Skyline Schools, Inc. - Entity ID 79084
School: Skyline Prep High School

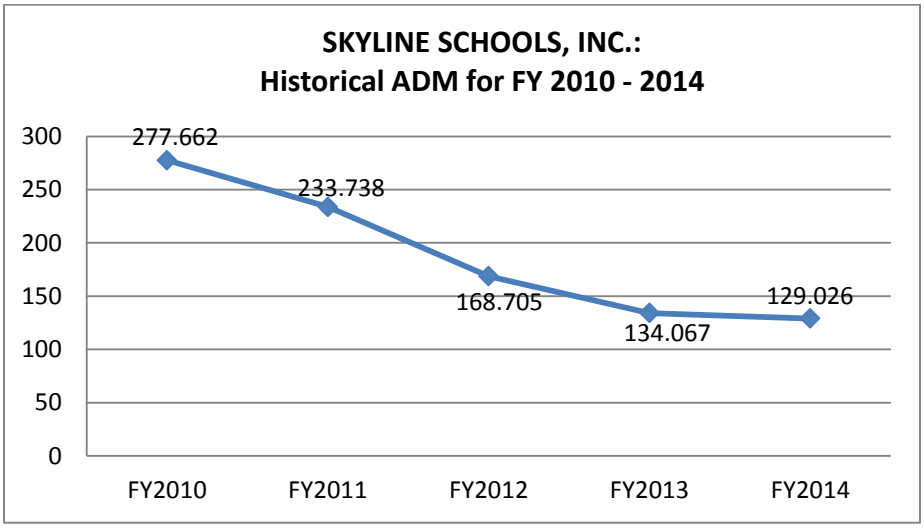
Renewal Executive Summary

Performance Summary

Skyline Schools, Inc. 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 four "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

Skyline Schools, Inc. operates one school serving grades 9-12. The graph below shows the charter holder's actual 100th day average daily membership (ADM) for fiscal years 2010-2014.



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

Academic Performance

NO PERMISSION TO EDIT

Skyline Prep High School

		2012 Small High School (9-12)			2013 Traditional High School (9 to 12)		
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1a. SGP	Math	NR	0	0	[illegible]	[illegible]	15
	Reading	46	50	30	51	75	15
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	55 / 31.5	75	10	52.8 / 53.7	50	10
	Reading	74 / 60.3	75	10	81 / 78.1	75	10
2b. Composite School Comparison	Math	[illegible]	[illegible]	7.5	3.5	75	7.5
	Reading	13.5	75	7.5	3.6	75	7.5
2c. Subgroup ELL	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
2c. Subgroup FRL	Math	37 / 30.3	75	3.75	53.1 / 45.8	75	7.5
	Reading	62 / 58	75	3.75	81.1 / 72.6	75	7.5
2c. Subgroup SPED	Math	[illegible]	[illegible]	3.75	NR	0	0
	Reading	54 / 28.8	75	3.75	NR	0	0
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
3a. State Accountability		B	75	5	[illegible]	[illegible]	5
4. Graduation		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
4a. Graduation		80	75	15	80	75	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		74.06		100	77.5		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 2012 audit. The following table includes the charter holder's financial data and financial performance for the last three audited fiscal years. Based on the fiscal year 2013 audit, the charter holder does not meet the Board's financial performance expectations.

Skyline Schools, Inc.

Financial Data				
	2013	2012	2011	
Statement of Financial Position				2010
Cash	$315,137	$233,126	$213,875	$607,602
Unrestricted Cash	$21,447	$46,331	$210,242	
Other Liquidity	-			
Total Assets	$4,872,745	$4,961,211	$5,301,942	
Total Liabilities	$5,443,732	$5,639,577	$5,478,804	
Current Portion of Long-Term Debt & Capital Leases	$152,039	$102,878	$106,406	
Net Assets	($570,987)	($678,366)	($176,862)	
Statement of Activities				
Revenue	$2,369,998	$2,381,532	$2,933,861	
Expenses	$2,262,619	$2,883,036	$3,266,786	
Net Income	$107,379	($501,504)	($332,925)	
Change in Net Assets	$107,379	($501,504)	($332,925)	
Financial Statements or Notes				
Depreciation & Amortization Expense	$154,769	$171,186	$183,591	
Interest Expense	$423,249	$431,632	$446,605	
Lease Expense	$316,383	$330,634	$501,145	

Financial Performance				
	2013	2012	2011	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Liquidity*	3.46	5.87	23.49	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Net Income	$107,379	($501,504)	($332,925)	N/A
Cash Flow	$82,011	$19,251	($393,727)	($292,465)
Fixed Charge Coverage Ratio	1.12	0.50	0.76	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 2012 audit (portfolio: d. Financial Response). Staff's evaluation of the financial performance response resulted in zero "Acceptable" and four "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 2011 audit identified an attendance record retention issue that required a corrective action plan (CAP). Specifically, the audit indicated that one of the two school sites did not retain student sign-in/sign-out logs for the 2010-2011 school year. The charter holder submitted a satisfactory CAP.

For the previous five fiscal years, the charter holder failed to timely submit the fiscal year 2009 audit.

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 Skyline Schools, 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 Skyline Schools, 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.)