American Basic School LLC - Entity ID 79215
School: Burke Basic School

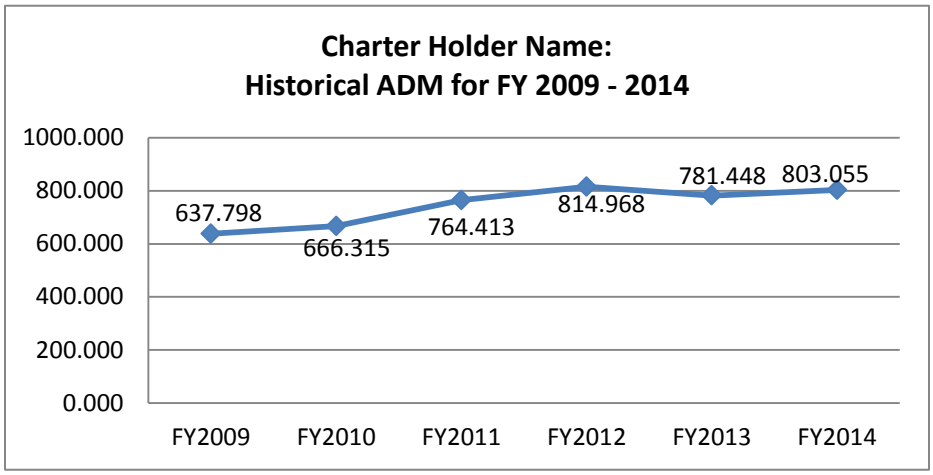
Renewal Executive Summary

Performance Summary

American Basic School LLC 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 consistent with the information on file with the Arizona Corporation Commission.

Profile

American Basic School LLC operates one school serving grades K-6 in Mesa. The graph below shows the charter holder's actual 100th day average daily membership (ADM) for fiscal years 2009-2013 and the fiscal year 2014 ADM as of March 17, 2014.



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

NO PERMISSION TO EDIT

Burke Basic School

		2012 Traditional Elementary School (K-6)			2013 Traditional Elementary School (K-6)		
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1a. SGP	Math	45	50	12.5	53	75	12.5
	Reading	49	50	12.5	59	75	12.5
1b. SGP Bottom 25%	Math	53	75	12.5	56	75	12.5
	Reading	55	75	12.5	67	100	12.5
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
2a. Percent Passing	Math	61 / 65.8	50	7.5	61 / 64.7	50	7.5
	Reading	80 / 76.9	75	7.5	81 / 77.8	75	7.5
2b. Composite School Comparison	Math	-2.4	50	7.5	-1.4	50	7.5
	Reading	4.8	75	7.5	5.2	75	7.5
2c. Subgroup ELL	Math	40 / 42.3	50	2.5	35 / 40.9	50	2.5
	Reading	62 / 51	75	2.5	58 / 50.4	75	2.5
2c. Subgroup FRL	Math	60 / 56.4	75	2.5	62 / 55.6	75	2.5
	Reading	81 / 69.1	75	2.5	80 / 70	75	2.5
2c. Subgroup SPED	Math	15 / 30.4	50	2.5	14 / 26.8	50	2.5
	Reading	26 / 38.6	50	2.5	34 / 38.4	50	2.5
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
3a. State Accountability		B	75	5	B	75	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		63.12		100	72.5		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.

American Basic Schools LLC

Financial Data				
	2013	2012	2011	
Statement of Financial Position				2010
Cash	$615,827	$863,826	$674,636	$662,031
Unrestricted Cash	$444,969	$859,372	$668,900	
Other Liquidity	$177,770			
Total Assets	$5,238,976	$1,648,397	$1,397,842	
Total Liabilities	$4,115,268	$417,452	$313,577	
Current Portion of Long-Term Debt & Capital Leases	$112,910	71,687	41,485	
Net Assets	$1,123,708	$1,230,945	$1,084,265	
Statement of Activities				
Revenue	$5,436,629	$5,262,175	$4,911,283	
Expenses	$5,543,866	$4,954,227	$4,885,484	
Net Income	($107,237)	$307,948	$25,799	
Change in Net Assets	($107,237)	$307,948	$25,799	
Financial Statements or Notes				
Depreciation & Amortization Expense	$277,798	$79,762	$154,428	
Interest Expense	$259,804	15,402	6,840	
Lease Expense	$15,000	$351,000	$441,000	

Financial Performance				
	2013	2012	2011	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Liquidity*	41.00	63.31	49.97	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Net Income	($107,237)	$307,948	$25,799	N/A
Cash Flow	($247,999)	$189,190	$12,605	($46,204)
Fixed Charge Coverage Ratio	1.15	1.72	1.28	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 2012 audit indicated one employee did not have a valid fingerprint clearance card (FCC) as of the testing date of May 14, 2012. The new FCC was issued May 31, 2012. A similar issue was identified in the fiscal year 2011 audit. According to the fiscal year 2011 audit, for one employee, the charter holder did not have a valid FCC as of the testing date of May 6, 2011. The charter holder provided a valid FCC on June 24, 2011. Since the two audits indicated that all staff were now properly fingerprinted, a corrective action plan (CAP) was not required.

The fiscal year 2011 audit identified an issue that required a CAP. Specifically, the audit indicates for 2 of 10 disbursements made utilizing the charter holder's debit card and 1 of 20 non-debit card purchases, the charter holder did not retain the proper supporting documentation for purchases made. The debits were for $6.28 and $32.33, respectively, and the non-debit purchase was for $143.16. The charter holder submitted a satisfactory CAP.

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.

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 American Basic School LLC.

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 American Basic School LLC. 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.) Additionally, American Basic School LLC failure to meet the Board's financial expectations reflects a lack of capacity to support improved performance.