Carden of Tucson, Inc. - Entity ID 78858
School: Carden of Tucson

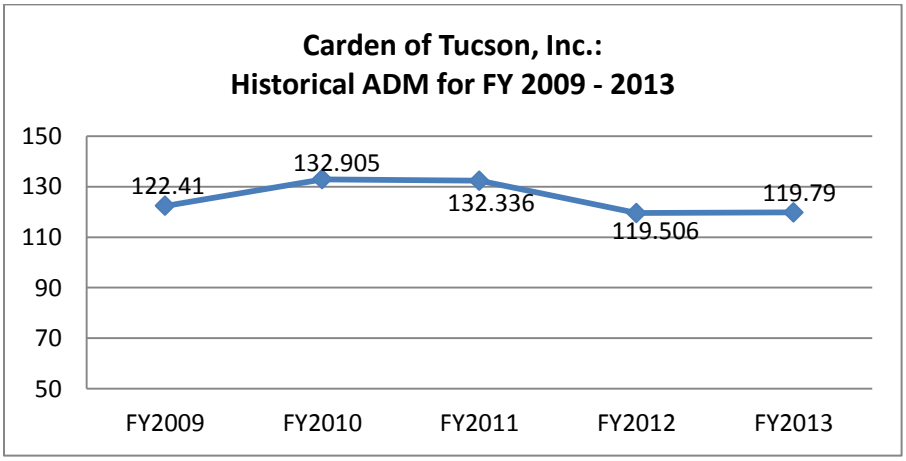
Renewal Executive Summary

Performance Summary

Carden of Tucson, 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 was required to submit the Financial Sustainability portion of the Detailed Business Plan Section of the renewal application. The charter holder's submission addressed those measures where the charter holder received a "Does Not Meet Standard" rating for fiscal year 2012. In the past five years, the charter holder did have compliance matters. The charter holder did have to complete the Organizational Membership portion of the renewal application. At the time of this report, the charter holder's organizational membership on file with the Board was consistent with the information on file with the Arizona Corporation Commission.

Profile

Carden of Tucson, Inc. 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 2009-2013.



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

Academic Performance Rating FY 2012

Charter Holder: Carden of Tucson, Inc.
Entity ID 78858

Charter School: Carden of Tucson
Entity ID 78859, Grades K-8

1. Growth

Traditional Elementary		1a. SGP		1b. SGP Bottom 25%	
School	**School Year**	**Math**	**Read**	**Math**	**Read**
Carden of Tucson	2011-2012	49	51	57	47
Points Assigned		**50**	**75**	**75**	**50**
Weight		**12.5**	**12.5**	**12.5**	**12.5**

2. Proficiency

Traditional Elementary		2a. Percent Passing		2b. Composite School Comparison		2c. Subgroup ELL		2c. Subgroup FRL		2c. Subgroup SPED	
School	**School Year**	**Math**	**Read**	**Math**	**Read**	**Math**	**Read**	**Math**	**Read**	**Math**	**Read**
Carden of Tucson	2011-2012	**76**/64	**89**/77	7	7.1	NR	NR	NR	NR	64/27	**73**/40
Points Assigned		**75**	**75**	**75**	**75**	**0**	**0**	**0**	**0**	**100**	**75**
Weight		**7.5**	**7.5**	**7.5**	**7.5**	**0**	**0**	**0**	**0**	**7.5**	**7.5**

3. State Accountability & Overall Rating

Traditional Elementary		3a. State Accountability	Overall Rating
School	**School Year**	**Grade**	
Carden of Tucson	2011-2012	75	70.625
Points Assigned		**75**	
Weight		**5**	**100**

Overall Rating	Point Range
Exceeds Standard	> or = to 89
Meets Standard	< 89, but > or = to 63
Does Not Meet Standard	< 63, but > or = to 39
Falls Far Below Standard	< 39

For additional information, see *Academic Performance Framework and Guidance*, available on the ASBCS webpage http://asbcs.az.gov

4/19/2013

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.

The overall rating for the school on the Board's academic performance measures was 70.625 including points received for the FY 2012 letter grade of B as reported by the Arizona Department of Education.

II. Viability of the Organization

The charter holder did not meet the Board's financial performance expectations because the charter holder received two or more "Does Not Meet Standard" in fiscal year 2012. The following table includes the charter holder's financial data and financial performance for the last three audited fiscal years.

Carden of Tucson, Inc.

Financial Data				
	2012	2011	2010	
Statement of Financial Position				2009
Cash	$265,642	$261,135	$264,441	$182,041
Unrestricted Cash	$265,121	$261,135	$264,441	
Total Assets	$686,172	$713,874	$749,162	
Total Liabilities	$18,496	$0	$4,809	
Current Portion of Long-Term Debt & Capital Leases	-	-	-	
Net Assets	$667,676	$713,874	$744,353	
Statement of Activities				
Revenue	$977,516	$954,393	$995,631	
Expenses	$1,023,706	$984,872	$922,913	
Net Income	($46,190)	($30,479)	$72,718	
Change in Net Assets	($46,190)	($30,479)	$72,718	
Financial Statements or Notes				
Depreciation & Amortization Expense	$23,612	$31,114	$34,330	
Interest Expense	$56	-	-	
Lease Expense	$1,925	$1,950	$1,282	

Financial Performance				
	2012	2011	2010	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Cash	94.53	96.78	104.58	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Total Liabilities to Equity Ratio	0.03	0.00	0.01	N/A
Net Income	($46,190)	($30,479)	$72,718	N/A
Cash Flow	$4,507	($3,306)	$82,400	$83,601
Fixed Charge Coverage Ratio	(10.40)	1.33	84.50	N/A

The charter holder was required to submit additional information regarding the charter holder's financial situation (presented in the charter holder's renewal portfolio: c. Financial Sustainability). The charter holder's submission addressed those measures where the charter holder received a "Does Not Meet Standard" rating in fiscal year 2012.

III. Adherence to the Terms of the Charter

A. Compliance Matters Requiring Board or Other Agency Action

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

B. Other Compliance Matters

The fiscal year 2011 audit stated that in the spring of 2011, the charter holder engaged a firm to perform a surprise audit of its books. According to the audit, this examination uncovered significant fraudulent activity by the business manager, which led to significant losses due to misappropriation over several years. The audit indicates that the business manager was referred to authorities, criminally prosecuted and pleaded guilty to felony charges in Pima County Superior Court. In March 2011, the charter holder provided the Board with a copy of the report from the "surprise" audit and information on efforts taken by the charter holder to protect its financial accounts and data and to limit the risk of similar misconduct in the future. Based on the information provided in March and because the auditor indicated corrective action had already occurred, the charter holder was not required to submit a corrective action plan.

For the previous five fiscal years, the charter holder has failed to timely submit is audit for one or more years.

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. At the time the renewal application package was submitted, the charter holder had submitted the appropriate filing to the Board for processing in order to align the organizational membership on file with the Board with 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 Carden of Tucson, 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 Carden of Tucson, 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.)