



Checklist: Charter Assigned First “Intervention” Rating (FY2021 Audit)

Use this checklist if your charter has been assigned an “Intervention” rating for the first time based on the FY2021 audit and, therefore, is required to submit an Initial Financial Response and quarterly reports. This checklist IS NOT applicable to charters assigned “Good Standing” or “Adequate Standing” summative financial performance ratings. Charters identified as “On Probation” should use the checklist corresponding to their assigned Probation Risk Level.

INITIAL FINANCIAL RESPONSE COMPONENTS

ITEMS “1.” THRU “4.” SHOULD BE SUBMITTED TO THE BOARD AS PDF DOCUMENTS, EXCEPT FOR THE MEASURE CALCULATOR INCLUDED AS PART OF “4.”, WHICH MUST BE SUBMITTED IN ITS ORIGINAL EXCEL FORMAT.	
<input type="checkbox"/>	1. AGENDA AND MINUTES FROM THE MEETING WHERE THE FOLLOWING ITEMS WERE PRESENTED TO AND CONSIDERED BY THE CHARTER HOLDER BOARD. DRAFT MINUTES WILL BE ACCEPTED. <ul style="list-style-type: none"> ▪ AUDIT LETTER SENT BY THE BOARD NOTIFYING THE CHARTER HOLDER OF ITS INTERVENTION STATUS; AND ▪ BOARD’S PROBATION RISK LEVELS AND ASSOCIATED CONSEQUENCES IDENTIFIED IN ARIZONA ADMINISTRATIVE CODE (A.A.C.) R7-5-402(H)-(K).
<input type="checkbox"/>	2. SUMMARY OF THE FACTORS THAT CAUSED OR CONTRIBUTED TO THE CHARTER HOLDER’S FY2021 FINANCIAL PERFORMANCE.
<input type="checkbox"/>	3. SUMMARY OF THE SPECIFIC ACTIONS TAKEN OR BEING TAKEN TO IMPROVE THE CHARTER HOLDER’S FINANCIAL PERFORMANCE IN FY2022.
<input type="checkbox"/>	4. QUARTERLY FINANCIAL REPORT FOR EACH QUARTER IN FY2022 IDENTIFIED IN THE AUDIT LETTER SENT BY THE BOARD. SEE BELOW FOR THE SPECIFIC INFORMATION THAT MUST BE INCLUDED IN EACH REPORT.
SOURCE: UNLESS OTHERWISE NOTED, A.A.C. R7-5-101, “INITIAL FINANCIAL RESPONSE” DEFINITION	

QUARTERLY FINANCIAL REPORT COMPONENTS

QUARTER ENDING 9/30/2021	QUARTER ENDING 12/31/2021	QUARTER ENDING 3/31/2022	QUARTER ENDING 6/30/2022
<input type="checkbox"/> 1. UNAUDITED BALANCE SHEET [STATEMENT OF FINANCIAL POSITION] THAT IDENTIFIES: <ul style="list-style-type: none"> ▪ CHARTER HOLDER’S YEAR-TO-DATE (YTD) RESULTS AT 9/30/2021; AND ▪ CHARTER HOLDER’S UNRESTRICTED AND RESTRICTED CASH BALANCES AT 9/30/2021.¹ 	<input type="checkbox"/> 1. UNAUDITED BALANCE SHEET [STATEMENT OF FINANCIAL POSITION] THAT IDENTIFIES: <ul style="list-style-type: none"> ▪ CHARTER HOLDER’S YTD RESULTS AT 12/31/2021; AND ▪ CHARTER HOLDER’S UNRESTRICTED AND RESTRICTED CASH BALANCES AT 12/31/2021.¹ 	<input type="checkbox"/> 1. UNAUDITED BALANCE SHEET [STATEMENT OF FINANCIAL POSITION] THAT IDENTIFIES: <ul style="list-style-type: none"> ▪ CHARTER HOLDER’S YTD RESULTS AT 3/31/2022; AND ▪ CHARTER HOLDER’S UNRESTRICTED AND RESTRICTED CASH BALANCES AT 3/31/2022.¹ 	<input type="checkbox"/> 1. UNAUDITED BALANCE SHEET [STATEMENT OF FINANCIAL POSITION] THAT IDENTIFIES: <ul style="list-style-type: none"> ▪ CHARTER HOLDER’S YTD RESULTS AT 6/30/2022; AND ▪ CHARTER HOLDER’S UNRESTRICTED AND RESTRICTED CASH BALANCES AT 6/30/2022.¹

¹ Minimally, the charter holder’s restricted cash balance must include the charter holder’s unspent Classroom Site Fund monies from FY2022 and, if applicable, prior fiscal years.

