About AdvancED

AdvancED is the world leader in providing improvement and accreditation services to education providers of all types in their pursuit of excellence in serving students. Our mission is to lead and empower the education community to ensure that all learners realize their full potential. We have been experts in accreditation and school improvement since 1895 and bring this 100+ years of experience and expertise through three US-based regional accreditation agencies — the North Central Association Commission on Accreditation and School Improvement (NCA CASI), the Northwest Accreditation Commission (NWAC) and the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS CASI). AdvancED works with over 32,000 institutions in more than 70 countries serving over 20 million students.

The AdvancED Accreditation Process, a protocol embraced around the world, is a clear and comprehensive program of evaluation and external review, supported by research-based Standards and dedicated to helping schools, systems and education providers continuously improve. AdvancED’s position as a leader in education continues to expand as we provide a national and international voice to inform and influence policy and practice on issues related to education quality.

AdvancED also offers an array of innovative products and services including surveys, publications and professional consulting to support both accreditation and school improvement, helping educational institutions create an experience that can drive student achievement. AdvancED launched the Adaptive System of School Improvement Support Tools (ASSIST™) for institutions ready to take their continuous improvement efforts to another level. The ASSIST platform merges process, content and technology into a dynamic web-based platform that supports end-to-end management of school improvement and accreditation processes.

As global leaders in the education field, we have a unique opportunity to shape the practice of teaching and learning and assure quality education worldwide. We are dedicated to helping educational institutions achieve excellence for the ultimate benefit of the students they serve through our commitment to innovation, advocacy, accreditation, school improvement and research and development.
A Message from the President and CEO

As we move forward with our goals and aspirations for a new year, I would like to take this opportunity to look back at some of our achievements. In addition to serving the needs of our 32,000 institutions, 18,000 volunteers, numerous partners and countless stakeholders every day, AdvancED continues to add value to our accreditation and school improvement services by introducing innovative tools and resources. We also have been unwavering in our efforts to serve as an advocate for excellence in education.

This year, we continued to provide ways for institutions to capture stakeholder data for use with their continuous improvement efforts. We developed new surveys for Digital Learning and Early Learning institutions and improved the data reports that institutions can generate from all the surveys they implement. In fact, since the introduction of the new surveys for parents, students and staff, five million surveys have been administered providing rich data to institutions committed to improvement. Additionally, the AdvancED Adaptive System of School Improvement Support Tools (ASSIST™) is allowing users to focus on accelerating student performance and building organizational capacity by providing a clear roadmap for continuous improvement. Institutions are reaping the benefits of ASSIST, and we are dedicated more than ever to adding enhancements and features tailored for the current and future needs of schools and school systems.

Recognizing Diagnostic Reviews are a key element of the continuous improvement process, we are one of the few organizations that has a distinct and well-defined process for administering Diagnostic Reviews. The AdvancED Diagnostic Review process examines the extent to which an institution has created effective policies, practices, conditions and culture that maximizes learner success and supports continuous improvement of student achievement. We successfully piloted and implemented the AdvancED Diagnostic Review process in specified schools for the Kentucky Department of Education. We have provided Diagnostic Review training, along with customized training to partner agencies on the AdvancED Standards and school improvement planning, and we continued to refine training for our Lead Evaluators and team members that support our External Review process.

Also launched as part of our External Review process, the Effective Learning Environments Observation Tool (ELEOT) allows External Review Team members to observe classrooms and record their perceptions online. These observations are combined with those of other team members to produce learning environment data to be used by the institution.

Finally, I am very encouraged and proud of the leadership position and advocacy work our organization has adopted. This past summer the AdvancED International Summit 2013 assembled experts in education, policymakers and practitioners including Dr. Steve Perry, Principal, Author and Advocate and Roberto Rodriguez, Special Assistant to the President for Education Policy, for a robust dialogue on defining learner success in the digital age. Additionally, this year we refined our advocacy plan, laying the framework for future advocacy work. For example, our organization provided recommendations to the Senate and the House for the Reauthorization of ESEA (Elementary and Secondary Education Act). We also developed our policy position on Early Learning. This year, we engaged with various partner organizations to impact education reform such as participating on the Council of Chief State School Officers’ (CCSSO) Taskforce on Next Generation State Accountability Systems. We will continue to look for platforms to make our voice heard on behalf of the institutions and students we serve.

