

**Arizona State Board for Charter Schools
Finance Subcommittee
May 10, 2012
1616 West Adams Street
Phoenix, Arizona 85007
Suite 170**

SUMMARY – SUBCOMMITTEE ACTIONS

Members Present-

Norm Butler, Committee Chair
Mark Anderson
Todd Juhl

All Subcommittee members were present.

FY12 Questionnaires and Attestation Standards

A unanimous Subcommittee:

1. Recommended to the full Board requiring that the Legal Compliance Questionnaire, USFRCS Compliance Questionnaire and Procurement Questionnaire each be completed in accordance with attestation standards established by the American Institute of Certified Public Accountants.
2. Directed staff to make the revisions necessary to incorporate this requirement into the fiscal year 2012 audit documents that will be presented to the full Board at its June 11th meeting.

Financial Framework

A unanimous Subcommittee:

1. Adopted the indicators and thresholds included in the ["discussion document"](#) with the following revisions:
 - a. For indicator "2b. Net Income", determined that negative net income or net income of zero would be viewed as "Does Not Meet Standard" instead of "Falls Far Below Standard".
 - b. Changed the name for indicator 2d from "Debt Service Coverage Ratio" to "Fixed Charge Coverage Ratio".
2. Determined that for renewal and five-year interval review purposes, one or more "Falls Far Below Standard" and/or two or more "Does Not Meet Standard" would require that a charter holder be given the opportunity to provide additional information regarding its financial operations.
3. Tabled discussion on the conditions related to expansion requests that would require a charter holder be given the opportunity to provide additional information regarding its financial operations.
4. Directed staff to make the revisions necessary to the fiscal year 2012 audit documents to obtain the year-end Classroom Site Fund cash carryover balance and, to the extent supported by legal counsel, the Fixed Charge Coverage Ratio.