Financial Performance Response Evaluation Instrument

Charter Holder Name: Developing Innovations in Navajo Education, Inc. (DINE, Inc.)
Charter Holder Entity ID: 79269
Date Submitted: June 9, 2014

Required for: Renewal
Audit Year: 2013
Evaluation Completed: July 24, 2014

Arizona State Board for Charter Schools (Board) staff completed the Financial Performance Response Evaluation Instrument to be used by the Board in its consideration of applicable requests made by the charter holder. "Not Acceptable" answers may adversely affect the Board's decision regarding a charter holder's request.

Measure	Acceptable	Not Acceptable	Not Applicable	Comments
1a. Going Concern			X	
1b. Unrestricted Days Liquidity		X		The financial performance response indicates the Board's financial evaluation included all of the charter holder's operations and not just the charter school. According to the response, the charter school had 38.07 days cash on hand at June 30, 2013 based on a bank balance of $39,819 and expenses of $381,801. The charter holder's response did not include any support for the bank balance at June 30, 2013. However, when the email was originally sent in April, it included the June 30, 2013 bank reconciliation. The information provided in April and the fiscal year 2013 audit supported the 38.07 days cash. The financial performance response does not explain the reason(s) for the charter holder having fewer than 30 days liquidity or the efforts taken to improve in this area in the current fiscal year or subsequent fiscal years. Please note except in limited situations, the audited entity is the entity for which financial performance is determined using the Board's framework. While statements included in the response indicate the charter school met the Board's financial performance expectations in fiscal year 2013, the response does not address the charter school's performance in fiscal year 2012, which is the fiscal year used to determine the charter holder's renewal application requirements. Neither the fiscal year 2012 nor the fiscal year 2013 audit includes sufficient detail to determine the charter school's performance.

Measure	Acceptable	Not Acceptable	Not Applicable	Comments
1c. Default			X	
2a. Net Income			X	
2b. Cash Flow		X		The financial performance response states, "In reviewing the year end cash balances from FY10-FY13, DINE would still be out of compliance in the cash flow requirement." The charter holder's response did not include any support for this statement, which addresses the charter school. The financial performance response does not explain the reason(s) for the charter holder or the charter school not meeting on this measure or the efforts taken to improve in this area in the current fiscal year or subsequent fiscal years. (See Unrestricted Days Liquidity.)
2c. Fixed Charge Coverage Ratio			X	