QUARTER ENDING 9/30/2021	QUARTER ENDING 12/31/2021	QUARTER ENDING 3/31/2022	QUARTER ENDING 6/30/2022
<input type="checkbox"/> 2. UNAUDITED INCOME STATEMENT [STATEMENT OF ACTIVITIES] THAT IDENTIFIES CHARTER HOLDER’S RESULTS FOR THE PERIOD OF 7/1/2021 THRU 9/30/2021 .	<input type="checkbox"/> 2. UNAUDITED INCOME STATEMENT [STATEMENT OF ACTIVITIES] THAT IDENTIFIES CHARTER HOLDER’S RESULTS FOR THE PERIOD OF 7/1/2021 THRU 12/31/2021 .	<input type="checkbox"/> 2. UNAUDITED INCOME STATEMENT [STATEMENT OF ACTIVITIES] THAT IDENTIFIES CHARTER HOLDER’S RESULTS FOR THE PERIOD OF 7/1/2021 THRU 3/31/2022 .	<input type="checkbox"/> 2. UNAUDITED INCOME STATEMENT [STATEMENT OF ACTIVITIES] THAT IDENTIFIES CHARTER HOLDER’S RESULTS FOR THE PERIOD OF 7/1/2021 THRU 6/30/2022 .
<input type="checkbox"/> 3. CHARTER HOLDER’S REVENUE AND EXPENSE BUDGET THAT COMPARES YTD ACTUAL RESULTS FOR 7/1/2021 THRU 9/30/2021 <u>AND</u> , FOR EACH LINE ITEM, IDENTIFIES PERCENTAGE OF CHARTER HOLDER’S ANNUAL BUDGET [FULL 12 MONTHS] REPRESENTED BY THE ACTUAL RESULTS [3 MONTHS] .	<input type="checkbox"/> 3. CHARTER HOLDER’S REVENUE AND EXPENSE BUDGET THAT COMPARES YTD ACTUAL RESULTS FOR 7/1/2021 THRU 12/31/2021 <u>AND</u> , FOR EACH LINE ITEM, IDENTIFIES PERCENTAGE OF CHARTER HOLDER’S ANNUAL BUDGET [FULL 12 MONTHS] REPRESENTED BY THE ACTUAL RESULTS [6 MONTHS] .	<input type="checkbox"/> 3. CHARTER HOLDER’S REVENUE AND EXPENSE BUDGET THAT COMPARES YTD ACTUAL RESULTS FOR 7/1/2021 THRU 3/31/2022 <u>AND</u> , FOR EACH LINE ITEM, IDENTIFIES PERCENTAGE OF CHARTER HOLDER’S ANNUAL BUDGET [FULL 12 MONTHS] REPRESENTED BY THE ACTUAL RESULTS [9 MONTHS] .	<input type="checkbox"/> 3. CHARTER HOLDER’S REVENUE AND EXPENSE BUDGET THAT COMPARES YTD ACTUAL RESULTS FOR 7/1/2021 THRU 6/30/2022 <u>AND</u> , FOR EACH LINE ITEM, IDENTIFIES PERCENTAGE OF CHARTER HOLDER’S ANNUAL BUDGET [FULL 12 MONTHS] REPRESENTED BY THE ACTUAL RESULTS [12 MONTHS] .
<input type="checkbox"/> 4. FY2022 MEASURE CALCULATOR IDENTIFYING CHARTER HOLDER’S PERFORMANCE ON THE DEFAULT, UNRESTRICTED DAYS LIQUIDITY (UDL), ADJUSTED NET INCOME (ANI) AND AVERAGE DAILY MEMBERSHIP (ADM) MEASURES AS OF 9/30/2021. THE CHARTER HOLDER MUST ACCESS THE APPLICABLE CALCULATOR TEMPLATE FROM THE BOARD’S WEBSITE . ALL DOLLAR AMOUNTS ENTERED IN THE MEASURE CALCULATOR MUST BE SUPPORTED.	<input type="checkbox"/> 4. FY2022 MEASURE CALCULATOR IDENTIFYING CHARTER HOLDER’S PERFORMANCE ON THE DEFAULT, UDL, ANI AND ADM MEASURES AS OF 12/31/2021. <u>DECEMBER QUARTER RESULTS WILL BE ADDED TO THE CALCULATOR WITH THE SEPTEMBER QUARTER RESULTS.</u> ALL DOLLAR AMOUNTS ENTERED IN THE MEASURE CALCULATOR MUST BE SUPPORTED.	