Financial Performance Response Evaluation Instrument

Charter Holder Name: Ira H. Hayes Memorial Applied Learning Center
Charter Holder Entity ID: 79062
Date Submitted: March 31, 2014

Required for: Renewal
Audit Year: 2013
Evaluation Completed: May 14, 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	
1c. Default			X	
2a. Net Income	X			The financial performance response explained the reasons for the net loss in fiscal year 2013 and attributed the net loss to technology services spending, recognition of revenue, and legal services spending. According to the response, for fiscal year 2014, the charter holder projects ending the year with positive net income. The statements made by the charter holder are supported by its response, the charter holder's annual audits, and the table included in the Renewal Executive Summary. The response also includes a section on the charter holder's "administrative oversight and governance" as it relates to financial operations.

Measure	Acceptable	Not Acceptable	Not Applicable	Comments
2b. Cash Flow	**X**			The financial performance response includes an explanation for the annual cash flows experienced by the charter holder in fiscal years 2011 through 2013. According to the response, for fiscal year 2014, the charter holder is projecting positive cash flow, which, in turn, will result in the charter holder receiving a "meets" on this measure. The statements made by the charter holder are supported by its response, the charter holder's annual audits, the table included in the Renewal Executive Summary, and Arizona Department of Education reports. The response also includes a section on the charter holder's "administrative oversight and governance" as it relates to financial operations.
2c. Fixed Charge Coverage Ratio	**X**			The financial performance response attributes the charter holder not receiving a "meets" on this measure in fiscal year 2013 to the net loss experienced in fiscal year 2013 (see Net Income). The response indicates the charter holder has sufficient cash to augment its cash flow and mentions the charter holder's efforts to refinance the note held on the school's facilities. According to the response, for fiscal year 2014, the charter holder is projecting positive net income and performance that "meets" on this measure. The statements made by the charter holder are supported by its response, the charter holder's annual audits, and the table included in the Renewal Executive Summary. Regarding the charter holder's "Exhibit F", based on the amounts, Board staff believes the information covers the period of July through June rather than July through January. The response also includes a section on the charter holder's "administrative oversight and governance" as it relates to financial operations.