As I said in last year’s report: By understanding institutional and learner needs, we are co-creating a new education landscape and a better future for our children and ultimately our world. Each year we gain more and more knowledge, through our experience and research, about the needs of institutions and students. We are taking this knowledge to forge ahead with our commitment to build a modern, learner-centric education system. Looking back, I believe 2012-2013 was the year we established the foundation for creating the modern infrastructure that will influence and impact the work of schools and schools systems for decades to come. Moving forward, we will continue to invest in the next generation of accreditation and school improvement services by focusing on innovation and research and development. We believe there is a new vision of education centered on the learners of today and tomorrow taking shape, and we plan to be at the helm of that new direction. Join us on that journey!

Mark A. Elgart, Ed.D.
President/Chief Executive Officer
AdvancED

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President/Chief Executive Officer
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Growth Highlight

As the world’s leader in accreditation and school improvement, AdvancED is committed to offering a variety of school improvement and accreditation services to education providers of all types. AdvancED works with over 32,000 institutions in more than 70 countries serving millions of students each and every day. Although these 32,000 institutions are in different phases of the accreditation process or school improvement process, they share one common goal: They want students to succeed. As these institutions are faced with growing demands to increase student achievement, maximize their efforts to improve educational practices and realize operational efficiencies, the number of institutions seeking our services continues to grow as well. We are meeting this demand by broadening our services, offering more customized tools and resources and expanding our reach beyond traditional borders.

Who We Serve

- Early Childhood
- Elementary School
- Middle School
- High School
- Unit
- Other

*Educational institutions include American International, Career Technical, College Preparatory, Distance Education, Postsecondary, International Overseas, Supplementary and Special Purpose.

AdvancED currently serves more than 32,000 institutions, which includes schools engaged in the accreditation process and those currently engaged in school improvement.
Growth Highlight (continued)

Accreditation by the Numbers

Schools
Public School Systems
Non-Public Systems
Education Service Agencies
Corporations

27,794 Total Institutions

Year-over-Year Growth in Schools Seeking Accreditation

2010 - 2011
2011 - 2012
2012 - 2013

Total Schools in Nonpublic Accreditation: 2012-2013

Catholic Systems
Other Faith-Based Systems
International Systems
Partners*

*Represents the total percentage of all combined accreditation partners served by AdvancED in the Nonpublic School Services Department.
Growth Highlight (continued)

Nonpublic School Services Growth Highlights
Nonpublic Schools Services is a growing sector for AdvancED. We are proud of the partnerships we have developed in this area. Here are few highlights about the growth experience in Nonpublic School Services during 2012-2013:

- AdvancED increased its accreditation partners by 28 percent.
- The Nonpublic School Services Department saw a 40 percent increase in the number of AdvancED schools managed by their department in the last year. This total includes AdvancED and partner schools.
- The incorporation of the new National Catholic Standards and Benchmarks into ASSIST benefits 1,306 schools from 66 Catholic Dioceses.
- The “Integrative Sequencing Process” developed by AdvancED allowed the integration of the Catholic Identity diagnostics and surveys for Catholic Schools and School Systems into the AdvancED Accreditation Process.

External Review Process Overview
The External Review is a crucial component of the AdvancED Accreditation Process. In combination with the internal review, the External Review provides institutions the opportunity to see their strengths and areas where they can make improvements. Largely supported by volunteers, here’s an overview of our External Review work for 2012-2013:

<table>
<thead>
<tr>
<th>Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public School Systems</td>
<td>204</td>
</tr>
<tr>
<td>Non-Public School Systems</td>
<td>3</td>
</tr>
<tr>
<td>Education Service Agencies</td>
<td>5</td>
</tr>
<tr>
<td>Corporations</td>
<td>5</td>
</tr>
<tr>
<td>Individual Schools</td>
<td>4,186*</td>
</tr>
</tbody>
</table>

