**American Leadership Academy, Inc. - Entity ID 4348**
Schools: American Leadership Academy
American Leadership Academy-Queen Creek

# Renewal Executive Summary

## Sources of Evidence for this Document

Pursuant to A.R.S. 15-183.I, the Arizona State Board for Charter Schools (Board) has established a process for the renewal of a charter that is based on affirmative evidence in three areas:

I. Success of the academic program, including academic achievement
II. Viability of the organization, including fiscal management and compliance
III. Adherence to the terms of the charter, including contract and legal compliance

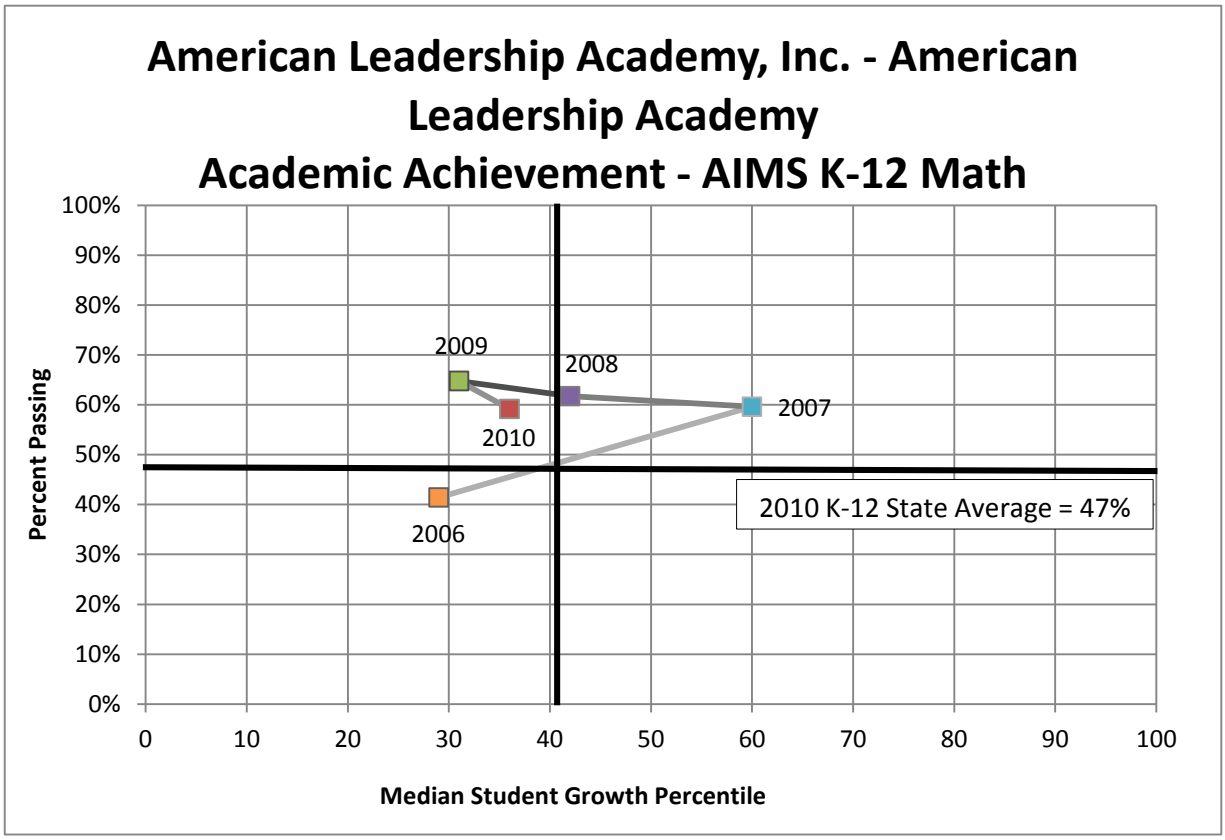
Evaluation of the charter holder's success in these three areas is based on a variety of information that will serve as sources of evidence in determining renewal of a charter. These sources include, but are not limited to:

