

Renewal Executive Summary

I. Performance Summary

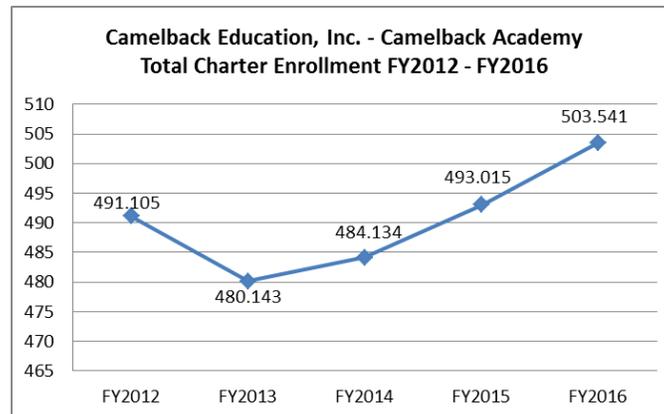
Renewal application requirements are based upon the Charter Holder’s past performance as measured by the Board’s Academic, Financial, and Operational¹ Performance Frameworks. The table below identifies areas for which the Charter Holder demonstrated acceptable performance. For “Acceptable” academic performance, the Charter Holder was waived from submission requirements for the renewal application. For “Not Acceptable” financial performance, the Charter Holder was required to submit additional information as part of the renewal application.

Area	Acceptable	Not Acceptable
Academic Framework	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Financial Framework	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Operational Framework	<input checked="" type="checkbox"/>	<input type="checkbox"/>

On March 31, 2016, the Board received the Charter Holder’s 2015 audit. Based on the 2014 and 2015 audits, the Charter Holder currently meets the Board’s Financial Performance Expectations.

II. Profile

Camelback Education, Inc. operates one school, Camelback Academy, serving grades K-8 in Glendale. The graph below shows the Charter Holder’s actual 100th day average daily membership for fiscal years 2012-2016.



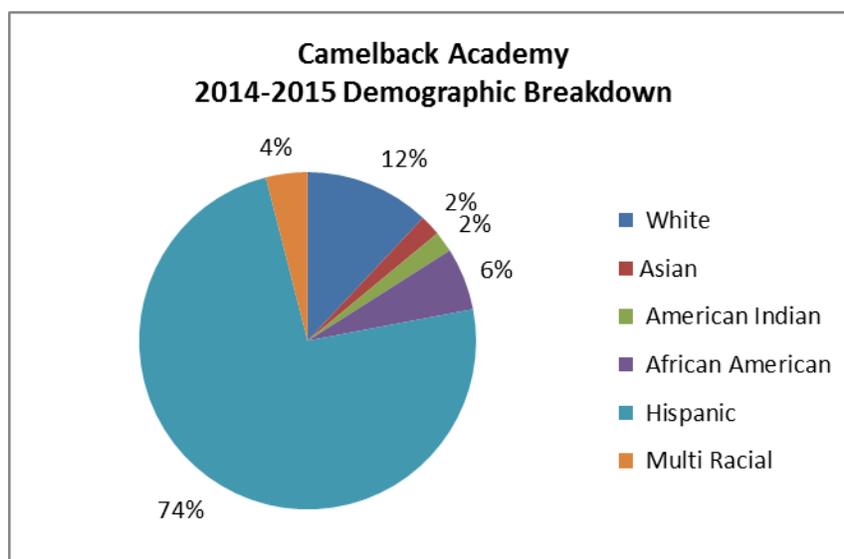
¹ The Operational Performance Framework does not require additional submissions for charter holders that have “Not Acceptable” operational performance.



The academic performance of Camelback Academy is represented in the table below. The Academic Dashboard for the school can be seen in Appendix: B. Academic Dashboard.

School Name	Opened	Current Grades Served	2012 Overall Rating	2013 Overall Rating	2014 Overall Rating
Camelback Academy	09/13/2002	K – 8	61.25/C	55/C	65.62/B

The demographic data for Camelback Academy from the 2014-2015 school year is represented in the chart below.²



The percentage of students who were eligible for Free and Reduced Lunch, classified as English Language Learners, and classified as students with disabilities in the 2014-2015 school year is represented in the table below.³

Category	Camelback Academy
Free and Reduced Lunch (FRL)	88%
English Language Learners (ELLs)	3%
Special Education	10%

Camelback Education, Inc. has not been brought before the Board for any items or actions in the past 12 months.

III. Success of the Academic Program

The academic performance of the school operated by the Charter Holder meets the Board’s Academic Performance Expectations set forth in the Performance Framework adopted by the Board. Therefore, the Charter Holder was not required to submit a Demonstration of Sufficient Progress.

² Information provided by the Research and Evaluation Division of the ADE.

³ Information provided by the Research and Evaluation Division of the ADE. If the percentage of students in a non-ethnicity-based demographic group is not reported or is 0% or 100%, the percentage for that demographic group was redacted.



