Science
10:55:00 AM	11:55:00 PM	Social Studies
11:55:00 AM	12:30:00 PM	Lunch

12:30:00 PM	01:15:00 PM	Fine Arts/ Technology/ PASS Prep
01:15:00 PM	02:00:00 PM	Technology/Fine Arts
02:00:00 PM	02:45:00 PM	Fine Arts/PASS Prep Foreign Language

9-12 Sample Daily Schedule

Start Time	End Time	Subject
07:55:00 AM	08:55:00 AM	Math
08:55:00 AM	09:55:00 AM	Language Arts
09:55:00 AM	10:55:00 AM	Science
10:55:00 AM	11:55:00 AM	Social Studies
11:55:00 AM	12:55:00 PM	Technology
12:55:00 PM	01:30:00 PM	Lunch
01:30:00 PM	02:20:00 PM	Fine Arts
02:20:00 PM	03:20:00 PM	Foreign Language/Fine Arts

6. Special Education

MLD HIGHER LEARNING ACADEMY will offer a broad range of opportunities for students with disabilities and giftedness who meet eligibility criteria established by State and Federal laws. The evaluation process of developing a IEP, and the continuous monitoring of timeline and benchmarks, will help identify those students who may meet eligibility criteria for disabilities and/or giftedness as established by State and Federal laws. **MLD HIGHER LEARNING ACADEMY** will screen students in need of special education services in compliance with State and Federal legislation. Staff will identify, and screen students in need of special education services pursuant to Section 504 of the Rehabilitation Act of 1973, Title II of the Americans With Disabilities Act of 1990 (ADA), and the Individuals With Disabilities Education Act (IDEA) of 1997. As identified by legislation, an Individualized Education Plan (IEP) will be developed for each special education student.

MLD HIGHER LEARNING ACADEMY is committed to providing a free, appropriate public education (FAPE) to each student. Toward that end, it will contract for any ancillary services, which may be required for those with special needs. Such services may include a certified special education teacher. Training in special education will be included in staff development activities.

The School will provide the following safeguards for special needs children:

- Equal access to all students;
- Personal Education Plan;
- Free Appropriate Public Education (FAPE);
- Least Restricted Environment (LRE);

- Due process and parental involvement;
- Non-discriminatory evaluation.

Inclusion

MLD HIGHER LEARNING ACADEMY shall offer a full inclusion program as appropriate for each child's needs to encourage interaction with one another. "Pull-out" programs will be based on IEP need and will be used to fully incorporate children with special needs into the general classroom.

Disabled and 504 Compliance

The School's procedure for identifying students with special needs, developing individualized education programs, and providing related and transition services?

We will use a referral system in determining or identifying students with special needs. When teachers, administrators, and/or parents feel that a student displays any form of disability, they may make referral to our special education/ intervention coordinator. He/she will then in turn use the referrals to provide proper evaluation and then any needed services of these identified students.

MLD Higher Learning Academy will ensure that all students' individual education needs at meet, starting with our initial admittance packet, which is design to determine the needs of each child. Although we are unaware of our actual student population and their needs, **MLD Higher Learning Academy** employ teachers who are certified in various Special Education areas. We will provide the same types of educational services to our special needs students as our local school district (Lee County).

A description of how the school will implement special education requirements for students with disabilities, including the full range of services and placements that will be made available to those students?

Where as placement and appropriate services are concern, MLD certified special education teaching staff along with the coordinator will establish needed services and placement. They will then implement what the IEP/504 team has or will determine to be needed for each child. This will ensure that all of that students civil rights are protected and most of all their needs meet.

We will use the team approach as mandated by state and federal law in developing a child's IEP/504.

A description of how the school will implement transition services and how assistive technology needs will be addressed?

We will collaborate with the Lee County School District Special Needs Department, and S.C.

Vocational Rehabilitation Services (and other agencies as needed) to determine assistive technology and transitional needs and provide adequate services to each child.

(C.) Student Assessment

1. METHODS USED

Pupil Achievement Standards

Child-centered planning is an ongoing process that continues throughout a child's participation in our school of the arts and technology classrooms. To effectively individualize, teachers will:

- Use multiple sources of information including parent reports, ongoing observations and results of standardized screening and evaluation instruments to learn about needs, interests, abilities, culture, home language, and life experiences
- Develop a partnership with each family to share information about a child's culture, life experiences, skills needs, interests and abilities and plan how to encourage growth and development at home and in the classroom
- Plan ways to address individual needs through all aspects of the curriculum – the learning environment, daily routine, and interactions
- Document children's work using a variety of strategies including observation, **parent reports, and examples of children's work**

MLD Higher Learning Academy will develop new and higher standards for all students to achieve. However, as you can see, we will use a variety of tools to determine if they have met these standards.

MLD Higher Learning Academy will use the same testing models utilized by the South Carolina Public Charter School District which is primarily PASS and HSAP, as only one indicator of student achievement. It is the intention of **MLD Higher Learning Academy** to conduct this testing on the same days and the same manner of the school district. We will pre-test our students early in the year using a test such as the Edutest test. This will allow us to better understand our incoming students' abilities and will give us a national as well as a state norm. The methods of assessment we will emphasize within our learning community are portfolio- and exhibition-based assessments; these may include writing samples, reading records, math assessments, student self-evaluations, anecdotal reports, art work, video and/or audio productions, oral presentations, goal sheets, three-way conferences (parent/teacher/child), and skills checklists Listed later in the application will be various student assessments.

Edutest and Brainchild is used to provide monthly benchmark assessments. Each child will be pre-tested at the beginning of the year. This will allow us to better understand our incoming students' abilities and will give us a national as well as a stale norm. The methods of assessment we will emphasize within our learning community are portfolio-

and exhibition-based assessments, these may include writing samples, reading records, math assessments, student self-evaluations, anecdotal reports, art work, video and/or audio productions, oral presentations, goal sheets, three-way conferences (parent/teacher/child), and skills checklists. Listed later in the application will be various student assessments.

Student Assessment: Grades PreK-2

Student Assessment

MLD Higher Learning Academy *views academic skills and knowledge as essential tools for communicating ideas, solving problems and achieving goals, rather than as ends in themselves. Therefore the school curriculum will build skills and knowledge but will focus on higher-level thinking skills and the development of individual talent, character, and ambition. To assess the success of these focus goals,* ***MLD Higher Learning Academy*** *will use authentic assessments.* ***MLD Higher Learning Academy*** *will use naturalistic assessments, and process assessments as recommended by the Coalition of Essential Schools. "Authentic assessment engages children in applying knowledge and skills in the same way they are used in the 'real world' outside school. It is performance-based assessment that requires a student to go beyond basic recall and demonstrate significant, worthwhile knowledge and understanding through a product, performance, or exhibition. The assessment comprises an authentic task and a scoring rubric that are tied to an outcome or 'big idea' and are made clear to the student up front. "Naturalistic Assessment refers to evaluation rooted in the natural setting of the classroom. It involves observation of student performances and behavior in an informal context. Naturalistic observation is done as students go about their daily work and is sometimes called kid watching." "Process Assessment refers to assessing a student's skills in progressing through a series of actions or operations. Process skills that teachers seek to assess related thinking abilities, applications of procedural knowledge, and interactions with others. Some examples of process skills are critical thinking, creative thinking, problem solving, decision making, goal setting, cooperation, relating to others, leadership, and management.*

These assessment methods combine to form an assessment system with great strength.

Specifically:

1. Provides interesting, active, lively, and exciting experiences;
2. Examines student in unobtrusive ways within the context of their natural learning environments;
3. Establishes an environment where every student has the opportunity to succeed;
4. Allows teachers to develop meaningful curricula and assess within the context of that program;
5. Assesses on an ongoing basis in a way that provides a more accurate picture of a student's achievement;
6. Puts the emphasis on a student's strengths; tells what students can do and what they're trying to do;
7. Provides multiple sources of evaluation that give a more accurate view of a student's

progress;
8. Treats each student as a unique human being;
9. Continuously provides information that is useful to the learning process;
10. Continuously provides information that is useful to the instructional process;
11. Regards assessment and teaching as two sides of the same coin;
12. Engages the student in a continual process of self-reflection and revision;
13. Results in products that have value to the students and others;
14. Deals with processes as much as final products;
15. Includes higher order thinking skills;
16. Fosters learning for its own sake;
17. Provides students with the time they need to work through a problem project, or process;
18. Involves creating, interviewing, demonstrating, solving problems, reflecting, sketching, discussing, and engaging in many other active learning tasks;
19. Compares students to their own past performances;
20. Encourages students to set goals and manage their own learning process;
Is an easily understood tool for communicating success to others.

MLD Higher Learning Academy will also incorporate the assessment guidelines of the National Association for the Education of Young Children. The third grade students will also be required to take Palmetto Assessment of State Standards.

Student Achievement Goals
At a minimum, students at **MLD Higher Learning Academy** will demonstrate a year of academic growth for each year of instruction as assessed by their individual education plan and benchmarks both aligned with the South Carolina Standards.

Additionally, students in cooperation with their teachers will be encouraged to explore, analyze, challenge and develop all their capabilities and gifts "intellectual, artistic, physical, ethical and social" as revealed and evaluated by authentic assessments, naturalistic assessments and process assessments. Another Student Achievement Goal will be for each student and his/her care-giver to believe, and be able to demonstrate, that he or she is developing intellect, character, talent and ambition.

Assessment ELA 3-8

Assessment

Our operating premise for detecting and assessing a child's literacy growth in our school is grounded in primarily seeing what the child is able to do. Our emphasis will be on higher levels of learning: critical analysis, evaluation and use of knowledge. Each child will be expected to demonstrate his/her integrated knowledge through authentic literacy tasks. Students will demonstrate their learning over a period of time and in multiple ways by actively using knowledge in projects, exhibitions, performances, etc. Some of these ways will be:

•

umulative daily observation as recorded in weekly anecdotal records:
observations of each student's reading progress—strategies, comprehension, level of book
Reading conference: one per week as developmentally appropriate

- ☐ Rubrics: performance based assessment
- ☐ Three-way conferences—parent, teacher, student conferences held twice per year
- ☐ Parents/Families: regular and clear communication on progress
- ☐ Student kept records: self-assessment, projects, reading log, literature response journal
- ☐ Reading aloud to assess decoding and oral vocabulary
- ☐ Readings to student followed by questions to assess comprehension
- ☐ Portfolios that keep samples of writing that show evidence of variety and volume of writing
- ☐ Writers' Notebooks
- ☐ **Published pieces**

ASSESSMENT MATH 3-8

The primary tools for math assessment will be teacher observations, performance assessment within Investigations units, and the student's math journals in which s/he problem solve and reflects on how s/he thought about and solved various math problems.

The focus of assessment will be on the thought processes of each student and how s/he problem-solves, rather than just how many calculations s/he is able to do correctly. Teachers will evaluate a student's skill in: thinking about problems in ways that focus on the relevant information needed to solve them; using progressively more efficient mathematical thinking to solve problems; effectively explaining and communicating their thinking to others; working both cooperatively and independently on problems requiring mathematical thinking. Assessment is ongoing and is used as a tool to help the teacher develop effective, individual learning plans for each student as well as to provide information to assist students in understanding what they can do well and what areas need improvement.

ASSESSMENT SOCIAL STUDIES GRADES 3-8

Assessment

Students will complete a self-assessment of their contributions to the thematic project or discussions at the completion of the unit. Anecdotal notes from observations, questioning, and conferencing will be used by the teacher to complete assessments. A written evaluation of projects will be completed after projects have been presented. Portfolios of a student's completed work will be used at conferences to help parents get a clear picture of their child's progress.

ASSESSMENT SCIENCE GRADES 3-8

Assessment

Assessment of science work at our school is based on many qualitative elements. Observation of the student's thought process is by far the most important element. Rather than mandating that learners get the "right answer" in order to do well, we are much more interested in knowing how each child thinks about a scientific question, and how the child modifies his/her thinking as experience grows. We will base our assessment on how well a child understands and communicates the pertinent science concepts based on class discussions, experiments, and write-ups (if developmentally appropriate), project research, and both cooperative and independent work.

See attachment 1 for Core Knowledge at a glance and Attachment 2 for the 2010 Core Knowledge Sequence.

High School Assessment Program (HSAP) Exit Examination

HSAP is the new high school assessment program that will replace BSAP. Students taking the HSAP will be tested on selected South Carolina curriculum standards in English, language arts, and mathematics. Student performance on these standards will be assessed using four different achievement level scores: level 1 – below basic, level 2- basic, level 3- proficient, and level-4 advanced. A student must score level 2 or higher on each test in order to meet the graduation requirement. Students are given at least four opportunities to pass all sections of the HSAP. This new examination is a graduation requirements for the graduating class of 2006. High School students beginning in the 10th grade will also be administered PLAN and ACT. Students will receive monthly practice test before they are administered the official test.

Note: Students who do not meet standards of the areas tested on HSAP must enroll in a remediation course for the subject area where the standard was not met.
End-of-Course Examination Program (EOCEP)

The Education Accountability ACT of 1998 requires end of course examinations in selected gateway or benchmark course for grades nine through twelve. End-of-course examination will be given when the student completes one of the following courses: Algebra 1/Math Tech II, English 9, Physical Science, Biology I/Applied Biology II and U.S. History 1865-present.

MLD Higher Learning Academy will develop new and higher standards for all students to achieve. However, as you can see, we will use a variety of tools to determine if they have met these standards.

MLD Higher Learning Academy will use the same testing models utilized by the South Carolina Public Charter School District which is primarily PASS and HSAP, as only one indicator of student achievement. It is the intention of MLD Higher Learning Academy to conduct this testing on the same days and the same manner of the school district. We will use EduTest and Brainchild to provide monthly benchmark assessments. Each child will be pre-test at the beginning of the school year. This will allow us to better understand our incoming students' abilities and will give us a national as well as a state norm. The methods of assessment we will emphasize within our learning community are portfolio- and exhibition-based assessments; these may include writing samples, reading records, math assessments, student self-evaluations, anecdotal reports, art work, video and/or audio productions, oral presentations, goal sheets, three-way conferences (parent/teacher/child), and skills checklists Listed later in the application will be various student assessments.:

Sample of Scheduled Benchmark

State and District Mandated Assessments

Elementary

Kindergarten	South Carolina Reading Initiative (SCRI)
	DIAL 3
	DIBELS
	Education City
1st Grade	South Carolina Reading Initiative (SCRI)
	DIAL 3
	DIBELS
	EduTest
2nd Grade	Achievement Testing
	Ability Testing
	Accelerated Mathematics and Reading
3rd Grade	Palmetto Assessment of State Standards
	EduTest/Brainchild
	Accelerated Mathematics and Reading
4th Grade	Palmetto Assessment of State Standards
	EduTest/Brainchild
	Accelerated Mathematics and Reading
5th Grade	Palmetto Assessment of State Standards
	EduTest/Brainchild
	Accelerated Mathematics and Reading

Middle

6th Grade	Palmetto Assessment of State Standards

	EduTest/Brainchild
	Accelerated Mathematics and Reading
7th Grade	Palmetto Assessment of State Standards
	EduTest/Brainchild
8th Grade	Palmetto Assessment of State Standards
	EduTest/Brainchild

High

Gateway End of Year Course Testing in the following areas:

Grade Varies	Algebra 1/Math Tech 2
	English 1
	Physical Science, Biology 1, and Applied Biology 2
	US History/Constitution
10th	High School Assessment Program
	PLAN
	PSAT
10th - 12th Grade	SC High School Exit Exam
	SAT/ACT

- **Additional Assessments**

There are generally two kinds of data used in educational assessment or evaluation, quantitative and qualitative. A quantitative measurement uses values from an instrument based on a standardized system that intentionally limits data collection to a selected or predetermined set of possible responses. Qualitative measurement is more concerned with detailed descriptions of situations or performance, hence it can be much more subjective but can also be much more valuable in the hands of an experienced teacher.

Tasks used in performance-based assessment include essays, oral presentations, open-ended problems, hands-on problems, real-world simulations and other authentic tasks. Such tasks are concerned with problem solving and understanding. Just like standardized achievement tests, some performance-based assessments also have norms, but the approach and philosophy are much different than traditional standardized tests. The underlying concept is that the student should produce evidence of accomplishment of curriculum goals which can be maintained for later use as a collection of evidence to demonstrate achievement, and perhaps also the teacher's efforts to educate the child.

Performance-based assessment is sometimes characterized as assessing real life, with students assuming responsibility for self-evaluation. The overriding philosophy of performance-based assessment is that teachers should have access to information that can provide ways to improve achievement, demonstrate exactly what a student does or does not understand, relate learning experiences to instruction, and combine assessment with teaching.

In broad terms, there are three types of performance-based assessment: **performances**, **portfolios**, and **projects**. Material can be collected as actual products or video and computer archives. Examples of school tasks that may be included in performance-based assessment are:

·Art work	·Inventions	·Notebooks	·Problems solved
·Cartoons	·Internet transmissions	·Oral reports	·Puppet shows
·Collections	·Journals	·Original plays, stories, dances	·Reading selection
·Designs and drawings	·Letters	·Pantomimes	·Recipes
·Documentary reports	·Maps	·Performance, musical instrument	·Scale models

·Experiments	·Model construction	·Poetry recitations	·Story illustrations
·Foreign language activities	·Musical compositions	·Photos	·Story boards
·Games	·Musical scores	·Plans for inventions	·Performances

No Child Left Behind

MLD Higher Learning Academy will adhere to all federal guidelines with regard to the amount of time that schools have in order for students to be performing at the required grade level. MLD Higher Learning Academy students expected yearly progress will meet the adequate yearly progress established in the No Child Left Behind Act. We aim to provide a net for those students who have previously or are in danger of falling behind. See Academic Assistance listed below.

B. Employee Relations

Administrative Structure

--Executive Director

- **Curriculum Director**
- **Administrative Assistant**

See Job Descriptions Below. Also see **Attachment 11** for **MLD Higher Learning Academy** Organizational Chart.

1. Administrative Staff

Executive Director: Master's Degree in Education or a related field: social work, developmental psychology; organizational psychology, or business administration. Responsible for coordinating and monitoring instructional programs including accessing funding source and providing consultants for staff development. Skills in creating a budget and reading a financial statement, and communicating and working collaboratively and cooperatively with staff, students, Board, parents, and Advisory Board will be expected. The Executive Director will be responsible for reviewing student and staff immunization records, coordinating family services, volunteers, transportation, finances, and maintaining all records and filing all state-required reports. The Executive Director will act as a liaison in connecting and promoting the school to the community. S/he will act as a steward and articulator of the school's vision. The Executive Director is responsible for reporting to and working with the Board of Directors. He or she must hold a current South Carolina Certification in Administration or have at least one year of experiences to the field of school-based administration.

Curriculum Director: In addition to the qualifications listed under Classroom Teacher, the curriculum director/program manager must possess at least five years of teaching experience. The curriculum director is re for the day-to-day operations of the school. The curriculum director shall be employed by the school to work with teachers to develop curricula for all the grades and to support teachers in their work in the classroom specifically pertaining to classroom activities and teaching methods. The curriculum director will be responsible for school in-services and the dissemination of information regarding other professional development opportunities. The curriculum director/program manager will work with the Executive Director in reviewing student and staff immunization records, coordinating family services, volunteers, transportation, finances, and maintaining all records and filing all state-required reports. He/she will also assist in the day today operations of the program. He or she must hold a current South Carolina Certification in Administration or have at least one year of experiences to the field of school-based administration.

Administrative Assistant: Must have a minimum of one year study at an accredited college or university. Preferable a BA degree in business or related field. Effective communication skills with children, families, staff, and the public will be expected. Bookkeeping experience including payroll, accounts payable and receivable, and filing tax forms is necessary. This person must be adept at using computers. Preference will be given to an applicant with experience in business and office management. The office manager along with the Executive Director and Curriculum Director/Program manager will be responsible for reviewing student and staff immunization records, coordinating family services, volunteers, transportation, finances, and maintaining and filing all reports and records. It will be the responsibility of the office manager in collaboration with the Executive Director to assure all health and safety requirements are maintained. Effective communication skills with children, families, staff, and the public will be expected. Will assist the administrative staff with any needed correspondence. Must have at least three years experience dealing with SASSI.

Either the director or the Executive Director/Curriculum Director must hold current South Carolina certification in administration or have at least one year of experience in the field of school of school-based administration.

2. Teachers

All instructional staff (teachers and assistants) must have a commitment to and experience in a progressive/holistic, child-centered educational model of learning. Classroom teachers must also be committed to a constructivist learning theory approach and be able to show evidence of working from that theoretical base. Teaching assistants must be willing to learn how to utilize a constructivist approach. In accordance to the requirements, all teacher candidates for **MLD Higher Learning Academy** will hold certification in the state of South Carolina (expectations considered in special content areas or the 25% allowed by law not to be certified. .

All core subjects teachers (i.e., math, English/language arts, social students, & science) will either be certified in that area or hold a baccalaureate or graduate degree in that subject area. Teachers with elementary certification may teach in any academic area and in any grades allowable by the status of their certification. **No more than 25% of the teaching staff will be**

non-certified.

All non-certified teachers must hold a BA degree in the content area in which they teach. All non-certified assistants must have at least a one year of study from an accredited college or university and must meet the qualifications outlined in South Carolina Cod Ann $59-25-115.

All special education teachers will meet certification requirements of the No Child Left Behind Law. MLD Higher Learning Academy intends to hire teachers who are certified in various Special Education Areas. .**MLD Higher Learning Academy** will contract out for other special education services such as Psychologists, Speech Therapists, and Hearing Specialist.

Teachers

Teachers act as guides, inspirers, facilitators, and coaches and share their knowledge in the classroom. Teachers not only model joy in life-long learning but also model honesty, self-reflection, self-empowerment, and respect. They have rich training and experience and value learning from each other, from students, and from all members of the community. They are treated as the highly trained professionals that they are, valued for their individual gifts, and regarded as partners in administrative decision-making.

As leaders in their classrooms, they have full responsibility for all aspects of the day-to-day educational experience. They are continually assessing the needs of each individual child, the group as a whole, and modifying curriculum and classroom processes where needed. In the classroom, teachers will act as guides in the learning process, allowing students to explore with both freedom and limits. In this process, they will facilitate student's discoveries by providing stimulating, open-ended activities, lively group discussions, high academic expectations, and a safe environment for students to go to the edges of their learning. In order to create such an environment, teachers will act as models treating themselves and others with respect and honesty, striving toward empowerment and balancing caring with firmness. As partners in school development, they meet weekly with staff, and frequently with parent committees and board members to share ideas and evaluate the progress of each of the school's components.

Professional development is an integral part of the continuing success of our school. Teachers will be asked to share their knowledge formally and informally with their colleagues, and be encouraged to attend workshops for the advancement of teaching. Fundraising to provide for increased professional development opportunities.

L. Employee Relations.

- Employment Process

Federal and state laws will govern the hiring of teachers and staff. **MLD Higher Learning Academy** is an Equal Opportunity/ Affirmative Action employer and does not discriminate on the basis of disability, race, creed, color, gender, national origin, religion, or ancestry.
All prospective candidates will complete an application. All founding employees need to submit a resume and necessary certifications.

MLD HIGHER LEARNING ACADEMY shall recruit, hire, upgrade, train, and promote in all job titles without regard to race, color, religion, sex, national origin, age, and handicap, except where age and sex are essential bona fide occupational requirements.

Persons desiring employment or promotional opportunities for all positions must apply directly through the main office of the Academy.

There will be two types of applications:
- Certified – for teachers and administrators
- Classified – for all other positions that do not require certification.

- The application packet will include:
  - Application
  - Reference form
  - Tuberculosis form
    Background check form

- All employees, whether certified or non-certified, must undergo the background checks and investigations required by law for all school employees before they may work in a public school.

Background Checks

Prior to the initial employment of all employees, **MLD HIGHER LEARNING ACADEMY** shall request a criminal record history from the South Carolina Law Enforcement Division for past convictions of any crime listed in Chapter 3 of Title 16, Offenses Against the Person, any crime listed in Chapter 15 of Title 16, Offenses Against Morality and Decency, and for the crime of contributing to the delinquency of a minor, contained in § 16-17-490.

MLD Higher Learning Academy will secure personnel by advertising in the local media print and by contacts through the career placement centers at area colleges and universities. Candidates will be asked to provide application materials and resumes.

- Terms and Conditions of Employment

The Governance and Management Subcommittee will handle all employee relation issues until a permanent Personnel Subcommittee is formed in September of 2006. The Planning Community will adopt the Staff Handbook from the Lee County School District and will approve any needed modifications as it relates to the **MLD Higher Learning Academy**. These modifications must be approved by the Charter School Planning Committee no later than June 2006.

The Charter School Committee believes that accountability applies not only to students, but also to staff who serve as role models for students. Non-certified teachers will be required to meet the same performance standards as certified teachers.