*External Reviews for individual schools do not include Northwest Accreditation Commission (NWAC) schools using the NWAC Protocol.
2012-2013: A Look Back at Activities and Accomplishments

A significant focus for 2012-2013 was to successfully implement the new AdvancED Standards for Quality and Accreditation Protocol. Additional priorities included expanded advocacy work at the national and state levels and increased tools and resources through the ASSIST platform. Accomplishments for our three key strategic priorities for 2012-2013 are highlighted:

**Leadership**
AdvancED will work to **enhance** our ability to positively **impact education reform** through policy and engagement with key stakeholders. We will **position** AdvancED as a **continuous improvement leader** in the education sector.
- **Created** a policy brief that reflects a new generation of standards of quality, diagnostic processes and procedures, and articulation of institutional quality parameters.
- **Established** a presence and recognition in the education improvement arena based on an AdvancED platform of beliefs and values about learning.
- **Expanded** AdvancED’s capacity to support and/or implement improvement work throughout the network.
- **Piloted** and **implemented** the Diagnostic Review process in select schools for the Kentucky Department of Education.

**Professional Practice**
AdvancED will **implement the new Accreditation Protocol and Standards** and provide training to prepare institutions to implement the new Protocol for accreditation.
- **Deployed** training to prepare institutions to implement the new Accreditation Protocol.
- **Implemented** training to prepare Lead Evaluators and team members to conduct the new External Review process and requirements.
- **Earned** designation from the North Dakota state legislature as the state accreditor for all schools in North Dakota.
- **Received** approval by the Iowa state legislature as a recognized accreditor of non-public schools in Iowa.

**Resources and Support**
AdvancED will **build** an infrastructure that will support the management, recruitment and recognition of our **Volunteer Network** that includes state and corporate level actions. We also will continue the **evolution** of the ASSIST diagnostic platform by launching new enhancements and applications.
- **Initiated** the development of processes to identify and actively recruit volunteers for AdvancED.
- **Launched** mobile applications and External Review Team work interface online.
- **Created** the *Guide to Administering Surveys and Generalizing Survey Results*—a practical guide for school-based users.
- **Established** a product development roadmap to expand ASSIST’s reach to more users.
- **Developed** new surveys for use by Digital Learning and Early Learning institutions.
Financial Summary

AdvancED remains committed to investing in innovative practices and technology, support tools and resources, and quality professional learning. We focused our efforts in these three areas during 2012-2013, and will continue to reinvest in areas that ultimately support the needs of the institutions and students we serve.

Statement of Activities
For the fiscal years ending on June 30, 2013 and 2012

Revenue & Support

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation Fees</td>
<td>19,944,409</td>
<td>17,130,655</td>
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<tr>
<td>Annual Conference</td>
<td>113,670</td>
<td>113,776</td>
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<tr>
<td>Special Projects</td>
<td>3,164,010</td>
<td>1,886,835</td>
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<tr>
<td>Workshop Registration Fees</td>
<td>1,601,314</td>
<td>1,581,986</td>
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<tr>
<td>Contribution from SACS</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Interest &amp; Dividends</td>
<td>457,414</td>
<td>498,878</td>
</tr>
<tr>
<td>Other Income</td>
<td>901,543</td>
<td>816,030</td>
</tr>
<tr>
<td><strong>Total Revenue &amp; Support</strong></td>
<td><strong>$26,182,360</strong></td>
<td><strong>$22,028,160</strong></td>
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</tbody>
</table>

