

CAFA, Inc.
Learning Foundation and Performing Arts Alta Mesa
&
Learning Foundation and Performing Arts Gilbert
2009-2010 Transfer Application Summary Report

CAFA, Inc. filed two transfer applications with the Arizona State Board for Charter Schools to transfer two of their current sites, Learning Foundation and Performing Arts Alta Mesa and Learning Foundation and Performing Arts Gilbert, to two separate charter contracts. CAFA, Inc. is an Arizona 501 (c)(3) non-profit corporation and was incorporated on 5/28/2002. CAFA, Inc. currently operates three school sites; Learning Foundation Performing Arts School (K-12 in Mesa), Learning Foundation and Performing Arts Alta Mesa (K-12 in Mesa) and Learning Foundation and Performing Arts Gilbert (K-12 in Gilbert) and was originally chartered with the Arizona State Board for Charter Schools in May of 2002.

According to the Arizona Department of Education's ADMS Report 45-1, CAFA, Inc. had a reported Average Daily Membership (ADM) of 408.56 students on 2007. The ADM fell to 397.67 students in 2008 and grew to 460.32 students in 2009.

CAFA, Inc. has experienced the following academic success:

Learning Foundation and Performing Arts Alta Mesa (School Opened 7/1/06)

| School Year | AZ LEARNS | Annual Yearly Progress |
|-------------|--|------------------------|
| 2006-2007 | Performing | Met |
| 2005-2006 | No Data Available (10) Performing (358) | Met |

Learning Foundation and Performing Arts Gilbert (School Opened 7/1/06)

| School Year | AZ LEARNS | Annual Yearly Progress |
|-------------|--|------------------------|
| 2007-2008 | Performing Plus | Met |
| 2006-2007 | No Data Available (10) Performing (358) | Met |

Learning Foundation Performing Arts

| School Year | AZ LEARNS | Annual Yearly Progress |
|-------------|--|------------------------|
| 2007-2008 | Performing Plus | Met |
| 2006-2007 | Performing Plus (10) Performing (358) | Met |
| 2005-2006 | Performing (10) Underperforming (358) | Not Met* |

*The school did not make AYP in 2005-2006 due to the fact that it did not meet the percent tested.

Curricular Emphasis:

Learning Foundation and Performing Arts' philosophy is that education should be holistic and, above all, child-centered. To that end, they have chosen to approach academic instruction through the direct instruction model, combined with project-based learning. The charter believes that mathematics is a highly interconnected discipline and that reading is a complex skill that involves learning language and using it effectively in the active process of constructing meaning embedded in text. The charter also has a vision to become the east valley's industry leader in providing and balancing strong academic and fine arts programming. In order to ensure student mastery of state standards, all teachers are highly qualified in their subject matter and/or grade level.

Governance Structure:

Because the corporation is the same, the corporate boards of the additional charters will be the same as the existing charter. The corporate boards will operate to ensure that the duties set forth in the by-laws are carried out. The responsibility of the corporate boards will be to oversee the Chief Operating Officer and the Learning Foundation and Performing Arts Alta Mesa and Gilbert's Governing Boards. The corporate boards will be responsible for appointing the governing body, debt, bond financing, sale, lease agreements, hiring and dismissal of school leaders for Learning Foundation Performing Arts Alta Mesa and Gilbert. The corporate principals may seek outside expertise in the areas of legal counsel, special education services, to include special needs, professional development and technical support provided by ADE.

Fiscal Year 2008 Audit

The fiscal year 2008 financial statements were prepared assuming that CAFA, Inc. will continue as a going concern. Specifically, the audit indicates that CAFA realized an operating loss of \$165,527 for 2008 and increased total liabilities by \$124,923 compared to 2007. Additionally, at June 30, 2008, CAFA's current assets (\$77,348) were not sufficient to cover its current liabilities (\$495,719). The audit further states, "CAFA, Inc. projects to realize further losses in its operations for 2009 and later." Finally, related to these matters, the audit indicated that management plans to increase its student count by advertising, reduce expenses, and seek additional grant funding with administrative cost allowances.

In light of the fiscal year 2008 audit and to assist the Board in understanding the fiscal impact on CAFA, Inc. of operating three charters as opposed to one, staff asked CAFA to provide current year (fiscal year 2009) financial information for CAFA, fiscal year 2010 monthly cash-flow projections and budgets for each of the three campuses, and documentation demonstrating CAFA's efforts related to increasing its student count, reducing its expenses, and seeking additional grant funding. Staff's review of the fiscal year 2009 financial information provided through March 2009 shows that CAFA has taken steps to reduce its expenses and pay off its notes payable. For the first eight months of the fiscal year, the financial information indicates that CAFA is operating in the black with a net income of approximately \$321,000. The fiscal year 2010 budgets and projections provided for each campus were built using student enrollments that are approximately 97% of the actual enrollment forms received by the schools, so far. The fiscal year 2010 information shows revenues exceeding expenditures for each campus and accelerated repayment of the notes payable. The information provided by CAFA has not been included in the meeting materials, but will be available at the meeting for any Board member who wishes to review it.

In fiscal year 2009, CAFA saw an increase of approximately 60 in its average daily membership from the prior year. Staff visited all three CAFA campuses, counted the students, collected rosters, and compared this information to what was being reported to the Arizona Department of Education and found it to be consistent.

The mission of the additional charters is as follows:

Our mission is to take our students to the highest level of personal academic achievement and fine arts accomplishment by basing our instructional system on research, standards, and best practice in both areas. Through curriculum and methods of delivery in academic content areas, we will impart the academic skills that will be required of our students for success in life. Through our curriculum in fine arts, we will impart self-esteem, self-discipline, cooperation, self-motivation and social skills necessary to become independent adults who will succeed and be responsible citizens in their community.

| CAFA, Inc. Learning Foundation and Performing Arts Alta Mesa & Learning Foundation and Performing Arts Gilbert | |
|---|---|
| Grade Levels | K-12 |
| Special Emphasis | A standards-based curriculum that emphasizes reading, math and fine arts |
| Methodology | Direct Instruction and Project Based Learning |
| Location | 5761 E. Brown Rd. Mesa, AZ 85206 |
| Market Analysis-Student Population | The school has indicated an enrollment cap of 400. The school will continue to serve students looking for a balance between academics, safety and performing arts. |
| Socio-Economic Status | Free/Reduced Lunch: 60% |
| Corporate Principals | President Evelyn C. Taylor Vice President Tracey L. Butcher Treasurer Kent R. Taylor Secretary Linda Wright |
| Governing Body | <u>3 Charter Organization Members:</u> Evelyn Taylor, Kent Taylor and Linda Wright <u>3 School Staff Members:</u> Theresa Flynn, Julie Triggs, and Jeannine Rucker <u>1 Parent:</u> Tracey Butcher |

Board Options

1. The Board may grant the Transfer Applications for CAFA, Inc. - Learning Foundation and Performing Arts Alta Mesa and Learning Foundation and Performing Arts Gilbert.
2. The Board may deny the Transfer Applications for CAFA, Inc. - Learning Foundation and Performing Arts Alta Mesa and Learning Foundation and Performing Arts Gilbert.

Staff Recommendation

Staff's recommendation is option #1.