

MARGARETTA SPONSORSHIP ANNUAL REPORT

2016-2017



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Margaretta Local School District
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Margaretta Local School District would like to acknowledge the Governing Authority of Townsend Community School, Dr. Robert Smith, Dave Warner, Dora Grant, Kent Edwards and Jean Smith, along with their staff, and leadership members for their commitment and efforts. The opportunity to collaborate and learn from each member and organization is greatly appreciated.

Thank you to Margaretta Board of Education members Elmer Lippert, Kent Miller, Paul Schoenegge, Andy Warner and Brian Sutorius for your involvement, support and guidance. We would also like to thank Dennis Mock, Jude Hammond and Carrie Keller for their professional contribution of knowledge and the organizational role that you have played in the continued adventure of being a sponsor. And, we thank our colleagues, Brian DeSantis of Pepple and Waggoner Law Firm, attorney for Margaretta Local School District, and Amy Borman and Adam Schira of Dickinson Wright, attorney for Townsend Community School Governing Authority, for their dedication, selflessness, attention to detail, and your consistent availability to us as we continue with the sponsor process and developing relations.

It is a privilege and an honor to have the support of these valuable professionals. We are grateful for each one of you and what you contribute to the success of Townsend Community School.



Townsend Community School (TCS) is a conversion community high school (grades 9-12) that works in cooperation with its sponsor, Margaretta Local Schools, to provide a unique opportunity to serve students who may have difficulties in a traditional public school setting, and may benefit from an independent educational experience. In the 2016–2017 school year, Townsend Community School's student population consisted primarily of students at-risk of not graduating for a variety of reasons, including high school drop-outs, students with credit deficiencies, children with special needs, and those removed from the traditional classroom setting for disciplinary reasons. Also, the majority of the students served come from economically disadvantaged households. Townsend Community School strives to create an environment where the students are encouraged to progress toward graduation at an individualized pace, receiving ongoing one-on-one support from the staff, in the hopes of reducing the drop-out rate in the surrounding communities.

In the 2016-2017 school year, eighty-four percent (84%) of Townsend Community School's students were determined to be economically disadvantaged. Twenty-nine percent (29%) had been identified with special needs. There were four (4) limited English proficient students. The school offers services from Intervention Specialists, and licensed and highly qualified instructors, who are available for individual academic assistance. The school works to provide each student with a customized educational learning plans (ELP), including the utilization of the services provided by school psychologists, therapists and other related services.

Students choose Townsend Community School for a variety of reasons, and the school provides these students and their families educational alternatives. The school affords the students with the opportunity to work at an accelerated and individualized pace, giving them every opportunity to succeed in their academic pursuits. Each student must meet the mandatory requirements established by the State of Ohio to earn their high school diploma.

Townsend Community School's charter is statewide whereby any student residing in the State can enroll. The majority of the students served reside in Erie County and the surrounding counties. The school has and will continue to be available to students from surrounding schools to offer an educational solution that would be best served in the alternative setting that Townsend Community School provides.

The majority of the students earn credits by exhibiting demonstrated mastery in their coursework, using curriculum that is accredited by Middle States Association of Colleges and School/Commissions on Elementary and Secondary Schools (MSA-CESS). They work independently, but may seek assistance at any time from the instructional staff. Students are required to communicate with, and submit schoolwork to, the instructional staff on a regular basis to meet the attendance requirements established by the school. The students are also required to document the hours of instructional opportunities needed to complete their studies. Students may also choose other educational options to "flex out" of a specific course. Students may work with the CBI Coordinator to earn credit for documented gainful employment and/or volunteer work. Students also may earn their physical education credit through an independent study course implemented by the school's Physical Education Instructor. Townsend Community School will continue to investigate, evaluate and establish educational programs designed to best serve our unique student demographic.

The facilities for Townsend Community School consisted of a newly build 16,800 square foot two story Learning Center on Margaretta School property and an outbuilding on the high school campus converted into a classroom. When students are in attendance in one of the buildings, they must adhere to the code of conduct provided in the student handbook. Townsend Community School strives to offer its students a safe environment conducive to learning.

The 2016-2017 report card is available for Townsend Community School. Townsend Community either meets or exceeds the standards for the graduation rates set forth by ODE, as reported on the report card. Townsend Community School meets the standard passing the OGT's for the 2016-2017 school year. A copy of the 2016-2017 report card is included in this report as part of the Academic Performance review.

Townsend Community School continues to see an increase in enrollment from eight hundred and seventy-two (882) students at the start of the 2016-2017 school year to one thousand and twenty-one (1,021) total students enrolled by the end of school year. For the 2016-2017 school year, two hundred and eight (208) students graduated. The school held a graduation ceremony at the Sandusky State Theatre in Sandusky, Ohio on June 6, 2017. The guest speaker was Richard Quisenberry.

Townsend Community School does not advertise by traditional methods. The school has grown simply by referrals from area schools, parents, students, and community members. The school works to promote high standards of education for all students and encourages parent or guardian involvement.

It is the ultimate goal of the school to increase student achievement in preparation for post-secondary education or employment. Townsend Community School partners with Terra State Community College to have a college access advisor for three days a week to help students prepare for life after high school. Townsend Community School will be working with Goodwill Industries and Job and Family Services from the surrounding counties to create job opportunities and work experiences for the students of TCS.

It is the mission of Townsend Community School to be an integral part of a valuable partnership with our students, their families and the surrounding communities.



Sponsor Mission

The Margaretta Local School Board of Education understands the importance and value of having a clear sponsorship mission and strategic plan to develop, guide and advance its sponsorship of Townsend Community School.

Sponsor Mission Statement

As a sponsor, the Margaretta Local School District seeks to develop quality sponsoring practices and to sponsor innovative and high-performing community schools that provide choices to Ohio students who are seeking public education learning opportunities.