IV. Viability of the Organization

The Charter Holder currently meets the Board’s Financial Performance Expectations based on its 2014 and 2015 audits. At the time the Board notified the Charter Holder of its eligibility to apply for renewal, the Charter Holder did not meet the Board’s Financial Performance Expectations based on the fiscal years 2013 and 2014 audits and was therefore required to submit a Financial Performance Response. The table below includes the Charter Holder’s financial data and financial performance for the last three audited fiscal years.

Financial Data				
Statement of Financial Position	2015	2014	2013	2012
Cash	\$560,050	\$264,069	\$421,212	\$289,309
Unrestricted Cash	\$286,365	\$42,743	\$420,052	
Other Liquidity	-	-	-	
Total Assets	\$609,577	\$432,165	\$514,782	
Total Liabilities	\$301,508	\$165,103	\$200,623	
Current Portion of Long-Term Debt & Capital Leases	-	\$7,869	\$71,000	
Net Assets	\$308,069	\$267,062	\$314,159	
Statement of Activities	2015	2014	2013	
Revenue	\$4,104,967	\$3,959,211	\$3,763,707	
Expenses	\$4,063,960	\$4,006,308	\$3,602,033	
Net Income	\$41,007	(\$47,097)	\$161,674	
Change in Net Assets	\$41,007	(\$47,097)	\$161,674	
Financial Statements or Notes	2015	2014	2013	
Depreciation & Amortization Expense	\$23,172	\$21,766	\$22,330	
Interest Expense	-	\$12,638	\$12,074	
Lease Expense	\$444,000	\$432,000	\$432,000	
Financial Performance				
	2015	2014	2013	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Liquidity	25.72	3.89	42.56	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Net Income	\$41,007	(\$47,097)	\$161,674	N/A
Cash Flow	\$295,981	(\$157,143)	\$131,903	\$270,741
Fixed Charge Coverage Ratio	1.14	0.93	1.22	N/A

The Charter Holder’s Financial Performance Response has been provided in the meeting materials (Appendix: D. Supplemented Financial Response).⁴ Staff’s final evaluation of the Financial Performance Response resulted in three “Acceptable” and one “Not Acceptable” determinations (Appendix: C.

⁴ On February 24, 2016, Board staff emailed a copy of staff’s initial evaluation and provided a deadline by which the Charter Holder could supplement its Financial Performance Response to address areas evaluated as “Not Acceptable”. By the deadline, the Charter Holder submitted supplemental information.



Financial Response Evaluation). An analysis of the Charter Holder’s financial performance, focusing on those measures where the Charter Holder failed to meet the Board’s target and using information from the Charter Holder’s Financial Performance Response and related documents, is provided below.

Unrestricted Days Liquidity and Cash Flow

The Charter Holder had recorded Title I and Instructional Improvement Fund receivables in 2014 because of “a delay in the reimbursement of funds request”. Due to the timing, the Charter Holder recorded the revenue in 2014, but received the cash in 2015. In 2014, the Charter Holder also purchased “new materials from Houghton Mifflin Harcourt that aligned with our plan to increase our letter grade”. For 2015, the Charter Holder’s performance improved to a “Does Not Meet” rating for the unrestricted days liquidity measure and a “Meets” rating for the cash flow measure as shown in the table on page 3.

Net Income

The Charter Holder experienced a net loss in 2014 as a result of purchasing new curriculum materials. For 2015, the Charter Holder had positive net income.

Fixed Charge Coverage Ratio (FCCR)

The Charter Holder indicated the receivables (see “Unrestricted Days Liquidity and Cash Flow”) explain its 2014 performance on the FCCR. However, it appears the purchase of new curriculum materials, rather than the receivables, had an impact on the Charter Holder’s performance in 2014.⁵ For 2015, the Charter Holder meets the Board’s FCCR target.

V. Adherence to the Terms of the Charter

For fiscal year 2015, the Charter Holder meets the Board’s Operational Performance Standard set forth in the Performance Framework adopted by the Board and, to date, has no measures rated as “Falls Far Below Standard” for the current fiscal year (appendix: A. Renewal Summary Review).

VI. Board Options

Option 1: Staff recommends the following language provided for consideration:

Renewal is based on consideration of academic, fiscal and contractual compliance of the Charter Holder. With that taken into consideration as well as all information provided to the Board for consideration of this renewal application package and during its discussion with representatives of the Charter Holder, I move to approve the request for charter renewal and grant a renewal contract to Camelback Education, Inc.

Option 2: The Board may deny the renewal. The following language is provided for consideration:

Based upon a review of the information provided by the representatives of the Charter Holder and the contents of the application package which includes the academic performance, the fiscal compliance, and legal and contractual compliance of the Charter Holder over the charter term, I move to deny the request for charter renewal and to not grant a renewal contract for Camelback Education, Inc. Specifically, the Charter Holder, during the term of the contract, failed to meet the obligations of the contract or failed to comply with state law when it: (Board member must specify reasons the Board found during its consideration.)

⁵ For more information, see the financial response evaluation (Appendix: C. Financial Response Evaluation).



