



Checklist: Level Three “On Probation” Charter (FY2021 Audit)

Use this checklist if your charter has been identified as “On Probation” under Arizona Administrative Code (A.A.C.) R7-5-402(G) based on the FY2021 audit **and** assigned to **Probation Risk Level Three** under A.A.C. R7-5-402(K). This checklist IS NOT applicable to charters assigned “Good Standing” or “Adequate Standing” summative financial performance ratings. “On Probation” charters assigned to Probation Risk Level One or Two or charters assigned their first “Intervention” rating based on the FY2021 audit should use the corresponding checklist.

QUARTERLY FINANCIAL REPORT COMPONENTS

QUARTER ENDING 12/31/2021	QUARTER ENDING 3/31/2022	QUARTER ENDING 6/30/2022	QUARTER ENDING 9/30/2022
<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 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 	<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 9/30/2022; AND ▪ CHARTER HOLDER’S UNRESTRICTED AND RESTRICTED CASH BALANCES AT 9/30/2022.¹
<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"/> 2. UNAUDITED INCOME STATEMENT [STATEMENT OF ACTIVITIES] THAT IDENTIFIES CHARTER HOLDER’S RESULTS FOR THE PERIOD OF 7/1/2022 THRU 9/30/2022 .
<input type="checkbox"/> 3. CHARTER HOLDER’S REVENUE AND EXPENSE BUDGET THAT COMPARES YTD ACTUAL RESULTS FOR 7/1/2021 THRU 12/31/2021 AND , 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 AND , 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 AND , 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"/> 3. CHARTER HOLDER’S REVENUE AND EXPENSE BUDGET THAT COMPARES YTD ACTUAL RESULTS FOR 7/1/2022 THRU 9/30/2022 AND , 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"/> 4. FY2022 MEASURE CALCULATOR IDENTIFYING CHARTER HOLDER’S PERFORMANCE ON THE DEFAULT, UNRESTRICTED DAYS LIQUIDITY (UDL), ADJUSTED	<input type="checkbox"/> 4. FY2022 MEASURE CALCULATOR IDENTIFYING CHARTER HOLDER’S PERFORMANCE ON THE DEFAULT, UDL, ANI AND ADM MEASURES AS OF	<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	<input type="checkbox"/> 4. FY2022 MEASURE CALCULATOR IDENTIFYING CHARTER HOLDER’S PERFORMANCE ON THE DEFAULT, UDL, ANI, AND ADM MEASURES AS OF 9/30/2022.

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 12/31/2021	QUARTER ENDING 3/31/2022	QUARTER ENDING 6/30/2022	QUARTER ENDING 9/30/2022
<p>NET INCOME (ANI) AND AVERAGE DAILY MEMBERSHIP (ADM) MEASURES AS OF 12/31/2021. <u>DECEMBER QUARTER RESULTS WILL BE ADDED TO THE “MEASURE CALCULATOR-BOARD REVIEWED” AVAILABLE FOR DOWNLOAD FROM THE CHARTER HOLDER’S FINANCIAL DASHBOARD.</u></p> <p>ALL DOLLAR AMOUNTS ENTERED IN THE MEASURE CALCULATOR MUST BE SUPPORTED.</p>	<p>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 DECEMBER REPORT.</u></p> <p>ALL DOLLAR AMOUNTS ENTERED IN THE MEASURE CALCULATOR MUST BE SUPPORTED.</p>	<p>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></p> <p>ALL DOLLAR AMOUNTS ENTERED IN THE MEASURE CALCULATOR MUST BE SUPPORTED.</p>	<p><u>SEPTEMBER 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 6/30/2022 REPORT.</u></p> <p>ALL DOLLAR AMOUNTS ENTERED IN THE MEASURE CALCULATOR MUST BE SUPPORTED.</p>
<p>ADDITIONAL INFORMATION</p> <ul style="list-style-type: none"> ▪ THE QUARTERLY REPORT COMPONENTS SHOULD BE SUBMITTED TO THE BOARD AS PDF DOCUMENTS, EXCEPT FOR THE MEASURE CALCULATOR, WHICH MUST BE SUBMITTED TO THE BOARD AS AN EXCEL DOCUMENT. ▪ 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 SUBMITTED THE 9/30/2021 REPORT AS PART OF THE FY2020 AUDIT INTERVENTION PROCESS. IF YOUR CHARTER DID NOT PREVIOUSLY SUBMIT THE 9/30/2021 REPORT OR SUBMITTED REPORTS SUBSEQUENT TO 9/30/2021, PLEASE REFER TO THE AUDIT LETTER SENT BY THE BOARD NOTIFYING THE CHARTER HOLDER OF ITS “ON PROBATION” STATUS FOR YOUR SPECIFIC SUBMISSION REQUIREMENTS. 	<ul style="list-style-type: none"> <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. 	<p>ADDITIONAL INFORMATION</p> <ul style="list-style-type: none"> ▪ A.A.C. R7-5-511(A) REQUIRES AN “ON PROBATION” 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. 	
<p>SOURCE: A.A.C. R7-5-101, “QUARTERLY FINANCIAL REPORT” DEFINITION; A.A.C. R7-5-101, “JUNE 30 QUARTERLY FINANCIAL REPORT” DEFINITION</p>			