Values and Goals

1. Provide quality and proactive monitoring oversight and technical assistance to sponsored schools;
2. Conduct all sponsorship activities pursuant to Ohio law and strive to develop quality practices to further support sponsored schools in fulfilling their sponsorship contract;
3. Develop clear standards for approving new or existing charter schools to the extent that the Margaretta Local School District has capacity and personnel available to sponsor additional schools;
4. Develop clear standards for renewing existing sponsored schools and renewing schools that are consistent with Margaretta Local School District's Sponsor Mission Statement.

Five Year Sponsoring Strategic Plan

Based on the Margaretta Local School District's Sponsoring Mission and Vision, the District has identified five (5) clear priorities over the next five years (1) Quality Practices, (2) Compliance Practices, (3) Academic Performance, (4) Portfolio of Schools, and (5) Determination for Capacity to Sponsor Additional Schools. The priorities are listed numerically based on their priority level (i.e. #1 is the highest priority). Each priority contains specific measurable goals, a strategy, action steps, evidence, and time frames for achievement.

1. Establish and Maintain Quality Practices

- a. S.M.A.R.T. Goals: By 2022, the District will earn an Exemplary rating in the Quality Practices component of the Sponsor Report Card by annually increasing its Quality Practice Score by 1 point.
- b. Strategy: Continuously refine and develop the District's Quality Practices so that the District can achieve an Exemplary rating.
- c. Action Steps: (1) By December 2017, establish a Quality Practices Calendar that identifies when all "quality" practices will occur; and (2) annually until 2020, implement an improvement plan that creates S.M.A.R.T. goals for Quality Practices items in which the District did not earn an "effective" rating.
- d. Evidence: a Quality Practices Calendar created by December, 2017; Annual Quality Practices Improvement Plan; and (3) Ohio Department of Education Sponsor Rating in Quality Practices.

2. Establish and Maintain Compliance Practices

- a. S.M.A.R.T. Goals: By 2020, the District will earn an exemplary rating in the Compliance component of the Sponsor Report Card by annually increasing its Compliance score by 1 point.
- b. Strategy: Establish a comprehensive review system that enables the District to identify proactively when Townsend Community School is not complying with all laws and rules.
- c. Action Steps: (1) By December 2017, establish a Compliance review calendar that enables the District to systematically review Townsend Community School's compliance with all laws and rules; (2) by December 2017, develop and begin implementing a form for internally reviewing and determining whether Townsend Community School is complying with all laws and rules; (3) annually, until June 2020, develop corrective action plans for items determined not to be in compliance; and (4) annually, until June 2020, offer legal and policy updates to Townsend Community School to ensure compliance.
- d. Evidence: (1) Compliance Review Calendar by December 2017; (2) Annual Corrective Action Plan if necessary; (3) Annual Legal and Policy Updates; and (4) Ohio Department of Education Sponsor Rating for Compliance.

3. Maintain Strong Academic Performance of Townsend Community School

- a. S.M.A.R.T. Goals: By 2020, the District will maintain its Effective rating or improve to an Exemplary rating in the Academic Performance component of the Sponsor Report Card by maintaining existing practices.
- b. Strategy: Complete a regular review of Academic Performance and to provide resources to support Townsend Community Schools' Academic Performance.
- c. Action Steps: (1) By December 2017, develop a regular process for evaluating Academic Performance; and (2) by June 2018, address and provide support in areas of academic weakness through technical assistance and professional development.
- d. Evidence: (1) Established Process(es) for evaluating academic performance; (2) Ohio Department of Education Sponsor Rating in the Academic Performance component; (3) Offering of Professional Development opportunities and strategies to address academic performance; and (4) Documentation of Technical Assistance.

4. Maintain Existing Sponsorship of Townsend Community School

- a. S.M.A.R.T. Goals: By 2021, the District will maintain its sponsorship of Townsend Community School.
- b. Strategy: Establish a comprehensive system of sponsorship so that the Townsend Community School's performance supports the Townsend's renewal, and collaborate with Townsend to develop a productive, working relationship.
- c. Action Steps: (1) By December 2017, complete an annual review and inform the school of its prospects for renewal; (2) by June 2019, complete an annual review and inform the school of its prospects for renewal; and (3) by June 2020, complete the District's first renewal process pursuant to developed policies and procedures.
- d. Evidence: (1) a completed Annual Review for prospects for renewal; (2) Documentation of the Renewal Processes; and (3) Renewed Contract with Townsend Community School.

5. Determination of Capacity to Sponsor Additional Community Schools

- a. S.M.A.R.T. Goals: By 2020, the District will determine whether it has capacity to sponsor additional community schools.
- b. Strategy: Improve sponsor rating to enable the District to sponsor schools, and establish practices and a committee to access if the District has capacity to sponsor additional schools.
- c. Action Steps: (1) By June 2018, increase sponsor rating that the District is able to accept Community School Applications; and (2) by June 2019, establish a Board Committee to determine whether the District has capacity to increase sponsorship to more schools.
- d. Evidence: (1) Ohio Department of Education Sponsor Rating; and (2) Report from the Board Committee regarding the District's capacity to sponsor additional community schools.

Margaretta Leadership

The Margaretta Local School District, and all operations, are led by Dennis Mock (Superintendent) and Jude Hammond (Treasurer), and overseen by a school board comprising of five members:

Elmer Lippert, President
16 years of service

Kent Miller, Vice President
4 years of service

Paul Schoenegge
4 years of service

Brian Sutorius
2 year of service

Andrew Warner
2 year of service



Sponsor Leadership Team

Dennis Mock, Superintendent of Margaretta Local School District

Jude Hammond, Treasurer of Margaretta Local School District

Leroy Carroll, Buildings and Grounds Maintenance Supervisor for Margaretta Local Schools

Courtney Dresser, Transportation Supervisor for Margaretta Local Schools

Deanna Faber, EMIS Coordinator for Margaretta Local Schools

Kathy Hall/Keri Vela, School Psychologists at Margaretta Local Schools

Carrie Keller, Administrative Assistant to Superintendent of Margaretta Local Schools