APPENDIX A
RENEWAL SUMMARY REVIEW

Five-Year Interval Report

[Back to reports list](#)

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

Renewal Summary Review

Interval Report Details

[Hide Section](#)

Report Date: 04/01/2016 **Report Type:** Renewal

Charter Contract Information

[Hide Section](#)

Charter Corporate Name: Camelback Education, Inc.
Charter CTDS: 07-89-59-000 **Charter Entity ID:** 79905
Charter Status: Open **Contract Effective Date:** 05/03/2002
Number of Schools: 1 **Contractual Days:**
 • Camelback Academy: 180
Charter Grade Configuration: K-8 **Contract Expiration Date:** 05/02/2017
FY Charter Opened: — **Charter Signed:** 05/03/2002
Charter Granted: 04/15/2002 **Charter Enrollment Cap:** 525
Corp. Type: Non Profit

Charter Contact Information

[Hide Section](#)

Mailing Address: 7634 West Camelback Road
Glendale, AZ 85303 **Website:** —
Phone: 623-764-0614 **Fax:** 623-247-1113
Mission Statement: Camelback Academy's mission is to ensure our students receive a high quality education in a safe environment that promotes character development and enthusiastic, lifelong learning through a cooperative relationship with parents, students, and the community.
Charter Representatives: **Name:** **Email:** **FCC Expiration Date:**
 1.) Ms. Karen Kordon kkordon@camelbackacademy.com —

Academic Performance - Camelback Academy

[Hide Section](#)

School Name: Camelback Academy **School CTDS:** 07-89-59-001
School Entity ID: 79906 **Charter Entity ID:** 79905
School Status: Open **School Open Date:** 09/13/2002
Physical Address: 7634 West Camelback Road
Glendale, AZ 85303 **Website:** —
Phone: 623-247-2204 **Fax:** 623-536-5661
Grade Levels Served: K-8 **FY 2014 100th Day ADM:** 484.134

Academic Performance Per Fiscal Year

[Hide Section](#)

Camelback Academy

	2012 Traditional Elementary School (K-8)			2013 Traditional Elementary School (K to 8)			2014 Traditional Elementary School (K to 8)		
	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1. Growth									

1a. SGP	Math	46	50	12.5	46	50	12.5	56.5	75	12.5
	Reading	50	75	12.5	46	50	12.5	53	75	12.5
1b. SGP Bottom 25%	Math	54	75	12.5	57	75	12.5	60	75	12.5
	Reading	54	75	12.5	44	50	12.5	58	75	12.5
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
2a. Percent Passing	Math	54 / 64.6	50	7.5	51.6 / 64.3	50	7.5	57.8 / 63.4	50	7.5
	Reading	76 / 77.8	50	7.5	73.9 / 77.9	50	7.5	74.5 / 78.2	50	7.5
2b. Composite School Comparison	Math	-9.6	50	7.5	-10.8	50	7.5	-1.4	50	7.5
	Reading	-2	50	7.5	-4.1	50	7.5	-1.5	50	7.5
2c. Subgroup ELL	Math	45 / 44.9	75	2.5	63.6 / 43	75	2.5	NR	0	0
	Reading	70 / 56.2	75	2.5	63.6 / 53.6	75	2.5	NR	0	0
2c. Subgroup FRL	Math	51 / 54.8	50	2.5	48.9 / 55	50	2.5	53.7 / 53.2	75	3.75
	Reading	74 / 70.1	75	2.5	71.3 / 70.4	75	2.5	72.2 / 70.3	75	3.75
2c. Subgroup SPED	Math	17 / 31	50	2.5	8 / 25.5	50	2.5	20 / 25.5	50	3.75
	Reading	22 / 39.2	50	2.5	20 / 38.8	50	2.5	22.5 / 37.4	50	3.75
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
3a. State Accountability		C	50	5	C	50	5	B	75	5
Overall Rating		Overall Rating			Overall Rating			Overall Rating		
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		61.25			55			65.62		

Financial Performance

[Hide Section](#)

Charter Corporate Name: Camelback Education, Inc.
 Charter CTDS: 07-89-59-000 Charter Entity ID: 79905
 Charter Status: Open Contract Effective Date: 05/03/2002

Financial Performance

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Camelback Education, Inc.

Near-Term Measures	Fiscal Year 2014		Fiscal Year 2015	
	Going Concern	No	Meets	No
Unrestricted Days Liquidity	3.89	Falls Far Below	25.72	Does Not Meet
Default	No	Meets	No	Meets
Sustainability Measures (Negative numbers indicated by parentheses)				
Net Income	(\$47,097)	Does Not Meet	\$41,007	Meets
Fixed Charge Coverage				

Ratio	0.93	Does Not Meet	1.14	Meets		
Cash Flow (3-Year Cumulative)	\$75,652	Does Not Meet	\$270,741	Meets		
Cash Flow Detail by Fiscal Year	FY 2014	FY 2013	FY 2012	FY 2015	FY 2014	FY 2013
	(\$157,143)	\$131,903	\$100,892	\$295,981	(\$157,143)	\$131,903

Meets Board's Financial Performance Expectations

Operational Performance

[Hide Section](#)

Charter Corporate Name:	Camelback Education, Inc.		
Charter CTDS:	07-89-59-000	Charter Entity ID:	79905
Charter Status:	Open	Contract Effective Date:	05/03/2002

Operational Performance

[Hide Section](#)

Click on any of the measures below to see more information.