Teachers and staff evaluation will take place bi-annually and will include observations of classroom and teaching methods. Prior to the preparation of any written evaluation of a teacher or administrator, the designated administrator shall conduct an evaluation interview. The Administrator along with the Personnel Subcommittee shall develop evaluations forms and guidelines, consistent with the polices of the South Carolina of Education, and subject to the review and approval of the Board. The final annual written evaluation shall be apart of the teacher's permanent record. **Teachers will also be assessed using the ADEPT evaluation system.**

The progress and achievement of the students are factors in the measurement of the performance of teachers and administrators. At least bi-annual, direct classroom observations are required of each teacher.

The following criteria shall measure the director/administrator staff and teacher performance:

- Adherence to professional expectations and standards
- Progress toward the goals of **MLD Higher Learning Academy**

SEE A COPY OF TEACHER HANDBOOK IN APPENDIX 1

C. Grievance and Termination Procedures

1. Teacher Employment and Dismissal Procedures

The **MLD Higher Learning Academy** will follow and comply with the Codes of Laws of South Carolina, Title 59, Article 5 (Employment and Dismissal Act), in all issues relating to personnel working at **MLD Higher Learning Academy**. **MLD Higher Learning Academy** will adopt the grievance and termination policies of Lee County School District, subject to modifications. The Modifications to the personnel grievance and termination polices of Lee County School , substitute, in all cases, the Executive Committee to consist of Board Chair, Personnel Chairperson and Secretary of **MLD Higher Learning Academy** to examine all facts, to hear all appeals and to render a decision pertaining to grievance and termination of staff. A decision of the Board of Directors of **MLD Higher Learning Academy** pertaining to grievance and termination may be appealed to the Committee of Directors of the **MLD Higher Learning Academy** with the Committee's decision on the issue being final and without further review.

The Grievance and Termination processes will be outlined in **MLD Higher Learning Academy** Employment Policy Manual and Staff Handbook. **MLD Higher Learning Academy** will establish a fair procedure to ensure that all employees are entitled to bring legitimate complaints and grievances to the appropriate authority in order to secure equitable solutions.

- **Teacher Employment and Dismissal Procedures.**

No employee (teachers and all other employees) shall be dismissed unless written notice specifying cause of dismissal is first given the employee by the Executive Director and an opportunity for a hearing has been afforded the employee. Such written notice shall include the fact that a hearing before the appropriate board is available upon request and shall set forth the reason for termination.

Within fifteen (15) workdays after receipt of the notice of suspension or dismissal, an employee may serve upon the chairman of the Board of Directors a written request for a hearing before the respective board. If the employee fails to make such a request, or after a hearing as herein provided for, the appropriate Board of Directors shall take such action and shall enter such order, as it deems lawful and appropriate. The hearing shall be conducted by the board not fewer than ten (10) nor more than fifteen (15) workdays after the request is served. A notice of the time and place of the hearing shall be given the employee not fewer than five (5) workdays prior to the date of the hearing. Any such hearing shall be public unless the employee requests in writing that it be private. The employee has the privilege of (1) being present at the hearing with counsel, (2) cross-examining witnesses, (3) offering evidence and witnesses, and (4) providing defense for the charges. The complainant shall initiate the introduction of evidence in substantiation of charges. Within ten (10) workdays following the hearing, the board shall examine the evidence and shall render a written decision accordingly.

The Board of Directors may issue subpoenas requiring the attendance of witnesses at any appeal hearing which shall be a de novo hearing and, at the request of the employee against whom a charge is made, shall issue such subpoenas which may limit the number of witnesses to be subpoenaed in the behalf of either side to be no more than ten (10) per side. Character witnesses may be limited to three (3). Additional character statements may be submitted in writing. All testimony at any hearing shall be taken under oath.

Any member of the Board or a designee of the Board may administer the oath and shall employ a competent reporter to take stenographic or stenotype notes of the testimony. One-half of the cost of the reporter's services at the hearing shall be paid by the board and the other half by the employee. Either party desiring a transcript of the hearing shall pay for the cost thereof. The decision of the Board of Directors shall be final.

2. Employment and Dismissal Procedures for Administrative, Paraprofessional, and Non-teaching Staff.

No employee (teachers and all other employees) shall be dismissed unless written notice specifying cause of dismissal is first given the employee by the Dean of Schools and an opportunity for a hearing has been afforded the employee. Such written notice shall include the fact that a hearing before the appropriate board is available upon request and shall set forth the reason for termination.

Within fifteen (15) workdays after receipt of the notice of suspension or dismissal, an employee may serve upon the chairman of the Board of Directors a written request for a

hearing before the respective board. If the employee fails to make such a request, or after a hearing as herein provided for, the appropriate Board of Directors shall take such action and shall enter such order, as it deems lawful and appropriate. The hearing shall be conducted by the board not fewer than ten (10) nor more than fifteen (15) workdays after the request is served. A notice of the time and place of the hearing shall be given the employee not fewer than five (5) workdays prior to the date of the hearing. Any such hearing shall be public unless the employee requests in writing that it be private. The employee has the privilege of (1) being present at the hearing with counsel, (2) cross-examining witnesses, (3) offering evidence and witnesses, and (4) providing defense for the charges. The complainant shall initiate the introduction of evidence in substantiation of charges. Within ten (10) workdays following the hearing, the board shall examine the evidence and shall render a written decision accordingly.

The Board of Directors may issue subpoenas requiring the attendance of witnesses at any appeal hearing which shall be a de novo hearing and, at the request of the employee against whom a charge is made, shall issue such subpoenas which may limit the number of witnesses to be subpoenaed in the behalf of either side to be no more than ten (10) per side. Character witnesses may be limited to three (3). Additional character statements may be submitted in writing. All testimony at any hearing shall be taken under oath.

Any member of the Board or a designee of the Board may administer the oath and shall employ a competent reporter to take stenographic or stenotype notes of the testimony. One-half of the cost of the reporter's services at the hearing shall be paid by the board and the other half by the employee. Either party desiring a transcript of the hearing shall pay for the cost thereof. The decision of the Board of Directors shall be final.

III. PLANS

(A) SUPPORT FOR FORMULATION

MLD has been in existence for 5 years. Our current enrollment is expected to be 155 passed on our applications: We have strong community support. Some of the persons we have partnered with his Lee County Disabilities and Special Needs, Lee County Chamber, South Carolina Cotton Museum, Lee State Park, Health Reach, Lee County Sheriff Department, Bishopville Police Department, Lee County Mental Health, Lee County Department of Juvenile Justice and Clemson Extension, just to name a few. We have received several donations from local business totaling over $15,000. We also received a donation of $50,000 from Overstock.com. We are currently working on a $200,000 proposal with Lee County Council to redo the parking lot.

(B) BUDGET AND ACCOUNTING SYSTEM

Annual Budget

The budget for each year of the term of the charter is included in **Appendix C.** It includes
a
evenues:

- Revenue account codes must be in accordance with the State Department of Education (SDE) *Financial Accounting Handbook* for South Carolina school districts. (**See Appendix C** – 5 Year Projected Budget)
- Documentation from the SDE of estimated revenues in accordance with the allocations in S.C. Code Ann. § 59-40-140(A)-(C) must accompany the budget. (**See Appendix D** – Estimated Charter School Per Pupil Funding)
- If the budget includes funds acquired through grants, provide evidence that the funds, including federal public charter school start-up grants, are likely to be received and explain the terms of the projected grants.

The 5-year projected budget does not include revenue sources from grants; however, **MLD Higher Learning Academy** does plan to pursue grant opportunities including, but not limited to the following: Charter School planning grant, Charter School Implementation grant, Education Improvement Act grants, Community Foundation grants, and other private, local, state, and federal grants that become available and complement the education philosophy of the school.

3. Expenditures: (**See Appendix C**- 5 Year Projected Budget)
   - Expenditure account codes will be in accordance with the SDE *Financial Accounting Handbook* for South Carolina school districts.
   - Anticipated expenditures will use the same budget codes that are required of school districts. Include all costs associated with initial implementation and continued operation, including but not limited to instructional and support costs for
     - salaries,
     - employee benefits,
     - purchased services (includes insurance and transportation),
     - supplies and materials (includes noncapital equipment), and
     - capital outlay will be included

Please see **Appendix C** for copy of five-year budget, and per pupil funding allotment.

2. Annual Audit

The **MLD Higher Learning Academy** Governing Board's Committee on Finance and Administration will oversee selection of an independent Auditor (CPA) for a bi-annual audit of the Charter School's financial practices and records.

MLD Higher Learning Academy will contract with an outside licensed Elliot Davis----------to conduct financial audits for charters schools. Financial records will be kept on an accrual basis.

The audit conducted will verify the accuracy of **MLD Higher Learning Academy**'s financial statements, attendance and enrollment accounting practices, and review the School's internal controls. The audit will be conducted in accordance with generally accepted accounting principles applicable to **MLD Higher Learning Academy** to ensure compliance with state law and the requirements for a non-profit corporation. It is anticipated that the annual audit will be

completed by the due date imposed by State Statute.

The Governing Board's Committee on Finance and Administration will review any audit expectations or deficiencies and report to the School's Governing Board with recommendations on how to resolve them.

MLD Higher Learning Academy will adhere to the accounting, auditing, and reporting procedures and requirements that are applied to public schools operating in South Carolina. Accounting, auditing, and reporting requirements will be in compliance with the principles set forth in the following publications: a) Single Audit Guide, B) Financial Accounting Handbook, and c.) Funding Manual.

5. Pupil Accounting System

MLD Higher Learning Academy will work with the local school district to establish an appropriate pupil accounting system that is in compliance with the South Carolina Pupil Accounting Manual and the South Carolina Student Accountability Manual. In developing and implementing our system initially with assistance with the local school department, we shall insure that it is done both correctly and that we are in agreement about processing and systems for pupil accounting.

MLD HIGHER LEARNING ACADEMY will adhere to the procedures and regulations that are applied to public schools operating in South Carolina. **MLD HIGHER LEARNING ACADEMY** will purchase the current pupil accounting system known as SASI that will be linked to the local school district and appropriate state agencies including the South Carolina Department of Education. This will allow for collection of information by the State Department which includes the percentage of students with disabilities from the Powerschool Precode data, number of students eligible for state gifted and talented services, prime instructional time for students, student-teacher ratio for core subjects, retention of students, and other information that may be extracted from the pupil accounting system that align with the South Carolina Pupil Accounting Manual, and the South Carolina Student Accountability Manual as published by the State Department of Education.

C. INSURANCE

The following insurance will be in place by the opening of the school see Attached in **Appendix F.**

1. **Worker's Compensation Insurance**
2. **Liability Insurance**
3. **School Property and Content Insurance**
4. **Indemnity Insurance**
5. **Automobile Insurance if applicable**
6. **Student Insurance**
7. **Governing Board errors and omissions**
8. **Other Insurance**

Insurance coverage will be provided to **MLD HIGHER LEARNING ACADEMY** through the South Carolina Insurance Reserve Fund and the State Accident Fund/Stuckey and Alexander.. A Memorandum of Coverage will be provided to the Insurance Authority for each fiscal year. This memorandum shall outline the coverage provided under the risk insurance program.

7 **Worker's Compensation Insurance.**

[redacted]

8 **iability Insurance.**
See **APPENDIX F** – State Insurance Reserve Fund

9 **roperty Insurance.**
See **APPENDIX F** – State Insurance Reserve Fund

10 **ndemnity Insurance.**
See **APPENDIX F** – State Insurance Reserve Fund

11 **utomobile Insurance.**
See **APPENDIX F** – State Insurance Reserve Fund

12 **ther Insurance.**
See **APPENDIX F** – State Insurance Reserve Fund

D. TRANSPORTATION

We will encourage our parents to drop-off and pick-up their children daily. It is our belief that daily instruction with school personnel benefits everyone involved in the child's educational process. Our Parent/Home/School Coordinator will establish the carpool system with parents.

We also plan to facilitate transportation to the school for those students who can not utilize the car school system by providing limited transportation. We have purchased a bus to help with transportation. We will also have extended hours in the morning and afternoon for parents who need these services. *In all cases, the Charter School will comply with state and federal law relative to transportation, use of vehicles and qualifications of drivers.* In regards to **Special Needs** the Charter School will comply with transportation regulations related to buses or vehicles and the disabled and special needs students.

1. FACILITIES AND EQUIPMENT

A. MLD currently have a facility that already has a certificate of occupancy, The address is 124 Gregg Street. The current rent of the facility is $4100.00. We currently have approved 15000 square feet of facility which includes 9 classrooms, a computer lab, a multipurpose room and a kitchen area.

We are provide our students with a wide range of opportunities to include the River Bank Zoo, Dennis Park, Levy Park, Old Grammar School Park, Old Bishopville High School Gym, Discovery Zoo, Myrtle Aquarium and Ripley's Believe It or Not, Frances Marion Planetarium, Lee State Park, Camp Bob Cooper, Lee County Cotton Museum, Pearl Fryers Topiary Garden, Opera House, Columbia Little Theater and etc.

B. Equipment

The equipment that will be used to support the proposed curriculum includes but is not limited to computers and computer software, particularly Brainchild, EduTest and Core Knowledge.

We have about 40 computers and seven smartboards and projectors, one copier, four digital cameras, kitchen material two include two stoves, two refrigerators and musical keyboard.

These items will be purchased using the resources from the following means:

- eneral Funds
- rivate, Local, State, and Federal Grants
- onations

IV. PRACTICES

- G

OVERNANCE AND OPERATION

MLD Higher Learning Academy has an established Board of Directors who consists of active leaders in the community including both parents and educators. Each member contributes a high level of expertise in specific areas such as: education, recreation, housing, law, finance, and social work. Each member is dedicated to carrying out the mission of MLD Higher Learning Academy and thereby, making a difference in the lives of the children of South Carolina.

In accordance with the South Carolina Code Section 59-40-50 (B) (9), **MLD Higher Learning Academy** will elect its board of directors annually. All employees of the charter school and all parents or guardians of students enrolled in the charter school are eligible to participate in the

election. Parents or guardians of a student shall have one vote for each student enrolled in the charter school. The board will consist of at least one parent, one community leader and one business leader. The first Board of Directors was elected in 2005-currently the Board members are:

- Elijah Dinkins- Board Chairperson Director of Transportation with Disabilities and Special Needs Board
- George Williams-Vice Chairperson-Business Owner
- Joann Mickens-Secretary-Community Member
- Pamela Dixon-Parent
- Joyce Robinson-Treasurer

The elected governing board for **MLD Higher Learning Academy** will govern in a manner consistent with and approved by the South Carolina Charter School District , and the State Department of Education. In accordance to the South Carolina Charter School Act, Sections 59-40-40(2-c) and 59-40-50(B) (8), the governing board will:

- Select an administrative leader
- Develop and adopt policies for the operation of the school.
- Adopt a budget
- Employ or dismiss school personnel upon the recommendation of the Executive Director.
- Approve the school's educational program
- Approve the school's accountability program
- Develop a lottery system that adheres to the guidelines established in the South Carolina Charter School Act, Section 59-40-50 (B)(7)

The Board of Directors is the legal entity responsible for the charter school's activities.

The Board of Directors shall invest authority in the Executive Director to execute its decisions in the day-to-day operations of **MLD Higher Learning Academy**. The Executive Director and his/her delegates shall be responsible for ensuring that the mission and purposes of the school as described in the charter are all duly fulfilled and Corporate decisions are implemented. In addition, s/he shall make executive decisions concerning the daily operations of the school. The Board Chair, Vice-Chair, Treasurer, and Secretary shall make themselves available to consult with the Executive Director and the professional staff on an as needed basis between monthly board meetings. **SEE Appendix B for Bylaws.**

Our past experience with nonprofit boards has shown us that developing a capable, effective Board of Directors can only come about through initial and ongoing board training. We will educate board members as to their rights and responsibilities as a board member, hold annual board retreats, and establish clear protocol for conducting board meetings. We will utilize the Center for Non-Profits, our advisory board, and other local organizational development consultants to assist us in developing clear, sound, and wise leadership.

The employees of the school and all parents or guardians of enrolled students will nominate

*and elect the governing board of **MLD Higher Learning Academy** annually. Parents or legal guardians shall have one vote for each child enrolled in the school. Elections will take place at the beginning of each school year.*

MLD Higher Learning Academy will adhere to all state and federal health, state, civil rights, and disability rights requirements that are applied to the South Carolina Public Charter School District School District.

The activities, affairs and business of **MLD HIGHER LEARNING ACADEMY** shall be conducted by or under the direction of a Board of Directors.

Non-Profit Corporation Status.

MLD HIGHER LEARNING ACADEMY is organized as a South Carolina non-profit corporation. (See **Appendix E and D** - Articles of Incorporation and Bylaws)

b **Governing Board.**

- **MLD HIGHER LEARNING ACADEMY** will adhere to the following election and voting processes for the Board of Directors:
  - The number of directors constituting the Board of Directors shall be five (5)..
  - All parents/guardians of currently enrolled children of the school, current employees of the school, and community persons living or working in the attendance area of the school may be eligible to become a member of the board of directors .
  - Any qualified person seeking to become a Member of the Board of Directors of the CHARTER Board will submit an application including a resume and explanation of why he/she is seeking membership to the Board.
  - During the annual election, each parent/guardian of the children currently enrolled at the school will have one (1) vote per child in the election process. Each employee shall have one vote per person. Parent/guardians and employees must be present at the annual meeting in order to vote.
  - When a vacancy or vacancies occur, either by death, resignation, removal from office, and/or for any other reason outside of the normal election process, a special election will be held to fill the vacant position(s).
  - The term of office for each Director shall be one year. The planning committee

will serve as interim Directors for the school until the first elections are held.

- Elections will be held at the first meeting in November.

MLD HIGHER LEARNING ACADEMY and its Board of Directors will comply with the Freedom of Information Act as outlined in the Articles of Incorporation and Bylaws (**See Appendix B**). **MLD HIGHER LEARNING ACADEMY** will establish an open records and open meeting policy regarding student records, administrative records, and meetings in compliance with the Freedom of Information Act.

Chairperson of Board of Trustees

The chairperson shall have general charge of the business and affairs of the Board of Trustees. The chairperson has the responsibility for conducting meetings. The chairperson shall perform such other assigned duties as may be assigned by the Board of Trustees.

Vice-Chairperson of Board of Trustees

At the request of the Chairperson, or in absence or disability of the Chairperson, the Vice-Chairperson shall perform all the duties of the Chairperson and when so acting shall have all the powers of, and be subject to all the restrictions upon, the chairperson.

Secretary of Board of Trustees

The secretary (or designee) shall keep the minutes of the meetings of the Board of Trustees and shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by the law. The secretary shall be the custodian of the statements, books, records, reports, certificates, and other documents of the corporation and the seal of the corporation, and see that the seal is affixed to all documents requiring such seal. The secretary shall perform all duties and possess all authority incidental to the office of secretary, and such other duties and have such other authority as may be assigned by the Board of trustees.

Treasurer of Board of Trustees

The treasurer shall have supervision over the funds, receipts, disbursements and securities of the corporation. The treasurer shall perform such other duties and have such other authority as may be assigned or granted by the Board of Trustees. The treasurer may be required to give a bond for the faithful performance of the duties of the office in such form and amount as the Board of Trustees may determine.

Duties of Officers may be delegated

In case of absence of any officer of the corporation or for any other reason that the board may

deem sufficient, the board may delegate authority of duties of such officer to any other officer or to any director provided a majority of the entire Board of Trustees concur with them.

General Duties of the Board of Trustees:

- Adopt policies for the operation of the schools.
- Adopt annual budget.
- Consider and approve accounts payable.
- Employ or dismiss school personnel upon the recommendation of the Executive Director.
- Negotiate and/or establish salary schedules and other personnel policies.
- Require and discuss reports of the Executive Director concerning the progress of the schools in terms of achievement of students, teachers, and supervisors.
- Present to the community in conjunction with the Executive Director recommendations for adjustments of the scope of education activities.
- Present the needs of the schools before the citizens of the community.
- Act as a court of appeals for school employees and citizens of the community in cases where the decision of the Executive Director is appealed.
- Adopt school curriculum, instruction, textbooks, and annual school calendar.
- Approve acquisition of and use of appropriate State and Federal monies and/or grants and authorize expenditure of same.

The Executive Director shall have the authority make executive decisions regarding:

- Employing and contracting staff and teachers
- Ensuring that background checks take place
- Contracting for other services for the school
- Developing performance criteria for staff
- Deciding matters related to school operation
- Ensuring that the school will adhere to comply with the same rights that are applied to all public schools.

Freedom Act Compliance

MLD Higher Learning Academy and its governing body will comply with the freedom of Education Act as evidence in the bylaws of this corporation and the filing of a non-profit status.

Parental, Community, and Educator Involvement

As outlined parental and community involvement or essential to the success of our program. The governing board of .**MLD Higher Learning Academy** will consist of parents, guardians, community members and teachers. These members will set policies and procedures for the school. Once the charter has been approved, we ill hold monthly meetings in order to educate everyone about the delicate, yet important details of the operation of the school. People must be aware of state and federal laws that govern public schools. We will also inform parents and the community about the mission and vision of **MLD Higher Learning Academy**. We will allow suggestions and comments from those who would like to have input. We will set up various committees on which parents and community members can work and offer their expertise. Each one will be co-chaired by a teacher and with a parent or community member. These committees will remain in place with elections being held each yea for new members. At **MLD Higher Learning Academy**, parents and guardians will be encouraged to be active volunteers throughout the school year.

(B) Admissions Policies and Procedures

1. Enrollment Procedures

Admission

MLD Higher Learning Academy will admit students of any race, color, nationality and ethic origin, religion, or gender in grades K4th through 12th. Enrollment will be on a first-come, first-serve basis unless the number of applicants exceeds the number of spaces available at **MLD HIGHER LEARNING ACADEMY**. If the number of applicants exceeds the number of available spaces, a lottery selection process will be utilized. It is the intention of the school to reflect the community it serves and to be open to any student residing in Lee County and surrounding areas. Preference will be given to **MLD Higher Learning Academy** employees' children and the children of Lee County Charter School Planning Committee, **but will not exceed 20%.**

MLD HIGHER LEARNING ACADEMY will meet all federal laws and constitutional provisions prohibiting discrimination based on disability, race, creed, color, gender, national origin, religion, ancestry, or need for special education services.

Applications will be available through the local media, public facilities and other local points of distribution throughout the entire community in order to promote a diverse student population.

Applications will be accepted from November 1 through May 27. The application of any

eligible student who agrees to be bound by the school's pledge and adhere to the school's policies will be accepted.

Lottery Procedure

A lottery will be used to select students if the number of applicants exceed the number of seats. The lottery will place all eligible students' names together and names will be draw randomly by Board of Directors members, until all the names have been drawn. The students will be selected in chronological order of the available seating, all other applicants will be placed on a waiting list in the order in which their names were drawn.

2. Students Outside the District

Should space allow students from outside the school district, students could apply for admission to **MLD Higher Learning Academy**. Out-of-District enrollment **will not exceed the 20%** of the total student population. **MLD Higher Learning Academy** admit out-of-district students using the same guidelines and standards of the Lee County School District. The sending district will be notified upon acceptance of students from their district. Out of district students will be considered on the basis of the order of their application.

3. Student Appeals Process

If admission is denied, reasons for the denial will be explained to the parents.

If a student is denied admission for any other than the results of a lottery, he or she can first meet with the Executive Director or his/her designee for a review conference. If the Executive Director up holds the decision, the student will have three days to submit a written appeal to the board of Directors. The board of Directors will hear and discuss the appeal and within three working days will make a decision. The Board shall convey this decision to the parents and the child in person, and the exact reasons for denial in accordance with school eligibility or guidelines. The decision shall also be placed in writing. Once **MLD Higher Learning Academy** has provided the parent/student with their decision in writing, the student/parent may appeal the denial to the South Carolina Charter School District Board of Trustees. The decision of the South Carolina Charter Board will be final.

(C) RACIAL COMPOSITION

LD Higher Learning Academy policy is to not discriminate against any child based on his/her gender, sex, religious, or economical background. As a charter school, we intend to reflect the racial composition ((92% black, 7% white and 1% other) of the school district as closely as possible. Applications will be available through the local media, public facilities and other local points of distribution throughout the entire community in order to promote a diverse student population. We pass out flyers throughout the community. We will also attend special community functions across the district in order to spread the word. Our

targeted population is all students in the Lee County School District grades K4 through 12th grade; therefore the racial composition of our school should be around (92% black, 7% white and 1% other).

2. Policies and Procedures

In addition to advertisements, **MLD Higher Learning Academy** will mail out information to parents and guardians of students in Lee County and surrounding areas in grades 4k through 12th about our academic program. Parents will be given the opportunity to attend several information sessions so that they may ask questions and/or voice concerns. Everyone is welcome and we hope that parents see this as an opportunity for their children to learn in a diversified setting. There is no way for us to know which students will actually enroll at **MLD Higher Learning Academy**, however, we feel that if we make ourselves available to communities across the district, then we should get a good cross-section of people who are interested.

