



ANNUAL REPORTS MADE EASY

NACSA Authorizer Toolkit

Good news: one single practice—**providing a simple yet comprehensive annual performance report to each charter school in your portfolio**—can make a big difference. It can change how you prepare for your renewal process, help you communicate charter school performance to your community, and provide a useful tool to help your schools identify areas of strength and aspects that need improvement.

Annual performance reporting is an essential authorizing practice for effective oversight, communication with schools, and public accountability and transparency.

Many authorizers across the country provide annual performance reports to the charter schools they oversee. But some have not yet adopted the practice. They may think it's too challenging, or they simply don't know how to do it.

More good news: annual reporting is easier than you may think, and we're here to help. NACSA offers a practical, step-by-step guide to help authorizers report annually on the academic, financial, and organizational performance for each charter school they oversee.

This toolkit is useful for any authorizer, regardless of size, type, scope, or authorizing environment:

Part I explains why annual reporting is an essential practice for quality authorizing.

Part II outlines the information to include and provides simple steps to develop a basic annual performance report.

Part III provides practical tools for authorizers to begin or improve annual reporting.

PART I: WHY

Annual performance reporting is an [essential authorizing practice](#) for effective oversight, communication with charter schools, and public accountability and transparency. It is a single, easy to implement practice that can prevent surprises for everyone: The school, its families, and the public will be informed, *and* you will save time by avoiding unnecessary hassles and potential nightmares at renewal time.

An annual performance report is an essential practice because:

- **It lets a school know how it's doing.** An annual report clearly and consistently communicates each school's performance on the expectations set forth in law and the charter contract.¹ This informs the school's governing board, leadership, teachers, and community whether or not it is on track to earn renewal, which prevents surprises at renewal time.
- **It provides information to help a school develop and improve.** The annual report identifies a school's strengths and areas for improvement—without prescribing solutions. It also identifies areas where the school *must* improve in order to meet renewal expectations.
- **It gives a school the opportunity to regularly check its record with the authorizer.** Annual reporting allows each school a timely opportunity to review and, if needed, correct its performance record with the authorizer. This helps to ensure that the authorizer is building an accurate, cumulative performance record for each school.
- **It provides public transparency.** The annual report provides information to families trying to make informed choices, to community members, to the school's supporters, and to the general public. It is also an opportunity to publicly acknowledge strong performance and to put public pressure on a school to remedy any serious weaknesses.

In addition to fulfilling these responsibilities to schools, families, and the public, there is at least one more reason for annual reporting:

- **You'll do yourself a big favor.** Annual reports help you build a record to inform and defend renewal, non-renewal, or revocation decisions. In instances when a decision is contested, you'll have a record that will stand up to scrutiny.

¹ The term "charter contract" or "performance contract" is used broadly to include any documents or agreements between the school and authorizer that establish the school's performance expectations and commitments, particularly for purposes of renewal, such as "the charter"; a charter agreement; an accountability plan, agreement, or framework; a performance framework; or a Memorandum of Understanding.

PART II: HOW

Implementing an annual report as part of your accountability measures is easier than you think and gets easier over time. The reports should align with whatever performance expectations you already have in place for your schools, so you don't have to develop a new [performance framework](#) to build your first annual report. Start with what you have.

Under any state charter law, charter schools are generally accountable for meeting basic standards in three areas: **academic performance, financial performance, and organizational performance** (at a minimum, legal compliance)—though terminology may differ among states or authorizers. In addition to statutory requirements, charter schools typically agree to additional expectations in their charter contracts.

NACSA recommends organizing an annual report into four main sections: a school overview with background information followed by the three performance sections (with adaptations to align with the organization of performance measures in your charter contracts).

The report should summarize the school's annual performance results and/or data collected by the authorizer on mutually agreed-upon measures for each area (as established in law and the charter contract), and provide the authorizer's assessment—or performance ratings—indicating which standards the school has met (or not met) for the school year in review.

A basic annual report should include the following information:

- 1. School Overview:** Since it is part of a charter school's public performance record, an annual report should begin with general information about the school, such as its mission, contact information, enrollment, and demographics.
- 2. Academic Performance:** This section should include measures required by law and the charter contract such as state ratings, academic achievement and/or growth, and graduation rate. Data on student outcomes should be disaggregated across standard state and federal categories to the extent possible.
- 3. Financial Performance:** This section should provide data on the school's financial health, stability, and viability, including measures that focus on near-term financial performance, long-term sustainability, and historic trends (for schools operating more than one year).
- 4. Organizational Performance:** This section should assess the school's fulfillment of its legal obligations, governing board fiduciary duties and public stewardship, and general compliance requirements established in law and the charter contract.