Measure	2015	2016
1.a. Does the delivery of the education program and operation reflect the essential terms of the educational program as described in the charter contract?	Meets	--
Educational Program - Essential Terms	No issue identified	--
1.b. Does the charter holder adhere with applicable education requirements defined in state and federal law?	Meets	--
Services to Student with Disabilities	No issue identified	--
Instructional Days/Hours	No issue identified	--
Data for Achievement Profile	No issue identified	--
Mandated Programming (State/Federal Grants)	No issue identified	--
2.a. Do the charter holder's annual audit reporting packages reflect sound operations?	Does Not Meet	--
Timely Submission	No	Yes
Audit Opinion	Unqualified	Unqualified
Completed 1st Time CAPs	No issue identified	--
Second-Time/Repeat CAP	No issue identified	--
Serious Impact Findings	No issue identified	--
Minimal Impact Findings (3+ Years)	No issue identified	--
2.b. Is the charter holder administering student admission and attendance appropriately?	Meets	--
Estimated Count/Attendance Reporting	No issue identified	--
Tuition and Fees	No issue identified	--
Public School Tax Credits	No issue identified	--
Attendance Records	No issue identified	--
Enrollment Processes	No issue identified	--
2.c. Is the charter holder maintaining a safe environment consistent with state and local requirements?	Meets	--
Facility/Insurance Documentation	No issue identified	--
Fingerprinting	No issue identified	--
2.d. Is the charter holder transparent in its operations?	Meets	--
Academic Performance Notifications	No issue identified	--
Teacher Resumes	No issue identified	--
Open Meeting Law	No issue identified	Minutes (Contract

		Amendment)
Board Alignment	No issue identified	--
2.e. Is the charter holder complying with its obligations to the Board?	Meets	--
Timely Submissions	No issue identified	--
Limited Substantiated Complaints	No issue identified	--
Favorable Board Actions	No issue identified	--
2.f. Is the charter holder complying with reporting requirements of other entities to which the charter holder is accountable?	Meets	--
Arizona Corporation Commission	No issue identified	--
Arizona Department of Economic Security	No issue identified	--
Arizona Department of Education	No issue identified	--
Arizona Department of Revenue	No issue identified	--
Arizona State Retirement System	No issue identified	--
Equal Employment Opportunity Commission	No issue identified	--
Industrial Commission of Arizona	No issue identified	--
Internal Revenue Service	No issue identified	--
U.S. Department of Education	No issue identified	--
3. Is the charter holder complying with all other obligations?	Meets	--
Judgments/Court Orders	No issue identified	--
Other Obligations	No issue identified	--
OVERALL RATING	Meets Operational Standard	--

Last Updated: 2016-04-01 07:42:30

APPENDIX B
ACADEMIC DASHBOARD

Academic Performance

[Edit this section.](#)

Camelback Academy

		2012 Traditional Elementary School (K-8)			2013 Traditional Elementary School (K to 8)			2014 Traditional Elementary School (K to 8)		
		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1. Growth										
1a. SGP	Math	46	50	12.5	46	50	12.5	56.5	75	12.5
	Reading	50	75	12.5	46	50	12.5	53	75	12.5
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	Reading	54	75	12.5	44	50	12.5	58	75	12.5
2. Proficiency										
2a. Percent Passing	Math	54 / 64.6	50	7.5	51.6 / 64.3	50	7.5	57.8 / 63.4	50	7.5
	Reading	76 / 77.8	50	7.5	73.9 / 77.9	50	7.5	74.5 / 78.2	50	7.5
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2c. Subgroup ELL	Math	45 / 44.9	75	2.5	63.6 / 43	75	2.5	NR	0	0
	Reading	70 / 56.2	75	2.5	63.6 / 53.6	75	2.5	NR	0	0
2c. Subgroup FRL	Math	51 / 54.8	50	2.5	48.9 / 55	50	2.5	53.7 / 53.2	75	3.75
	Reading	74 / 70.1	75	2.5	71.3 / 70.4	75	2.5	72.2 / 70.3	75	3.75
2c. Subgroup SPED	Math	17 / 31	50	2.5	8 / 25.5	50	2.5	20 / 25.5	50	3.75
	Reading	22 / 39.2	50	2.5	20 / 38.8	50	2.5	22.5 / 37.4	50	3.75
3. State Accountability										
3a. State Accountability		C	50	5	C	50	5	B	75	5
Overall Rating		Overall Rating			Overall Rating			Overall Rating		
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		61.25			55			65.62		
		100			100			100		

APPENDIX C

FINANCIAL RESPONSE EVALUATION

Financial Performance Response Evaluation Instrument

Charter Holder Name: Camelback Education, Inc.
Charter Holder Entity ID: 79905

Required for: Renewal
Audit Year: 2014

Arizona State Board for Charter Schools (Board) staff completed the Financial Performance Response Evaluation Instrument for the Board in its consideration of applicable requests made by the charter holder. "Not Acceptable" answers may adversely affect the Board's decision regarding a charter holder's request.