Accreditation Expenses

<table>
<thead>
<tr>
<th>Note/Title</th>
<th>2012-13</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Comp &amp; Benefits (Accred Staff &amp; Support)</td>
<td>11,431,240</td>
<td>9,424,173</td>
</tr>
<tr>
<td>Education Research &amp; Development</td>
<td>812,850</td>
<td>580,587</td>
</tr>
<tr>
<td>Travel - Accreditation Activities</td>
<td>1,369,979</td>
<td>1,308,336</td>
</tr>
<tr>
<td>Workshops &amp; Seminars</td>
<td>1,102,395</td>
<td>1,014,731</td>
</tr>
<tr>
<td>School &amp; District Visit Expenses</td>
<td>1,078,828</td>
<td>1,127,645</td>
</tr>
<tr>
<td>Contracted Services - Accred Support</td>
<td>758,209</td>
<td>798,927</td>
</tr>
<tr>
<td>IT Expenses - ASSIST &amp; Accred Support</td>
<td>420,155</td>
<td>334,851</td>
</tr>
<tr>
<td>Phone, Fax &amp; Data Lines - Accred Support</td>
<td>211,519</td>
<td>178,18</td>
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<tr>
<td>Other Accreditation G&amp;A Expenses</td>
<td>1,181,352</td>
<td>1,026,419</td>
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<tr>
<td>Annual Conference</td>
<td>465,127</td>
<td>585,432</td>
</tr>
<tr>
<td>Legal - Postsecondary Authorization</td>
<td>118,129</td>
<td>172,204</td>
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<tr>
<td>Special Projects</td>
<td>175,718</td>
<td>1,185,187</td>
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<tr>
<td>Other Accreditation Expenses</td>
<td>449,528</td>
<td>873,051</td>
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<tr>
<td><strong>Total Accreditation Expenses</strong></td>
<td><strong>$19,399,310</strong></td>
<td><strong>$17,424,541</strong></td>
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</tbody>
</table>

General & Administrative Expenses

<table>
<thead>
<tr>
<th>Note/Title</th>
<th>2012-13</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Compensation &amp; Benefits</td>
<td>3,969,181</td>
<td>3,267,063</td>
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<tr>
<td>Travel</td>
<td>334,474</td>
<td>308,393</td>
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<tr>
<td>Contracted Services</td>
<td>60,596</td>
<td>46,839</td>
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<tr>
<td>Professional Services</td>
<td>783,303</td>
<td>731,338</td>
</tr>
<tr>
<td>Phone, Fax &amp; Data Lines</td>
<td>73,444</td>
<td>60,607</td>
</tr>
<tr>
<td>Other general &amp; administrative expenses</td>
<td>491,753</td>
<td>381,453</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>999,111</td>
<td>871,270</td>
</tr>
<tr>
<td><strong>Total General &amp; Administrative Expenses</strong></td>
<td><strong>$6,711,862</strong></td>
<td><strong>$5,666,963</strong></td>
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</tbody>
</table>

Other Income & Expense

<table>
<thead>
<tr>
<th>Note/Title</th>
<th>2012-13</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>-1,297,808</td>
<td>-949,106</td>
</tr>
<tr>
<td>Loss on Disposal of Fixed Assets</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>-234,629</td>
<td>-269,091</td>
</tr>
<tr>
<td>Contribution from NWAC</td>
<td>0</td>
<td>1,444,000</td>
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<tr>
<td>Net Realized &amp; Unrealized Investment Gains</td>
<td>507,001</td>
<td>-98,891</td>
</tr>
<tr>
<td><strong>Total Income &amp; Expense</strong></td>
<td><strong>-1,025,436</strong></td>
<td><strong>126,912</strong></td>
</tr>
</tbody>
</table>

Change in Net Assets*

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td><strong>-954,249</strong></td>
<td><strong>-936,432</strong></td>
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</tbody>
</table>

*AdvancED experienced a negative change in net assets due to continued investment in ASSIST as the premier technology platform that supports end-to-end management of school improvement and accreditation processes.
At the end of each year, we look back to see what we, as an organization, have accomplished. We take a moment to celebrate significant achievements, but we never take our eyes off of the future. We keep moving forward with renewed vigor for the goals and opportunities that lie ahead. In the coming year, we will focus our efforts on the following strategic priorities:

- **Initiate** and **deliver** the new **Learning Management System** for the delivery of online training programs to our network.
- **Design** and **launch** the National Academy for **STEM** Leadership.
- **Define** and **implement** a Research Agenda that includes the leadership of a **Research Advisory Council**.
- **Design** and **launch** the Effective Learning Environments Observation Tool (**ELEOT**) for commercial use by schools.
- **Complete** and **adopt** a new five-year **strategic plan**.
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