How to Create an Annual Report: A Step-By-Step Guide

- 1** Identify the performance expectations and measures that will form the basis of the renewal decision for each charter school. These are already established in state law, the charter contract, and/or related accountability documents. These performance measures will form the outline of the annual report.
- 2** Collect needed information and data. Compile, summarize, and assess key data. Some data, such as state assessment results, will come from the state; other information, such as financial or compliance data, will be summarized from data collected from the school.
- 3** Organize the information and data into four content areas: School Overview, Academic Performance, Financial Performance, and Organizational (or Operational) Performance.
- 4** Explain the standards that apply to each measure, and the rating system to assess school performance on each measure. If the rating system is more detailed, the report can include an addendum or a link to more information.
- 5** Clearly report performance results for each measure. This may mean summarizing information from topical reports (e.g., financial or compliance reports) that you have provided to a school throughout the year.
- 6** Highlight areas of strong performance, and areas for improvement—without prescribing solutions. Explain how or why the school is falling short (if it is not self-evident). Explain areas requiring improvement, so the school can take corrective action as needed, and stakeholders (including the public) can understand the authorizer’s assessment. Leave the remedies and solutions to the school.
- 7** Summarize the school’s ratings in key areas at the front of the report. Include an at-a-glance summary at the front of the report, perhaps in a color-coded format.
- 8** Provide each school the opportunity to review and respond to its draft report. To ensure accuracy, provide each school a one-month window to review a draft report and submit any factual corrections or supplemental evidence that may change a determination regarding the school’s performance on a particular measure.
- 9** Publish the annual report online and make it available to the public. Keep it simple; a basic annual report does not have to be beautifully designed, packaged, and published in print form.

PART III. TOOLS

How to Use This Template

This sample template provides a sample format, structure, explanatory text, and performance measures that authorizers can adapt to develop their own basic annual charter school performance report format.

All content in this template—including the performance measures and descriptions—is meant only as an example.

This template is organized into the four main sections: **School Overview, Academic Performance, Financial Performance, Organizational Performance.**

In using this tool to develop your own Annual Performance Reports, you should:

- **Build your report content and format** around the measures, standards, and expectations each charter school is accountable for achieving, as established by applicable federal and state law and the school's charter contract.
- **Summarize the school's performance** on measures for the year in review—for the knowledge and benefit of the school, its stakeholders, and the general public. Include performance by grade level or subgroups to the extent possible.
- **Indicate whether the school is meeting standards** on each measure, according to the expectations established in law and/or the charter contract. This is important to identify both the school's strengths and any areas where improvement is needed.
- **Briefly explain how the school is not meeting standards (if not self-evident).** The "Notes" section can also be used to provide context, including factual information submitted by the school in response to the draft annual report, which provides a fuller understanding of the school's performance.

ANNUAL PERFORMANCE REPORT FOR [CHARTER SCHOOL]

Introduction

Every year, [AUTHORIZER] produces an Annual Performance Report for each charter school it oversees, for use by the school and other stakeholders. The report summarizes the school's academic performance, organizational performance (including legal compliance), and financial health and sustainability, according to the most recent data available for the year in review. The Annual Performance Report also provides an overview of the charter school's enrollment demographics for the year reviewed.

[AUTHORIZER] is committed to promoting high-quality education for public school students in [JURISDICTION]. This Annual Performance Report is produced in order to:

1. Provide timely information to the charter school on its performance relative to the standards and expectations established by applicable federal and state law and the charter contract.
2. Identify the school's strengths and any areas needing improvement.
3. Provide information that enables the community and the public to understand the school's performance, including its fulfillment of public obligations.

[CHARTER SCHOOL] AT A GLANCE [YEAR]

INDICATORS AND MEASURES	MEETS STANDARD?
ACADEMIC PERFORMANCE	MEETS STANDARD
State and Federal Accountability	
Academic Proficiency	
Academic Growth	
Postsecondary Readiness	
School-Specific Academic Measure(s)	
FINANCIAL PERFORMANCE	DOES NOT MEET STANDARD
Near-Term Financial Health	
Financial Sustainability	
ORGANIZATIONAL PERFORMANCE	DOES NOT MEET STANDARD
Education Program Compliance (including services for special populations)	
Financial Management and Oversight	
Governance and Reporting	
Student and Employee Rights and Requirements	
School Environment	
Additional Obligations (if applicable)	

For each measure in this report, the school receives one of the ratings described below:

RATING	DESCRIPTION
Exceeds Standard	The school is exceeding expectations and showing exemplary performance. This rating only applies to academic performance.
Meets Standard	The school is performing well and meeting expectations for performance.
Does Not Meet Standard	The school has failed to meet minimum expectations for performance.
Falls Far Below Standard	The school falls far below the stated expectations and/or significant concern(s) are noted. The failures are material and significant to the viability to the school.

SCHOOL OVERVIEW

SCHOOL NAME	
GRADES SERVED	
SCHOOL ADDRESS	
SCHOOL CONTACT INFORMATION	
SCHOOL WEBSITE	
NEIGHBORHOOD LOCATION	
AREAS SERVED	
LEADERSHIP	<i>[Names and titles of Board Chair and School Leader(s)]</i>
SCHOOL MISSION	<i>[School mission statement]</i>
TOTAL STUDENT ENROLLMENT IN [YEAR]	

Student Demographics

GENDER	
Male	
Female	
RACE/ETHNICITY	
Asian/Pacific Islander	
Black	
Hispanic/Latino	
Multiracial & Other	
Native American	
White/Caucasian	
HISTORICALLY UNDERSERVED POPULATIONS	
Free or Reduced-Price Lunch	
Students with Disabilities	
English Language Learners	

Student Enrollment by Grade in [YEAR]

K	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	

I. ACADEMIC PERFORMANCE

MEETS STANDARD

This section provides an overview of the school’s performance in the year reviewed on a variety of academic measures the school is accountable for achieving, as established by applicable federal and state law and the charter contract.

