



# Orange County Public Schools

445 West Amelia Street • Orlando, FL 32801-1129 • Phone 407.317.3200 • www.ocps.net

April 8, 2015

Michael Roberts  
Board Chairperson, Acclaim Academy Orange  
1371 Eagle Crossing Drive  
Orange Park, Florida, 32065

Dear Mr. Roberts:

As you are well aware, there are a number of issues at Acclaim Academy Orange which have been brought to your attention for correction and to date, all of them have not been resolved. Despite multiple communications, Acclaim Academy Orange has failed to provide the necessary documentation surrounding its curriculum program, financial stability, adherence to law, and adherence to contract language.

The School Choice Office has reviewed Acclaim Academy Orange's documentation and as of April 3, 2015, the following items have been resolved from the March 4, 2015 communication: Exceptional Student Education, insurance coverage, and the majority of Human Resource Issues.

As discussed at the meeting between School Choice staff and Acclaim Academy President and CEO, Dennis Mope, and Board Chairperson, Michael Roberts, on April 3, 2015, the following items remain unresolved and have been brought to the attention of School Choice since the original communication on March 4, 2015:

**1. Budget/Finances:**

- a. As of the February 28, 2015 monthly financial statement submitted to the School Choice Office, Acclaim Orange demonstrates a negative fund balance of \$151,061 which has increased over the last three months. Based upon your admission of "securing short-term financing to cover any short falls", it was discovered that a loan for \$350,000 was obtained and violates provisions in §1002.33 (8)(e), Fl. Stats. Based upon the current deficit and the need to secure a loan to continue operation of the school, we are identifying the school as having a deteriorating financial condition as described in §1002.345(1)(a)(3) Fl. Stats. and §218.503(1), Fl. Stats.
- b. Acclaim Academy Orange has executed a loan with Charter Asset Management Fund, LLC (CAM), wherein Acclaim has sold and assigned future FTE payments to CAM. The CAM Master Factoring Agreement also outlines Receivables FTE payments of \$150,000 for April, \$150,000 for

May, and \$222,069 for June 2015 to be paid to CAM. There is concern for ability to repay loan obligations as future FTE payments will be significantly reduced. The school is currently being paid based on student enrollments from October 2014 (416) and will be recalculated based upon February enrollments (332). This loss in enrollment and discovered misrepresentation in State Reporting regarding teachers assigned to courses they were not teaching will result in a severe reduction in future FTE repayments further supporting the school as having a deteriorating financial condition.

- c. Section 1B of the Master Factoring Agreement promises “(b) monies, securities, and other property now or hereafter held or received by, or in transit to CAM form or for Charter School, whether for safekeeping, pledge, custody, transmission, collection or otherwise, and all of Charter School’s deposits and credit balances in CAM’s possession; (c) books, records and other property at any time evidencing or relating to any foregoing property...”. This clause in the agreement is in direct violation of §1002.33 (8(e.), Fl. Stats.
- d. During the April 3rd meeting it was brought our attention that Acclaim Academy, Inc. supported schools in Osceola, Orange and Duval counties with the following positions: Director of Curriculum, Director of Operations, Director of Grants, and Chief Executive Officer (CEO). Salaries for these positions are being provided from an unknown account but are admittedly being paid from schools located within all three counties. These positions are not specifically school based, as they support all Acclaim schools. There is no evidence of Acclaim, Inc. as an Education Service Provider or management organization, and admittedly, no contract between Acclaim, Inc., and the governing board or the employees holding the specified positions and the governing board. This admission of commingling funds draws great concern for the financial practices of Acclaim, Inc. and violates §1002.33 (8)(a)(2), Fl. Stats..
- e. During the April 3, 2015 meeting, Mr. Mope referred to a reserve fund that is not reflected in the current amended budget(s); payments being made to the Osceola school for corporate salaries; and various funds those revenues are being funneled into; in order to operate all existing Acclaim Academies in three different districts. The financial status of the school must include revenues and expenditures at a level that allows for analysis of the charter school’s ability to meet financial obligations and timely repayment of debt and Acclaim Academy’s amended budget submitted on

March 13, 2015, does not currently reflect adequate information. This is a violation of §1002.33 (8)(a)(2), Fl. Stats., §1002.33 (k)(2), Fl. Stats. §1002.33(9)(g)(3) Fl. Stats.

It is important to note that the Charter School Program (CSP) grant for Acclaim Academy Orange and Duval has been suspended for further reimbursement indefinitely due to concerns noted in the March 4, 2015 letter as well as recent discoveries. This also indicates that the State has concerns with Acclaim Academy as a viable ongoing entity.

**2. Student Achievement:**

- a. Academic baseline data was provided but was inconclusive as the majority of students in each grade level were not tested. This is a violation to the Acclaim Academy contract under the Academic Accountability section on p. 19 of the charter agreement which states: "The School shall establish the current incoming baseline standard of student academic achievement and employ the methods to identify the educational strengths and needs of students as described in the application. All baseline data, beginning in year one of operation is to be gathered within the first 30 days of school." The lack of baseline data also violates §1002.33(7)(a)(3), FL Stats.
- b. Upon initial opening in August of 2014, Acclaim has been well aware of having uncertified reading teachers providing instruction. Until April 2015, reading courses at Acclaim Academy were not taught by Florida reading certified teachers. This violates §1002.33(12)(f), Fl. Stats. This also violates the Acclaim Academy charter contract under the Academic Accountability section on p. 6 of the charter agreement, which states: "The School will ensure that reading is a primary focus of the curriculum and that resources are provided to identify and provide specialized instruction for all students who are reading at, above and below grade level." This also violates §1002.33(7)(a)(2)(a), Fl. Stats.

**3. Governance:**

- a. The operation structure is unclear as well as who the employer of record is for the following positions: 1. Karen Swan, Director of Operations, 2. Dr. Hilary Bowman, Director of Curriculum, 3. Laura Reikki, Director of Planning, and 4. Dennis Mope, CEO and President. Noted above, these positions are funded from the three Acclaim schools however, Mr. Mope and board chairperson, Mike Roberts state that Acclaim Inc., is not a management organization. The positions listed do not appear in SAP for the Orange County site to demonstrate employment at the school and background clearance. This situation violates §1002.33(12)(g)(1).

Based on this information, please allow this letter to serve as the 90-day notice of closure required pursuant to §1002.33(8), FL Stats. Pursuant to this statute, the Acclaim

Academy Governing Board may, within 14 days after receiving this notice, request a hearing, in writing. The grounds for the proposed action will be failure to meet generally accepted standards of fiscal management, violation of law, and other good cause shown, pursuant to §1002.33(8), Fl. Stats.

Please govern yourself accordingly.

Sincerely,



Dr. Kia Scott  
Director  
School Choice Services

c: School Board Members  
Barbara Jenkins  
Jesus Jara  
Christopher Bernier  
John Palmerini  
Adam Emerson  
Brittany Tyre  
Kim Gilbert  
Joy Taylor  
Gina Dole  
Dennis Mope

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