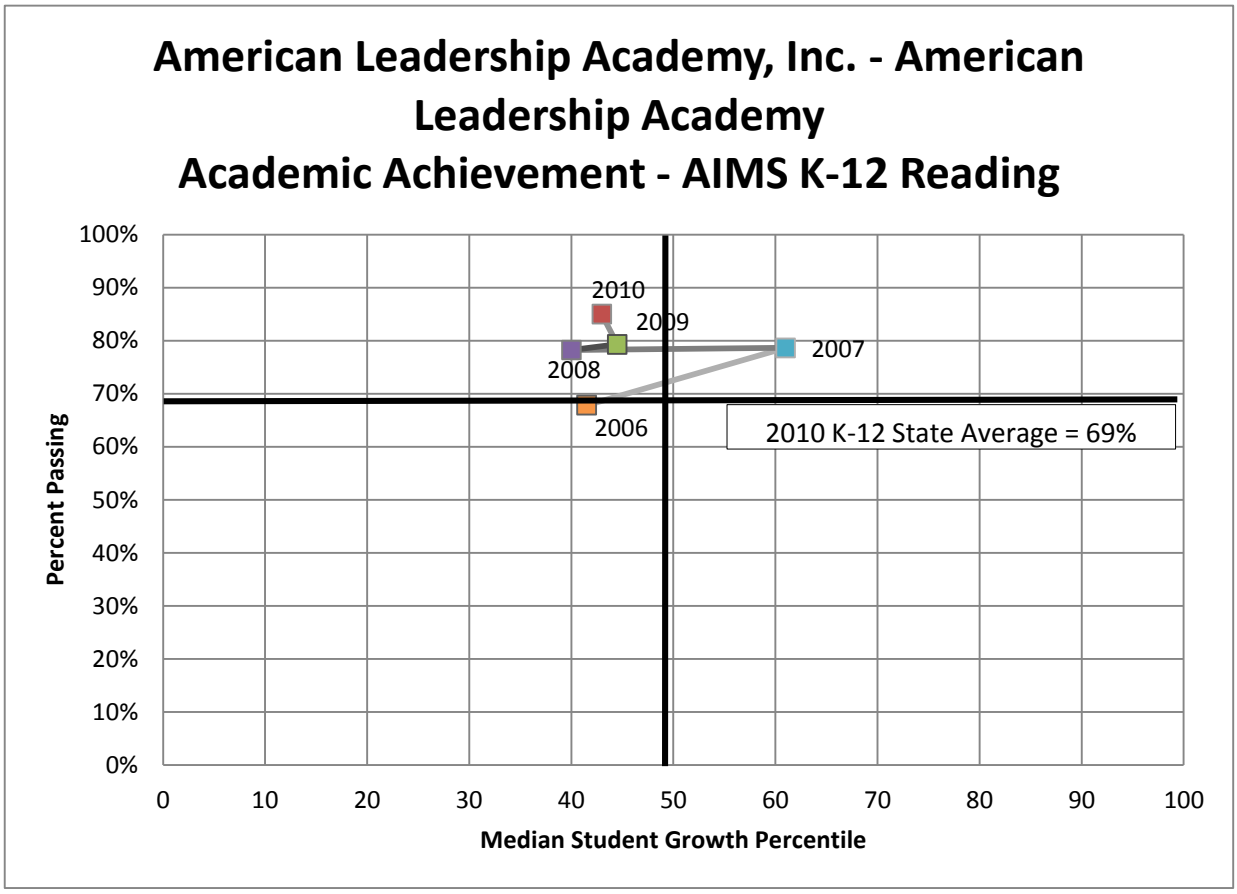
- Pupil achievement data
- Independent financial audits
- Five-year interval summary reviews
- Site visit reports
- Monitoring reports
- Application package for renewal

## Profile

American Leadership Academy, Inc. operates two (2) schools serving grades K-12 and 9-12 with a total FY11 average daily membership (ADM) of 527.996. Additional information can be found in the Renewal Summary Review.