INDICATORS AND MEASURES	SCHOOL PERFORMANCE	MEETS STANDARD?	NOTES
STATE AND FEDERAL ACCOUNTABILITY		MEETS STANDARD	
State Rating	B		
STUDENT ACADEMIC PROFICIENCY		MEETS STANDARD	
Proficiency – English (All)	75%		
Proficiency – English (Subgroups)			
Proficiency Comparison – English			
Proficiency – Math (All)			
Proficiency – Math (Subgroups)			
Proficiency Comparison – Math			
Proficiency – Science (All)			
Proficiency – Science (Subgroups)			
Proficiency Comparison – Science			
STUDENT ACADEMIC GROWTH		[RATING]	
Growth – English (All)			
Growth – English (Subgroups)			
Growth – Math (All)			
Growth – Math (Subgroups)			
Growth – Science (All)			
Growth – Science (Subgroups)			
POSTSECONDARY READINESS (HIGH SCHOOLS ONLY)		[RATING]	
Graduation Rate			
College Matriculation Rate			
SAT Performance			
ACT Performance			
SCHOOL-SPECIFIC ACADEMIC MEASURES (IF APPLICABLE)		[RATING]	
Mission-Specific Academic Goal(s)			
Additional Academic Performance Measures			

II. FINANCIAL PERFORMANCE

DOES NOT MEET STANDARD

This section provides an overview of the school’s performance in the year reviewed, and a view of recent historical trends, on financial measures the school is accountable for achieving, as established by applicable federal and state law and the charter contract. These measures provide information about the school’s financial health and sustainability.

Near-Term Measures

- **Current Ratio** measures a school’s ability to pay its obligations over the next 12 months (calculated as the ratio of short-term assets to short-term liabilities).
- **Unrestricted Days Cash on Hand** indicates how many days the school could operate without receiving additional funding (calculated as the school’s total cash divided by the average daily cost to operate the school).
- **Enrollment Variance** shows how well the school is meeting its enrollment projections (calculated as actual enrollment divided by enrollment projection in the school’s board-approved budget).
- **Debt Default** indicates whether a school is meeting its debt obligations or covenants.

Sustainability Measures

- **Total Margin** measures a school’s revenues compared to its expenses—i.e., did the school operate at a surplus or deficit in the given time period?
- **Debt to Asset Ratio** compares the school’s financial liabilities to its assets.
- **Cash Flow** indicates the trend in the school’s cash balance over a period of time (similar to Days Cash on Hand, but indicating long-term vs. near-term sustainability).
- **Debt Service Coverage Ratio** indicates a school’s ability to cover its debt obligations in the current year.

	3-YR AVG.	FY15 VALUE	FY16 VALUE	MEETS STANDARD?	NOTES
NEAR-TERM MEASURES				[RATING]	
Current Ratio					
Unrestricted Days Cash on Hand					
Enrollment Variance					
Debt Default					
SUSTAINABILITY MEASURES				[RATING]	
Total Margin					
Debt to Asset Ratio					
Cash Flow					
Debt Service Coverage Ratio					

III. ORGANIZATIONAL PERFORMANCE

DOES NOT MEET STANDARD

Charter schools are required to meet certain regulatory requirements and responsibilities as established by applicable state and federal law and their charter contracts. This section reports the school's overall performance in the year reviewed in fulfilling legal requirements and fiduciary/public stewardship responsibilities, and other measures relevant to organizational health and performance.

INDICATORS AND MEASURES	MEETS STANDARD?	NOTES
EDUCATION PROGRAM COMPLIANCE	[RATING]	
Implementing the material terms of the education program as defined in the current charter contract		
Complying with applicable education requirements		
Protecting the rights of students with disabilities		
Protecting the rights of English Language Learner (ELL) students		
FINANCIAL MANAGEMENT AND OVERSIGHT	[RATING]	
Meeting financial reporting and compliance requirements		
Following Generally Accepted Accounting Principles (GAAP)		
GOVERNANCE AND REPORTING	[RATING]	
Complying with governance requirements		
Holding management accountable		
Complying with reporting requirements		
STUDENT AND EMPLOYEE RIGHTS AND REQUIREMENTS	[RATING]	
Protecting the rights of all students		
Meeting attendance goals		
Meeting teacher and other staff credentialing requirements		
Respecting employee rights		
Completing required background checks		
SCHOOL ENVIRONMENT	[RATING]	
Complying with facilities and transportation requirements		
Complying with health and safety requirements		
Handling information appropriately		
ADDITIONAL OBLIGATIONS	[RATING]	
Complying with all other obligations		