3. Desegregation Plan

The South Carolina Charter School District School District is currently not under a desegregation plan or order: MLD HIGHER LEARNING ACADEMY will comply with any future policies or procedures mandated by the District in accordance with a desegregation plan or order. Enclosed is a copy of the letter from the South Carolina Public Charter District.

D. Student Conduct, Rights, and Responsibilities

Character Education

In the complex world in which we live, students are bombarded with mixed media messages, peer pressure, lack of parental support and other unhealthy influences, which can retard both personal development and academic achievement. The Character Education Program will work to counteract these unhealthy influences and help students "know the good, desire the good and do the good."

The character education program is a Preschool-12th grade level program that impacts all students in the school district "Wise Skills". Teachers and school\counselors provide the basic knowledge level information about the character traits with all personnel working to in still the core values that were adopted by a system-wide task force in 1998. Student participation in the character education program is insured because the components are embedded in classroom instruction, extra-curricular activities, athletic programs, and school wide student recognition programs.

The goal of the character education program is to create a safe, orderly, disciplined learning environment for all students. School climate is impacted positively when students exhibit pride in themselves, their school and their community. Academic achievement is enhanced when students improve their work habits, learn to handle conflict, utilize problem-solving techniques and work cooperatively with their peers. As social skills improve and life skills are learned, students develop better interpersonal skills and become contributing members in the

community at-large.

MLD Higher Learning Academy Character Traits

- Responsibility: Being dependable in carrying out obligations and duties; showing reliability and consistency in words and conduct; being accountable for your own actions
- Respect: Showing high regard for authority, for other people, for self, for property, and for country. Understanding that all people have value as human beings
- Honesty: Having the inner strength to be truthful, trustworthy, and honest in all things; acting justly and honorably
- Compassion: Being considerate, courteous, helpful, and understanding of others; showing care, kindness, friendship, and generosity; treating others as you would like to be treated.
- Self-discipline: Demonstrating hard work and commitment to purpose; regulating yourself for improvement and refraining from inappropriate behaviors; being in proper control of our words, actions, impulses, and desires; doing your best in all situations.
- Courage: Having the determination to do the right thing even when others don't; the strength to follow your conscience rather than the crowd; attempting difficult things that are worthwhile.
- Perseverance: Being persistent in pursuit of worthy objectives in spite of difficulty, opposition, or discouragement; exhibiting patience and having the fortitude to try again when confronted with delays, mistakes, or failures.
- Citizenship: Being committed to achieve involvement in your community; displaying civic virtue and service.

Service Learning

Service learning is a teaching/learning method that connects meaningful community service experiences with academic learning, personal growth, civic responsibility, and preparation for the world of work.

School-To-Work

School-to-work offers opportunities for 11th and 12th grade students to participate in numerous work-based learning experiences (apprenticeship, internship, co-op, student volunteer and/or a job). Students must show a plan from the career portfolio on how they have planned to participate by choosing a career cluster and have taken appropriate courses to pursue that career. Students are screened by grades, attendance, and discipline. Students receive one high school credit.

Mentors

Students will be assigned a teacher and/or community based mentor.

Dress Code

A simple uniform will be required for all students and staff. The students will be comfortable for any activity without the problems associated with dress codes and peer pressure.

Another important component of our program will be school uniforms. We believe that this will redirect students' attention from fashion to academics. According to the United States Department of Education, "A safe and disciplined learning environment is the first requirement of a good school." They observed that the adoption of school uniform policies can promote school safety, improve discipline, and enhance the learning environment. The potential benefits of school uniforms include:

- decreasing violence and theft -- even life-threatening situations -- among students over designer clothing or expensive sneakers;
- helping prevent gang members from wearing gang colors and insignia at school;
- instilling students with discipline;
- helping parents and students resist peer pressure;
- helping students concentrate on their school work; and
- helping school officials recognize intruders who come to the school.

(November 22, 2003 http://www.ed.gov/updates/uniforms.html)

In many cases school uniforms are less expensive than the clothing that students typically wear to school. Nonetheless, the cost of purchasing a uniform may be a burden on some families. **MLD Higher Learning Academy** will make provisions for students whose families are unable to afford uniforms. We will seek financial support from local businesses and community groups to assist with the purchase of uniforms.

See sample uniform in Attachment _____

Behavior Management

At our school, we will develop a culture that reinforces our primary belief that we are all connected and, therefore, need to treat everyone with respect. We will use the Positive Discipline approach to classroom management as developed by Jane Nelson, Ed.D., based on the teachings of psychiatrists Alfred Adler and Rudolf Dreikurs.

The main building blocks of Positive Discipline are:

- An atmosphere of caring based on kindness and firmness, dignity and mutual respect
- Daily class meetings—children will be a part of an ongoing process of discussing interpersonal and classroom problems and learning how to develop solutions
- Strengthening communication skills
- Learning about people's separate realities.
- Focusing on solutions instead of punishment - Natural Consequences
- Follow through with dignity and respect

Corporal punishment or emotionally abusive discipline techniques such as shaming, belittling, or yelling will not be used. We believe that clear behavioral expectations, consistent

follow through when expectations are not met, and firm kindness within a context of a stimulating learning environment will minimize the need for behavior management. However, we understand that despite skill-building efforts, some members of our learning community will choose inappropriate behavior. The use of "time-outs" both within the classroom and to alternate rooms such as the Executive Director's office shall be used if a member's behavior is so inappropriate as to interfere with the learning environment.

As outlined, we will utilize Positive Discipline practices school-wide. Additionally, we will spend the first six weeks in an intensive establishment of classroom and school-wide norms of behavior. These norms will be specific and our students will be taught the skills that will allow them to resolve conflict and work together harmoniously. Small class size and generous staff/student ratios will also serve to minimize and quickly address inappropriate behaviors. However, some behaviors are so extreme as to warrant suspension or expulsion. Behaviors which would lead to suspension are:

1. Hazing, intimidating, and/or bullying another student
2. Willful defiance of a teacher's reasonable request
3. Persistent, documented class disruption including repetition of intentionally disruptive noises
4. Possession or use of tobacco, alcohol, or any illegal drug
5. Fighting
6. Stealing
7. Unauthorized possession of a small pocket knife
8. Leaving the school campus (or class group when on an outing) without permission
9. Forging a note
10. Defacement of school property/vandalism
11. Using vulgar, profane, or obscene language
12. Gambling or extortion
13. Truancy

The student's classroom teacher, the Executive Director, or other faculty observing the incident makes recommendation for suspension. Before a student is readmitted, the student's parents must meet with the teacher and the Executive Director to establish a behavioral plan for the student's return to school. This plan will include forming a team comprised of the teacher, Executive Director, parent, and student to assess the efficacy of the plan and adjust where necessary to complete the goal of returning and maintaining acceptable behavior. Depending upon the frequency and severity of the above behaviors (the protocol for determining such shall be developed by the Executive Director and staff), the school reserves the right to expel the student.

Some behaviors are so intolerable within a community that they will lead to expulsion from the school. These behaviors are:

1. Possession or use of a weapon (firearms, knives, etc.)
2. Selling illegal drugs on campus
3. Violent assault leading to serious injury
4. Arson
5. Inappropriate sexual behavior

All illegal activities will be reported to Bishopville Police and Lee County Sheriff's Department

or other applicable law enforcement agency.
MLD Higher Learning Academy may refuse admission to any student who has been expelled or suspended from a public school until the period of suspension or expulsion has expired. This decision will be made by the Enrollment Committee after the application process has been followed.

The above outlines our expectations and interventions **MLD Higher Learning Academy** will follow the policy and discipline of the Lee County School District.

STATE STATUTE 59-24-60 LAW ENFORCEMENT NOTIFICATION:

In addition to other provisions required by law or by regulation of the State Board of Education, school administrators must contact law enforcement authorities immediately upon notice that a person is engaging or has engaged in activities on school property or at a school sanctioned or sponsored activity which may result or results in injury or serious threat of injury to the person or to another person or his property as defined in local board policy. Please note that school personnel no longer have discretion regarding calling the police. This statute means just what it says, "must contact law enforcement authorities immediately."

MLD Higher Learning Academy's policy outlines what actions and procures, must be taken by administration for those students who fail to comply with the student conduct policy for both regular and special needs students. **MLD Higher Learning Academy** will adhere strictly to guidelines set forth by the Lee County School District. Please see **Attachment 7** in regards to the discipline of special needs students.

Disabled students are not exempt from school disciplinary processes, nor are they entitled to remain in a particular education program when their conduct substantially impairs the education of other children in the program. Nothing contained in this policy shall be construed as limiting an administrative authority's ability to remove a disabled student from school immediately. Under emergency conditions, this may include possible arrest.

Suspension

A disabled student may be suspended, unless a suspension is prohibited by the student's individual education plan. At the end of the suspension, the student should, if appropriate, be returned to the same educational placement.

Expulsion

Expulsion of a disabled student is equivalent to a change in educational placement and therefore requires special procedures. Before a disabled student may be expelled, a multi-disciplinary team must determine whether or not there is a connection between the disabling condition and the misconduct. If there were a connection or casual relationship between the disabling condition and the misconduct, then expulsion resulting in cessation of educational services for that student would not be allowed. Disabled students who have been expelled under the regulations of the State Board of Education shall continue to receive a free and appropriate education as set forth in such student's Individual Education Program.

Attendance Policy

Consistent, punctual attendance is considered by **MLD HIGHER LEARNING ACADEMY** as an essential component to education. Further, as a matter of law, **MLD HIGHER LEARNING ACADEMY** will enforce the provisions of the Compulsory School Attendance Law, unless given specific waivers from the State Board of Education. Students who do not attend the required number of days will have that fact noted in their academic record. The school administrator and/or child's teachers will meet with the parents to develop strategies to improve attendance and determine the appropriate homeroom placement for the student.

Tardiness

Tardiness is disruptive to the individual child's learning as well as the workings of the classroom. Children who are tardy must be accompanied by an adult and must give a valid excuse for the tardiness before being allowed to participate in the classroom. Excessive tardiness is of great concern to the school. In the event any child exhibits a pattern of excessive tardiness, the parents will be required to meet with the Administrator to discuss the reasons. The Administrator will work with the family to find ways to help the family arrange for the student to arrive at school on time.

Excused Absences

An absence due to illness, injury, death in the family, medical appointments, bad weather, or religious holidays and ceremonies is an excused absence. Upon his/her return to school, the student must provide the School with a written excuse from a parent or guardian in order to receive an excused absence.

Students will be allowed to make up any work they have missed and the students will have ten days to complete the missed assignments before receiving no credit for them. It is the student's responsibility to receive the missed assignments.

If the teachers feel that a student has accrued an excessive number of absences, the parents will be required to attend a conference with the teachers, and possibly the Administrator.

Unexcused Absences

Any absence that does not meet the criteria of an excused absence will be considered an unexcused absence. Any absence that is not accompanied by a written note or a personal meeting with the teacher or the Administrator will be deemed an unexcused absence.

Student Rights

Students recommended for expulsion have the right to appeal. They may appeal to **MLD Higher Learning Academy**'s Board in writing within 10 working days of expulsion. Once the Board listens to your case, they will place their decision in writing within three days.

MLD Higher Learning Academy will comply with the Family Education Rights and Privacy

Act (20 U.S.C. $ 1232) which entitles parents/guardians of students under 18 years of age and students over 18 years of age certain rights with respect to a student's educational record.

Parent Notification

At the beginning of the school year, students and their parents or guardians will attend an orientation session where all rules and consequences are reviewed. The student and parents will receive a student handbook which outlines policies.

(E) INDEMNIFICATION

MLD Higher Learning Academy assumes the liability of the activities of this charter school and indemnifies and holds harmless the school district, its servants, agents, and employees from any liability, damage, expense, causes of action, suits, claims, or judgments arising from injury to persons or property or otherwise that arises out of the act, failure to act, or negligence of the charter school, its agents and employees, in connection with or arising out of the activity of **MLD Higher Learning Academy**.

(17)

Internal Fiscal Control Procedures

1. PURPOSE

The purpose of this procedure is to define the process for the control and disposition of financial transactions at MLD Higher Learning Academy (MLD) performed in coordination with Kelley-Moser Consulting (KMC).

2. SCOPE

This procedure applies to internal fiscal control matters at MLD as defined by the school's Policies and Procedures Manual.

3. REFERENCE DOCUMENTS

- MLD Policies and Procedures Manual
- Annual Operating Budget
- Annual Budget Resolution
- Package Inventory Sheet
- Petty Cash Log
- Monthly Bank Statement
- Employee Payroll Profile
- Employee Payroll Change Log
- Monthly Budget Report
- Check Register

4. DEFINITIONS

None

5. RESPONSIBILITIES

5.1 The Board Chair is responsible for oversight of activity between Treasurer, Principal, and KMC.

5.2 The Board Treasurer is responsible for the oversight of purchasing, hiring, and budget maintenance as conducted by the school administration.

5.3 The Principal is responsible for budgeting, purchasing, cash management, payroll, and financial reporting within statutory and regulatory compliance.

5.4 The Administrative Assistant is responsible for duties as assigned by the Principal.

5.5 All employees of MLD will adhere to the provisions of this procedure.

6. RECORD HANDLING INSTRUCTIONS

All financial records generated from the execution of these procedures will be stored on site at KMC in accordance with KMC protocol in preparation for the annual audit.

PENGAD 800-631-6989
EXHIBIT
15
4/19/12 CF

7. PROCEDURES

BUDGET

7.1 Annually the MLD Board of Directors will charge the Finance Committee with developing the ***Annual Operating Budget***.

7.2 The Finance Committee, in coordination with KMC, will prepare the budget and present the budget to the Board of Directors for approval no later than June 30th of each year.

- The Board of Directors will approve the budget via the ***Annual Budget Resolution***.
- The approval, resolution, and budget will be documented and made part of the Board minutes.

PURCHASING

7.3 All purchasing will be generated through a purchase system and all disbursements will originate through the computer-based accounting software via computer generated checks.

- There will be NO manual checks, cashiers checks, bank drafts, or money orders executed for purchases (except in emergency situations).
- Cash transactions will be limited to petty cash disbursements.

7.4 All purchasing will be researched and then initiated by the Principal.

7.5 The Administrative Assistant will assemble the items list, amounts, and cost.

- Purchases of $3,000.00 or less will be approved by the Principal.
- Purchases in excess of $3,000.00 will require additional review and approval by the Board Treasurer.
- Review and approval documentation consists of the Principal's and/or Board Treasurer's initials on the invoice or purchasing documents.

7.6 The Principal will confirm that the purchase is within approved budget-line limits.

7.7 The Principal will supervise the conduct of purchasing.

INVOICES

7.8 All invoices/shipments will be inventoried by the Administrative Assistant to ensure that all services or products purchased have been received and match the purchasing documents.

7.9 All invoices will be reviewed, approved, and initialed by the Principal and/or Board Treasurer prior to forwarding them to KMC for processing.

7.10 The Principal will approve all reimbursements to employees and Board Members for purchases or travel. The Board Treasurer will approve reimbursements to the Principal. This written approval must accompany the request for reimbursement.

7.11 Invoices will be processed once a week unless emergency dictates otherwise.

7.12 A processing schedule for Accounts Payable activity will be coordinated with KMC.

7.13 Invoices will be prepared and sent to arrive at KMC prior to the processing date specified in the schedule.

- The school will use the ***Package Inventory Sheet*** to document the specific contents of the shipment.
- All original invoices – to include bills, coupons, receipts, and envelopes – will be sent.

7.14 KMC will not process incomplete invoices until the school has sent all appropriate documentation.

7.15 The IRS W-9 Form will be attached to the initial invoice of each contractor.

7.16 If there are no current invoices that particular period, the school will contact KMC (telephone or email) to confirm that no mailing will be sent.

7.17 KMC will process invoices based on cash-flow timelines and prepare payments to the appropriate vendors and then mail the checks to the school for signature and disbursement.

- An Emergency Check is defined as a payment that, if not paid immediately, would jeopardize the school's ability to operate.
- A fax of the original invoice will be sufficient to begin invoice processing.
- The original invoice will be forwarded to KMC as soon as possible.
- The original invoice will be clearly marked as "Already Faxed" to avert duplicate payment.
- This procedure is for emergencies only and should not be used on a constant basis.

7.18 The Board of Directors will be notified on a monthly basis if the school is routinely late submitting invoices, using the emergency check protocol, or processing out of sequence checks.

PETTY CASH

7.19 An initial fiscal year petty cash check of $500.00 will be prepared and will be made payable to the Principal.

7.20 KMC will set up the Principal as a "vendor" with a discreet vendor number and use only this vendor number for petty cash disbursements.

7.21 The Principal will cash the check and place the actual cash funds in a petty cash box.

7.22 The Administrative Assistant will oversee the disbursement of petty cash funds.

- The ***Petty Cash Log*** will be maintained with the petty cash in the cash box.
- The log sheet will record the initial balance of $500.00.
- Each petty cash disbursement will be recorded with date, amount, who, and purpose.
- A receipt will be returned following each, individual expense of petty cash.
- Return of unused petty cash transactions will be recorded with the same information.
- A running balance will be maintained following each transaction.

7.23 When the running balance in the petty cash fund approaches $50.00, the Administrative Assistant will tally up the petty cash receipts and forward them to KMC for processing in accordance with the processing schedule.

7.24 KMC will properly code the actual expenses and issue a "replacement" check for those expended petty cash funds. This will return the petty cash balance to $500.00.

7.25 No later than June 15, the petty cash fund will be reconciled and closed for the fiscal year.

- All outstanding receipts will be forwarded to KMC.
- All remaining cash funds will be deposited back into the bank account and the deposit slip forwarded to KMC as soon as possible.
- KMC will prepare a final petty cash reconciliation spreadsheet and forward it to the Principal and the Board Treasurer for joint review and approval.

DEPOSITS

7.26 The Administrative Assistant will prepare all documents and funds for deposit (inventory cash, checks, prepare deposit slips).

7.27 The Principal will verify deposit documentation and endorse checks on behalf of the school.

7.28 The Administrative Assistant will make the actual deposit at the bank.

- The Administrative Assistant will forward the deposit slip, check stub, letter, and all other original supporting documents to KMC as soon a possible.
- The deposit will be clearly identified as to what the deposit is from (district, fund raiser, field trip, donation, lunch money collections, food funds from the state or federal, etc.).

7.29 Checks and/or cash shall not be forwarded to KMC for deposit processing.

Internal Fiscal Control Procedures

BANK STATEMENTS

7.30 The school will fax a copy of the ***Monthly Bank Statement*** to KMC immediately upon receiving it.

- THIS IS CRITICAL AS FINANCIAL REPORTS ARE DUE TO THE BOARD OF DIRECTORS DURING THE SECOND WEEK OF THE MONTH.
- Someone other than the school's Account Executive at KMC will perform the bank reconciliation as another separation of duties with regard to internal controls.

7.31 The original bank statement – including all cancelled checks – will be forwarded to KMC as soon as possible.

PAYROLL

7.32 Payroll is, by far, the most complex and important business function of the school.

7.33 Payroll will be processed twice a month.

7.34 A processing schedule for Payroll activity will be coordinated with KMC.

7.35 The school will use the ***Employee Payroll Profile*** when initially assigning an employee to the MLD Payroll.

- The profile will be forwarded to KMC as soon as all information is available and the Principal and the employee signs and dates the sheet.
- Salary information must coincide with the employee's employment agreement.
- KMC does not maintain W-4 information; this information should be maintained in the employees personnel file at the school.

7.36 The ***Employee Payroll Change Log*** will be used for all payrolls to update significant employee information.

7.37 The change log will be prepared and then emailed to arrive at KMC prior to the processing date specified in the payroll schedule.

The change log will include, but is not limited to:

- Hours Worked & Hourly Rate for Hourly Employees.
- Days Worked & Daily Rate for Daily Employees.
- Changes in Pay for Salaried Employees (Days Missed, Adjustments, etc.).
- Changes in Deductions (Health, Dental, Retirement, etc.).

7.38 The change log will include all personnel to be paid on that particular payday.

- If a person is not to be paid, "NPD" will be noted in the "Change" column.

7.39 KMC will process and then submit the payroll to the school for disbursement in sufficient time (normally two working days prior to payday) for the school to make appropriate corrections.

- Payroll errors will be corrected immediately.

7.40 There will be no advances of individual pay unless specifically approved by the Principal and Board Treasurer.

7.41 The Board of Directors will be notified on a monthly basis of late payroll information, secondary payroll runs, and advances on payroll.

REPORTS

7.42 KMC will submit the ***Monthly Budget Report*** to the Board of Directors for its scheduled monthly meeting.

7.43 If requested, KMC will present the ***Check Register*** to the Board Treasurer to verify that monthly expenditures on the Monthly Budget Report match the check register.

7.44 As granted in the ***Annual Budget Resolution***, the Principal has the authority to reallocate budgeted amounts as specified in the resolution guidelines.

- Any excess of those guidelines will be approved by the Board of Directors prior to KMC adjusting the budget and disbursing funds.

MLD Higher Learning Academy

Budget Resolution

BE IT RESOLVED by the Board of Directors of MLD Higher Learning Academy:

The following amounts are hereby appropriated for the operation of MLD Higher Learning Academy from the General Fund, Special Revenue Fund, Education Improvement Act Fund, Food Service Fund, and the Pupil Activity Fund for the fiscal year beginning July 1, 2010 and ending June 30, 2011:

See the attached Annual Operating Budget for revenues and expenditures for the 2010-2011 school year.

All appropriations shall be paid first from revenues restricted as to use, and second from general unrestricted revenues.

The increase or decrease of any budget line item expenditure amount of this Annual Operating Budget requires prior Board of Directors review and approval.

Copies of this Budget Resolution and the attached Annual Operating Budget shall be furnished to the Principal and Board Treasurer for direction in carrying out their duties.

Adopted this_____ day of _____, 20_____

_____

For the Board of Directors

Printed Name:_____

MLD Higher Learning Academy

PACKAGE INVENTORY SHEET

Date: _____

Item	Amount	Due Date	Sent By	Received

MLD Higher Learning Academy

PETTY CASH LOG

DATE	AMOUNT	NAME	PURPOSE	BALANCE

REC - 803

EMPLOYEE PAYROLL PROFILE

MLD Higher Learning Academy

☐ Change Form
☐ New Employee

Employee Name (exactly as shown on the social security card): _____

Marital Status: Married Single

Date of Birth: _____

State Retirement #: _____

Mailing Address: _____

Job Title: _____

Gender: Male Female

Telephone Number _____

Social Security #: _____

Start Date: _____ (first day employee works)

US Citizen: Yes No (If not a US Citizen, attach a copy of the VISA)

Federal Filing Status: Single Married Married, but withholding at higher Single rate

Federal Exemption: 0 1 2 3 4 5 6 7 8 9

Extra Federal Withholding: _____ (dollar amount)
____ W-4 with more than 10 exemptions or Exempt Status (Forward a copy, it will be reported to the IRS)
____ W-5 Advanced Earned Income Credit (Forward a copy)

State Filing Status: 0 exemptions 1+ exemptions

State Exemptions: 0 1 2 3 4 5 6 7 8 9

Extra State Withholding: _____ (dollar amount)
____ W-4 with more than 10 exemptions or Exempt Status (Forward a copy, it will be reported to the SCDOR)

Health Benefits: Employee Spouse Child(ren) Family

Dental Benefits: Employee Spouse Child(ren) Family

Retirement $ Amount _____ Retirement % _____ State Retirement (check) _____

Other Deductions: _____

Known Garnishments: _____

Administrative Use Only

Gross Annual Salary: _____ Hourly Rate: _____

Daily Rate: _____

_____ Employee Signature _____ Date

_____ Principal Signature _____ Date

REC - 804

MLD Higher Learning Academy

Employee Payroll Change Log

Check Date _____

Pay Period _____

Send in for every payroll. Use to note any changes.
I.e. salary amounts, days missed, deductions, medical, dental, retirement, adjustments, etc.

Pay Type Position	Employee Name	Salary Rate	Hour /Day Pay Rate	Hour/Day Worked	Calculated	Days Deducted	Calculated	Misc	Calculated Gross	Changes / Notes	Special Instructions

South Carolina
Public Charter School District

January 13, 2012

Board of Trustees

Don McLaurin,
Chairman

Joseph McMullen,
Vice Chairman

Kathleen Bounds
Secretary

Dr. Ronald Epps

Mrs. Laura Getty

Mrs. Terrye Seckinger

Tom Siler

Mrs. Linzie Staley

Reese Boyd

Superintendent
Wayne Brazell, Ph.D.