Rod Smith, Middle School and High School Principal for Margaretta Local Schools

Townsend Leadership

Townsend Community School is lead by Pete Bartkowiak (Superintendent), Mary Rumpz (Chief Operations Officer) and Steve Keller (Principal) under the observance and guidance of the Townsend Governing Authority comprising of five members:

Robert Smith, PhD

Dave Warner, President

Kent Edwards





Dora Grant, Vice President

Jean Smith

Academic Performance

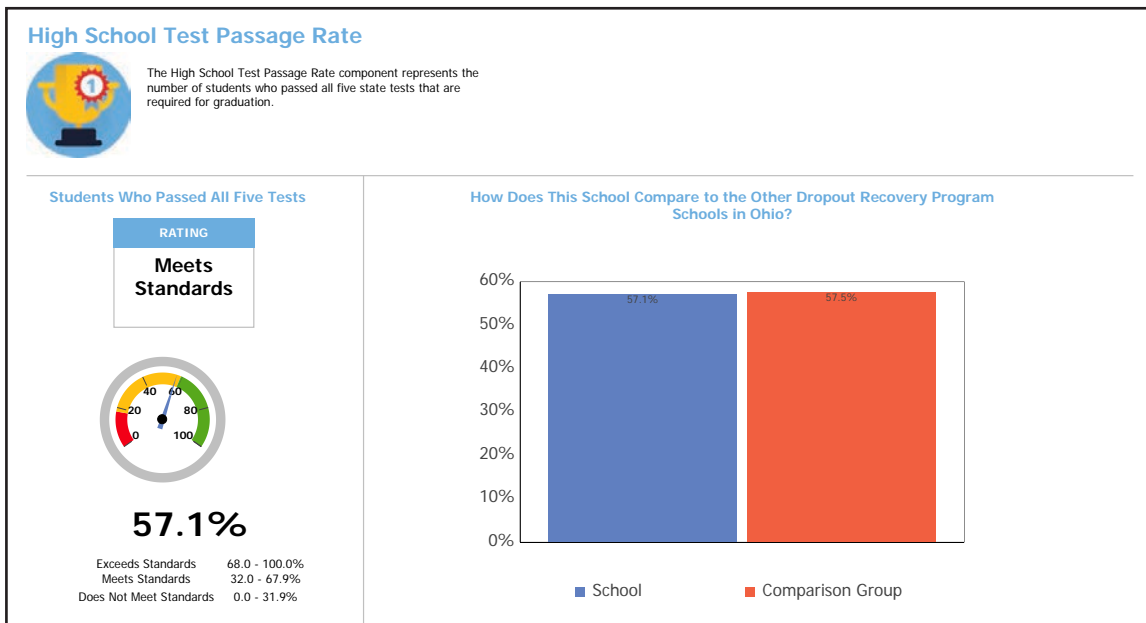
Townsend Community School's Report Card is the best indicator Margareta Local Schools can use to evaluate Townsend's Academic Performance. The image below is that of Townsend's 2016-2017 Report Card. Based upon the analysis performed by the Ohio Department of Education, Townsend's Academic results are as follows:

- Townsend Community Enrollment for 2016-2017 was 559 students
- Attendance Rate was 99.8%
- High School Test Passage Rate was 57.1% of the students who passed all five tests – Meets Standards
- Gap Closing component measurable objective rate of 68.0 – Exceeds Standards
- Progress component – Value Added Does Not Meet Standards
- Graduation Rates:
 1. 33.7% of students graduated in 4 years – Meets Standards
 2. 46.0% of students graduated in 5 years – Exceeds Standards
 3. 43.8% of students graduated in 6 years – Exceeds Standards
 4. 49.0% of students graduated in 7 years – Exceeds Standards
 5. 54.7% of students graduated in 8 years – Exceeds Standards
 6. 42.9% weighted average of all graduation rates – Exceed Standards

2016 - 2017 Report Card for Townsend North Community School					
SCHOOL RATING Meets Standards		Location: Castalia Administrator: Peter Bartkowiak <small>Directory information current as of the 2016-2017 Report Card publication date</small>	Career Technical Planning District: EHOVE JVSD CTPD	Enrollment: 559 Attendance Rate: 99.8%	
 High School Test Passage Rate The High School Test Passage Rate component represents the number of students who passed all five state tests that are required for graduation.		RATING Meets Standards	 Graduation Rate The Graduation Rate component looks at the percent of students who are successfully finishing high school with a diploma in four, five, six, seven or eight years.		
Students who Passed all Five Tests..... 57.1%			Graduation Rates 33.7% of students graduated in 4 years 46.0% of students graduated in 5 years 43.8% of students graduated in 6 years 49.0% of students graduated in 7 years 54.7% of students graduated in 8 years 42.9% is the weighted average of all graduation rates. <small>A graduation rate is not calculated if there are not at least 10 students in the graduating class.</small>		
 Gap Closing The Gap Closing component shows how well schools are meeting the performance expectations for our most vulnerable populations of students in English language arts, math and graduation.		RATING Exceeds Standards	4-YEAR RATING Meets Standards	5-YEAR RATING Exceeds Standards	6-YEAR RATING Exceeds Standards
Annual Measurable Objectives..... 68.0					
 Progress The Progress component looks closely at the growth that all students are making during the school year.		COMPONENT GRADE Does Not Meet Standards	7-YEAR RATING Exceeds Standards	8-YEAR RATING Exceeds Standards	COMBINED RATING Exceeds Standards
Value-Added Overall..... Does Not Meet Standards					

High School Test Passage Rate

The High School Test Passage Rate component represents the number of students who passed all five (5) state tests that are required for graduation. Below are two tables – the first table is from the Ohio Department of Education showing that Townsend’s High School Test Passage Rate was 57.1%, which Meets Standards established by the Department. To the right of Townsend’s results is a graph displaying how Townsend compares to similar Community Schools in Ohio. The bottom table compares the High School Test Passage Rate of Townsend to other Drop Out Recovery Schools in Northern Ohio.



