James Madison Preparatory School - Entity ID 79063

School: James Madison Preparatory School

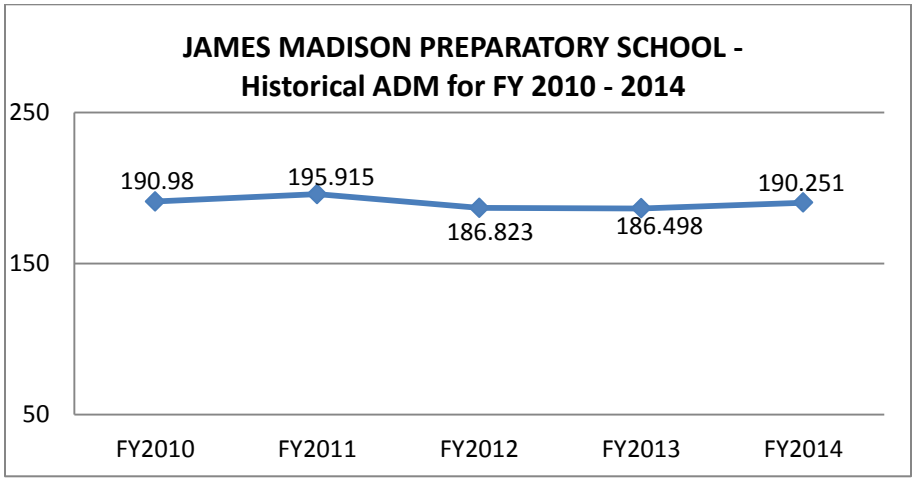
Renewal Executive Summary

Performance Summary

James Madison Preparatory School met the Board's academic performance expectations as set forth in the Performance Framework adopted by the Board and was waived from submitting the Academic Performance Section of the renewal application. The charter holder did not meet the financial performance expectations of the Board as set forth in the Performance Framework and was required to submit a financial performance response. Staff's evaluation of the response resulted in zero "Acceptable" and three "Not Acceptable" determinations. The charter holder did have compliance matters. The charter holder's organizational membership on file with the Board was not consistent with the information on file with the Arizona Corporation Commission and the charter holder was required to submit the Organizational Membership portion of the Detailed Business Plan Section of the renewal application. At the time of this report, the charter holder has completed the appropriate filing to align the organizational membership on file with the Board and the Arizona Corporation Commission.

Profile

James Madison Preparatory School operates one school serving grades 7-12. The graph below shows the charter holder's actual 100th day average daily membership (ADM) for fiscal years 2010-2014.



A dashboard representation of James Madison Preparatory School's academic outcomes, based upon the indicators and measures adopted by the Board, is provided below.

Academic Performance

NO PERMISSION TO EDIT

James Madison Preparatory School

		2012 Traditional K-12 School (7-12)			2013 Traditional K-12 School (7 to 12)		
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1a. SGP	Math	51.5	75	10	46	50	10
	Reading	55.5	75	10	51	75	10
1b. SGP Bottom 25%	Math	50.5	75	10	35	50	10
	Reading	49	50	10	62	75	10
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
2a. Percent Passing	Math	80 / 60.2	75	11.25	76.8 / 61.5	75	11.25
	Reading	94 / 73	100	11.25	93.8 / 80.2	100	11.25
2b. Composite School Comparison	Math	13.1	75	8.75	2.9	75	8.75
	Reading	10.9	75	8.75	6.4	75	8.75
2c. Subgroup ELL	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
2c. Subgroup FRL	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
2c. Subgroup SPED	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
3a. State Accountability		A	100	5	B	75	5
4. Graduation		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
4a. Graduation		94	100	15	94	100	15
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		77.5		100	76.56		100

I. 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.

II. Viability of the Organization

The charter holder did not meet the Board's financial performance expectations based on the fiscal year 2013 audit. The following table includes the charter holder's financial data and financial performance for the last three audited fiscal years.