Ms. Benita Dinkins-Robinson
Executive Director
Mary L. Dinkins Academy
321 Roland Street
Bishopville, SC 29010

Dear Ms. Dinkins-Robinson:

Pursuant to the South Carolina Charter Schools Act of 1996, an authorized charter school must adhere to the same financial audits, audit procedures, and audit requirements as are applied to public schools. Additionally, all school districts are required by Section 59-17-100 of the South Carolina Code of Laws to provide the South Carolina Department of Education (SCDE) each year with its audit report by December 1 following close of the fiscal year. As a school sponsored by a district, a charter school must submit financial data to the sponsoring district for inclusion in the district's report.

Mary L. Dinkins Academy Public Charter School (MLD) is in its seventh year of operation and currently serves 141 students in grades K-8. In August of 2010, MLD and the South Carolina Public Charter School District (District) entered into an agreement by which the District allowed MLD to operate as a charter school within the District under a probationary status.

On August 3, 2011, the Director of Finance for the District, Mike Jackson, informed all school leaders of a November 1, 2011, deadline for schools to submit a copy of their 2010-11 audit to the District. The District set a November 1, 2011, due date for the completion and submission of each school's independent financial audit so as to allow the District's auditor, Elliott Davis, LLC., sufficient time to consolidate all individual school audits and issue one comprehensive report to the SCDE by the State mandated deadline of December 1, 2011.

MLD did not submit an independent audit to the District by the November 1, 2011, deadline. By November 22, 2011, the District still had not received MLD's audit report. On that date, Wayne Brazell, District Superintendent, notified you by e-mail that MLD's audit was to be completed no later than November 25, 2011, to enable the District to satisfy the State's December 1 deadline. By e-mail, you were also notified that failure to submit the audit report by November 25, 2011, would result in MLD being identified as non-compliant. MLD failed to meet the November 25, 2011, deadline and to date has failed to obtain and submit an independent financial audit as required by state law.

3710 Landmark Drive, Ste 201
Columbia, SC 29204
Phone: 803-734-8322
Fax: 803-734-8325
www.sccharter.org

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16
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The District is a local educational agency (LEA) and the sponsor and authorizer of its schools, including MLD. As such, the District has the responsibility for implementing procedures to ensure that all of its schools adhere to the same financial audits, audit procedures, and audit requirements as are applied to public schools. The District must also ensure that all of its schools comply with applicable federal and state statutes and regulations. Financial audits are necessary to document the fiscal soundness and propriety of charter schools. Insofar as MLD has: 1) failed to submit an independent audit to the District; 2) failed to act consistent with state law from which the school is not specifically exempt; and 3) demonstrated deficiencies in the area of finance, the District issues MLD this *Letter of Caution.* MLD must submit a complete independent audit report to the District and Elliott Davis, LLC., no later than Friday, January 20, 2012. Failure to meet this deadline shall result in the District placing MLD under an intensive fiscal monitoring plan and applying any additional remedies as deemed appropriate by the District.

Any questions regarding this matter should be directed to Superintendent Brazell or me.

Sincerely,

Dana C. Reed

Dana C. Reed, Compliance Supervisor
South Carolina Public Charter School District

cc: Wayne Brazell, Ph.D., Superintendent, SCPCSD
Mike Jackson, Director of Finance, SCPCSD
George Williams, Board Chair, MLD

South Carolina
Public Charter School District

Board of Trustees

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Mrs. Linzie Staley

Reese Boyd

Superintendent
Wayne Brazell, Ph.D.

February 23, 2012

Ms. Benita Dinkins-Robinson
Executive Director
Mary L. Dinkins Higher Learning Academy
P.O. Box 136
Bishopville, SC 29010

Dear Ms. Dinkins-Robinson:

Mary L. Dinkins Higher Learning Academy (MLD) is in its seventh year of operation and currently serves 141 students in grades K-8. In August of 2010, MLD and the South Carolina Public Charter School District (District) entered into an agreement by which the District allowed MLD to operate as a charter school within the District under a probationary status. On August 15, 2011, the District notified MLD that it was being placed on academic probation due to substandard academic performance. To date, MLD remains on probation with the District. The District is a local educational agency (LEA) and the sponsor and authorizer of MLD. As such, the District has the responsibility for overseeing the academic, fiscal, and operational health of the school as well as ensuring that the school complies with all applicable state and federal regulations.

On January 13, 2012, the District issued MLD a *Letter of Caution* for failing to submit an independent audit by the deadline mandated by both the District and the State. Although MLD submitted an independent financial audit by the extended January 20, 2012 deadline outlined in the *Letter of Caution*, the results of the audit revealed two significant deficiencies in the area of finance, the latter of which constituted a significant departure from state and federal requirements for recordkeeping and documentation of Title I eligibility. The deficiencies are 1) the failure to maintain a properly designed financial management system in which duties are properly segregated, clear instructions are provided for purchasing decision-making, and competitive bidding is documented and 2) the failure to maintain documentation to support the verification of applications approved for free and reduced price meals.

In addition to the above referenced noncompliance, MLD has failed to comply with the February 10, 2012 deadline set by the District for the verification of lottery and professional development funds expenditures. An incomplete submission was received past the deadline, but to date the requirement remains unfulfilled by MLD.

3710 Landmark Drive, Ste 201
Columbia, SC 29204
Phone: 803-734-8322
Fax: 803-734-8325
www.sccharter.org

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EXHIBIT
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Please be advised that based on MLD's probationary status due to poor academic performance as well as its continued deficiencies in the areas of compliance and finance, the District Administration shall consider whether to recommend revocation of MLD's charter to the District's Board of Trustees.

Should you have any questions, please contact me or Superintendent Brazell.

Sincerely,

Dana C. Reed

Dana C. Reed, Compliance Supervisor
South Carolina Public Charter School District

cc: Wayne Brazell, Ph.D., Superintendent, SCPCSD
George Williams, Board Chair, MLD
Mike Jackson, Director of Finance, SCPCSD
Traci Bryant-Riches, Director of Federal Programs, SCPCSD
Wanda Whatley, Ph.D., ADEPT Coordinator, SCPCSD
Mick Zais, Ph.D., State Superintendent of Education

Student Name		
[redacted]		
Student ID	**Grade**	**Gender**
152017	99	M
State ID	**Date of Birth**	**Ethnic Code**
4954938414	[redacted]/1991	W

Parent Guardian
[redacted]
Charleston, SC 29412-3231
(843) 225-8675

State of South Carolina
Standard High School Transcript

Enter Date:
Graduation Date:
Class Of: 2011
Diploma Type: District Non-Diploma Document

A

School Name/Address
Mary L. Dinkins Higher Learning Academy

, SC
Tel: Fax:

District Name/Address
SC Public Charter School District
3701 Landmark Drive, Suite 210
Columbia, SC 29204
Tel: (803) 734-8322 Fax: (803)734-8325

Crs ID	Course Title	Term	Grd	Mark	Credit
07-08 Mary L. Dinkins Higher Learning Academy					
301100CW	English 1	YR	9	89	1.00
309907CW	H S 101	YR	9	90	1.00
322603CW	Biology I	YR	9	75	1.00
331001CW	Global Studies	YR	9	96	1.00
3441GLCW	Physical Education 1	YR	9	93	1.00
350100CHF	Art 1	YR	9	93	1.00
411108CW	Algebra 1	YR	9	85	1.00
510001CH	Keyboarding	YR	9	89	0.50
08-09 Mary L. Dinkins Higher Learning Academy					
301200CW	English 2	YR	10	94	1.00
309916CW	HSAP ELA	YR	10	90	1.00
321100CH	Physical Science	YR	10	79	1.00
336000CW	Global Science	YR	10	96	1.00
356100CH	Music 1	YR	10	95	1.00
411200CW	Algebra 2	YR	10	80	1.00
500803CH	Computer Applications	YR	10	92	0.50
09-10 Mary L. Dinkins Higher Learning Academy					
301300CW	English 3	YR	11	89	1.00
319768CW	HSAP Math	YR	11	93	1.00
323100CW	Chemistry I	YR	11	78	1.00
326300CWF	Anatomy	YR	11	87	1.00
351200CH	Art 2	YR	11	91	1.00
500900CHA	Advanced Computer Applications	YR	11	94	1.00
10-11 Mary L. Dinkins Higher Learning Academy					
301400CW	English 4	YR	12	85	1.00
351300CH	Art 3	YR	12	93	1.00
415000CHB	SAT Math	YR	12	85	1.00

	SC UGP GPA	4.0 GPA
GPA Summary	3.431	3.206
Class Rank	Not Ranked	
Date Calculated	April 12, 2012	
Credit Summary		
Total Credit Attempted: 29.00		
Total Credits Earned: 29.00		

To determine the course academic level refer to the seventh character in each course ID.

If graduation date is a future date, current year reflects Work in Progress.

Official Signature _____ Date: _____
, Principal or Designee

An official signature and/or seal is required for manually created transcripts.

Information about the South Carolina Uniform Grading Policy can be found at:

http://ed.sc.gov/agency/programs-services/131/documents/SCUniformGradingPolicy.pdf

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EXHIBIT
18
4/19/12 CF

Student Name		
[redacted]		
Student ID	Grade	Gender
1-1410	99	F
State ID	Date of Birth	Ethnic Code
5532372705	[redacted]/1993	W

Parent Guardian

[redacted]
Bishopville, SC 29010
(803) 428-2928

State of South Carolina
Standard High School Transcript

Enter Date: 8/27/2007
Graduation Date:
Class Of: 2011
Diploma Type: District Non-Diploma Document

B

School Name/Address
Mary L. Dinkins Higher Learning Academy

, SC
Tel: Fax:

District Name/Address
SC Public Charter School District
3701 Landmark Drive, Suite 210
Columbia, SC 29204
Tel: (803) 734-8322 Fax: (803)734-8325

Crs ID	Course Title	Term	Grd	Mark	Credit
06-07 Mary L. Dinkins Higher Learning Academy					
301100CW	English 1	YR	8	85	1.00
411108CW	Algebra 1	YR	8	75	1.00
07-08 Mary L. Dinkins Higher Learning Academy					
301200CW	English 2	YR	9	95	1.00
309907CW	High School 101	YR	9	91	0.50
322603CW	Biology I	YR	9	79	1.00
331001CW	Global Studies	YR	9	91	1.00
3441GLCW	Physical Education 1	YR	9	85	1.00
365100CW	Spanish 1	YR	9	91	1.00
411208CW	Algebra 2	YR	9	89	1.00
510001CH	Keyboarding	YR	9	87	0.50
09-10 Mary L. Dinkins Higher Learning Academy					
510002CH	Keyboarding 2	YR	10	85	1.00
08-09 Mary L. Dinkins Higher Learning Academy					
301300CW	English 3	YR	10	94	1.00
309916CW	HSAP ELA	YR	10	91	1.00
321100CH	Physical Science	YR	10	95	1.00
336000CW	Global Science	YR	10	97	1.00
356100CH	Music 1	YR	10	90	1.00
411100CW	Geometry	YR	10	93	1.00
500803CH	Computer Applications	YR	10	88	0.50
554000CWF	Medical Terminology	YR	10	85	1.00
09-10 Mary L. Dinkins Higher Learning Academy					
301400CW	English 4	YR	11	92	1.00
323100CW	Chemistry I	YR	11	90	1.00
326300CWF	Anatomy	YR	11	94	1.00
401100CHB	SAT ELA	YR	11	93	1.00
413100CW	Pre-Calculus	YR	11	94	1.00
500900CHA	Advanced Computer Application	YR	11	75	0.50
529803CD	Video Production	YR	11	90	0.50
10-11 Mary L. Dinkins Higher Learning Academy					
415000CHB	SAT Math	YR	12	80	1.00

Crs ID	Course Title	Term	Grd	Mark	Credit

	SC UGP GPA	4.0 GPA
GPA Summary	3.368	3.070
Class Rank	Not Ranked	
Date Calculated	April 12, 2012	
Credit Summary		
Total Credit Attempted: 28.50		
Total Credits Earned: 28.50		

To determine the course academic level refer to the seventh character in each course ID.

If graduation date is a future date, current year reflects Work in Progress.

Official Signature _____ Date: _____
, Principal or Designee

An official signature and/or seal is required for manually created transcripts.

Information about the South Carolina Uniform Grading Policy can be found at:

http://ed.sc.gov/agency/programs-services/131/documents/SCUniformGradingPolicy.pdf

REC - 811

Student Name		
[redacted]		
Student ID	Grade	Gender
151196	99	M
State ID	Date of Birth	Ethnic Code
4221470046	[redacted]1992	B

Parent Guardian
[redacted]
Camden, SC 29020
803-424-1641

State of South Carolina
Standard High School Transcript

Enter Date:
Graduation Date:
Class Of: 2011
Diploma Type: District Non-Diploma Document

C

School Name/Address
Mary L. Dinkins Higher Learning Academy

, SC
Tel: Fax:

District Name/Address
SC Public Charter School District
3701 Landmark Drive, Suite 210
Columbia, SC 29204
Tel: (803) 734-8322 Fax: (803)734-8325

Crs ID	Course Title	Term	Grd	Mark	Credit
06-07 Mary L. Dinkins Higher Learning Academy					
319725CW	Introduction to Math	YR	8	70	1.00
349701CW	JROTC	YR	8	70	1.00
07-08 Mary L. Dinkins Higher Learning Academy					
28510700A	Basic Computing	YR	9	77	1.00
326500CH	Earth/Environmental Science	YR	9	79	1.00
336001CHF	World History	YR	9	72	1.00
3441GLCW	Physical Education 1	YR	9	90	1.00
344200CHF	Health/Physical Education 2	YR	9	77	1.00
354100CH	Vocal Music	YR	9	82	1.00
379990CW	Success 101	YR	9	96	1.00
08-09 Mary L. Dinkins Higher Learning Academy					
301100TW	English 1	YR	10	70	1.00
322603CW	Biology 1	YR	10	70	1.00
331000CW	World Geography	YR	10	80	1.00
411102CQ	Algebra 1	YR	10	70	1.00
09-10 Mary L. Dinkins Higher Learning Academy					
309900CW	World Literature	YR	11	73	1.00
319900TW	Geometry	YR	11	87	1.00
321100CH	Physical Science	YR	11	85	1.00
333501CW	Civics/American Government	YR	11	85	1.00
10-11 Mary L. Dinkins Higher Learning Academy					
14010000	Health	YR	12	93	1.00
301400CW	English 4	YR	12	94	1.00
332043CW	US History	YR	12	93	1.00
333007CH	US Government	YR	12	87	0.50
335003CH	Economics	YR	12	91	0.50
365100CW	Spanish	YR	12	82	1.00
401100CHB	SAT ELA	YR	12	93	1.00
413100CW	Pre-Calculus	YR	12	88	1.00
415000CHB	SAT Math	YR	12	93	1.00

	SC UGP GPA	4.0 GPA
GPA Summary	2.500	2.440
Class Rank	Not Ranked	
Date Calculated	April 12, 2012	
Credit Summary		
Total Credit Attempted: 25.00		
Total Credits Earned: 25.00		

To determine the course academic level refer to the seventh character in each course ID.

If graduation date is a future date, current year reflects Work in Progress.

Official Signature _____ Date: _____
, Principal or Designee

An official signature and/or seal is required for manually created transcripts.

Information about the South Carolina Uniform Grading Policy can be found at:

http://ed.sc.gov/agency/programs-services/131/documents/SCUniformGradingPolicy.pdf

Student Name		
[redacted]		
Student ID	Grade	Gender
11411	99	M
State ID	Date of Birth	Ethnic Code
1159203954	[redacted]/1992	B

Parent Guardian

[redacted]
Bishopville, SC 29010
(517) 403-5648

D

State of South Carolina
Standard High School Transcript

Enter Date: 8/27/2007
Graduation Date:
Class Of: 2011
Diploma Type: District Non-Diploma Document

School Name/Address
Mary L. Dinkins Higher Learning Academy
, SC
Tel: Fax:

District Name/Address
SC Public Charter School District
3701 Landmark Drive, Suite 210
Columbia, SC 29204
Tel: (803) 734-8322 Fax: (803)734-8325

Crs ID	Course Title	Term	Grd	Mark	Credit
07-08 Mary L. Dinkins Higher Learning Academy					
301100CW	English 1	YR	9	87	0.50
309907CW	High School 101	YR	9	91	0.50
322603CW	Biology I	YR	9	70	1.00
331001CW	Global Studies	YR	9	80	1.00
3441GLCW	Physical Education 1	YR	9	91	1.00
365100CW	Spanish	YR	9	70	1.00
411108CW	Algebra 1	YR	9	75	1.00
510001CH	Keyboarding	YR	9	87	0.50
08-09 Mary L. Dinkins Higher Learning Academy					
301200CW	English 2	YR	10	92	1.00
319768CW	HSAP Math	YR	10	75	1.00
321100CH	Physical Science	YR	10	70	1.00
336000CW	Global Science	YR	10	95	1.00
356100CH	Music 1	YR	10	80	1.00
411100CW	Algebra 2	YR	10	70	1.00
500803CH	Computer Applications	YR	10	84	0.50
510002CH	Keyboarding 2	YR	10	87	1.00
09-10 Mary L. Dinkins Higher Learning Academy					
301300CW	English 3	YR	11	88	1.00
314108CW	Math for Technologies	YR	11	91	1.00
323100CW	Chemistry 1	YR	11	79	1.00
326300CWF	Anatomy	YR	11	75	1.00
332043CW	US History	YR	11	85	1.00
351200CH	Art 2	YR	11	81	1.00
500900CHA	Advanced Computer Applications	YR	11	78	1.00
10-11 Mary L. Dinkins Higher Learning Academy					
14010000	Health	YR	12	78	1.00
301400CW	English IV	YR	12	80	1.00
333007CH	US Government	YR	12	89	0.50
335003CH	Economics	YR	12	88	0.50
350300CH	Art 3	YR	12	90	1.00
415000CHB	SAT Math	YR	12	75	1.00

	SC UGP GPA	4.0 GPA
GPA Summary	2.412	2.092
Class Rank	Not Ranked	
Date Calculated	April 12, 2012	
Credit Summary		
Total Credit Attempted: 27.00		
Total Credits Earned: 27.00		

To determine the course academic level refer to the seventh character in each course ID.

If graduation date is a future date, current year reflects Work in Progress.

Official Signature _____ Date: _____
, Principal or Designee

An official signature and/or seal is required for manually created transcripts.

Information about the South Carolina Uniform Grading Policy can be found at:

http://ed.sc.gov/agency/programs-services/131/documents/SCUniformGradingPolicy.pdf

REC - 813

Student Name		
[redacted]		
Student ID	Grade	Gender
11412	99	M
State ID	Date of Birth	Ethnic Code
6357386219	[redacted]/1993	M

Parent Guardian

[redacted]
Bishopville, SC 29010
(517) 403-5648

State of South Carolina
Standard High School Transcript

Enter Date: 8/27/2007
Graduation Date:
Class Of: 2011
Diploma Type: District Non-Diploma Document

E

School Name/Address
Mary L. Dinkins Higher Learning Academy

, SC
Tel: Fax:

District Name/Address
SC Public Charter School District
3701 Landmark Drive, Suite 210
Columbia, SC 29204
Tel: (803) 734-8322 Fax: (803)734-8325

Crs ID	Course Title	Term	Grd	Mark	Credit
06-07 Mary L. Dinkins Higher Learning Academy					
301100CW	English 1	YR	8	96	1.00
07-08 Mary L. Dinkins Higher Learning Academy					
301200CW	English 2	YR	9	96	1.00
309907CW	High School 101	YR	9	93	0.50
322603CW	Biology I	YR	9	84	1.00
331001CW	Global Studies	YR	9	92	1.00
3441GLCW	Physical Education 1	YR	9	93	1.00
350100CHF	Art 1	YR	9	92	1.00
365100CW	Spanish	YR	9	89	1.00
411108CW	Algebra I	YR	9	96	1.00
510001CH	Keyboarding	YR	9	93	0.50
08-09 Mary L. Dinkins Higher Learning Academy					
301300CW	English 3	YR	10	93	1.00
321100CH	Physical Science	YR	10	94	1.00
336000CW	Global Science	YR	10	98	1.00
356100CH	Music 1	YR	10	85	1.00
411208CW	Algebra 2	YR	10	85	1.00
500803CH	Computer Applications	YR	10	87	0.50
510002CH	Advanced Computer Applications	YR	10	90	1.00
554000CWF	Medical Terminology	YR	10	93	1.00
09-10 Mary L. Dinkins Higher Learning Academy					
301400CW	English 4	YR	11	94	1.00
323000CH	Geometry	YR	11	85	1.00
323100CW	Chemistry 1	YR	11	89	1.00
326300CWF	Anatomy	YR	11	93	1.00
332043CW	US History	YR	11	93	1.00
351200CH	Art 2	YR	11	75	1.00
500900CHA	Advanced Computer Applications	YR	11	92	0.50
529803CD	Video Production	YR	11	90	0.50
10-11 Mary L. Dinkins Higher Learning Academy					
14010000	Health	YR	12	84	1.00
333007CH	US Government	YR	12	87	0.50
335003CH	Economics	YR	12	93	0.50
351300CH	Art 3	YR	12	85	1.00
415000CHB	SAT Math	YR	12	88	1.00

	SC UGP GPA	4.0 GPA
GPA Summary	3.490	3.309
Class Rank	Not Ranked	
Date Calculated	April 12, 2012	
Credit Summary		
Total Credit Attempted: 27.50		
Total Credits Earned: 27.50		

To determine the course academic level refer to the seventh character in each course ID.

If graduation date is a future date, current year reflects Work in Progress.

Official Signature _____ Date: _____
, Principal or Designee

An official signature and/or seal is required for manually created transcripts.

Information about the South Carolina Uniform Grading Policy can be found at:

http://ed.sc.gov/agency/programs-services/131/documents/SCUniformGradingPolicy.pdf

Student Name		
[redacted]		
Student ID	Grade	Gender
11415	99	M
State ID	Date of Birth	Ethnic Code
2747725472	[redacted]/1992	B

Parent Guardian

[redacted]
Bishopville, SC 29010
(803) 428-3350

State of South Carolina
Standard High School Transcript

Enter Date: 8/27/2007
Graduation Date:
Class Of: 2011
Diploma Type: District Non-Diploma Document

F

School Name/Address
Mary L. Dinkins Higher Learning Academy

, SC
Tel: Fax:

District Name/Address
SC Public Charter School District
3701 Landmark Drive, Suite 210
Columbia, SC 29204
Tel: (803) 734-8322 Fax: (803)734-8325

Crs ID	Course Title	Term	Grd	Mark	Credit
07-08 Mary L. Dinkins Higher Learning Academy					
301100CW	English 1	YR	9	91	0.00
309907CW	High School 101	YR	9	95	0.50
322603CW	Biology I	YR	9	80	1.00
331001CW	Global Studies	YR	9	85	1.00
350100CHF	Art 1	YR	9	95	1.00
365100CW	Spanish	YR	9	85	1.00
411108CW	Algebra 1	YR	9	80	1.00
510001CH	Keyboarding 1	YR	9	93	0.50
08-09 Mary L. Dinkins Higher Learning Academy					
301100CW	Keyboarding	YR	10	95	0.50
301200CW	English 2	YR	10	96	1.00
309916CW	HSAP ELA	YR	10	93	1.00
321100CH	Physical Science	YR	10	86	1.00
336000CW	Global Science	YR	10	97	1.00
356100CH	Music 1	YR	10	95	1.00
411200CW	Algebra 2	YR	10	85	1.00
500803CH	Computer Applications	YR	10	87	0.50
554000CWF	Medical Terminology	YR	10	85	1.00
09-10 Mary L. Dinkins Higher Learning Academy					
301300CW	English 3	YR	11	89	1.00
319768CW	HSAP Math	YR	11	93	1.00
323000CH	Geometry	YR	11	90	1.00
323100CW	Chemistry 1	YR	11	90	1.00
326300CWF	Anatomy	YR	11	87	1.00
332043CW	US History	YR	11	93	1.00
351200CH	Art 2	YR	11	96	1.00
500900CHA	Advanced Computer Application	YR	11	95	0.50
529803CD	Video Production	YR	11	93	0.50
10-11 Mary L. Dinkins Higher Learning Academy					
14010000	Health	YR	12	86	1.00
301400CW	English 4	YR	12	87	1.00
333007CH	US Government	YR	12	91	0.50
335003CH	Economics	YR	12	88	0.50
351300CH	Art 3	YR	12	95	1.00
415000CHB	SAT Math	YR	12	86	1.00

	SC UGP GPA	4.0 GPA
GPA Summary	3.482	3.362
Class Rank	Not Ranked	
Date Calculated	April 12, 2012	
Credit Summary		
Total Credit Attempted: 29.00		
Total Credits Earned: 28.00		

To determine the course academic level refer to the seventh character in each course ID.

If graduation date is a future date, current year reflects Work in Progress.

Official Signature _____ Date: _____
, Principal or Designee

An official signature and/or seal is required for manually created transcripts.