Measure	Reason(s) for "Not Acceptable" Rating
1a. Going Concern Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>	
1b. Unrestricted Days Liquidity Acceptable <input checked="" type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input type="checkbox"/>	The charter holder indicates certain grant receivables, including Title I and instructional improvement funds, were recorded as revenue in 2014, but received in cash after June 30, 2014. The charter holder also indicates in its net income response the purchase of textbooks in 2014 which would impact cash and expenses in 2014. The overall effect of reversing these transactions would improve the UDL measure from a "Falls Far Below" to a "Does Not Meet". In its response, the charter holder indicates that had the grant funds been received prior to June 30, the UDL would have been "well over the required 30 days". If the charter holder is using its entire cash balance, which includes Classroom Site Fund (CSF) monies, in its calculation, please note that according to the Board's financial framework, the CSF cash carryover balance is considered restricted cash.
1c. Default Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>	
2a. Net Income Acceptable <input checked="" type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input type="checkbox"/>	



Measure	Reason(s) for "Not Acceptable" Rating
2b. Cash Flow Acceptable <input checked="" type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input type="checkbox"/>	
2c. Fixed Charge Coverage Ratio Acceptable <input type="checkbox"/> Not Acceptable <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/>	<p>The charter holder indicates, but does not support, "The receivable of \$102,694 had a great deal to do with the fixed coverage ratio not being met. Not receiving this revenue until after the fiscal year caused these deficiencies to occur." In fact, the change in net assets (net income) used in the ratio's calculation was not impacted at all whether the cash was received prior to June 30, 2014 or when the accounts receivable was actually credited on October 1, 2014 because these monies were included in the total revenues on the audited 2014 statement of activities. However, the charter holder indicates the purchase of textbooks in its explanation of net income, which if not purchased would have resulted in a performance improvement to 1.06, but remained rated "Does Not Meet". Had the charter holder provided additional information, along with supporting documentation, this would have been considered in Board staff's evaluation.</p>



APPENDIX D

SUPPLEMENTED FINANCIAL RESPONSE

Measure	Reason(s) for "Not Acceptable" Rating	Camelback's Response
1a. Going Concern Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>		
1b. Unrestricted Days Liquidity Acceptable <input type="checkbox"/> Not Acceptable <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/>	<p>The charter holder does not explain its efforts to improve in 2015 or 2016. Had the charter holder provided this information, along with supporting documentation, this would have been considered in the Board staff's evaluation. Supporting documentation may include financial statements (even if unaudited) or financial projections based on events that are expected to occur in 2015 or 2016, or similar documents.</p> <p>The charter holder indicates certain grant receivables, including Title I and instructional improvement funds, were recorded as revenue in 2014, but received in cash after June 30, 2014. The charter holder also indicates in its net income response the purchase of textbooks in 2014 which would impact cash and expenses in 2014. The overall effect of reversing these transactions would improve the UDL measure from a "Falls Far Below" to a "Does Not Meet". In its response, the charter holder indicates that had the grant funds been received prior to June 30, the UDL would have been "well over the required 30 days". If the charter holder is using its entire cash balance, which includes Classroom Site Fund (CSF) monies, in its calculation, please note that according to the Board's financial framework, the CSF cash carryover balance is considered restricted cash.</p>	<p>We are attaching the unaudited FY2015 Profit and Loss and unaudited FY2015 Balance Sheet which support improvement in a positive net balance and increase in cash on hand from FY 2014 to FY2015.</p> <p>The estimated unrestricted cash balance as of 6/30/2015 is approximately \$280,000.00.</p> <p>In fiscal year 2014 there was \$117,697 in accounts receivable. All of this money was made up of grant money and instructional improvement money. The funds were already expensed in during the fiscal year and the receivable was to replace the unrestricted general fund cash. This amount would have exceeded the amount from fiscal year 2013 by over double. The amount from fiscal year 2013 accounted for over 46 days of unrestricted liquidity. The grant money had to be recorded as a receivable due to a delay in approval of the reimbursement of funds from the grants department. The receivable funds were all received in July and the largest payment of \$102,694 was received in early October. Had there been not been a delay in the reimbursement of funds request and the funds were received prior to June 30, the unrestricted days liquidity would have been well over the required 30 days. Attached are reports to support the accounts receivable and a report showing the deposits coming in during July 2014.</p>
1c. Default Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>		