2016-17 High School Test Passage Rate	Townsend Community School	Eagle Learning Center	Findlay Digital Academy	Glass City Academy	Goal Digital Academy	Life Skills Center of Elyria	Life Skills Center of Toledo	Life Skills High School at Cleveland	Promise Academy	Treca Digital Academy
Location	Castalia	Oregon	Findlay	Toledo	Mansfield	Elyria	Toledo	Cleveland	Cleveland	Marion
Enrollment	559	57	142	210	426	115	86	97	227	1,537
Attendance Rate	99.8%	92.6%	100.0%	58.0%	93.6%	49.0%	57.6%	55.8%	55.4%	84.1%
Test Passage Rate	57.1%	61.2%	78.1%	61.3%	62.6%	NR	NR	50.0%	60.6%	78.6%
Results	Meets Standards	Meets Standards	Exceeds Standards	Meets Standards	Meets Standards	Not Rated	Not Rated	Meets Standards	Meets Standards	Exceeds Standards

Source: Ohio Department of Education Report Cards for Drop Out Recovery Community Schools

Gap Closing

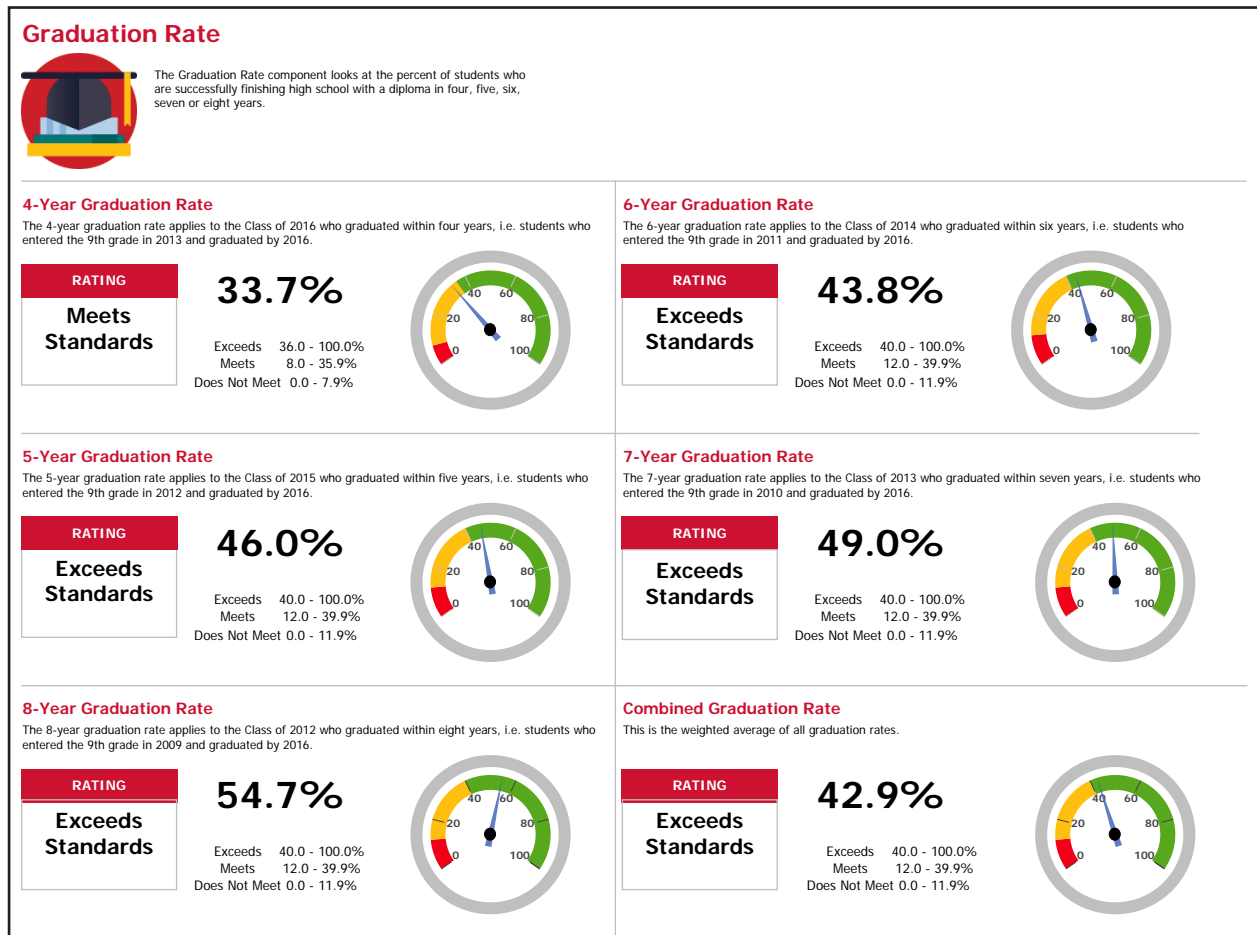
The Gap Closing component shows how well schools in Ohio are meeting the performance expectations for our most vulnerable populations in English language arts, math and graduation. This component is where Townsend improved the most year over year. In the 2016-2017 school year Townsend was rated 68.0 for meeting the measurable objectives. Last school year, Townsend was rated 5.9. Townsend rating Exceeds the Standards for the 2016-2017 school year.

Progress

The Progress component looks closely at the growth that all students are making during the school year. Often referred to as Value-Added, this measures the progress for all students in math and reading, grades 9 through 12 using the NWEA MAP test.

Graduation Rate

The Graduation Rate component looks at the percent of students who are successfully finishing high school with a diploma in four, five, six, seven or eight years. Below are two tables – the first table is from the Ohio Department of Education showing Townsend’s Graduation Rate analysis; the bottom table was generated by Townsend which compiles the Graduation Rate results of Townsend Graduation Rates and the Graduation Rates of other Drop Out Recovery Schools in Northern Ohio.