Information about the South Carolina Uniform Grading Policy can be found at:

http://ed.sc.gov/agency/programs-services/131/documents/SCUniformGradingPolicy.pdf

Student Name		
[redacted]		
Student ID	Grade	Gender
11405	99	M
State ID	Date of Birth	Ethnic Code
8978132898	[redacted]/1994	B
Parent Guardian		
[redacted]		
Bishopville, SC 29010		
(803) 428-3350		

State of South Carolina
Standard High School Transcript

Enter Date: 9/1/2005
Graduation Date:
Class Of: 2011
Diploma Type: District Non-Diploma Document

G

School Name/Address
Mary L. Dinkins Higher Learning Academy

, SC
Tel: Fax:

District Name/Address
SC Public Charter School District
3701 Landmark Drive, Suite 210
Columbia, SC 29204
Tel: (803) 734-8322 Fax: (803)734-8325

Crs ID	Course Title	Term	Grd	Mark	Credit
07-08 Mary L. Dinkins Higher Learning Academy					
301100CW	English 1	YR	8	95	1.00
411108CW	Algebra 1	YR	8	96	1.00
08-09 Mary L. Dinkins Higher Learning Academy					
301200CW	English 2	YR	9	93	1.00
309907CW	High School 101	YR	9	93	0.50
321100CH	Physical Science	YR	9	89	1.00
323000CH	Geometry	YR	9	86	1.00
331001CW	Global Studies	YR	9	95	1.00
3441GLCW	Physical Education 1	YR	9	93	1.00
350100CHF	Art 1	YR	9	86	1.00
365100CW	Spanish	YR	9	90	1.00
510001CH	Keyboarding 1	YR	9	93	0.50
09-10 Mary L. Dinkins Higher Learning Academy					
301200CW	English 3	YR	10	84	1.00
303200CH	Creative Writing	YR	10	79	1.00
309916CW	HSAP ELA	YR	10	93	1.00
322603CW	Biology 1	YR	10	85	1.00
336000CW	Global Science	YR	10	96	1.00
356100CH	Music 1	YR	10	95	1.00
411200CW	Algebra 2	YR	10	92	1.00
500803CH	Computer Applications	YR	10	95	0.50
510002CH	Keyboarding 2	YR	10	96	0.50
10-11 Mary L. Dinkins Higher Learning Academy					
14010000	Health	YR	11	93	1.00
301400CW	English 4	YR	11	90	1.00
322200CW	Biology 2	YR	11	85	1.00
332043CW	US History	YR	11	88	1.00
333007CH	US Government	YR	11	93	0.50
335003CH	Economics	YR	11	86	0.50
351200CH	Art 2	YR	11	75	1.00
401100CHB	SAT ELA	YR	11	90	1.00
413100CW	Pre-Calculus	YR	11	86	1.00

	SC UGP GPA	4.0 GPA
GPA Summary	3.480	3.288
Class Rank	Not Ranked	
Date Calculated	April 12, 2012	
Credit Summary		
Total Credit Attempted: 26.00		
Total Credits Earned: 26.00		

To determine the course academic level refer to the seventh character in each course ID.

If graduation date is a future date, current year reflects Work in Progress.

Official Signature _____ Date: _____
, Principal or Designee

An official signature and/or seal is required for manually created transcripts.

Information about the South Carolina Uniform Grading Policy can be found at:

http://ed.sc.gov/agency/programs-services/131/documents/SCUniformGradingPolicy.pdf

Student Name		
[redacted]		
Student ID	Grade	Gender
11416	99	F
State ID	Date of Birth	Ethnic Code
4613840449	[redacted]/1993	B
Parent Guardian		
[redacted]		
Bishopville, SC 29010		
(803) 428-5004		

State of South Carolina
Standard High School Transcript

Enter Date: 8/27/2007
Graduation Date:
Class Of: 2011
Diploma Type: District Non-Diploma Document

H

School Name/Address
Mary L. Dinkins Higher Learning Academy

, SC
Tel: Fax:

District Name/Address
SC Public Charter School District
3701 Landmark Drive, Suite 210
Columbia, SC 29204
Tel: (803) 734-8322 Fax: (803)734-8325

Crs ID	Course Title	Term	Grd	Mark	Credit
07-08 Mary L. Dinkins Higher Learning Academy					
301100CW	English 1	YR	9	93	1.00
309907CW	High School 101	YR	9	93	0.50
322603CW	Biology I	YR	9	75	1.00
331001CW	Global Studies	YR	9	90	1.00
3441GLCW	Physical Education 1	YR	9	93	1.00
350100CHF	Art 1	YR	9	92	1.00
365100CW	Spanish	YR	9	85	1.00
411108CW	Algebra 1	YR	9	86	1.00
510001CH	Keyboarding 1	YR	9	93	0.50
08-09 Mary L. Dinkins Higher Learning Academy					
301200CW	English 2	YR	10	96	1.00
309916CW	HSAP ELA	YR	10	93	1.00
321100CH	Physical Science	YR	10	89	1.00
336000CW	Global Science	YR	10	96	1.00
356100CH	Music 1	YR	10	95	1.00
411200CW	Algebra 2	YR	10	85	1.00
500803CH	Computer Applications	YR	10	87	0.50
510002CH	Keyboarding 2	YR	10	95	0.50
554000CWF	Medical Terminology	YR	10	85	1.00
09-10 Mary L. Dinkins Higher Learning Academy					
319768CW	HSAP Math	YR	11	93	1.00
323000CH	Geometry	YR	11	85	1.00
323100CW	Chemistry 1	YR	11	93	1.00
326300CWF	Anatomy	YR	11	93	1.00
332043CW	US History	YR	11	95	1.00
351200CH	Art 2	YR	11	91	1.00
351300CH	English 3	YR	11	94	1.00
500900CHA	Advanced Computer Application	YR	11	92	0.50
529803CD	Video Production	YR	11	90	0.50

	SC UGP GPA	4.0 GPA
GPA Summary	3.645	3.437
Class Rank	Not Ranked	
Date Calculated	April 12, 2012	
Credit Summary		
Total Credit Attempted: 24.00		
Total Credits Earned: 24.00		

To determine the course academic level refer to the seventh character in each course ID.

If graduation date is a future date, current year reflects Work in Progress.

Official Signature _____ Date: _____
, Principal or Designee

An official signature and/or seal is required for manually created transcripts.

Information about the South Carolina Uniform Grading Policy can be found at:

http://ed.sc.gov/agency/programs-services/131/documents/SCUniformGradingPolicy.pdf

Student Name		
[redacted]		
Student ID	Grade	Gender
11417	99	M
State ID	Date of Birth	Ethnic Code
4920859635	[redacted]/1992	B
Parent Guardian		
[redacted]		
Bishopville, SC 29010		
(803) 484-5942		

State of South Carolina
Standard High School Transcript

Enter Date: 8/27/2007
Graduation Date:
Class Of: 2011
Diploma Type: District Non-Diploma Document

[redacted]

School Name/Address
Mary L. Dinkins Higher Learning Academy
, SC
Tel: Fax:

District Name/Address
SC Public Charter School District
3701 Landmark Drive, Suite 210
Columbia, SC 29204
Tel: (803) 734-8322 Fax: (803)734-8325

Crs ID	Course Title	Term	Grd	Mark	Credit
06-07 Mary L. Dinkins Higher Learning Academy					
301100CW	English 1	YR	8	100	1.00
411108CW	Algebra 1	YR	8	98	1.00
07-08 Mary L. Dinkins Higher Learning Academy					
301200CW	English 2	YR	9	95	1.00
309907CW	High School 101	YR	9	99	0.50
322603CW	Biology I	YR	9	100	1.00
331001CW	Global Studies	YR	9	98	1.00
3441GLCW	Physical Education 1	YR	9	94	1.00
365100CW	Spanish	YR	9	98	1.00
411208CW	Algebra 2	YR	9	89	1.00
510001CH	Keyboarding 1	YR	9	98	0.50
08-09 Mary L. Dinkins Higher Learning Academy					
301300CW	English 3	YR	10	94	1.00
309916CW	HSAP ELA	YR	10	91	1.00
321100CH	Physical Science	YR	10	95	1.00
323000CH	Geometry	YR	10	93	1.00
336000CW	Global Science	YR	10	97	1.00
356100CH	Music 1	YR	10	90	0.00
500803CH	Computer Applications	YR	10	88	1.00
510002CH	Keyboarding 2	YR	10	85	1.00
554000CWF	Medical Terminology	YR	10	93	1.00
09-10 Mary L. Dinkins Higher Learning Academy					
323100CW	Chemistry 1	YR	11	98	1.00
326300CWF	Anatomy	YR	11	97	1.00
332043CW	US History	YR	11	99	1.00
351200CH	Art 2	YR	11	96	1.00
401100CHB	SAT ELA	YR	11	93	1.00
413100CW	Pre-Calculus	YR	11	92	1.00
500900CHA	Advanced Computer Applications	YR	11	92	1.00
529803CD	Video Production	YR	11	95	0.50
10-11 Mary L. Dinkins Higher Learning Academy					
14010000	Health	YR	12	100	1.00
333007CH	US Government	YR	12	100	0.50
335003CH	Economics	YR	12	95	0.50
351300CH	Art 3	YR	12	100	1.00
415000CHB	SAT Math	YR	12	98	1.00

	SC UGP GPA	4.0 GPA
GPA Summary	3.894	3.789
Class Rank	Not Ranked	
Date Calculated	April 12, 2012	
Credit Summary		
Total Credit Attempted: 28.50		
Total Credits Earned: 28.50		

To determine the course academic level refer to the seventh character in each course ID.

If graduation date is a future date, current year reflects Work in Progress.

Official Signature _____ Date: _____
, Principal or Designee

An official signature and/or seal is required for manually created transcripts.

Information about the South Carolina Uniform Grading Policy can be found at:

http://ed.sc.gov/agency/programs-services/131/documents/SCUniformGradingPolicy.pdf

MLD HIGHER LEARNING ACADEMY OFFICIAL SCHOOL TRANSCRIPT

STUDENT INFORMATION	SCHOOL INFORMATION
FULL NAME: [redacted]	NAME: MLD HIGHER LEARNING ACADEMY
ADDRESS: [redacted]	ADDRESS: 124 GREGG STREET, POST OFFICE BOX 136
BISHOPVILLE, SC 29010	BISHOPVILLE, SC 29010
DATE OF BIRTH: [redacted]/1991	PHONE NUMBER: (803)-483-3000
PARENT/GUARDIAN: [redacted]	E-MAIL ADDRESS: MLDCHARTER@GMAIL.COM

ACADEMIC RECORD

SCHOOL YEAR	GRADE LEVEL: 09			SCHOOL YEAR	GRADE LEVEL: 10		
Course Title	Course Code	Credit Earned	Final Grade	Course Title	Course Code	Credit Earned	Final Grade
English 1 Gr. 9	0000058CW	1.00	89	Global Science	36000CW	1.00	96
Keyboarding 9	301100CW	0.50	89	English 2	01200CW	1.00	94
High school 101	309907CW	0.50	90	Computer Application	500803CH	0.50	92
Biology 1	328820CW	1.00	75	Keyboarding 2	301100CW	0.50	91
9th Physical Education	349951CW	1.00	93	Algebra 1	411100CW	1.00	80
Global Studies	331001CW	1.00	81	Physical Science	3211000	1.00	79
Spanish 9th	365100CW	1.00	80	HSAP ELA	309916CW	1.00	90
Math tech	211108CW	1.00	85	Music 1	356100CH	1.00	95
Art 1	350100CHF	1.00	92				
Total Credits: 8.00 GPA: 8.00 Cumulative GPA: 2.75				Total Credits: 7.00 GPA: 15.00 Cumulative GPA: 3.14			

SCHOOL YEAR	GRADE LEVEL: 11			SCHOOL YEAR	GRADE LEVEL: 12		
Course Title	Course Code	Credit Earned	Final Grade	Course Title	Course Code	Credit Earned	Final Grade
US History	332043CW	1.00	95	English 4	301400CW	1.00	85
Chemistry 1	323100CW	1.00	78	SAT Math	415000CHB	1.00	85
English 3	301300CW	1.00	89	Health	14010000	1.00	82
Anatomy	326300CWF	1.00	87	US Government	333007CH	0.50	91
Advanced Computer	500900CHA	0.50	94	Economics	335003CH	0.50	93
Art 2	351200CH	1.00	91	Art	350100CHF	1.00	93
HSAP Math	319768CW	1.00	93				
Video Production	529803CD	0.50	93				
Geometry	323000CH	1.00	90				
Total Credits: 8.00 GPA: 23.00 Cumulative GPA: 3.25				Total Credits: 5.00 GPA: 28.00 Cumulative GPA: 3.00			

ACADEMIC SUMMARY

CUMULATIVE GPA: 3.04 CREDITS EARNED: 29:00 GRADUATION DATE: 5/21/11

I do hereby self-certify and affirm that this is the official transcript and record of _____
(Name of Student)

The academic studies of _____.
(Academic Years)

Signature: _____ Title: _____ Date: _____

EXHIBIT 19 4/19/12 CF

PENGAD 800-631-6989

MLD HIGHER LEARNING ACADEMY OFFICIAL SCHOOL TRANSCRIPT

STUDENT INFORMATION	SCHOOL INFORMATION
FULL NAME: [redacted] B	NAME: MLD HIGHER LEARNING ACADEMY
ADDRESS: [redacted]	ADDRESS: 124 GREGG STREET, POST OFFICE BOX 136
BISHOPVILLE, SC 29010	BISHOPVILLE, SC 29010
DATE OF BIRTH: [redacted]/1993	PHONE NUMBER: (803)-483-3000
PARENT/GUARDIAN: [redacted]	E-MAIL ADDRESS: MLDCHARTER@GMAIL.COM

ACADEMIC RECORD

SCHOOL YEAR: GRADE LEVEL: 08

Course Title	Course Code	Credits Earned	Final Grade
English 1 Gr.8	0000058CW	1.00	85
Algebra 1	211108CW	1.00	75

Credit Att: 2.00 Comp: 2.00 Total GPA: 2.5

SCHOOL YEAR: GRADE LEVEL: 09

Course Title	Course Code	Credits Earned	Final Grade
English 2 Gr.9	0000059CW	1.00	95
Keyboarding 9	301100CW	0.50	87
High School 101	309907CW	0.50	91
Biology 1	328820CW	1.00	79
9th Physical Education	349951CW	1.00	85
Global Studies	331001CW	1.00	91
Spanish 9	365100CW	1.00	91
Algebra 2	411108CW	1.00	89

Credit Att: 7.00 Comp: 9.00 Total GPA: 3.00

SCHOOL YEAR: GRADE LEVEL: 10

Course Title	Course Code	Credits Earned	Final Grade
Global Science	336000CW	1.00	97
English 3	301200CW	1.00	94
Computer Application	500803CH	0.50	88
Keyboarding	301100CW	0.50	85
Geometry	411100CW	1.00	93
Medical Terminology	554001CW	1.00	85
Physical Science	3211000	1.00	95
HSAP ELA	309916CW	1.00	91
Music 1	356100CH	1.00	90

Credit Att: 8.00 Comp: 17.00 Total GPA: 4.00

SCHOOL YEAR: GRADE LEVEL: 11

Course Title	Course Code	Credits Earned	Final Grade
US History	332043CW	1.00	93
Chemistry 1	323100CW	1.00	90
English 4	301400CW	1.00	92
Anatomy	326300CWF	1.00	94
Advanced Computer	326300CWF	0.50	75
Pre-Calculus	413100CW	1.00	94
Video Production	529803CD	0.50	90
SAT ELA	401100CHB	1.00	93

Credit Att: 7.00 Comp: 24.00 Total GPA: 3.58

School Year:		Grade Level: 12	
Course Title	*Course Code*	*Credit Earned*	*Final Grade*
Economics	335003CH	0.50	83
SAT Math	415000CHB	1.00	80
Health	14010000	1.00	79
Government	333007CH	0.50	83
Art	350100CHF	1.00	85

Credit Att: 4.00 Comp: 28.00 Total GPA: 2.25

ACADEMIC SUMMARY

CUMULATIVE GPA: 3.066 CREDITS EARNED: 28:00 GRADUATION DATE: 5/21/11

I do hereby self-certify and affirm that this is the official transcript and record of _____
(Name of Student)

The academic studies of _____
(Academic Years)

Signature: _____ Title: _____ Date: _____

Leading education to new heights

MLD HIGHER LEARNING ACADEMY OFFICIAL SCHOOL TRANSCRIPT

STUDENT INFORMATION	SCHOOL INFORMATION
FULL NAME: [redacted] C	NAME: MLD HIGHER LEARNING ACADEMY
ADDRESS: [redacted]	ADDRESS: 124 GREGG STREET, POST OFFICE BOX 136
CAMDEN, SC 29020	BISHOPVILLE, SC 29010
DATE OF BIRTH: [redacted]/1992	PHONE NUMBER: (803)-483-3000
PARENT/GUARDIAN: [redacted]	E-MAIL ADDRESS: MLDCHARTER@GMAIL.COM

ACADEMIC RECORD

SCHOOL YEAR: 06-07 GRADE LEVEL: 07

Course Title	Course Code	Credit Earned	Final Grade
Junior ROTC		1.00	70
Introduction to Math		1.00	70

Credit Att: 2.00 Comp: 2.00 Total GPA: 1.0

SCHOOL YEAR: 07-08 GRADE LEVEL: 08

Course Title	Course Code	Credit Earned	Final Grade
Earth/Environment		1.00	79
World History		1.00	72
Computing Basic		1.00	77
Success 101		1.00	96
Physical Education		1.00	90
Health/Physical Education		1.00	77
Vocal Music		1.00	82

Credit Att: 7.00 Comp: 7.00 Total GPA: 2.428

SCHOOL YEAR: 08-09 GRADE LEVEL: 10

Course Title	Course Code	Credit Earned	Final Grade
Algebra 1		1.00	70
English 1		1.00	70
Biology		1.00	70
World Geography		1.00	80

Credit Att: 4.00 Comp: 4.00 Total GPA: 2.21

SCHOOL YEAR: 09-10 GRADE LEVEL: 11

Course Title	Course Code	Credit Earned	Final Grade
World Literature		1.00	73
Geometry		1.00	87
Physical Science		1.00	85
Civics/American Government		1.00	85

Credit Att: 4.00 Comp: 4.00 Total GPA: 2.8

SCHOOL YEAR 11/12	GRADE 12		
Course Title	*Course Code*	*Credit Earned*	*Final Grade*
English 4		1.00	94
SAT Math		1.00	93
Health		1.00	93
US Government		0.50	87
Economics		0.50	91
SAT ELA		1.00	93
US History		1.00	93
Pre-calculus		1.00	88
Spanish		1.00	82

Credit Att: 8.00 Comp: 8.00 Total GPA: 3.50

ACADEMIC SUMMARY

CUMULATIVE GPA: 3.00 CREDITS EARNED: 25.00 GRADUATION DATE: MAY 21, 2011

I do hereby self-certify and affirm that this is the official transcript and record of _____

(Name of Student)

The academic studies of _____

(Academic Years)

Taking education to new heights

Signature: _____ Title: _____ Date: _____

MLD HIGHER LEARNING ACADEMY OFFICAL SCHOOL TRANSCRIPT

STUDENT INFORMATION	SCHOOL INFORMATION
FULL NAME: [redacted] D	NAME: MLD HIGHER LEARNING ACADEMY
ADDRESS: [redacted]	ADDRESS: 124 GREGG STREET, POST OFFICE BOX 136
BISHOPVILLE, SC 29010	BISHOPVILLE, SC 29010
DATE OF BIRTH: [redacted]/1991	PHONE NUMBER: (803)-483-3000
PARENT/GUARDIAN: [redacted]	E-MAIL ADDRESS: MLDCHARTER@GMAIL.COM

ACADEMIC RECORD

SCHOOL YEAR: GRADE LEVEL: 09

Course Title	Course Code	Credit Earned	Final Grade
English 1 Gr. 9	0000058CW	1.00	83
Keyboarding 9	301100CW	0.50	87
High school 101	309907CW	0.50	91
Biology 1	328820CW	1.00	70
9th Physical Education	349951CW	1.00	91
Global Studies	331001CW	1.00	80
Spanish 9th	365100CW	1.00	70
Algebra 1	211108CW	1.00	75

Credit Att: 7.00 Comp: 7.00 Total GPA: 2.50

SCHOOL YEAR: GRADE LEVEL: 10

Course Title	Course Code	Credit Earned	Final Grade
Global Science	36000CW	1.00	95
English 2	01200CW	1.00	92
Computer Application	500803CH	0.50	84
Keyboarding	301100CW	0.50	87
Algebra 2	411100CW	1.00	70
Physical Science	3211000	1.00	70
Music 1	356100CH	1.00	80
Art1	350100CHF	1.00	70
HSAP Math	319768CW	1.00	75

Credit Att: 8.00 Comp: 15.00 Total GPA: 2.75

SCHOOL YEAR: GRADE LEVEL: 11

Course Title	Course Code	Credit Earned	Final Grade
US History	332043CW	1.00	85
Chemistry 1	323100CW	1.00	79
English 3	301300CW	1.00	88
Anatomy	326300CWF	1.00	75
Math Techniques	314108CW	1.00	91
Advance Computer	500900CHA	1.00	78
Art 2	351200CH	1.00	81

Credit Att: 7.00 Comp: 22.00 Total GPA: 3.00

SCHOOL YEAR: GRADE LEVEL: 12

Course Title	Course Code	Credit Earned	Final Grade
English 4	301400CW	1.00	80
SAT Math	415000CHB	1.00	79
Health	14010000	1.00	75
US Government	333007CH	0.50	89
Economics	335003CH	0.50	80
Art	350100CHF	1.00	88

Credit Att: 5.00 Comp: 27.00 Total GPA: 2.5

ACADEMIC SUMMARY

CUMULATIVE GPA: 2.68 CREDITS EARNED: 22.00 GRADUATION DATE: 5/21/2011

I do hereby self-certify and affirm that this is the official transcript and record of _____
(Name of Student)

The academic studies of _____.
(Academic Years)

Signature: _____ Title: _____ Date: _____

REC - 824

MLD HIGHER LEARNING ACADEMY OFFICAL SCHOOL TRANSCRIPT

STUDENT INFORMATION	SCHOOL INFORMATION
FULL NAME: [redacted] E	NAME: MLD HIGHER LEARNING ACADEMY
ADDRESS: [redacted]	ADDRESS: 124 GREGG STREET, POST OFFICE BOX 136
BISHOPVILLE, SC 29010	BISHOPVILLE, SC 29010
DATE OF BIRTH: [redacted]/1993	PHONE NUMBER: (803)-483-3000
PARENT/GUARDIAN: [redacted]	E-MAIL ADDRESS: MLDCHARTER@GMAIL.COM

ACADEMIC RECORD

SCHOOL YEAR: 06-07 GRADE LEVEL: 08 SCHOOL YEAR: 07-08 GRADE LEVEL: 09

Course Title	Course Code	Credit Earned	Final Grade	Course Title	Course Code	Credit Earned	Final Grade
English 1 Gr.8	301100CW	1.00	96	Keyboarding 9	510001CH	0.50	93
				High school 101	309907CW	0.50	93
				Biology 1	322603CW	1.00	84
				9th Physical Education	3441GLCW	1.00	93
				Global Studies	331001CW	1.00	92
				Spanish 9th	365100CW	1.00	89
				Algebra 1	411108CW	1.00	96
				English 2	301200CW	1.00	96
				Art1	350100CHF	1.00	92
Credit Att: _1.00	Comp: _1.00	Total GPA: _5.00___		Credit Att: _8.00	Comp: _9.00_	Total GPA: _3.25	

SCHOOL YEAR: 08-09 GRADE LEVEL: 10 SCHOOL YEAR: 09-10 GRADE LEVEL: 11

Course Title	Course Code	Credit Earned	Final Grade	Course Title	Course Code	Credit Earned	Final Grade
Advanced Computer	510002CH	0.50	90	Advanced Computer	500900CHA	0.50	92
Algebra 2	411208CW	1.00	85	Anatomy	326300CWF	1.00	93
Computer Applications	500803CH	0.50	87	Art 2	351200CH	1.00	75
English 3	301300CW	1.00	93	Chemistry 1	323100CW	1.00	89
Global Science	336000CW	1.00	98	English 4	301400CW	1.00	94
Medical Terminology	554000CWF	1.00	93	Geometry	323000CH	1.00	85
Music 1	356100CH	1.00	85	US History	332043CW	1.00	93
Physical Science	321100CH	1.00	94	Video Production	529803CD	0.50	90
Credit Att: _7.00_	Comp: _16.00	Total GPA: _3.71___		Credit Att: 7.00__	Comp: _25.00	Total GPA: _3.43__	

SCHOOL YEAR: 10-11	GRADE LEVEL: 12		
Course Title	*Course Code*	*Credit Earned*	*Final Grade*
Art 3	350100CHF	1.00	85
Economics	335003CH	0.50	93
Health	14010000	1.00	84
SAT Math	415000CHB	1.00	88
US Government	333007CH	0.50	87