Graphs displaying the academic achievement for the past five years, if available, are provided on the next page.


American Leadership Academy, Inc. - American Leadership Academy
Academic Achievement - AIMS K-12 Math
Percent Passing
Median Student Growth Percentile
2009
2008
2007
2010
2006
2010 K-12 State Average = 47%


American Leadership Academy, Inc. - American Leadership Academy
Academic Achievement - AIMS K-12 Reading
Percent Passing
Median Student Growth Percentile
2010
2009
2008
2007
2006
2010 K-12 State Average = 69%

## I. Success of the Academic Program

The academic performance of the school(s) operated by the charter holder meets or demonstrates sufficient progress toward the Board's level of adequate academic performance. Therefore, the charter holder was not required to submit a Performance Management Plan.

## II. Viability of the Organization

Because the charter holder's fiscal year 2009 audit identified negative net assets at the end of the year, the charter holder was required to complete the Renewal Budget Plan and submit the Financial Sustainability Narrative and supporting evidence. Since the charter holder did not submit the required Financial Sustainability portion of the Detailed Business Plan Section, only the checklist has been included in the charter holder's portfolio. The checklist completed by staff identifies whether the required elements of the Detailed Business Plan were addressed. At the charter representative's request, staff met with the charter representative to discuss the status of their renewal application.

Prior to fiscal year 2010, the charter contract was between the Board and another non-profit entity. In September 2009, the charter contract was transferred to American Leadership Academy, Inc. With the transfer of the contract to a new entity, the fiscal year 2010 audit marked the first audit of the new entity, American Leadership Academy, Inc. The fiscal year 2010 financial statements showed a surplus due to assets [$743,446] in excess of liabilities [$66,441], resulting in the charter holder ending its first fiscal year of operation with net assets of $677,005 as of June 30, 2010. Additionally, the charter holder had sufficient cash and other readily available resources [$233,878] at June 30, 2010 to satisfy obligations due within the next year [$66,441].

## III. Adherence to the Terms of the Charter

A. Compliance Matters Requiring Board or Other Agency Action[1]

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

B. Other Compliance Matters[2]

In February 2011, ADE Exceptional Student Services notified the charter holder of non-compliance in some areas with regard to specific regulations for Part B, Individuals with Disabilities Education Act (IDEA), and the Arizona Revised Statutes. A Corrective Action Plan (CAP) and necessary documentation was due April 24, 2011. The CAP will end on April 24, 2012.

In November 2006, ADE Exceptional Student Services notified the charter holder of partial- and non-compliance in some areas with regard to specific regulations for Part B, Individuals with Disabilities Education Act (IDEA), and the Arizona Revised Statutes. The compliance issues were reported by ADE as resolved in May 2007.

[1] For more information about the areas of compliance reviewed for this section, please see the "Renewal Guide".
[2] For more information about the areas of compliance reviewed for this section, please see the "Renewal Guide".

C. Charter Holder's Organizational Membership

Because the organizational membership on file with the Board was consistent with the information on file with the Arizona Corporation Commission, the charter holder was not required to submit the charter holder's Organizational Membership portion of the Detailed Business Plan Section.

**Staff Recommendation**

The Board recognizes it has the authority to deny an application package that does not include all of the required submissions. In this case, the Financial Sustainability portion of the Detailed Business Plan Section was not submitted by the charter holder. It is recognized that the Financial Sustainability portion of the Detailed Business Plan Section was required because the 2009 audit identified negative net assets for the entity that previously operated the charter. The current charter holder demonstrated positive net assets in the 2010 audit, which was its first audit. Based upon the academic performance, fiscal compliance, legal and contractual compliance, and the information in the renewal application package, I move to approve the request for charter renewal and grant a renewal contract to American Leadership Academy, Inc.