2016-17 Graduation Rates	Townsend Community School	Eagle Learning Center	Findlay Digital Academy	Glass City Academy	Goal Digital Academy	Life Skills Center of Elyria	Life Skills Center of Toledo	Life Skills High School at Cleveland	Promise Academy	Treca Digital Academy
4 Year Rate	33.7%	16.2%	73.3%	37.4%	32.8%	4.8%	5.4%	3.2%	7.9%	15.1%
5 Year Rate	46.0%	0.0%	72.7%	38.8%	43.8%	6.9%	4.5%	15.2%	17.1%	19.6%
6 Year Rate	43.8%	12.7%	66.3%	41.5%	42.8%	9.8%	9.6%	17.1%	13.1%	21.3%
7 Year Rate	49.0%	11.7%	76.0%	33.1%	38.0%	8.3%	4.9%	15.4%	15.0%	33.3%
8 Year Rate	54.7%	12.3%	61.2%	28.3%	30.9%	12.3%	13.3%	12.5%	11.6%	30.0%
Weighted Average	42.9%	10.9%	69.6%	36.1%	38.1%	8.8%	7.9%	12.9%	13.1%	24.5%

Source: Ohio Department of Education Report Cards for Drop Out Recovery Community Schools

Summary of Academic Performance

Below is a Summary Analysis of Academic Performance based upon the results of the Ohio Department of Education Report Card for the 2016-2017 School Year. Townsend has Met Standards in most of the performance indicators. Townsend Failed to Meet Standards in only one Indicator – Progress or Value Added Overall rating. Townsend has Exceeded Standards in the High School Test Passage Component, Graduation Rate for graduation within 5 years, 6 years, 7 years and 8 years, and a Combined Graduation Rating. **Overall, Margaretta rates Townsend as Meets Standards in the area of Academic Performance for the 2016-2017 school year.**

Townsend continues to make improvements in Academic Performance. The School has made significant strides in the area of Gap Closing increasing their rate from 5.9 to 68.0. The School made gains in the High School Test component increasing from 51.5% to 57.1% from the 2015-2016 school year to the 2016-2017 school year. If this trend continues, the School will be rated Exceeds Standards within two school years. Townsend improved in each of the graduation rates for the years measured and has received a Combined Rating of Exceeds Standards. The only area that the School failed to meet standards was in Value-Added for the 2016-2017 school year. Townsend is close to attaining an overall rating of Exceeds Standards which will continue to be the Goal of the School and the Sponsor.

TOWNSEND COMMUNITY SCHOOL ACADEMIC PERFORMANCE INDICATORS						
Measurement	Description	Exceed Standard	Meets Standards	Does Not Meet Standards	Results	Compliance
1. Overall Rating	Based upon the results of four assessments - Graduation, Test Passage, Gap Closing and Progress	80% of Higher of Possible Points	40% to 79% of Possible Points	Less than 40% of Possible Points	40%	Meets Standard
2. High School Test Passage Rate	Represents the number of students who passed all five state tests that are required for graduation	68% - 100% of students passed all five tests	32% - 67.9% of students passed all five tests	Below 32% of students passed all five tests	57.10%	Meets Standard
3. Gap Closing	How well schools are meeting the performance expectations for our most vulnerable populations of students in English, Language Arts, Math and Graduation	36% or higher for meeting Annual Measurement Objectives	1% to 35.9% for meeting Annual Measurement Objectives	less than 1% for meeting Annual Measurement Objectives	68.0%	Exceeds Standard
4. Progress - Value Added	The Growth in Academic Performance of all students are making during the school year.	+2 and higher of Measurement of Academic Progress Assessment	Greater than or Equal to -2 but less than +2 on MAP	Less than -2 on Measurement of Academic Progress Assessment	less than -2	Does not Meet Standard
5a. 4 Year Graduation Rate	Percentage of Students who graduated from High School in 4 years	36.0% or greater	8.0% to 35.9%	less than 8.0%	33.7%	Meets Standard
5b. 5 Year Graduation Rate	Percentage of Students who graduated from High School in 5 years	40.0% or greater	12.0% to 39.9%	less than 12.0%	46.0%	Exceeds Standard
5c. 6 Year Graduation Rate	Percentage of Students who graduated from High School in 6 years	40.0% or greater	12.0% to 39.9%	less than 12.0%	43.8%	Exceeds Standard
5d. 7 Year Graduation Rate	Percentage of Students who graduated from High School in 7 years	40.0% or greater	12.0% to 39.9%	less than 12.0%	49.0%	Exceeds Standard
5e. 8 Year Graduation Rate	Percentage of Students who graduated from High School in 8 years	40.0% or greater	12.0% to 39.9%	less than 12.0%	54.7%	Exceeds Standard
5f. Combined Rating	A composite Graduation Rate of all five categories	40.0% or greater	12.0% to 39.9%	less than 12.0%	42.9%	Exceeds Standard

Fiscal Performance

Townsend Community School fiscal performance since its origin – 2011-2012 School Year – has afforded the School the opportunity to expand services to great number of students. Townsend started in October 2011 with 27 students enrolled and a staff of three. At the conclusion of the 2016-2017 school year, Townsend had graduated over 700 students since its origin, and has nearly 1,000 students continuing to be enrolled. The blended learning model delivery system works well with the student based funding model used by the Department of Education.

Margaretta reviews monthly the financial reports with the Treasurer of Townsend Community School and reports its findings to the Townsend Community School Governing Authority at their monthly meetings. The financial review includes a review of cash statements, budgetary ledgers, check registers, revenue reports, enrollment reports, and payroll line items. The monthly reviews and associated financial reports are intended to provide internal financial controls and support for the financial position of the community school. Margaretta also participates in the annual audit performed by the Auditor of State. The financial review process includes following up with recommendations of the Auditor of State and to address any deficiencies or citations.