Credit Att: _4.00_____ Comp: _29.00__ Total GPA: 2.75___

ACADEMIC SUMMARY

CUMULATIVE GPA: __3.63_____ CREDITS EARNED: ___29_____ GRADUATION DATE: __5/21/2011_____

I do hereby self-certify and affirm that this is the official transcript and record of _____
(Name of Student)

The academic studies of _____
(Academic Years)

Signature: _____ Title: _____ Date: _____

Turning education to new heights

MLD HIGHER LEARNING ACADEMY OFFICAL SCHOOL TRANSCRIPT

STUDENT INFORMATION	SCHOOL INFORMATION
FULL NAME: [redacted] F	NAME: MLD HIGHER LEARNING ACADEMY
ADDRESS: [redacted]	ADDRESS: 124 GREGG STREET, POST OFFICE BOX 136
BISHOPVILLE, SC 29010	BISHOPVILLE, SC 29010
DATE OF BIRTH: [redacted]/1992	PHONE NUMBER: (803)-483-3000
PARENT/GUARDIAN: [redacted]	E-MAIL ADDRESS: MLDCHARTER@GMAIL.COM

ACADEMIC RECORD

SCHOOL YEAR: [redacted] GRADE LEVEL: 09

Course Title	Course Code	Credit Earned	Final Grade
English 1 Gr. 9	0000058CW	1.00	91
Keyboarding 9	301100CW	0.50	93
High school 101	309907CW	0.50	95
Biology 1	328820CW	1.00	80
9th Physical Education	349951CW	1.00	96
Global Studies	331001CW	1.00	85
Spanish 9th	365100CW	1.00	85
Algebra 1	211108CW	1.00	80
Art 1	350100CHF	1.00	95

Credit Att: 8.00 Comp: 8.00 Total GPA: 3.375

SCHOOL YEAR: [redacted] GRADE LEVEL: 10

Course Title	Course Code	Credit Earned	Final Grade
Global Science	36000CW	1.00	97
English 2	01200CW	1.00	96
Computer Application	500803CH	0.50	87
Keyboarding	301100CW	0.50	95
Algebra 2	411100CW	1.00	85
Medical Terminology	554001CW	1.00	85
Physical Science	3211000	1.00	86
HSAP ELA	309916CW	1.00	93
Music	356100CH	1.00	95

Credit Att: 8.00 Comp: 16.00 Total GPA: 3.50

SCHOOL YEAR: [redacted] GRADE LEVEL: 11

Course Title	Course Code	Credit Earned	Final Grade
US History	32043CW	1.00	93
Chemistry 1	323100CW	1.00	90
English 3	301300CW	1.00	89
Anatomy	26300CWF	1.00	87
Advanced Computer	500900CHA	0.50	95
Art 2	351200CH	1.00	96
HSAP Math	319768CW	1.00	93
Video Production	529803CD	0.50	93
Geometry	323000CH	1.00	90

Credit Att: 8.00 Comp: 24.00 Total GPA: 3.50

SCHOOL YEAR: [redacted] GRADE LEVEL: 12

Course Title	Course Code	Credit Earned	Final Grade
English 4	301400CW	1.00	87
SAT Math	15000CHB	1.00	86
Health	14010000	1.00	86
US Government	333007CH	0.50	91
Economics	335003CH	0.50	88
Art 3	351300CH	1.00	95

Credit Att: 5.00 Comp: 29.00 Total GPA: 3.80

ACADEMIC SUMMARY

CUMULATIVE GPA: 3.54 CREDITS EARNED: 29.00 GRADUATION DATE: 5/24/11

I do hereby self-certify and affirm that this is the official transcript and record of _____
(Name of Student)

The academic studies of _____.
(Academic Years)

Signature: _____ Title: _____ Date: _____

REC - 827

MLD HIGHER LEARNING ACADEMY OFFICIAL SCHOOL TRANSCRIPT

STUDENT INFORMATION	SCHOOL INFORMATION
FULL NAME: [redacted]	NAME: MLD HIGHER LEARNING ACADEMY
ADDRESS: [redacted]	ADDRESS: 124 GREGG STREET, POST OFFICE BOX 136
BISHOPVILLE, SC 29010	BISHOPVILLE, SC 29010
DATE OF BIRTH: [redacted]/1994	PHONE NUMBER: (803)-483-3000
PARENT/GUARDIAN: [redacted]	E-MAIL ADDRESS: MLDCHARTER@GMAIL.COM

ACADEMIC RECORD

SCHOOL YEAR: GRADE LEVEL: 08

Course Title	Course Code	Credits Earned	Final Grade
English 1 Gr.8	0000058CW	1.00	95
Algebra 1	211108CW	1.00	96

Credit Att: 2.00 Comp: 2.00 Total GPA: 5.00

SCHOOL YEAR: GRADE LEVEL: 09

Course Title	Course Code	Credits Earned	Final Grade
English 2	0000059CW	1.00	93
Keyboarding 9	301100CW	0.50	93
High School 101	309907CW	0.50	93
9th Physical Education	349951CW	1.00	93
Physical Sciences	3211000	1.00	89
Global Studies	331001CW	1.00	95
Spanish 9th	365100CW	1.00	90
Geometry	211108CW	1.00	93
Art 1	350100CHF	1.00	86

Credit Att: 8.00 Comp: 10.00 Total GPA: 3.125

SCHOOL YEAR: GRADE LEVEL: 10

Course Title	Course Code	Credits Earned	Final Grade
Global Science	336000CW	1.00	96
English 3	301200CW	1.00	84
Computer Application	500803CH	0.50	95
Biology 1	301100CW	1.00	85
Keyboarding	301100CW	0.50	96
Algebra 2	411100CW	1.00	92
HSAP ELA	309916CW	1.00	93
Music 1	356100CH	1.00	95
Creative Writing	303200CH	1.00	79

Credit Att: 8.00 Comp: 18.00 Total GPA: 35.00

SCHOOL YEAR: GRADE LEVEL: 11

Course Title	Course Code	Credits Earned	Final Grade
US History	332043CW	1.00	88
Health	14010000	1.00	93
English 4	301400CW	1.00	90
Biology 2	322200CW	1.00	85
US Government	333007CH	0.50	93
Art 2	351200CH	1.00	75
SAT-ELA	401100CHB	1.00	90
Economics	335003CH	0.50	86
Pre-Calculus	413100CW	1.00	86

Credit Att: 8.00 Comp: 24.00 Total GPA: 3.00

ACADEMIC SUMMARY

CUMULATIVE GPA: 3.66 CREDITS EARNED: 24.00 GRADUATION DATE: 5/21/11

I do hereby self-certify and affirm that this is the official transcript and record of _____
(Name of Student)

The academic studies of _____.
(Academic Years)

Signature: _____ Title: _____ Date: _____

REC - 828

MLD HIGHER LEARNING ACADEMY OFFICAL SCHOOL TRANSCRIPT

STUDENT INFORMATION	SCHOOL INFORMATION
FULL NAME: [redacted] H	NAME: MLD HIGHER LEARNING ACADEMY
ADDRESS: [redacted]	ADDRESS: 124 GREGG STREET, POST OFFICE BOX 136
BISHOPVILLE, SC 29010	BISHOPVILLE, SC 29010
DATE OF BIRTH: [redacted]/1993	PHONE NUMBER: (803)-483-3000
PARENT/GUARDIAN: [redacted]	E-MAIL ADDRESS: MLDCHARTER@GMAIL.COM

ACADEMIC RECORD

SCHOOL YEAR: GRADE LEVEL: 09

Course Title	Course Code	Credit Earned	Final Grade
English 1 Gr. 9	0000058CW	1.00	93
Keyboarding 9	301100CW	0.50	93
High school 101	309907CW	0.50	93
Biology 1	328820CW	1.00	75
9th Physical Education	349951CW	1.00	93
Global Studies	331001CW	1.00	90
Spanish 9th	365100CW	1.00	85
Algebra 1	211108CW	1.00	86
Art 1		1.00	99

Credit Att: 8.00 Comp: 8.00 Total GPA: 3.125

SCHOOL YEAR: GRADE LEVEL: 10

Course Title	Course Code	Credit Earned	Final Grade
Global Science	36000CW	1.00	96
English 2	01200CW	1.00	96
Computer Application	500803CH	0.50	87
Keyboarding	301100CW	0.50	95
Algebra 2	411100CW	1.00	85
Medical Terminology	554001CW	1.00	85
Physical Science	3211000	1.00	89
HSAP ELA	309916CW	1.00	93
Music 1	356100CH	1.00	95

Credit Att: 8.00 Comp: 8.00 Total GPA: 3.50

SCHOOL YEAR: GRADE LEVEL: 11

Course Title	Course Code	Credit Earned	Final Grade
US History	332043CW	1.00	95
Chemistry 1	323100CW	1.00	93
English 3	351300CH	1.00	94
Anatomy	326300CWF	1.00	93
Advanced Computer	500900CHA	0.50	92
Art 2	351200CH	1.00	91
HSAP Math	319768CW	1.00	93
Video Production	529803CD	0.50	90
Geometry	323000CH	1.00	85

Credit Att: 8.00 Comp: 24.00 Total GPA: 3.70

SCHOOL YEAR: GRADE LEVEL: 12

Course Title	Course Code	Credit Earned	Final Grade
English 4	301400CW	1.00	94
SAT Math	415000CHB	1.00	90
Health	14010000	1.00	89
US Government	333007CH	0.50	94
Economics	335003CH	0.50	93
Art 3	351300CH	1.00	90

Credit Att: 5.00 Comp: 29.00 Total GPA: 3.45

ACADEMIC SUMMARY

CUMULATIVE GPA: 3.54 CREDITS EARNED: 29.00 GRADUATION DATE: MAY 21,2011

I do hereby self-certify and affirm that this is the official transcript and record of _____
(Name of Student)

The academic studies of _____.
(Academic Years)

Signature: _____ Title: _____ Date: _____

REC - 829

MLD HIGHER LEARNING ACADEMY OFFICAL SCHOOL TRANSCRIPT

STUDENT INFORMATION



FULL NAME: [redacted]

ADDRESS: [redacted]

BISHOPVILLE, SC 29010

DATE OF BIRTH: [redacted]1992

PARENT/GUARDIAN: [redacted]

SCHOOL INFORMATION

NAME: MLD HIGHER LEARNING ACADEMY

ADDRESS: 124 GREGG STREET, POST OFFICE BOX 136

BISHOPVILLE, SC 29010

PHONE NUMBER: (803)-483-3000

E-MAIL ADDRESS: MLDCHARTER@GMAIL.COM

ACADEMIC RECORD

SCHOOL YEAR	GRADE LEVEL: 08			SCHOOL YEAR	GRADE LEVEL: 09		
Course Title	Course Code	Credit Earned	Final Grade	Course Title	Course Code	Credit Earned	Final Grade
English 1 Gr.8	0000058CW	1.00	100	English 2 Gr.9	0000059CW	1.00	100
Algebra 1	211108CW	1.00	98	Keyboarding 9	301100CW	0.50	98
				High School 101	309907CW	0.50	99
				Biology 1	328820CW	1.00	100
				9th Physical Education	349951CW	1.00	94
				Global Studies	331001CW	1.00	98
				Spanish 1	365100CW	1.00	98
				Algebra 2	411108CW	1.00	98
				Art 1	350100CHF	1.00	100
Credit Att: 2.00 Comp: 2.00 Total GPA: 5.25				Credit Att: 8.00 Comp: 5.05 Total GPA: 4.85			

Taking consideration to new heights

SCHOOL YEAR	GRADE LEVEL: 10			SCHOOL YEAR	GRADE LEVEL: 11		
Course Title	Course Code	Credit Earned	Final Grade	Course Title	Course Code	Credit Earned	Final Grade
Global Science	336000CW	1.00	99	US History	332043CW	1.00	99
English 3	301200CW	1.00	96	Chemistry 1	323100CW	1.00	97
Computer Application	500803CH	0.50	98	English 4	301400CW	1.00	98
Keyboarding	301100CW	0.50	95	Anatomy	326300CWF	1.00	97
Geometry	411100CW	1.00	98	Advanced Computer	500900CHA	0.50	92
Medical Terminology	554001CW	1.00	93	Art 2	351200CH	1.00	96
Physical Science	3211000	1.00	95	Pre-Calculus	413100CW	1.00	92
HSAP ELA	309916CW	1.00	96	Video Production	529803CD	0.50	95
Music 1	356100CH	1.00	94	SAT ELA	401100CHB	1.00	93
Credit Att: 8.00 Comp: 4.8 Total GPA: 4.55				Credit Att: 82.00 Comp: 4.66 Total GPA: 4.52			

School Year	Grade Level: 12		
Course Title	Course Code	Credit Earned	Final Grade
Economics	335003CH	0.50	95
SAT Math	415000CHB	1.00	98
Health	14010000	1.00	98
Government	333007CH	0.50	100
Art	350100CHF	1.00	100

Credit Att: 4.00 Comp: 30.00 Total GPA: 4.67

Academic Summary

Cumulative GPA: 4.67 Credits Earned: 30:00 Graduation Date: 5/21/2011

Rank: One of Nine

I do hereby self-certify and affirm that this is the official transcript and record of _____
(Name of Student)

The academic studies of _____.
(Academic Years)

Signature: _____ Title: _____ Date: _____

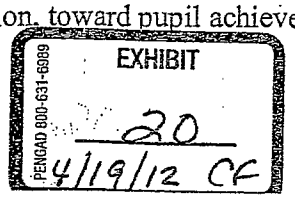
Notes for MLD Hearing
April 19, 2012

- **AYP:** The purpose of AYP is to publicly report whether a school is making progress towards having all its students meeting state standards. MLD's AYP results indicate excellent school attendance and test participation rates, but very poor academic performance.
  - Over the past 6 years, MLD has met 38 out of 62 AYP objectives (61%).
  - Only 1 was an academic measure (2010 ELA, Subsidized Meals).
  - The school met 1 out of 22 academic objectives (4.5%).
  - The school met 37 out of 40 attendance/participation objectives (93%).

- **EOC:** Considering such high attendance and participation rates on AYP, MLD's EOC results from 2011 are troubling.
  - In May 2011, 61 students at MLD were enrolled in classes that require an EOC.
  - Only 7 of those students actually took the exam.
  - 12 other students, who were not enrolled in the course, also took the exam.
  - Of the 19 students who took EOCs, 18 failed.
  - The average score on all EOCs was 58 (12 points below passing).
  - Passing rate on EOC exams dropped from 21% in 2010 to 5% in 2011.
  - 10 students were enrolled in Biology 1. None of them took the EOC.
  - For a school that reports a 99% attendance rate every year, the lack of participation on the EOCs does not make sense.
  - None of the students who took an EOC have any grades in PowerSchool except the two students who graduated.
  - Student 34 would have needed to score 100 in the coursework to combine with the 64 EOC score to earn the 93 average on the transcript.
  - Student 35 would have needed to score 96 in the coursework to combine with the 54 EOC score to earn the 88 average on the transcript.

- **HSAP:** 2011 was the only year that MLD had a senior class. The school's graduation rate in 2011 was 100%. This fact is surprising based on the low passing rate on all state tests. To earn a SC High School Diploma, a student needs 24 specific credits and must pass both sections of HSAP.
  - MLD's passing rate on HSAP dropped significantly from 2009 to 2011.
  - Statewide, close to 80% of students pass both sections on their first attempt.
  - The more times a student takes HSAP, the less likely they are to pass it each time.
    - SCPCSD Spring 2011:
      - 1st timers, 65% passed math.
      - 2nd timers, 37% passed.
      - 3rd timers, 14% passed, and none scored higher than a level 2.
  - Three of the graduates at MLD has suspicious jumps in HSAP Math scores on their third or fourth attempt.
  - HSAP Math State Mean is around 223 (just above level 3).
  - HSAP Math Lee County Mean is around 205 (just above level 2).

- **PASS:** MLD no longer teaches high school students. However, the school's results for K-8 are just as low.
  - Charter School Law says that an authorizer must revoke a charter if the school "failed to meet or make reasonable progress, as defined in the charter application, toward pupil achievement standards identified in the charter application."



- According to MLD's initial charter when the school transferred into the district, two of the school's goals are that students who complete MLD Higher Learning Academy will be able to:
    1. Read, write, and communicate effectively
    2. Use mathematics, science, the arts, and computers effectively

- MLD's PASS scores have consistently shown that fewer than half of MLD's students are meeting state standards in Reading, Writing, or Mathematics, indicating that MLD did not meet either of the first two goals that were written.

- In 2011, there were three 8th Grade Students who were enrolled long enough to count for their performance. None of them scored Met or Exemplary in ELA, Math, Science, or Social Studies.

- In the charter that MLD revised after being accepted into the district, there are three goals with six specific test score increases projected. Of those six, MLD only achieved two during its first year in the district.

    1. Objective: Elementary ELA passage rate will increase by 5%
       Result: Increased by 5.8%, met goal
    2. Objective: Middle School ELA passage rate will increase by 5%
       Result: Decreased by 24%
    3. Objective: HSAP ELA passage rate will increase by 10%
       Result: Data are not available broken down by subject. Passing rate for both subtests increased by only 2.4%
    4. Objective: Elementary Math passage rate will increase by 12%
       Result: Decreased by 18.1%
    5. Objective: Middle School Math passage rate will increase by 6%
       Result: Increased by 9.9%, met goal
    6. Objective: HSAP Math passage rate will increase by 10%
       Result: Data are not available broken down by subject. Passing rate for both subtests increased by only 2.4%

- Over 90 percent of MLD's students qualify for free and reduced lunch. Even recognizing that children of poverty typically do not perform as well as other students, this cannot be MLD's excuse. State Report Cards show comparisons between the MLD and other schools with similar poverty rates, and in every single case, the students at MLD performed worse than the students at schools with similar poverty rates, and in many cases MLD's scores were significantly worse.

- A few areas have shown gains, but not enough to be on par with the district, the state targets, or even schools with similar poverty rates.

- Some areas have shown great declines. Elementary students' math scores have declined from a 46% passing rate in 2009, to 32% in 2010, to 14% in 2011.

- PASS state percent met is about:
    - Elem ELA 79
    - Elem Math 75
    - Middle ELA 69
    - Middle Math 71

Adequate Yearly Progress (AYP)

Mary L. Dinkins Academy

2006-2011

	Attendance/Participation Objectives		Academic Objectives	
	Met	Not Met	Met	Not Met
2011	4	3	0	4
2010	7	0	1	3
2009	7	0	0	2
2008	7	0	0	2
2007	5	0	0	4
2006	7	0	0	6

AYP reports indicate consistently high attendance and participation rates, but very poor academic performance.

End-of-Course (EOC) Exams at MLD, Spring 2011

Algebra 1

Student	Dates Enrolled	EOC Score	Letter
1	8/16/2010 - 6/3/2011	NS	
2	8/16/2010 - 6/3/2011	NS	
3	8/16/2010 - 6/3/2011	63	F
4	8/16/2010 - 3/10/2011	N/A - WD	
5	8/16/2010 - 6/3/2011	NS	
6	8/16/2010 - 6/3/2011	NS	
7	8/16/2010 - 6/3/2011	NS	
8	8/16/2010 - 6/3/2011	NS	
9	8/16/2010 - 6/3/2011	NS	
10	8/16/2010 - 6/3/2011	NS	
11	8/16/2010 - 6/3/2011	NS	
12	8/16/2010 - 6/3/2011	NS	
13	8/16/2010 - 6/3/2011	NS	
14	8/16/2010 - 6/3/2011	NS	
15	8/16/2010 - 6/3/2011	NS	
16	8/16/2010 - 6/3/2011	NS	
17	8/16/2010 - 6/3/2011	NS	
18	8/16/2010 - 6/3/2011	NS	
19	8/16/2010 - 6/3/2011	NS	
20	8/16/2010 - 6/3/2011	NS	
21	8/16/2010 - 6/3/2011	NS	

US History

Student	Dates Enrolled	EOC Score	Letter
22	8/16/2010 - 6/3/2011	NS	
23	8/16/2010 - 6/3/2011	NS	
24	8/16/2010 - 6/3/2011	NS	
25	8/16/2010 - 3/10/2011	N/A - WD	
26	8/16/2010 - 6/3/2011	NS	
27	8/16/2010 - 6/3/2011	NS	
28	8/16/2010 - 6/3/2011	NS	
29	8/16/2010 - 6/3/2011	NS	
30	8/16/2010 - 6/3/2011	NS	
31	Not enrolled	52	F
32	Not enrolled	54	F
33	Not enrolled	58	F
34*	Not enrolled	64	F
35**	Not enrolled	54	F

*Student 34: Not enrolled in course, scored 64 on exam, credit on transcript, final average 93

**Student 35: Not enrolled in course, scored 54 on exam, credit on transcript, final average 88

Biology: 10 students were enrolled in the course all year. No students at MLD took the Biology EOC.

Physical Science

Student	Dates Enrolled	EOC Score	Letter
36	8/16/2010 - 6/3/2011	NS	
37	8/16/2010 - 6/3/2011	NS	
38	8/16/2010 - 6/3/2011	NS	
39	8/16/2010 - 6/3/2011	NS	
40	8/16/2010 - 6/3/2011	NS	
41	8/16/2010 - 6/3/2011	NS	
42	8/16/2010 - 6/3/2011	58	F
43	8/16/2010 - 6/3/2011	NS	
44	8/16/2010 - 6/3/2011	67	F
45	8/16/2010 - 6/3/2011	48	F
46	8/16/2010 - 6/3/2011	NS	
47	Not enrolled	65	F
48	Not enrolled	63	F
49	Not enrolled	44	F
50	Not enrolled	62	F
51	Not enrolled	55	F
52	Not enrolled	52	F

English 1

Student	Dates Enrolled	EOC Score	Letter
53	8/16/2010 - 6/3/2011	NS	
54	8/16/2010 - 6/3/2011	NS	
55	8/16/2010 - 6/3/2011	NS	
56	8/16/2010 - 6/3/2011	NS	
57	8/16/2010 - 6/3/2011	NS	
58	8/16/2010 - 6/3/2011	NS	
59	8/16/2010 - 6/3/2011	NS	
60	8/16/2010 - 6/3/2011	57	F
61	8/16/2010 - 6/3/2011	NS	
62	8/16/2010 - 6/3/2011	81	C
63	8/16/2010 - 6/3/2011	56	F
64	8/16/2010 - 6/3/2011	NS	
65	Not enrolled	56	F

NS: No Show, did not take exam

N/A - WD: Student withdrew prior to test date

High School Assessment Program (HSAP)

Mary L. Dinkins Academy

2009-2011

Students take the HSAP ELA and Math tests for the first time during their second year of high school. MLD's results showed a large decline in 2010 in the percent of students passing both sections on their first attempt. The increase in 2011 was minimal.

Percent of Second Year Students Passing Both Sections			
	MLD	District S=SCPCSD L=Lee Co	Schools with Similar Poverty
2011	16.7	61.4 (S)	49.6
2010	14.3	59.6 (L)	52.5
2009	55.6	57.1 (L)	57.0

Nine students have graduated from MLD.

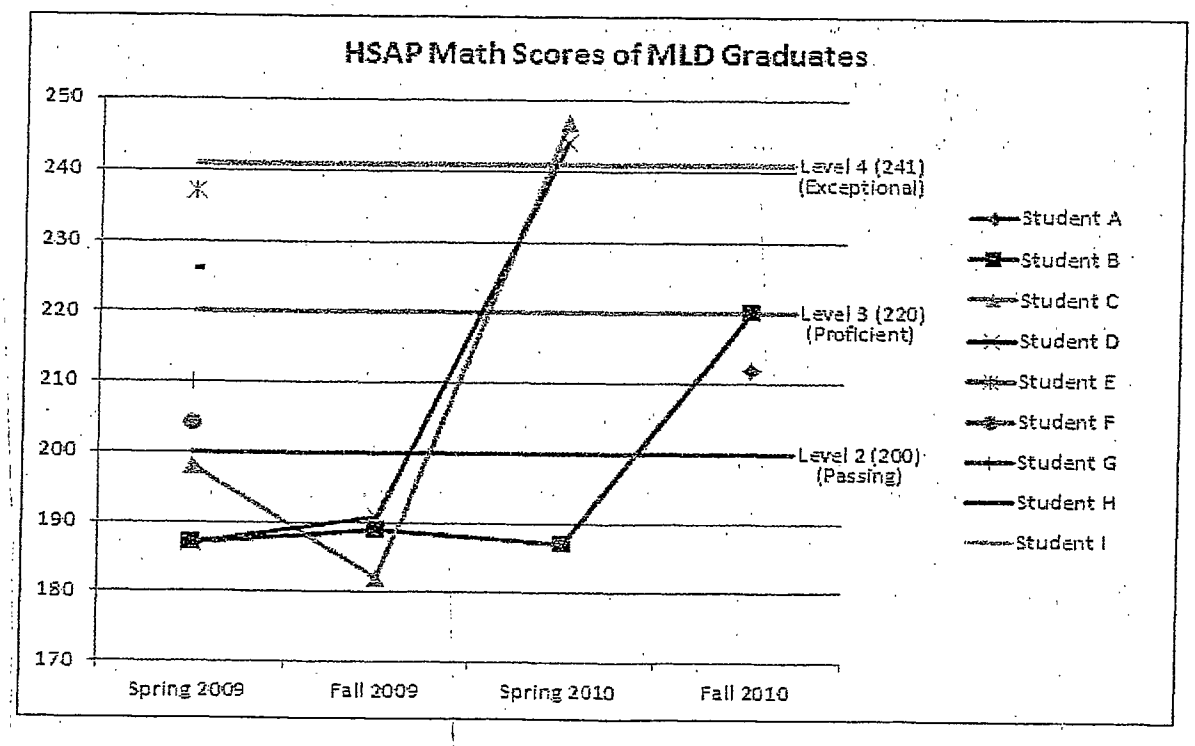
HSAP ELA: All nine students passed on their first attempt while enrolled at MLD.