<input type="checkbox"/> 4. FY2022 MEASURE CALCULATOR IDENTIFYING CHARTER HOLDER’S PERFORMANCE ON THE DEFAULT, UDL, ANI AND ADM MEASURES AS OF 3/31/2022. <u>MARCH QUARTER RESULTS WILL BE ADDED TO THE “MEASURE CALCULATOR-BOARD REVIEWED” AVAILABLE FOR DOWNLOAD FROM THE CHARTER HOLDER’S FINANCIAL DASHBOARD AFTER BOARD STAFF REVIEWS THE INITIAL FINANCIAL RESPONSE.</u> ALL DOLLAR AMOUNTS ENTERED IN THE MEASURE CALCULATOR MUST BE SUPPORTED.	<input type="checkbox"/> 4. FY2022 MEASURE CALCULATOR IDENTIFYING CHARTER HOLDER’S PERFORMANCE ON THE GOING CONCERN, DEFAULT, UDL, ANI, ADM AND LEASE ADJUSTED DEBT SERVICE COVERAGE RATIO (LADSCR) MEASURES AS OF 6/30/2022. <u>JUNE QUARTER RESULTS WILL BE ADDED TO THE “MEASURE CALCULATOR-BOARD REVIEWED” AVAILABLE FOR DOWNLOAD FROM THE CHARTER HOLDER’S FINANCIAL DASHBOARD AFTER BOARD STAFF REVIEWS THE MARCH REPORT.</u> ALL DOLLAR AMOUNTS ENTERED IN THE MEASURE CALCULATOR MUST BE SUPPORTED.
<u>ADDITIONAL INFORMATION</u> <ul style="list-style-type: none"> ▪ THE MEASURE CALCULATOR MUST BE SUBMITTED TO THE BOARD AS AN EXCEL DOCUMENT AND NOT A PDF. ▪ FOR EACH QUARTERLY REPORT SUBMITTED TO THE BOARD, THE CHARTER HOLDER MAY PROVIDE SEPARATE DOCUMENTS TO ADDRESS “2.” AND “3.” OR THE CHARTER HOLDER MAY PROVIDE ONE DOCUMENT THAT ENCOMPASSES THE INFORMATION REQUESTED UNDER BOTH ITEMS. ▪ INFORMATION CONTAINED IN “4.” IS SPECIFIC TO CHARTER HOLDERS THAT SUBMIT THEIR FY2021 AUDITS PRIOR TO JANUARY 1, 2022. FOR AUDITS SUBMITTED AFTER JANUARY 1, 2022, THE CHARTER HOLDER’S INITIAL FINANCIAL RESPONSE MAY INCLUDE THREE OR FOUR QUARTERLY REPORTS, DEPENDING ON WHEN THE AUDIT IS RECEIVED BY THE BOARD. ▪ A.A.C. R7-5-509(A) REQUIRES AN INTERVENTION CHARTER HOLDER TO SUBMIT QUARTERLY REPORTS TO THE BOARD UNTIL THE BOARD RECEIVES THE CHARTER HOLDER’S FY2022 AUDIT. IF THE CHARTER HOLDER’S FY2022 AUDIT IS NOT RECEIVED BY OCTOBER 30, 2022, THE CHARTER HOLDER MUST SUBMIT A REPORT FOR THE QUARTER ENDING 9/30/2022. WHILE THE DATES WOULD BE A YEAR LATER, THE SUBMISSION REQUIREMENTS WOULD BE THE SAME AS THE REPORT SUBMITTED FOR THE QUARTER ENDING 9/30/2021, EXCEPT THE 9/30/2022 RESULTS WOULD BE ADDED TO THE CALCULATOR DOWNLOADED AFTER BOARD STAFF REVIEWS THE 6/30/2022 REPORT. 			<input type="checkbox"/> IF NOT SPECIFICALLY IDENTIFIED ON “2.”, ACCOUNTING SYSTEM REPORTS OR LEASE AND DEBT SCHEDULES IDENTIFYING, AS APPLICABLE, THE FACILITY LEASE EXPENSE AND INTEREST EXPENSE PAID IN FY2022 AND USED BY THE CHARTER HOLDER IN THE LADSCR CALCULATION. <input type="checkbox"/> ACCOUNTING SYSTEM REPORTS OR DEBT SCHEDULES IDENTIFYING, AS APPLICABLE, THE BOND, LOAN AND CAPITAL LEASE PRINCIPAL PAID IN FY2022 AND USED BY THE CHARTER HOLDER IN THE LADSCR CALCULATION. THE AMOUNT WOULD INCLUDE PRINCIPAL PAID ON FACILITY AND NON-FACILITY DEBT.
<small>SOURCE: UNLESS OTHERWISE NOTED, A.A.C. R7-5-101, “QUARTERLY FINANCIAL REPORT” DEFINITION</small>			<small>SOURCE: A.A.C. R7-5-101, “JUNE 30 QUARTERLY FINANCIAL REPORT” DEFINITION</small>