In 2016-2017 school year, Townsend met the standards established by the Core Financial Performance Framework (see the attached chart). In the Short-term Indicators, the True Days Cash position is within the standards established by the Sponsor with 45.65 days cash based upon a 360 day fiscal calendar. This performance measure examines the cash position of the School and their ability to cope with fluctuations in funding, expenditures, enrollment, and employment. The Enrollment Variance is within the Sponsor established acceptable range of greater than 85% and less than 150%. Townsend results were a 109.73% for this criteria for the 2016-2017 school year. This measurement is critical in the planning stages for the fiscal year to properly account for staffing needs as changes in enrollment occur during the year. The standard looks at over estimating enrollment (less than 85%) or under estimating enrollment (greater than 150%) planning ranges. This is important to ensure fiscal stability and being able to meet the needs of the students.

In the Sustainability Indicators, Townsend has met all standards. Total Margin of Operating Funds only and Total Margin measurements. This measurement evaluates Townsend on the relationship of revenue to expenses to determine if the School can sustain the educational program. Townsend has met the Cash Flow standards for the One-Year and Multi-Year analysis. This measurement evaluates the Cash position of the School. The School is continuing to add cash to an already strong fiscal position. This indicates that the School has established the capital necessary to sustain the educational program.

Overall, Margaretta rates Townsend as Meets Standards in the area of Fiscal Performance for the 2016-2017 school year.

TOWNSEND COMMUNITY SCHOOL FINANCIAL PERFORMANCE INDICATORS				
Measurement	Description	Standard	Results	Compliance
1. True Cash	Unrestricted Cash/Total Expenses-Depreciation	Townsend should maintain a True Cash position of 30 to 60 days	45.65	Meets Standard
2. Enrollment Variance	Actual State Revenue for Enrollment/Estimated State Revenue for Enrollment	Townsend should be between 85% and 150%	109.73%	Meets Standard
3a. Total Margin - Operating Only	Three Year Net Operating Income/Three Year Operating Revenues	Townsend should have a ratio > 0%	18.49%	Meets Standard
3a. Total Margin	Three Year Net Income/Three Year Revenues	Townsend should have a ratio > 0%	3.17%	Meets Standard
4a. Cash Flow - One Year	Fiscal Year 2017 Total Cash - Fiscal Year 2016 Total Cash	Townsend should have a Total Cash Flow >\$0	\$ 441,246	Meets Standard
4b. Cash Flow - Multi-Year	Fiscal Year 2017 Total Cash - Fiscal Year 2015 Total Cash	Townsend should have a Total Cash Flow >\$0	\$ 492,909	Meets Standard

Note 1: Townsend Community School will begin preparing GAAP Financial Statements beginning with Fiscal Year 2017, however, the statements are not finalized at the time of the Annual Sponsor Report. The Sponsor analysis for fiscal year 2018 will include a balance sheet analysis.

Note 2: Currently Townsend does not have any debt issued.

Note 3: The source of Measurements 1 & 2 is the year ending June 30, 2017 Cash Basis income statement and SM-2 report.

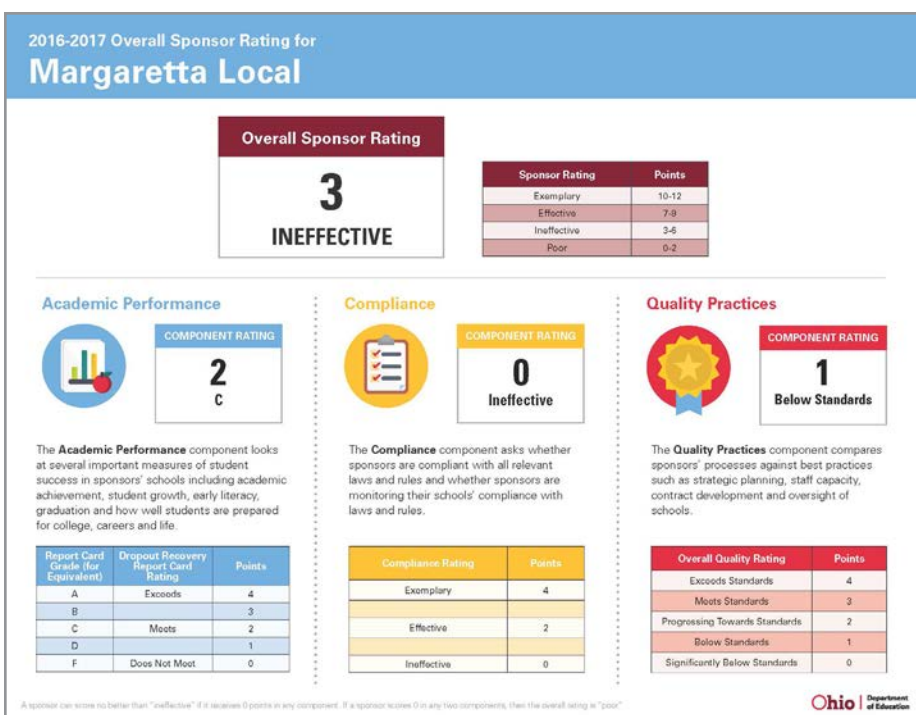
Note 4: The source of Measurements 3a, 3b, 4a and 4b is the Five Year Forecast for fiscal years 2018 through 2022.

Note 5: At the preparation of this analysis, Townsend's Fiscal Year 2017 had not been audited.

Legal Compliance

Townsend Community School contracts with Dickinson & Wright for legal support. Margaretta Local Schools contracts with Pepple and Waggoner for legal support. In February 2016, the provisions of House Bill 2 became law. The resulting statutory requirements of the Sponsor review inspired the Department of Education to establish filing requirements for the Community Sponsors in Ohio. In March 2017, the provisions of Senate Bill 2 became law which created and amended statutes that govern the roles of the State, the Sponsors and the associated Community Schools in Ohio. These two pieces of legislation greatly impacted the process of being a Sponsor of Community Schools. Margaretta and Townsend Community School has made significant changes to meet the new compliance standards that have come out of the statutory provisions of House Bill 2 and Senate Bill 2.