HSAP Math: Six students passed on their first attempt while enrolled at MLD.

Students C and D both scored at level 1 twice, then scored at level 4 on the third

Student B scored at level 1 three times, then scored at level 3 on the fourth attempt.

A typical student who takes the Math section multiple times would eventually score just above the 200 cut score, not a large jump to level 3 or 4.



Palmetto Assessment of State Standards (PASS)

Mary L. Dinkins Academy

2008-2011

PASS test scores show that the percent of students at MLD who meet the minimum standards has been consistently lower than other schools with similar poverty rates.

English Language Arts (ELA)

Percent of Students Meeting Standards

	Elementary		Middle	
	MLD	Schools with Similar Poverty	MLD	Schools with Similar Poverty
2011	50.0	65.8	21.0	45.0
2010	44.2	64.5	45.0	47.4
2009	38.5	64.2	27.2	49.9
2008	29.4	68.6	14.3	50.7

Mathematics

Percent of Students Meeting Standards

	Elementary		Middle	
	MLD	Schools with Similar Poverty	MLD	Schools with Similar Poverty
2011	14.3	60.6	21.1	47.9
2010	32.4	57.5	11.2	45.4
2009	46.1	57.2	14.3	48.0
2008	23.5	62.8	16.7	51.6

Percentages are based on combined Basic, Proficient, and Advanced on PACT (2008) or combined Met and Exemplary on PASS (2009-2011), as reported by the Education Accountability Act Annual Report Cards published on the SCDE Website.

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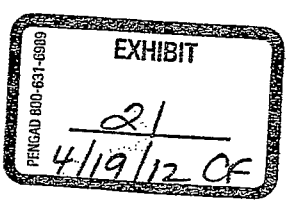
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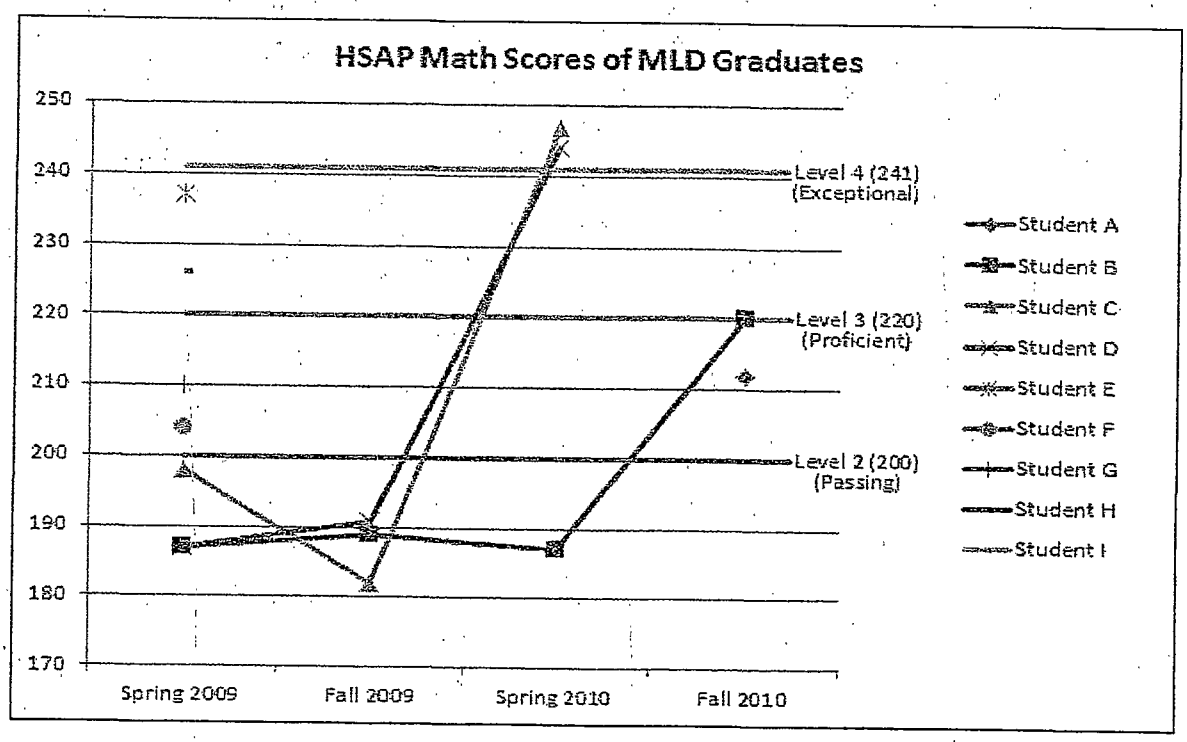
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Mary L. Dinkins Academy

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Mathematics

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Schools with Similary Poverty are schools with poverty indices of no more than 5% above or below the index for MLD.

4. I also need a copy of the document which purportedly placed MLD on probation on August 15, 2011.

5. Also, the South Carolina Code section 59-40-110 (A) states that "The annual evaluation results **must** be used in making a determination for nonrenewal or revocation". Please provide me a copy of the annual evaluation results of MLD which is the basis of the proposed revocation.

6. Also, I do not have a copy of the charter agreement between MLD and the district. I am told that no such agreement was ever signed. MLD had an agreement with its previous sponsor in Lee County that the entered around 2005 but no agreement was ever signed with the district. I am told that the proposed agreement with the district was "tabled" and never agreed to by the parties. The parties were in the process of devising a new agreement that has not been signed when this proposed charter revocation was announced.

Due to the great number of issues to be resolved I am requesting a continuation of the proposed revocation hearing until the aforementioned matters are cleared up.

Please discuss my concerns with your client and advise of their decision. I look forward to working with you to resolve this matter.

With kind regards, I am

Very truly yours,

JOHNNY E. WATSON, ATTORNEY AT LAW

By: Johnny E. Watson

THE INFORMATION CONTAINED IN THIS FACSIMILE IS ATTORNEY CLIENT PRIVILEGED AND IS CONFIDENTIAL INFORMATION INTENDED FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. YOU ARE NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU RECEIVE THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ADDRESS ABOVE VIA THE U. S. POSTAL SERVICE. THANK YOU.

cc: MLD Board Chairman

It is therefore **ORDERED** that the Decision appealed from is **REVERSED** and the matter **REMANDED** for new hearing after SCPCSD provides to YEVA, in writing, an amended Notice of Revocation providing reasonable detail of the specific issues of fiscal mismanagement upon which the revocation is hinged. Such hearing shall be held no sooner than 60 days after the "reasonable details" are furnished, and no later than 120 days from the date of this Order. This rehearing is to include only matters in existence as of the time of the letter of revocation, to wit, July 9, 2009, and before.[1]

It is further **ORDERED** that at such rehearing, the following conventions will be observed:

1. A court reporter who is duly qualified to administer oaths will be present to swear witnesses and take and transcribe testimony (if transcription is sought). Any transcript shall clearly identify the testimony of each witness with, at least, the last name of the witness.

2. The hearing shall proceed informally, but as nearly as possible in the format of a civil trial in circuit court, with, at a minimum, presentation of testimony under oath and cross examination.[2] Testimony of each witness must be concluded before commencing with the testimony of another.

AND IT IS SO ORDERED.

October 15, 2010
Columbia, SC

John D. McLeod, Judge
S.C. Administrative Law Court

CERTIFICATE OF SERVICE
This is to certify that the undersigned has this date served this order in the above entitled action upon all parties to this cause by depositing a copy hereof, in the United States mail, postage paid, or in the Interagency Mail Service addressed to the party(ies) or their attorney(s).

This 15 day of October, 2010

By: Thomas K. Goldman
Judicial Law Clerk

[1] The Court is aware that YEVA admitted, in the record, some of the mismanagement asserted. That does not erase the failure to provide the detail required by §59-40-110(D).

[2] The Court of Magistrate in South Carolina, which handles many cases of far less significance than the case at hand, roughly follows the procedure outlined here where no procedure is prescribed by the South Carolina Rules of Magistrates Court. See South Carolina Rules of Magistrates Court, especially Rule 2.

(1A)

South Carolina Public Charter School District

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Mrs. Laura Gatty

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Superintendent
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Director of School Development
Paula Gray

Director of Federal Programs
Traci Bryant-Richea

Director of Accountability
Jonathan Butcher

Director of Special Programs
Clay Eaton

3700 Forest Drive, Suite 505
Columbia, SC 29204

Phone: 803-734-8322
Fax: 803-734-8325

www.scchartes.org

May 26, 2010

Considerations for MLD Higher Learning Academy Charter School to transfer to the South Carolina Public Charter School District from Lee County Schools for the 2010/2010 School Year

1. The agreement must be completed and signed by the Superintendent of the South Carolina Public Charter School District (SCPCSD) and the Executive Director of MLD Higher Learning Academy Charter School (MLD) on or before May 28, 2010.
2. MLD must complete a renewal of their charter application before school begins in August 2010 and the renewal process must include measurable academic objectives for MLD students. The SCPCSD will expect a high degree by reasonable amount of specific academic growth by students as part of the renewal process.
3. There will be monthly on-site meetings at MLD with SCPCSD staff to evaluate academic progress of MLD students. This meeting will include classroom observations and a review of academic data.
4. MLD will need to utilize a software program that is mutually agreeable. This software will be used to enhance and report on student academic progress.
5. There will be a walk-through with SCPCSD staff and MLD staff to recommend repairs to the school.
6. The student enrollment numbers at MLD have varied from source to source. Procedures for enrolling students, dropping students, and reporting enrollment must follow standard state procedures.
7. MLD will furnish the SCPCSD with a 2010/11 school calendar and a proposed 2010/2011 proposed grade level enrollment by June 10, 2010.
8. The SCPCSD staff will provide support and assistance in accomplishing all of the agreed upon stipulations.

Wayne Brazell

Wayne Brazell, Superintendent

Date: 5/26/10

Benita Dinkins-Robinson

Date: _____

South Carolina
Public Charter School District

Board of Trustees

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Mrs. Laura Getty

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Director of School Development
Paula Gray

Director of Federal Programs
Traci Bryant-Riches

Director of Accountability
Jonathan Butcher

Director of Special Programs
Clay Eaton

District Psychologist
Rebecca Davis

3700 Forest Drive, Suite 406
Columbia, SC 29204

Phone: 803-734-8322
Fax: 803-734-8325

www.sccharter.org

Memorandum of Agreement between Mary L. Dinkins Charter Academy (MLD) and the South Carolina Public Charter School District (SCPCD)

Purpose

This Memorandum of Agreement is entered into this 12th Day of August, 2010 by and between Mary L. Dinkins Charter Academy and the South Carolina Public Charter School District. This Agreement constitutes an amendment to the MLD Charter Agreement and is hereby incorporated into the Charter Agreement.

The purpose of the Memorandum of Agreement is to allow MLD to operate for the 2010/2011 school year as a charter school within the South Carolina Public Charter School District under probation status that would neither approve nor deny renewal of the charter for MLD. The official hearing for the charter renewal will take place in a SCPCSD hearing on or about May 2011. The Agreement is necessary to allow MLD to operate under the supervision and support of the SCPCSD for a period of one school year before the renewal decision is made. Until such time, MLD's Charter Agreement, as amended by this Agreement, will remain in full force and effect.

Terms of the Agreement

MLD will receive state and federal funds for which they qualify through the normal distribution process of the South Carolina Public Charter School District with full standing as a school in the District. MLD will, however, be considered on probation and agrees to operate under the following guidelines:

1. The Measures of Academic Success (MAP) Assessment will be give three times throughout the year to all 3-12 grade students under district supervision. MLD will pay for the installation and support costs for this assessment.
2. MLD will provide access to classroom, professional development, and student records to SCPCSD staff on an on-going basis.
3. MLD will make monthly written reports to the SCPCSD Superintendent on the general academic progress of the school and on the progress of individual students.
4. MLD will use a district-approved outside consultant to review data, provide training, and make recommendations to improve the school. All correspondence between the consultant and MLD must be copied to SCPCSD. MLD will pay for all costs related to the use of consultants.

5. MLD will prepare and implement a report on improving the esthetics of the building. This includes, but is not limited to, landscaping the grounds, significantly improving the "street appeal" of the building, and adding art work to the inside of the building to improve the sense of the building being a school. All improvements should be made with school or donated funds.
6. MLD will prepare a comprehensive report for renewal hearing in May 2011 and make copies of the report available to Board Members at least one week before the hearing. The report will include improvements made to the building, an update on the quality of teaching at the school, an update on the financial standing of the school, and a thorough report on the academic progress made at the school. Although no decision has been made at the time of the execution of this Agreement, MLD recognizes and understands that the hearing that will be held on or about May 2011 could result in the non-renewal of its Charter and that they would have appellate rights provided under the South Carolina Charter School Act.
7. MLD agrees to accept the status of probation in the district without appeal and to be bound by the terms of this Agreement, with the understanding that the school will have a hearing for a ten year charter renewal on or about May 2011.
8. The SCPCSD agrees to work with the MLD as a school in full standing while they complete the probationary period through May 2011.
9. MLD acknowledges that it enters into this Agreement on its own accord, free of coercion or duress, and without any promises, guarantees, or commitments expect as otherwise expressly provided herein.

Modifications of the Agreement

Any and all modifications of the Agreement shall be made in writing and shall be agreed to and executed by the respective parties before becoming effective.

Designation of Representatives

The persons listed below are the official representatives responsible for overall supervision of the matters included in this Memorandum of Agreement.

_____ Date _____
Wayne Brazell, PhD
Superintendent
South Carolina Public Charter School District

_____ Date _____
Don McLaurin
Board Chairman
South Carolina Public Charter School District

_____ Date _____
Benita Dinkins
Executive Director
Mary L. Dinkins Charter Academy

South Carolina
Public Charter School District

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Don McLaurin, Chairman

Joseph McMullen, Vice Chairman

Kathleen Bounds Secretary

Dr. Ronald Epps

Mrs. Laura Getty

Mrs. Terrye Seckinger

Tom Siler

Mrs. Linzie Staley

Reese Boyd

Superintendent
Wayne Brazell, Ph.D.

February 23, 2012

Ms. Benita Dinkins-Robinson
Executive Director
Mary L. Dinkins Higher Learning Academy
P.O. Box 136
Bishopville, SC 29010

Dear Ms. Dinkins-Robinson:

Mary L. Dinkins Higher Learning Academy (MLD) is in its seventh year of operation and currently serves 141 students in grades K-8. In August of 2010, MLD and the South Carolina Public Charter School District (District) entered into an agreement by which the District allowed MLD to operate as a charter school within the District under a probationary status. On August 15, 2011, the District notified MLD that it was being placed on academic probation due to substandard academic performance. To date, MLD remains on probation with the District. The District is a local educational agency (LEA) and the sponsor and authorizer of MLD. As such, the District has the responsibility for overseeing the academic, fiscal, and operational health of the school as well as ensuring that the school complies with all applicable state and federal regulations.

On January 13, 2012, the District issued MLD a *Letter of Caution* for failing to submit an independent audit by the deadline mandated by both the District and the State. Although MLD submitted an independent financial audit by the extended January 20, 2012 deadline outlined in the *Letter of Caution*, the results of the audit revealed two significant deficiencies in the area of finance, the latter of which constituted a significant departure from state and federal requirements for recordkeeping and documentation of Title I eligibility. The deficiencies are 1) the failure to maintain a properly designed financial management system in which duties are properly segregated, clear instructions are provided for purchasing decision-making, and competitive bidding is documented and 2) the failure to maintain documentation to support the verification of applications approved for free and reduced price meals.

In addition to the above referenced noncompliance, MLD has failed to comply with the February 10, 2012 deadline set by the District for the verification of lottery and professional development funds expenditures. An incomplete submission was received past the deadline, but to date the requirement remains unfulfilled by MLD.

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Please be advised that based on MLD's probationary status due to poor academic performance as well as its continued deficiencies in the areas of compliance and finance, the District Administration shall consider whether to recommend revocation of MLD's charter to the District's Board of Trustees.

Should you have any questions, please contact me or Superintendent Brazell.

Sincerely,

Dana C. Reed

Dana C. Reed, Compliance Supervisor
South Carolina Public Charter School District

cc: Wayne Brazell, Ph.D., Superintendent, SCPCSD
George Williams, Board Chair, MLD
Mike Jackson, Director of Finance, SCPCSD
Traci Bryant-Riches, Director of Federal Programs, SCPCSD
Wanda Whatley, Ph.D., ADEPT Coordinator, SCPCSD
Mick Zais, Ph.D., State Superintendent of Education

South Carolina
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Reese Boyd

Superintendent
Wayne Brazell, Ph.D.

March 1, 2012

Ms. Benita Dinkins-Robinson
Executive Director
Mary L. Dinkins Higher Learning Academy
321 Roland Street
Bishopville, SC 29010

Dear Ms. Dinkins-Robinson:

It has come to my attention that Mary L. Dinkins Higher Learning Academy (MLD) may be unable to continue use of its present facility located at 321 Roland Street, Bishopville, and may have plans to return to the facility that MLD previously occupied at 124 Gregg Street, Bishopville. Records from the Office of School Facilities (OSF) at the South Carolina Department of Education (SCDE) indicate that MLD never completed the facility approval process for 124 Gregg Street and did not provide the OSF with the documentation necessary for its transition to 321 Roland Street in August 2011.

Please be advised that before MLD can consider relocation to the 124 Gregg Street facility, MLD must submit to the OSF all complete plans from a design professional that outline the steps that will be taken to make the facility fit for occupancy as a public school.

Should you have any questions, please contact me.

Sincerely,

Wayne Brazell, Ph.D., Superintendent
South Carolina Public Charter School District

cc: George Williams, Board Chair, MLD
Steven Jenkins, Engineer, OSF, SCDE
Alex James, Consultant for Facilities, SCPCSD
Dana C. Reed, Compliance Supervisor, SCPCSD

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South Carolina
Public Charter School District

March 12, 2012

Board of Trustees

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Joseph McMullen, Vice Chairman

Kathleen Bounds Secretary

Dr. Ronald Epps

Mrs. Laura Getty

Mrs. Terrye Seckinger

Tom Siler

Mrs. Linzie Staley

Reese Boyd

Superintendent
Wayne Brazell, Ph.D.

Ms. Benita Dinkins-Robinson
Executive Director
Mary L. Dinkins Academy
P.O. Box 136
Bishopville, SC 29010

Dear Ms. Dinkins-Robinson:

Please be advised that on Thursday, March 8, 2012, the Board of Trustees (Board) for the South Carolina Public Charter School District (District) conducted its monthly meeting. Per the Board agenda, the Board reviewed the status of the charter of Mary L. Dinkins Higher Learning Academy (MLD), which was issued on a probationary basis by the District on August 12, 2010. As you are aware, the District as MLD's authorizer, has monitored and evaluated MLD's academic, compliance, fiscal, and operational performance since the time MLD entered the District.

The Board review of MLD's charter status consisted of input from the District in the form of accountability, compliance, and fiscal management data, in addition to public comment from the MLD community and supporters. The District submitted the following information:

- MLD entered the District on probationary status on August 12, 2010, with the expectation based on the school's charter application that MLD would demonstrate a high degree of academic growth.
- The District placed MLD on academic probation on August 15, 2011.
- MLD's independent audit revealed significant deficiencies related to the failure to maintain documentation to verify free and reduced lunch applications and to the failure to maintain a properly designed financial management system.
- MLD failed to comply with the deadline set by the District for the verification of lottery and professional funds expenditures.
- MLD's report card data verified that MLD failed to make reasonable academic progress insofar as student test scores have been consistently lower than both the District and other schools statewide with a similar poverty rate; most tests have indicated declines over the past two or three years, the number of objectives *Not Met* on Adequate Yearly Progress (AYP) has increased over the past years; and 37 of the 38 objectives met by MLD over the past six years have been for attendance and participation, not for academic achievement (*please see the attached accountability data that was submitted to the Board*).
- MLD violated its charter as revised in 2010, by meeting only three of its six academic goals.

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- MLD violated its charter by failing to adhere to the accounting, auditing, and reporting procedures set forth in its charter application.

The review concluded with a recommendation from the District Superintendent to the Board that the charter for MLD be revoked. Based upon the information presented to the Board, the Board moved to revoke MLD's charter commencing with the 2012-2013 school year "for material violation of the charter application and failure to meet or make reasonable academic progress." By a unanimous vote, the Board approved the motion to revoke MLD's charter.

In accordance with the South Carolina Charter Schools Act (S. C. Code Ann. § 59-40-110), MLD's governing body may request in writing a hearing before the Board regarding revocation. The hearing request must be received within fourteen days of receipt of the notice of revocation. This letter serves as that notice. If the Board does not receive a written request for a hearing within fourteen days of receipt of this notice of revocation, the revocation decision shall become final. Should the Board receive a timely written request for a hearing, the Board shall give reasonable notice to MLD's governing body of the hearing date. The Board shall subsequently conduct a hearing before taking final action. The Board's final action shall occur by the last day of classes of the 2011-12 school year.

Sincerely,

Wayne Brazell, Ph. D.
Superintendent, SCPCSD

cc: George Williams, Board Chair, MLD
Mick Zais, Ph. D., South Carolina State Superintendent of Education
South Carolina State Representative Grady A. Brown
South Carolina State Senator Gerald Malloy
Constance Barnes, Education Associate, South Carolina Department of Education

Enclosure

REC - 852

MLD Accountability Data

Based on Education Accountability Act Annual Report Cards published on the SCDE Website

AYP

	# Objectives MET		# Objectives NOT MET
	Attendance/ Participation	Academic	
2011	4	0	7
2010	7	1	3
2009	7	0	2
2008	7	0	2
2007	5	0	4
2006	7	0	6

PASS/PACT

% Students Scoring Met or Above

	ELA			Math		
	MLD Elem/Middle	District S=SCPCSD L=Lee Co	Schools w/ Similar Poverty	MLD Elem/Middle	District S=SCPCSD L=Lee Co	Schools w/ Similar Poverty
2011	50.0/21.0	73.3 (S)	65.8/45.0	14.3/21.1	60.1 (S)	60.6/47.9
2010	44.2/45.0	43.4 (L)	64.5/47.4	32.4/11.2	37.4 (L)	57.5/45.4
2009	38.5/27.2	42.4 (L)	64.2/49.9	46.1/14.3	35.9 (L)	57.2/48.0
2008	29.4/14.3	49.0 (L)	68.6/50.7	23.5/16.7	47.0 (L)	62.8/51.6

HSAP

% Second Year Students Passing Both Subtests

	MLD	District S=SCPCSD L=Lee Co	Schools w/ Similar Poverty
2011	16.7	61.4 (S)	49.6
2010	14.3	59.6 (L)	52.5
2009	55.6	57.1 (L)	57.0

High School EOC Exams

% Students Scoring 70% or Above

	MLD	District S=SCPCSD L=Lee Co	Schools w/ Similar Poverty
2011	5.3	55.5 (S)	32.1
2010	21.4	39.4 (L)	33.2
2009	16.0	37.8 (L)	33.5

Positives:

- Elementary PASS ELA has consistently improved over the past 4 years.
- Middle School PASS Math improved significantly in 2011.

Negatives:

- Scores on all tests have been consistently lower than both the district and other schools statewide with a similar poverty rate.
- Most tests have shown declines over the past two or three years.
- The number of objectives NOT MET on AYP has increased over the past three years.
- 37 of the 38 AYP objectives met over the past six years have been for percent tested or attendance rate. Only one was for academic achievement.

South Carolina
Public Charter School District

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Vice Chairman

Kathleen Bounds
Secretary

Dr. Ronald Epps

Mrs. Laura Getty

Mrs. Terrye Seckinger

Tom Siler

Mrs. Linzie Staley

Reese Boyd

Superintendent
Wayne Brazell, Ph.D.