Measure	Reason(s) for "Not Acceptable" Rating	Camelback's Response
<p>2a. Net Income</p> <p>Acceptable <input type="checkbox"/></p> <p>Not Acceptable <input checked="" type="checkbox"/></p> <p>Not Applicable <input type="checkbox"/></p>	<p>While the charter holder explains and supports the cause of not meeting the measure in the audited fiscal year, it is not clear if net income has improved in 2015 or will improve in 2016. Had the charter holder provided a 2015 statement of activities (even if unaudited), a financial projection showing the change in net assets based on events that are expected to occur in 2015 or 2016 or similar documents, these would have been considered in Board staff's evaluation.</p>	<p>We are attaching the unaudited FY 2015 Profit and Loss and unaudited FY 2015 Balance Sheet to support increase in Net Income from FY 2014 to FY 2015.</p> <p>In fiscal year 2014 Camelback had to purchase new materials from Houghton Mifflin Harcourt that aligned with our plan to increase our letter grade. That amount was \$61,066 for the fiscal year. If this would not have happened the net income would have been in the positive. The purchases were necessary to align with the plan to increase academic performance. Camelback received a letter grade of B for fiscal year 2014. There is a file attached showing the purchases for the fiscal year.</p>
<p>2b. Cash Flow</p> <p>Acceptable <input type="checkbox"/></p> <p>Not Acceptable <input checked="" type="checkbox"/></p> <p>Not Applicable <input type="checkbox"/></p>	<p>While the charter holder explains and supports the cause of not meeting the measure in the audited fiscal year, it is not clear if cash flow has improved in 2015 or will improve in 2016. Had the charter holder provided a 2015 cash flow statement (even if unaudited), a financial projection showing the cash balance(s) based on events that are expected to occur in 2015 or 2016 or similar documents, these would have been considered in Board staff's evaluation.</p>	<p>We are attaching the unaudited FY 2015 Profit and Loss and unaudited FY 2015 Balance Sheet to support increase in Cash Flow from FY 2014 to FY 2015.</p> <p>The majority of the cash flow deficiency was caused by the large receivable of \$102,694 and the purchases of \$61,066 that were made to Houghton Mifflin Harcourt. These two amounts total \$163,760 which would have led to a positive cash balance for the fiscal year.</p>
<p>2c. Fixed Charge Coverage Ratio</p> <p>Acceptable <input type="checkbox"/></p> <p>Not Acceptable <input checked="" type="checkbox"/></p> <p>Not Applicable <input type="checkbox"/></p>	<p>The charter holder indicates, but does not support, "The receivable of \$102,694 had a great deal to do with the fixed coverage ratio not being met. Not receiving this revenue until after the fiscal year caused these deficiencies to occur." The response does not explain if the charter holder converted the receivables to cash prior to June 30, 2014, how it would have affected the fixed charge coverage ratio. However, the charter holder indicates the purchase of textbooks in its explanation of net income, which if not purchased would have resulted in a performance improvement to 1.06, but remained rated "Does Not Meet". Had the charter holder provided additional information, along with supporting documentation, this would have been considered in Board staff's evaluation.</p>	<p>We are attaching the unaudited FY 2015 Profit and Loss and unaudited FY 2015 Balance Sheet showing an increase in our net assets. The fixed coverage ratio has also increased.</p> <p>The receivable of \$102,694 had a great deal to do with the fixed coverage ratio not being met. Not receiving this revenue until after the fiscal year caused these deficiencies to occur. The school has a better process in place to get grants approved and allow time for reimbursements to occur in a timelier manner.</p>

Camelback Education, Inc
Balance Sheet
As of June 30, 2015

	Jun 30, 15
ASSETS	
Current Assets	
Checking/Savings	
0000 Cash	560,050.22
Total Checking/Savings	560,050.22
Accounts Receivable	
0132 Accounts Receivable	22,299.80
Total Accounts Receivable	22,299.80
Total Current Assets	582,350.02
Fixed Assets	
0180 Fixed Assets	50,399.00
Total Fixed Assets	50,399.00
TOTAL ASSETS	632,749.02
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	13,731.69
Total Accounts Payable	13,731.69
Other Current Liabilities	
0240 Payroll Liabilities	122,719.84
Due to ADE	6,615.22
Receiveable Purchase	145,226.00
Total Other Current Liabilities	274,561.06
Total Current Liabilities	288,292.75
Long Term Liabilities	
0200 Notes Payable	1,550.34
Total Long Term Liabilities	1,550.34
Total Liabilities	289,843.09
Equity	
0310 Retained Earnings	61,199.58
0322 Temporarily Unrestricted	205,862.00
Net Income	75,844.35
Total Equity	342,905.93
TOTAL LIABILITIES & EQUITY	632,749.02