James Madison Preparatory School

Financial Data				
	2013	2012	2011	
Statement of Financial Position				2010
Cash	$79,750	$49,070	$177,831	$54,469
Unrestricted Cash	$79,750	$49,070	$177,831	
Other Liquidity	-			
Total Assets	$121,093	$103,793	$238,906	
Total Liabilities	$166,119	$104,563	$116,717	
Current Portion of Long-Term Debt & Capital Leases	$17,939	$17,208	$12,053	
Net Assets	($45,026)	($770)	$122,189	
Statement of Activities				
Revenue	$1,638,013	$1,530,009	$1,710,849	
Expenses	$1,682,269	$1,652,968	$1,583,074	
Net Income	($44,256)	($122,959)	$127,775	
Change in Net Assets	($44,256)	($122,959)	$127,775	
Financial Statements or Notes				
Depreciation & Amortization Expense	$10,727	$15,620	$25,123	
Interest Expense	$5,670	$5,717	$5,164	
Lease Expense	$126,539	$130,463	$118,293	

Financial Performance				
	2013	2012	2011	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Liquidity*	17.30	10.84	41.00	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Net Income	($44,256)	($122,959)	$127,775	N/A
Cash Flow	$30,680	($128,761)	$123,362	$25,281
Fixed Charge Coverage Ratio	0.66	0.19	2.04	N/A

* For fiscal years 2011 and 2012, the field reflects the charter holder's performance under the financial framework's previous "Unrestricted Days Cash" measure.

The charter holder was required to submit a financial performance response based on the fiscal year 2013 audit (portfolio: c. Financial Response). Staff's evaluation of the financial performance response resulted in zero "Acceptable" and three "Not Acceptable" determinations (portfolio: c. Financial Response Evaluation).

III. Adherence to the Terms of the Charter

A. Compliance Matters Requiring Board or Other Agency Action

Over the past five years, there were no items to report.

B. Other Compliance Matters

The fiscal year 2013 audit identified a repeat Classroom Site Fund (CSF) issue that required a corrective action plan (CAP). Specifically, the fiscal year 2013 audit indicated the charter holder did not provide evaluations or other documentation to support the performance bonuses paid to 4 of 11 teachers from CSF – Project 1012 (performance pay) monies. A similar issue was also identified in the fiscal year 2011 audit, which indicated the charter holder did not provide evaluations or other documentation to support the performance bonuses paid to teachers with CSF – Project 1012 monies. The charter holder submitted a satisfactory CAP in each fiscal year.

The fiscal year 2011 audit indicated that for two employees tested, the fingerprint clearance cards (FCC) were expired with expiration dates of August 3, 2010 and August 4, 2010. Both employees were tested on April 9, 2011 and were issued new FCCs on June 24, 2011. Since the audit indicated that all staff were now properly fingerprinted, a CAP was not required.

The fiscal years 2009 through 2013 audits identified a repeated audit issue that had not been corrected from the prior years' audits involving the charter holder not having an individual with the financial expertise to prepare and/or review complete financial statements and prevent or detect misstatements. Additionally, the fiscal year 2009 audit identified a repeated audit issue that had not been corrected from the fiscal year 2008 audit involving the charter holder's fixed asset/depreciation schedule not agreeing with the fixed asset amounts on the balance sheet.

C. Charter Holder's Organizational Membership

Because the organizational membership on file with the Board was not consistent with the information on file with the Arizona Corporation Commission, the charter holder was required to submit the charter holder's Organizational Membership portion of the Detailed Business Plan Section. In the renewal application package, the charter holder submitted the corporate officer information from the Arizona Corporation Commission. The corporate officers on file at the Arizona Corporation Commission did not align with the corporate officers on file with the Board. Since submitting the renewal application package, the charter holder has provided evidence of the appropriate filings to align organizational membership on file with the Board and the Arizona Corporation Commission.

Board Options

Option 1: The Board may approve the renewal. Staff recommends the following language provided for consideration: Renewal is based on consideration of academic, fiscal and contractual compliance of the charter holder. In this case, the charter holder meets the academic performance expectations set forth in the Board's performance framework. There is a record of past contractual noncompliance which has been reviewed. 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 James Madison Preparatory School.

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 James Madison Preparatory School. 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.)