I hereby acknowledge receipt of the March 12, 2012, *Notice of Revocation* issued by the South Carolina Public Charter School District.

Benita Dinkins-Robinson
Executive Director, MLD

March 14 2012
Date

3710 Landmark Drive, Ste 201
Columbia, SC 29204
Phone: 803-734-8322
Fax: 803-734-8325
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Tom Siler

Mrs. Linzie Staley

Reese Boyd

Superintendent
Wayne Brazell, Ph.D.

I hereby acknowledge receipt of the March 12, 2012, *Notice of Revocation* issued by the South Carolina Public Charter School District.

George Williams
Board Chair, MLD

3-12-12
Date

3710 Landmark Drive, Ste 201
Columbia, SC 29204
Phone: 803-734-8322
Fax: 803-734-8325
www.sccharter.org

South Carolina
Public Charter School District

March 27, 2012

Benita Dinkins
Executive Director, Mary L. Dinkins Academy
321 Roland Street
Bishopville, SC 29010

Re: Revocation Hearing

Dear Ms. Dinkins,

As you are aware, a revocation hearing has been scheduled with respect to the charter of Mary L. Dinkins Higher Learning Academy (MLD). The hearing will take place at the district office on Thursday, April 12, 2012, beginning at 10:00 a.m. This letter serves as a notice to the revocation proceedings. There are two parts to this letter: a summary of the grounds for revocation and the procedures that will be followed at the hearing.

Regarding the grounds for revocation, the District as MLD's authorizer, has monitored and evaluated MLD's academic, compliance, fiscal, and operational performance since the time that MLD entered the District. As you are aware, the Board of Trustees of the District reviewed MLD's charter status on Thursday, March 8, 2012, noting the following:

- MLD entered the District on probationary status on August 12, 2010, with the expectation based on the school's charter application that MLD would demonstrate a high degree of academic growth.
- The District placed MLD on academic probation on August 15, 2011.
- MLD's independent audit revealed significant deficiencies related to the failure to maintain documentation to verify free and reduced lunch applications and to the failure to maintain a properly designed financial management system.
- MLD failed to comply with the deadline set by the District for the verification of lottery and professional funds expenditures.
- MLD's report card data verified that MLD failed to make reasonable academic progress insofar as student test scores have been consistently lower than both the District and other schools statewide with a similar poverty rate; most tests have indicated declines over the past two or three years, the number of objectives Not Met on Adequate Yearly Progress (AYP) has increased over the past years; and 37 of the 38 objectives met by MLD over the past six years have been for attendance and participation, not for academic achievement.
- MLD violated its charter as revised in 2010, by meeting only three of its six academic goals.
- MLD violated its charter by failing to adhere to the accounting, auditing, and reporting procedures set forth in its charter application.

The review concluded with a recommendation from the District Superintendent to the Board that the charter for MLD be revoked. Based upon the information presented to the Board, the Board moved to revoke MLD's charter commencing with the 2012-2013 school year "for material violation of the charter application and failure to meet or make reasonable academic progress." By a unanimous vote, the Board approved the motion to revoke MLD's charter.

Board of Trustees

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Joseph McMullen, Vice Chairman

Kathleen Bounds Secretary

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Mrs. Laura Getty

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Regarding the revocation hearing, please be advised that the District will be following the appropriate procedures outlined by the State Administrative Procedures Act, S.C. Code Ann. §§ 1-23-310 et seq. A stenographer will be present to transcribe the proceedings, and the hearing will proceed as follows:

- MLD will be allowed 10 minutes to present its opening statement.
- MLD will then be allowed to present sworn witness testimony and documentary evidence, if any, into the record. This process will be governed by the South Carolina Rules of Evidence. S.C. Code Ann. §§ 1-23-330(1) to -330(2).
- After each witness testifies on direct examination, the District, through both its Board and its counsel, will have an opportunity to examine the witness. Id. § 1-23-330(3).
- Once MLD has presented its witnesses and documentary evidence, if any, a similar opportunity will be afforded the District.
- The District may utilize its expertise and technical knowledge when evaluating the evidence presented. Id. § 1-23-330(4).
- After the close of evidence, MLD will be allowed 10 minutes to present its closing argument.
- Following MLD's closing argument, the District's Board will meet in executive session to receive legal advice regarding the hearing, and they will come out of executive session to take a public vote on the revocation issue.

Regards,

Wayne Brazell, Ph. D.
Superintendent, SCPCSD

cc: George Williams

South Carolina
Public Charter School District

Board of Trustees

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Chairman

Joseph McMullen,
Vice Chairman

Kathleen Bounds
Secretary

Dr. Ronald Epps

Mrs. Laura Getty

Mrs. Terrye Seckinger

Tom Siler

Mrs. Linzie Staley

Reese Boyd

Superintendent
Wayne Brazell, Ph.D.

March 30, 2012

Benita Dinkins Robinson
Executive Director, Mary L. Dinkins Academy
321 Roland Street
Bishopville, SC 29010

Dear Benita,

In order to further ensure proper preparation time, the revocation hearing scheduled for Mary L. Dinkins Higher Learning Academy (MLD) on Thursday, April 12, 2012, has been rescheduled for Thursday, April 19, 2012 at 10:00 a.m.

Please be advised that all other terms outlined in the previous *Notice of Revocation Hearing* dated March 27, 2012, remain in effect.

Sincerely,

Wayne Brazell

Wayne Brazell, Ph. D.
Superintendent, SCPCSD

cc: George Williams, Board Chair, MLD

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LAW OFFICE OF JOHNNY E. WATSON
ATTORNEY AND COUNSELOR AT LAW

2715 Edgewood Avenue
Columbia, South Carolina 29204

Mail Address:
P. O. Box 2305
Columbia, South Carolina 29202
Phone 803-400-1600
Fax 803-400-1200

FAX COVER SHEET

TO: Mr. Karl "Butch" Bowers
Attorney for the SCPCSD
1727 Hampton Street
Post Office Box 12107
Columbia, South Carolina 29201

DATE: April 17, 2012 # OF PAGES W/COVER PAGE: 3

PHONE # OF PERSON FAXED: 803-454-6504
FAX# OF PERSON TO BE FAXED: 803-454-6509

Re: SCPCSD V. Mary L. Dinkins Academy (MLD)

Dear Butch:

I hope this fax finds you in good health and spirits. As you know, I am the attorney for the Mary L. Dinkins Academy. You are also aware that a revocation hearing is scheduled for the academy on March 19, 2012. I have a number of concerns that I need you to address in preparation for the hearing. Some of them are as follows:

1. The format of the hearing. I think the template outlined by Judge John D. McLeod for the YEVA revocation hearing is a good one. I have attached a copy of the relevant part of his YEVA order for your consideration. Please let me know if we will be following that format. In particular, let me know if there will be a court reporter to document the proceedings.

2. I think the minimum preparation time Judge McLeod allowed of 60 days is a good model and as such would like the hearing continued. I have just come on board and need additional preparation time which the 60 days would give to allow me to be adequately prepared to represent my client.

3. The march 12, 2012 letter announcing the SCPCSD's Board decision to seek revocation stated that MLD entered the District on a probationary basis. I do not have any documentation of the terms of the probation. Please provide me that document if one exists.

4. I also need a copy of the document which purportedly placed MLD on probation on August 15, 2011.

5. Also, the South Carolina Code section 59-40-110 (A) states that "The annual evaluation results **must** be used in making a determination for nonrenewal or revocation". Please provide me a copy of the annual evaluation results of MLD which is the basis of the proposed revocation.

6. Also, I do not have a copy of the charter agreement between MLD and the district. I am told that no such agreement was ever signed. MLD had an agreement with its previous sponsor in Lee County that the entered around 2005 but no agreement was ever signed with the district. I am told that the proposed agreement with the district was "tabled" and never agreed to by the parties. The parties were in the process of devising a new agreement that has not been signed when this proposed charter revocation was announced.

Due to the great number of issues to be resolved I am requesting a continuation of the proposed revocation hearing until the aforementioned matters are cleared up.

Please discuss my concerns with your client and advise of their decision. I look forward to working with you to resolve this matter.

With kind regards, I am

Very truly yours,

JOHNNY E. WATSON, ATTORNEY AT LAW

By: Johnny E. Watson

THE INFORMATION CONTAINED IN THIS FACSIMILE IS ATTORNEY CLIENT PRIVILEGED AND IS CONFIDENTIAL INFORMATION INTENDED FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. YOU ARE NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU RECEIVE THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ADDRESS ABOVE VIA THE U. S. POSTAL SERVICE. THANK YOU.

cc: MLD Board Chairman

It is therefore **ORDERED** that the Decision appealed from is **REVERSED** and the matter **REMANDED** for new hearing after SCPCSD provides to YEVA, in writing, an amended Notice of Revocation providing reasonable detail of the specific issues of fiscal mismanagement upon which the revocation is hinged. Such hearing shall be held no sooner than 60 days after the "reasonable details" are furnished, and no later than 120 days from the date of this Order. This rehearing is to include only matters in existence as of the time of the letter of revocation, to wit, July 9, 2009, and before.[1]

It is further **ORDERED** that at such rehearing, the following conventions will be observed:

1. A court reporter who is duly qualified to administer oaths will be present to swear witnesses and take and transcribe testimony (if transcription is sought). Any transcript shall clearly identify the testimony of each witness with, at least, the last name of the witness.

2. The hearing shall proceed informally, but as nearly as possible in the format of a civil trial in circuit court, with, at a minimum, presentation of testimony under oath and cross examination.[2] Testimony of each witness must be concluded before commencing with the testimony of another.

AND IT IS SO ORDERED.

October 15, 2010
Columbia, SC

John D. McLeod, Judge
S.C. Administrative Law Court

CERTIFICATE OF SERVICE
This is to certify that the undersigned has this date served this order in the above entitled action upon all parties to this cause by depositing a copy hereof, in the United States mail, postage paid, or in the Interagency Mail Service addressed to the party(ies) or their attorney(s).

This 15 day of October, 2010

By: Anthony R. Goldman
Judicial Law Clerk

[1] The Court is aware that YEVA admitted, in the record, some of the mismanagement asserted. That does not erase the failure to provide the detail required by §59-40-110(D).

[2] The Court of Magistrate in South Carolina, which handles many cases of far less significance than the case at hand, roughly follows the procedure outlined here where no procedure is prescribed by the South Carolina Rules of Magistrates Court. See South Carolina Rules of Magistrates Court, especially Rule 2.

WOMBLE CARLYLE SANDRIDGE & RICE
A LIMITED LIABILITY PARTNERSHIP

1727 Hampton Street
Columbia, SC 29201

Telephone: (803) 454-6504
Fax: (803) 454-6509
www.wcsr.com

Direct Dial: 803-454-7730
Direct Fax: 803-381-9130
E-mail: Todd.Carroll@wcsr.com

April 18, 2012

Via Facsimile and Electronic Mail

Johnny E. Watson, Esq.
2715 Edgewood Avenue
Columbia, South Carolina 29204

Dear Mr. Watson:

We received your letter seeking a continuance of the Public Charter School District's hearing regarding the Mary L. Dinkins Academy's charter. Respectfully, the District intends to go forward with the hearing as scheduled. It has previously been continued to give the Academy additional time to prepare, and the circumstances do not warrant additional delays.

With respect to the documents you requested, the Academy has in its possession its charter agreement and other correspondence and should be able to provide you with those materials.

For your reference, attached are copies of the notices of this hearing, which outline the procedures that will be followed. Thank you for your help, and we will look forward to seeing you tomorrow.

With kind regards, I remain

Very truly yours,

M. Todd Carroll

MTC/tm
Enclosure

South Carolina
Public Charter School District

March 27, 2012

Benita Dinkins
Executive Director, Mary L. Dinkins Academy
321 Roland Street
Bishopville, SC 29010

Re: Revocation Hearing

Dear Ms. Dinkins,

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Regarding the grounds for revocation, the District as MLD's authorizer, has monitored and evaluated MLD's academic, compliance, fiscal, and operational performance since the time that MLD entered the District. As you are aware, the Board of Trustees of the District reviewed MLD's charter status on Thursday, March 8, 2012, noting the following:

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- MLD's report card data verified that MLD failed to make reasonable academic progress insofar as student test scores have been consistently lower than both the District and other schools statewide with a similar poverty rate; most tests have indicated declines over the past two or three years, the number of objectives Not Met on Adequate Yearly Progress (AYP) has increased over the past years; and 37 of the 38 objectives met by MLD over the past six years have been for attendance and participation, not for academic achievement.
- MLD violated its charter as revised in 2010, by meeting only three of its six academic goals.
- MLD violated its charter by failing to adhere to the accounting, auditing, and reporting procedures set forth in its charter application.

The review concluded with a recommendation from the District Superintendent to the Board that the charter for MLD be revoked. Based upon the information presented to the Board, the Board moved to revoke MLD's charter commencing with the 2012-2013 school year "for material violation of the charter application and failure to meet or make reasonable academic progress." By a unanimous vote, the Board approved the motion to revoke MLD's charter.

Board of Trustees

Don McLaurin, Chairman

Joseph McMullen, Vice Chairman

Kathleen Bounds Secretary

Dr. Ronald Epps

Mrs. Laura Getty

Mrs. Terrye Seckinger

Tom Siler

Mrs. Linzie Staley

Reese Boyd

Superintendent
Wayne Brazell, Ph.D.

3710 Landmark Drive, Ste 201
Columbia, SC 29204
Phone: 803-734-8322
Fax: 803-734-8325
www.sccharter.org

Regarding the revocation hearing, please be advised that the District will be following the appropriate procedures outlined by the State Administrative Procedures Act, S.C. Code Ann. §§ 1-23-310 et seq. A stenographer will be present to transcribe the proceedings, and the hearing will proceed as follows:

- MLD will be allowed 10 minutes to present its opening statement.
- MLD will then be allowed to present sworn witness testimony and documentary evidence, if any, into the record. This process will be governed by the South Carolina Rules of Evidence. S.C. Code Ann. §§ 1-23-330(1) to -330(2).
- After each witness testifies on direct examination, the District, through both its Board and its counsel, will have an opportunity to examine the witness. Id. § 1-23-330(3).
- Once MLD has presented its witnesses and documentary evidence, if any, a similar opportunity will be afforded the District.
- The District may utilize its expertise and technical knowledge when evaluating the evidence presented. Id. § 1-23-330(4).
- After the close of evidence, MLD will be allowed 10 minutes to present its closing argument.
- Following MLD's closing argument, the District's Board will meet in executive session to receive legal advice regarding the hearing, and they will come out of executive session to take a public vote on the revocation issue.

Regards,

Wayne Brazell, Ph. D.
Superintendent, SCPCSD

cc: George Williams

South Carolina
Public Charter School District

Board of Trustees

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Chairman

Joseph McMullen,
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Reese Boyd

Superintendent
Wayne Brazell, Ph.D.

March 30, 2012

Benita Dinkins Robinson
Executive Director, Mary L. Dinkins Academy
321 Roland Street
Bishopville, SC 29010

Dear Benita,

In order to further ensure proper preparation time, the revocation hearing scheduled for Mary L. Dinkins Higher Learning Academy (MLD) on Thursday, April 12, 2012, has been rescheduled for Thursday, April 19, 2012 at 10:00 a.m.

Please be advised that all other terms outlined in the previous *Notice of Revocation Hearing* dated March 27, 2012, remain in effect.

Sincerely,

Wayne Brazell

Wayne Brazell, Ph. D.
Superintendent, SCPCSD

cc: George Williams, Board Chair, MLD

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Wayne Brazell

Wayne Brazell, Ph. D.
Superintendent, SCPCSD

cc: George Williams, Board Chair, MLD

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PM&P

PETWAY MILLS & PEARSON, PA
CERTIFIED PUBLIC ACCOUNTANTS

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Memberships:

North Carolina Association of Certified Public Accountants

American Institute of Certified Public Accountants

Medical Group Management Association

April 30, 2012

RE: MLD Higher Learning Academy
Audit for the year ended June 30, 2011

To whom it may concern:

PETWAY MILLS & PEARSON, PA issued an unqualified audit opinion on the financial statements of MLD Higher Learning Academy for the year ended June 30, 2011. Our opinion is considered a clean audit opinion in that we found the financial statements as presented to us to be in conformity with generally accepted accounting principles and to fairly state financial position. We reported the School had $445,723 in net assets and $135,031 in fund balance at year end.

MLD Higher Learning Academy contracts its accounting operations to ensure accounting records are complete and accurate. The accounting firm the School contracts with serves several charter schools and has significant experience in serving the charter school community.

We issued to three audit findings as a result of our audit procedures. In the prior year the School had five findings. In the current year the School has reduced the findings to three.

Current year findings are as follows:

- Two of the audit findings dealt with the inherent lack of segregation of duties that exists in most small organizations. In the prior year, all five findings dealt with internal control weaknesses. We made two recommendations, both of which focused on additional oversight controls by Board members, to reduce risks created by the inherent lack of segregation of duties.

- The third audit finding related to the requirement of the USDA to select on a random sample of students and perform a secondary verification of student eligibility. Documentation related to this process was not maintained. We did not find any ineligible participants in our testing or any evidence that students were not properly provided services under this program.

If you have further questions, please contact us at 919-269-7405.

Sincerely,

Phyllis M. Pearson, CPA

Phyllis M. Pearson, CPA

Recvd
5-27-12

South Carolina
Public Charter School District

May 16, 2012

Johnny Watson, Esquire
P.O. Box 2305
Columbia, SC 29202

Dear Mr. Watson:

Enclosed please find a copy of the *Order of Revocation* issued by the South Carolina Public Charter School District Board of Trustees in the matter of Mary L. Dinkins Higher Learning Academy.

Sincerely,

Wayne Brazell

Wayne Brazell, Ph.D., Superintendent
South Carolina Public Charter School District

cc: Benita Dinkins-Robinson, Executive Director, MLD
George Williams, Board Chair, MLD

Board of Trustees

Don McLaurin, Chairman

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THE STATE OF SOUTH CAROLINA
BEFORE THE SOUTH CAROLINA PUBLIC CHARTER SCHOOL DISTRICT

In re: Mary L. Dinkins Higher Learning Academy	)	DECISION

This matter is before the South Carolina Public Charter School District regarding the possible revocation of the charter of the Mary L. Dinkins Higher Learning Academy ("MLD"). For the reasons explained below, the District hereby revokes MLD's charter.

PROCEDURAL BACKGROUND

MLD entered the District on a probationary status on August 12, 2010, with the mutually-agreed expectation that MLD would demonstrate a high degree of academic growth. As part of its annual evaluation of MLD, the District determined that MLD had failed to make progress towards this and the other academic milestones in its charter. The District voted to revoke MLD's charter for a "material violation of the charter application and failure to meet or make reasonable academic progress." In response, MLD requested a hearing with respect to the revocation decision.

On March 27, 2012, the District wrote MLD a letter outlining the grounds for possible revocation, as well as the procedures that would be followed during that hearing. On March 30, 2012, the District wrote MLD an additional letter notifying the school that the hearing would be scheduled for April 19, 2012 "[i]n order to further ensure proper preparation time" for both sides.[1]

On April 19, 2012, the District commenced a hearing on the possible revocation of MLD's charter. Both MLD and the District presented witnesses, who were subject to cross-

[1] The District initially scheduled the revocation hearing for April 12, 2012, but agreed to move the hearing date to April 19, 2012 at the request of counsel for MLD.

examination, and presented documentary evidence. Near the conclusion of that hearing, the District suspended the proceedings at the request of counsel for MLD and agreed to hold the record open until April 30, 2012, for the inclusion of any additional materials; and decided to reconvene on May 3, 2012, to vote on the revocation decision. On April 30, 2012, counsel for MLD requested that the District include additional materials in the record.

On May 3, 2012, the District resumed the hearing. After considering all the testimony and documentary evidence presented, as well as the applicable law and arguments of counsel, the District voted to revoke MLD's charter. This vote was taken in public in accordance with the South Carolina Freedom of Information Act.

FINDINGS OF FACT

The District has reviewed all of the testimony and evidence submitted by the parties. Based on the totality of the evidence, the District makes the following factual findings:

1. As a condition of entering the District, MLD agreed to show a high degree of academic progress.

2. MLD's charter agreement states that it will teach its students to "[r]ead, write, and communicate effectively."

3. MLD's charter agreement states that it will teach its students to "[u]se mathematics, science, the arts, and computers effectively."

4. MLD"s charter agreement states that it will teach its students to "[a]cquire, integrate, and apply essential knowledge from the core academic disciplines."

5. MLD's charter agreement states that it will incorporate the "South Carolina Academic Standards for all subjects" to "identify the goals that our students will achieve at each grade level."

6. Over the past six years, MLD has met one Annual Yearly Progress ("AYP") academic objective out of twenty-two, or 4.5% percent of its AYP academic objectives over this time frame.

7. In May 2011, sixty-one students at MLD were enrolled in classes that require an end-of-course ("EOC") exam. However, only seven students enrolled in those courses took an EOC exam. Twelve additional students who were not enrolled in those courses also took an EOC exam. No one at MLD has explained why so many students who were enrolled in these courses failed to take an EOC exam or why students who were not enrolled in these courses did take an EOC exam. Nevertheless, eighteen of the nineteen students who took an EOC exam failed. The breakdown of these scores is as follows:

Course	**Students Enrolled**	**Enrolled Students who took an EOC**	**Enrolled Students who passed an EOC**	**Non-Enrolled Students who took an EOC**	**Non-Enrolled Students who passed an EOC**
Algebra I	20	1	0	0	0
Biology	10	0	0	0	0
Physical Science	11	3	0	6	0
United States History	8	0	0	5	0
English I	12	3	1	1	0
Totals	**61**	**7**	**1**	**12**	**0**

8. In 2009, 55.6% of MLD's students who took the High School Assessment Program ("HSAP") passed both sections of the test. In 2010 and 2011, this percentage dropped to 14.3% and 16.7%, respectively.

9. In 2010, 45% of MLD's middle school students met the English/Language Arts standards of the Palmetto Assessment of State Standards ("PASS") test. In 2011, this percentage dropped to 21%. In 2011, only 21.1% of MLD's middle school students met the Mathematics standards for this test.

10. In 2010, 32.4% of MLD's elementary students met the Mathematics standards of the PASS test. In 2011, this percentage dropped to 14.3%. In 2011, 50% of MLD's elementary students met the English/Language Arts standards for this test.

11. One of MLD's high school graduates was awarded a diploma despite having only twenty-two course credits.

CONCLUSIONS OF LAW

Based on these factual findings, the District concludes as follows:

1. South Carolina Code § 59-40-110(C) authorizes a sponsoring school district to revoke or not renew a charter of a school that "commit[s] a material violation of the conditions, standards, or procedures provided for in the charter application"; that "fail[s] to meet or make reasonable progress, as defined in the charter application, towards pupil achievement standards identified in the charter application"; or that "violate[s] any provision of law from which the charter school was not specifically exempted."

2. Under any reasonable interpretation of the Charter Schools Act or understanding of MLD's charter agreement, MLD's record of student test scores cannot support its continued operation as a school in the District. Under any metric—AYP testing, EOC testing, HSAP testing, or PASS testing—MLD has failed to make progress towards adequately educating its students:

- Over a six-year period, it has met only one out of twenty-two AYP academic objectives.
- In 2011, only one student passed any EOC examination, and—for no apparent reason—fifty-four out of sixty-one students were never given an EOC examination in classes that required such a test.
- The percentage of MLD students who passed the HSAP exam fell from 55.6% in 2009 to 16.7% in 2011.

- From 2010 to 2011, the percentage of MLD elementary students who met the state's standards for mathematics, as measured through the PASS test, dropped from 32.4% to 14.3%. In this same time period, the percentage of MLD middle school students who met the state's standards for English and language arts dropped from 45% to 21%.

When questioned at the April 19, 2012 hearing in this matter, Benita Dinkins-Robinson—the chief administrative official with MLD—conceded that the school had not met at least one of the academic standards set forth in the school's charter agreement. Under these circumstances, the District concludes that revocation is appropriate under South Carolina Code §§ 59-40-110(C)(1) and (C)(2).

3. South Carolina Regulation 43-234(I)(A) requires students to earn twenty-four specific course credits in order to be awarded a high school diploma. MLD awarded at least one student a high school diploma even though the student had only earned twenty-two of the required credits. The District concludes that this violation of state law also makes revocation appropriate under South Carolina Code § 59-40-110(C)(4).

CONCLUSION

The District does not come to its decision lightly. It has every desire to work with charter schools to ensure that they flourish, thrive, and educate South Carolina's children. However, based on the whole record presented, the District has no choice but to revoke MLD's charter. MLD shall wind up its affairs in accordance with the procedures outlined in the Charter Schools Act.

AND IT IS SO DECIDED.

Donald L. McLaurin

Donald L. McLaurin
Chairman, South Carolina Public Charter
School District Board of Trustees

May 16, 2012