Profit & Loss

July 2014 through June 2015

Jul '14 - Jun 15

Income	
1000 Revenue from local sources	
1610 Food Service Sales	7,118.90
1700 Tax Credit	400.00
1800 Community Svc Activities	4,070.26
1900 Miscellaneous Revenue	25,010.58
1910 CSA	25,015.27
1000 Revenue from local sources - Other	31,204.30
Total 1000 Revenue from local sources	92,819.31
3000 Revenue from State Sources	
3110 State Equalization	3,117,844.13
3200 Instructional Improvement	19,674.30
3200 Prop 301 20% Base	37,300.67
3200 Prop 301 40% Menu	74,601.33
3200 Prop 301 40% Performance	74,601.33
3000 Revenue from State Sources - Other	9,701.64
Total 3000 Revenue from State Sources	3,333,723.40
4000 Rev from Federal Sources	
4200 E Rate	823.50
4500 IDEA Basic	59,763.30
4500 NSLP	373,699.99
4500 Title I	239,804.14
4500 Title II	4,333.97
Total 4000 Rev from Federal Sources	678,424.90
Total Income	4,104,967.61
Gross Profit	4,104,967.61
Expense	
1000 Instruction	
6120 Base Pay Increase	35,637.15
6120 Menu Item Pay	69,357.35
6120 Performance Pay	20,706.11
6120 Teachers	1,056,551.55
6124 SPED Aide	100,982.64
6124 Teacher Aides	131,390.98
6125 Technology	26,133.38
6129 Substitutes	41,256.10
6210 Health Insurance	137,434.40
6212 Dental Insurance	9,229.41
6221 Social Security	123,441.20
6222 Medicare	28,650.81
6230 Retirement	36,755.62
6232 Short Term Disability	953.16
6250 Fed Unemployment Insurance	51.30
6251 St Unemployment Ins	10,112.60
6252 Job Training Tax	470.02
6260 Worker's Compensation	0.00
6329 Misc Service Purchase	82,901.86
6330 Other Professional Svcs	7,315.00
6442 Equipment Rental	3,649.80
6500 Student Travel	3,915.20
6610 General Supplies	96,715.47
6642 Textbooks	51,342.49
6643 Instructional Aids	49,118.75
6810 Dues & Fees	4,094.06
Total 1000 Instruction	2,128,166.41
2100 Student Support Svcs	
6133 Title I Clerical Support	16,042.50
6134 Health Aide	32,467.02

Profit & Loss

July 2014 through June 2015

	Jul '14 - Jun 15
6210 Health Insurance	4,326.50
6212 Dental Insurance	237.25
6221 Social Security	994.64
6222 Medicare	218.44
6230 Retirement	3,764.19
6328 SPED Coordinator	54,530.86
6329 Misc Service Purchase	71,237.00
6341 Attendance System Services	5,036.22
6610 General Supplies	3,193.67
6612 Medical Supplies	193.20
6810 Dues & Fees	125.00
Total 2100 Student Support Svcs	192,366.49
2200 Instructional Support Svcs	
6130 Math Coach	44,370.82
6132 Parent Coordinator	7,450.00
6221 Social Security	3,212.89
6222 Medicare	984.02
6329 Misc Service Purchase	12,942.67
6580 Travel	332.02
6610 General Supplies	116.96
Total 2200 Instructional Support Svcs	69,409.38
2400 School Admin Support Svcs	
6101 Director	53,330.42
6130 Principal	187,449.86
6135 School Secretary	37,073.00
6210 Health Insurance	24,660.11
6212 Dental Insurance	2,660.76
6230 Retirement	13,972.41
6329 Misc Purchase Service	501.10
6531 Telephone Service	1,292.52
6533 Postage/Shipping	10,898.80
6535 Internet Service	3,517.96
6540 Advertising	1,202.12
6550 Printing & Binding	17,355.25
6580 Travel	2,402.32
6610 General Supplies	796.30
6810 Dues & Fees	0.00
Total 2400 School Admin Support Svcs	357,112.93
2500 Business Support Svcs	
6102 Business Manager	63,088.00
6260 Worker's Compensation	4,031.78
6329 Purchased Services	4,844.41
6330 Audit Services	25,085.01
6342 Financial Consulting	13,000.00
6610 General Supplies	25,187.90
6810 Dues & Fees	29,799.20
6840 Interest	30,982.03
6850 IRS Penalty & Interest	403.09
Total 2500 Business Support Svcs	196,421.42
2600 Oper and Maint Plant Svc	
6143 Maintenance Personnel	152,090.93
6210 Health Insurance	15,241.64
6212 Dental Insurance	933.08
6230 Retirement	2,018.48
6329 Misc Purchase Svcs	10,545.69
6335 Security Services	2,103.08
6345 Safety Management Svc	96.00
6411 Water	17,769.16
6421 Disposal Services	3,115.85
6424 Grounds Services	9,665.08

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Camelback Education, Inc

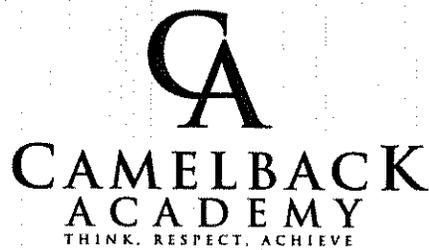
Profit & Loss

02/29/16

July 2014 through June 2015

Accrual Basis

	Jul '14 - Jun 15
6435 Repair & Maint Building	26,743.94
6436 Equipment Repair & Maint	6,469.80
6441 Renting Land & Buildings	444,248.46
6442 Equipment Rental	576.84
6520 Prop/Liability Insurance	31,661.30
6610 General Supplies	28,831.84
6615 Gas	1,743.11
6622 Electricity	40,181.31
6810 Dues & Fees	4,139.83
Total 2600 Oper and Maint Plant Svc	798,175.42
3100 Food Service Program	
6150 Food Service	68,740.28
6151 Food Services Manager	39,044.92
6210 Food Service Health	4,496.31
6212 Food Service Dental	499.64
6329 Misc Service Purchase	1,862.11
6610 Food Service Supplies	7,793.40
6630 Food	165,034.55
Total 3100 Food Service Program	287,471.21
Expenses	0.00
Total Expense	4,029,123.26
Net Income	<u>75,844.35</u>