In April 2017, Margaretta Local Schools Board of Education and the Townsend Community School Governing Authority did execute an amended agreement which included changes which came out of the Senate Bill 2 legislation. Margaretta was rated ineffective from the 2015-2016 Sponsor Evaluation Report Card, because of the poor rating that we received in the Quality Practices component. As a result, in the 2016-2017 school year, Margaretta implemented a Quality Practices Improvement Plan. The process of improving the role of the Sponsor has led Margaretta's leadership to become much more involved in the role as Sponsor for Townsend. Margaretta has complied with all the steps spelled out in the Improvement Plan.



In the 2015-2016 Sponsor Evaluation Report Card, Margaretta received an *Exemplary* rating for Compliance with the laws and rules that govern the role as sponsor. However, on the 2016-2017 Sponsor Evaluation Report Card above, Margaretta received a rating of *ineffective* in the same category.

Upon reviewing the results compiled by the Department of Education, the reason for our ineffective rating was that the Sponsor did not complete the rubric spreadsheet completely. The Department sighted seven (7) non-compliance components. Each of the non-compliance results were items that the spreadsheet was not completed. Upon reviewing the seven items, Margaretta believes that it was non-compliant in only one component – the submission of a Special Education Expenditure report by November 1, 2016 for the 2015-2016 School Year. Margaretta and Townsend are compliant with the other six components. Page 16 has a chart identifying the seven non-compliant components, including in the comments section giving Margaretta's response to the non-compliance items.

Overall, Margaretta rates Townsend as *Meets Standards* in the area of Legal Compliance for the 2016-2017 school year.

COMPLIANCE COMPONENT RESPONSE FOR THE 2016-2017 SCHOOL YEAR						
Item Number	Compliance Component Question 1	Answer to Question 1	Compliance Component Question 2	Answer to Question 2	Corrective Action Plan	Comment
S-101	Did you sponsor any schools that provided special education and related services during the 2015-16 school year?	Yes	If yes, did you submit the special education and related services and expenditures report to the Department of Education by November 1, 2016?	No	Townsend did comply with this reporting requirement for the 2016-17 School Year prior to November 1, 2017	Although the statute requiring this was effective since 2005, the Department of Education did not address this issue with the Sponsor or the School until the 2015-16 School Year concluded, the Sponsor did not comply with this statute for the 2015-16 school year as prescribed
S-602	Did you propose to open a community school in an alliance municipal school district?	No	If yes, did you obtain the Department's approval?	N/A	N/A	The Sponsor was rated as "ineffective" by the Department in the 2016-17 school year and was prohibited from sponsoring any new community schools.
S-604	Did you open an internet or computer based community school during the current school year?	No	If yes, did you obtain the Department's approval?	N/A	N/A	The Sponsor was rated as "ineffective" by the Department in the 2016-17 school year and was prohibited from sponsoring any new community schools.
S-606	Did you receive an overall rating of "ineffective" (on the preceeding year's sponsor evaluation)?	Yes	If yes, did you submit a quality improvement plan that was rated as sufficient by the Department?	Yes	N/A	We did not respond to this question and we were rated as non-compliant for this component, although the Department has deemed the quality improvement plan as sufficient and the Sponsor has complied with the action steps within the plan during the 2016-17 school year.
S-610	Did you non-renew or terminate any contracts during the current school year?	No	If yes, did you give notice by January 15, 2017 AND did the notice specify the reasons for the proposed action in detail as well as providing the effective date of the termination or non-renewal?	N/A	N/A	We did not respond to this question and we were rated as non-compliant for this component, although we did not terminate or non-renew are one and only community school that we sponsor.
S-611	Did you complete and provide the Department with a copy of opening assurance for all your schools?	Yes	If yes, were all required assurances submitted prior to the statutory deadline?	Yes	N/A	We did not respond to this question and we were rated as non-compliant for this component, however, we did complete the assurance report and it was uploaded into the Department's data collection system within compliance of the deadline's established.
S-614	Did you conduct site visits of your school as necessary or at least twice annually to monitor their compliance with reporting requirements, as outlined in OAC 3310-102-05?	Yes			N/A	We were determined to be Non-compliant for this component only because we did not answer the question on the spreadsheet. In fact, the Sponsor did perform site visits during the school year and documented all the actions and observations that occurred during the site visits.

Note: Margaretta Schools was determined to be Ineffective in the Compliance Component on the Sponsor Evaluation Report Card for the 2016-17. The determination for being ineffective had to do with the reporting process and the failure of the Sponsor to complete all the questions on a spreadsheet that was due on June 30, 2017. If the Sponsor was evaluated on whether they are in compliance with all relevant laws and rules and whether the Sponsor was monitoring their school's compliance with the laws and rules, Margaretta would

Organization and Operation

Townsend Community School was opened under the Sponsorship of Margaretta Local School District on October 3, 2011. Townsend Community School's Governing Authority is comprised of five members, David Warner, President, Dora Grant, Vice-President, Robert Smith, PhD, Kent Edwards and Jean Smith. The Governing Authority has employed Pete Bartkowiak as Superintendent of Public Instruction and John "Jack" Coffman as Treasurer. On August 1, 2017, Mike Limberios replaced Jack Coffman as Treasurer.

Townsend Community School operates a Drop Out/Credit Recovery Community School designed to serve students in grade levels 9 through 12 to attain a Tier I High School Diploma. Townsend uses a "blended learning" model to deliver the educational programs. They use the American School curriculum and assign a teacher of record for each student based upon the subject area of the curriculum. Townsend assigns subject matter for a student based upon the student's capacity to earn credits. Often they limit the student to one course at a time. The student is provided the curriculum and assigned the task of independently completing tests for each subject. The student will have the opportunity to discuss with a teacher of record and meet with the assigned teacher to assist the student in comprehension of the material. The student is to complete and pass the tests of the subject matter. If the student passes an end of course exam, it is determined that the student has demonstrated mastery of the subject and achieves a course credit toward the goal of graduation. Students are bound by the Department of Education rules for testing and accountability of instruction time. Instruction time is monitored by requiring the student to log their learning time. Logs are submitted to the teacher of record to confirm the attendance. Statewide testing is administered by the School and offered in their facilities or at locations established by the School.

