Patagonia Montessori Elementary School - Entity ID 79069
School: Patagonia Montessori Schools

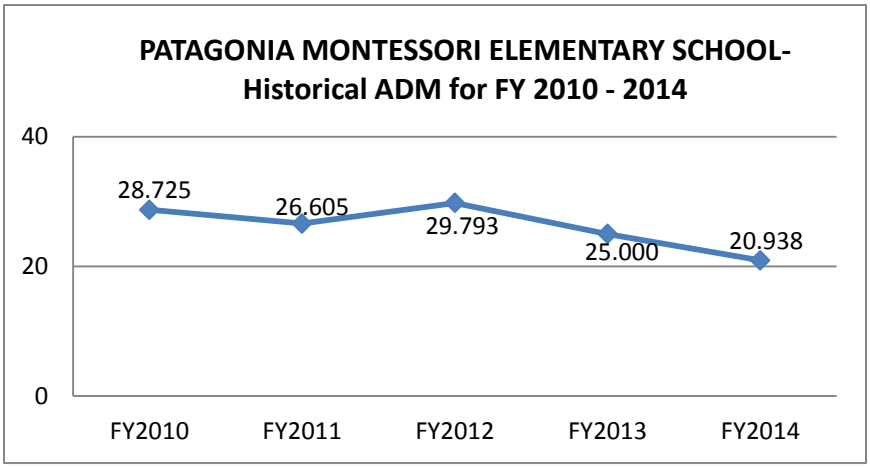
Renewal Executive Summary

Performance Summary

Patagonia Montessori Elementary 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 two "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

Patagonia Montessori Elementary School operates one school serving grades K-8. The graph below shows the charter holder's actual 100th day average daily membership (ADM) for fiscal years 2010-2014.



A dashboard representation of Patagonia Montessori Schools' academic outcomes, based upon the indicators and measures adopted by the Board, is provided below.

Academic Performance

NO PERMISSION TO EDIT

Patagonia Montessori Schools

		2012 Small Elementary School (K-7)			2013 Traditional Elementary School (K to 8)		
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1a. SGP	Math	40	50	25	68	100	25
	Reading	44.5	50	25	75	100	25
1b. SGP Bottom 25%	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
2a. Percent Passing	Math	87 / 48.1	100	11.25	91.8 / 64.1	100	11.25
	Reading	97 / 67.9	100	11.25	87.5 / 78.6	75	11.25
2b. Composite School Comparison	Math	35.1	100	11.25	20.4	100	11.25
	Reading	25.6	100	11.25	2.3	75	11.25
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		B	75	5	A	100	5
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		70.94		100	94.38		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.

Patagonia Montessori Elementary School

Financial Data				
	2013	2012	2011	
Statement of Financial Position				2010
Cash	$61,210	$75,763	$33,498	$17,142
Unrestricted Cash	$61,210	$72,879	$30,013	
Other Liquidity	-			
Total Assets	$1,754,190	$1,778,682	$1,749,418	
Total Liabilities	$7,791	$5,181	$6,041	
Current Portion of Long-Term Debt & Capital Leases	-	-	-	
Net Assets	$1,746,399	$1,773,501	$1,743,377	
Statement of Activities				
Revenue	$211,386	$246,443	$233,528	
Expenses	$238,488	$216,319	$216,609	
Net Income	($27,102)	$30,124	$16,919	
Change in Net Assets	($27,102)	$30,124	$16,919	
Financial Statements or Notes				
Depreciation & Amortization Expense	$20,526	$19,531	$8,982	
Interest Expense	-	-	-	
Lease Expense	-	-	-	

Financial Performance				
	2013	2012	2011	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Liquidity*	93.68	122.97	50.57	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Net Income	($27,102)	$30,124	$16,919	N/A
Cash Flow	($14,553)	$42,265	$16,356	$44,068
Fixed Charge Coverage Ratio	N/A	N/A	N/A	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: d. Financial Response). Staff's evaluation of the financial performance response resulted in zero "Acceptable" and two "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 2010 audit identified a third-year segregation of duties issues that required a corrective action plan (CAP). Specifically, the fiscal year 2010 audit indicated that due to the limited staff and volunteers it is not possible to ensure that incompatible duties are segregated on a routine and consistent basis. Similar issues were also identified in the fiscal years 2008 and 2009 audits. The charter holder submitted a satisfactory CAP in each fiscal year.

The fiscal years 2010 and 2009 audits identified a repeated audit issue that had not been corrected from the prior years' audits involving charter holder personnel lacking the skills and knowledge to apply Generally Accepted Accounting Principles in recording its financial transactions and preparing its financial statements.

For the previous five fiscal years, the charter holder failed to timely submit the fiscal year 2010 Annual Financial Report (AFR).

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 support materials required for a Charter Holder Governance Notification Request, but the charter holder did not submit the Charter Holder Governance Notification Request through ASBCS Online for processing as required. After further communication with the charter representative, the charter holder has submitted the appropriate Charter Holder Governance Notification Request to align organizational membership on file with the Board and the Arizona Corporation Commission. The filing has been deemed administratively complete and will continue to be processed.

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 Patagonia Montessori Elementary 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 Patagonia Montessori Elementary 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.)