Unrestricted Days Liquidity: In fiscal year 2014 there was \$117,697 in accounts receivable. All of this money was made up of grant money and instructional improvement money. The funds were already expensed in during the fiscal year and the receivable was to replace the unrestricted general fund cash. This amount would have exceeded the amount from fiscal year 2013 by over double. The amount from fiscal year 2013 accounted for over 46 days of unrestricted liquidity. The grant money had to be recorded as a receivable due to a delay in approval of the reimbursement of funds from the grants department. The receivable funds were all received in July and the largest payment of \$102,694 was received in early October. Had there been not been a delay in the reimbursement of funds request and the funds were received prior to June 30, the unrestricted days liquidity would have been well over the required 30 days. Attached are reports to support the accounts receivable and a report showing the deposits coming in during July 2014.

Net Income: In fiscal year 2014 Camelback had to purchase new materials from Houghton Mifflin Harcourt that aligned with our plan to increase our letter grade. That amount was \$61,066 for the fiscal year. If this would not have happened the net income would have been in the positive. The purchases were necessary to align with the plan to increase academic performance. Camelback received a letter grade of B for fiscal year 2014. There is a file attached showing the purchases for the fiscal year.

Fixed Charge Coverage Ratio: The receivable of \$102,694 had a great deal to do with the fixed coverage ratio not being met. Not receiving this revenue until after the fiscal year caused these deficiencies to occur. The school has a better process in place to get grants approved and allow time for reimbursements to occur in a timelier manner.

Cash Flow: The majority of the cash flow deficiency was caused by the large receivable of \$102,694 and the purchases of \$61,066 that were made to Houghton Mifflin Harcourt. These two amounts total \$163,760 which would have led to a positive cash balance for the fiscal year.

Operational Performance: The items addressed above, (Unrestricted Days Liquidity, Net Income, Fixed Charge Coverage Ratio, and Cash Flow) address the Sound Operational Performance indicator for Camelback. In FY2014, there was a delay in a grant approval and subsequent late receipt of grant funds. This in addition to the cash purchase of curriculum that was aligned to Common Core standards and necessary to increase Camelback's Academic Performance created a temporary cash flow deficiency.

Camelback Education, Inc
Transactions by Account
As of December 31, 2014

	Type	Date	Memo	Class	Amount
0132 Accounts Receivable					
	General Journal	06/30/2014	record instructional improvent payment	1020-100 Instruc Improvement	8,295.53
	General Journal	06/30/2014	record AR for Title I 13-14	1110-100 Title I	102,694.00
	General Journal	06/30/2014	record receiveable	1000 General	2,949.00
	General Journal	06/30/2014	record Title II AR 13-14	1143-100 Title II	3,758.00
	Deposit	07/15/2014	2nd payment	1020-100 Instruc Improvement	-8,295.53
	Deposit	07/20/2014	record receiveable	1000 General	-2,949.00
	Deposit	10/01/2014	sy13/14	1110-100 Title I	-102,694.00
	Deposit	10/01/2014	sy13/14	1143-100 Title II	-3,758.00
	Total 0132 Accounts Receivable				<u>0.00</u>
TOTAL					<u>0.00</u>

Camelback Education, Inc
Transactions by Account
As of June 30, 2014

	Type	Date	Memo	Class	Amount
0132 Accounts Receivable					
	General Journal	06/30/2014	record instructional improvent payment	1020-100 Instruc Improvement	8,295.53
	General Journal	06/30/2014	record AR for Title I 13-14	1110-100 Title I	102,694.00
	General Journal	06/30/2014	record receiveable	1000 General	2,949.00
	General Journal	06/30/2014	record Title II AR 13-14	1143-100 Title II	3,758.00
Total 0132 Accounts Receivable					<u>117,696.53</u>
TOTAL					<u>117,696.53</u>

Camelback Education, Inc
Transaction Detail By Account
 July 2013 through June 2014

	Type	Date	Num	Name	Memo	Amount
1000 Instruction						
6642 Textbooks						
	Check	08/08/2013	13030	Houghton Mifflin Harcourt	595222,593295,595224,595223,593294	20,203.13
	Check	08/30/2013	13097	Houghton Mifflin Harcourt	949693765	9,483.36
	Check	12/11/2013	13452	Houghton Mifflin Harcourt	950012654 - Balance: \$13,070.19	10,000.00
	Check	01/09/2014	13527	Houghton Mifflin Harcourt	950109360	2,599.00
	Check	01/09/2014	13508	Houghton Mifflin Harcourt	950012654 balance	13,070.19
	Bill	04/09/2014		Houghton Mifflin Harcourt	7869683	1,846.53
	Bill	06/06/2014		Houghton Mifflin Harcourt	950377040, 910839987	3,863.81
	Total 6642 Textbooks					<u>61,066.02</u>
	Total 1000 Instruction					<u>61,066.02</u>
TOTAL						<u>61,066.02</u>