Townsend has relationships with communities to provide for areas for learning. Most commonly used area is a local library. Teachers meet with their students at arranged times made available by the community facilities. Townsend leases space at the Margaretta High School for staffing and to foster meetings with students on the High School campus. Townsend opened a new 28,000 square foot Student Learning Center in the 2015-2016 school year including an addition that opened in April 2016. The Learning Center houses most of the Townsend staff, Governing Authority Board Room, Computer Lab, Science Labs, and Open Learning areas. Townsend offers a meal and refreshments who attend the Learning Center. The new facility is the focus of the alternative learning system that has been created for their students.

Townsend has enrolled in excess of 1,700 students during the 2016-2017 school year. The students resided in one hundred one (101) various school districts across Ohio. The top ten school districts whereby Townsend students resided when they enrolled are as follows:

1. Sandusky City.....189 students (12.0%)
2. Fremont City.....158 students (10.0%)
3. Mansfield City.....144 students (9.1%)
4. Norwalk City.....116 students (7.4%)
5. Willard City.....86 students (5.5%)
6. Margaretta Local.....62 students (3.9%)
7. Clyde-Green Springs EV.....60 students (3.8%)
8. Bucyrus City.....49 students (3.1%)
9. Madison Local.....47 students (3.0%)
10. Circleville City.....42 students (2.7%)



In accordance with the Community School Contract Section C. Sponsor Obligations include eleven (11) itemized responsibilities including:

1. Monitoring the school's compliance with applicable law and the terms of the contract;
2. Monitoring and evaluating the academic and fiscal performance and the organization and operation of the school;
3. Reporting annually the results of its evaluation to the Department of Education and to parents of the students enrolled in the school;
4. Providing technical assistance to the school in complying with applicable laws and the contract;
5. Intervening as the Sponsor deems necessary in the school's operation to correct problems with overall performance;
6. Review the financial and enrollment records of the School at least once per month with the governing authority or the fiscal officer, and provide a written report regarding the review within ten days after the review;
7. Preparing and assisting with contingency plans in the event the school is experiences financial difficulties or closes before the end of the school year;
8. Completing Opening Assurances in accordance with the law;
9. Notifying the School in a timely manner about third party complaints involving the School;
10. Offer other activities as determined by the Sponsor, specifically designed to benefit the School; and
11. Report on the amounts and types of expenditures made to provide monitoring, oversight and technical assistance to the School, pursuant to the requirements in RC 3314.025.

Margaretta has demonstrated to meet the contractual responsibilities of the Sponsor role by the following means:

- Conducts on-going walk through of the facilities, meeting and interviewing students, faculty and staff;
- Meets periodically and discuss the changes in statute with Margaretta's legal counsel Pepple and Waggoner, as well as Townsend's legal counsel Dickinson and Wright;
- Prepares and reviews on a monthly basis attendance information and fiscal performance with the Superintendents, Governing Authority, Margaretta Board of Education, and Treasurers;
- Provides support for the facilities, clerical support, transportation services, and food services storage and distribution processes;
- Reports any complaints, although there have not been many, involving the Townsend;
- Townsend Superintendent participates in periodic management meetings with Margaretta leadership;
- Joint meetings with the Superintendents, Treasurers, other Administrators, Governing Authority members and Margaretta Board members to discuss facilities and other strategic decisions that involve Townsend and Margaretta;
- Margaretta's Local Professional Development Committee assist Townsend's certified employees obtain re-certification, recommend and review professional development plans; and
- Margaretta leadership attends professional conferences on Community Schools to obtain a better understanding of the community school movement.

During the 2016-2017 School Year, Margaretta implemented a Quality Practices Improvement Plan as a requirement of being evaluated as "ineffective" as a Sponsor resulting from an independent review of the standards established by the Ohio Department of Education. The Quality Improvement plan was approved in February 2017 and Margaretta adhered to the plan details. It is the goal of Margaretta to become an Exemplary Sponsor.

Margaretta receives from Townsend agendas, meeting minutes, financial information, enrollment information and reports indicating the number of students enrolled who are defined as being "economically disadvantaged" and those who have been identified as having a learning disability. Townsend Governing Authority invited the Margaretta Local School Board of Education members to attend a professional development opportunity to discuss the "Sunshine Law and Public Records" in January 2017. All of the Governing Authority Board members and School Board members attended the meeting. In April 2017, the Margaretta Local School Board and the Townsend Community School Governing Authority did amend the community school contract which governs the relationship between the sponsor and community school. Each board received legal counsel to make sure that the amended contract met with the State laws and rules.

Overall, Margaretta rates Townsend as *Meets Standards* in the area of Organization and Operation Governance for the 2016-2017 school year.



Townsend Community School's main campus opened in 2011 and is located in the charming, rural community of Castalia, Ohio. It is sponsored by the Margaretta Local School District and affiliated with several communities and school districts throughout the state of Ohio. Townsend Community School prides itself on the balanced relationships that are shared with the diverse population of students that are serviced, the staff whom are employed, and the communities in which we work, visit and call home.

Townsend North Community School

209 Lowell Street
Castalia, OH 44824
IRN: 012867
www.townsendcs.org

Townsend Community School enrolls students from 101 different school districts across the state of Ohio and services grades 9-12. Currently, the enrollment stands at 991 students.

Mission: Townsend Community School is a conversion community school that provides a high quality education to its students and contributes significantly to Ohio's effort to provide quality education options to at-risk children through vigorous, creative community-school programs that prepares students for the 21st century.

