Detailed Business Plan Section Checklist

Charter Holder: Chester Newton Charter and Montessori School (Entity ID 4497)

Each Detailed Business Plan will be reviewed to determine if all of the required elements have been addressed:

Yes – Required element addressed.
No – Required element not addressed.
Not **A**pplicable – Required element not applicable to the charter holder.

Arizona State Board for Charter Schools (Board) staff will complete the Detailed Business Plan Section Checklist. The Checklist will be used by the Board in its consideration of the charter holder's request for charter renewal. " No" answers may adversely affect the Board's decision regarding a charter holder's request for charter renewal.

II b.1. CHARTER HOLDER'S ORGANIZATIONAL MEMBERSHIP				
Required Elements	**Yes**	**No**	**N/A**	**COMMENTS**
○ Evidence of the appropriate filings with either the Board, Arizona Corporation Commission or both submitted.	X			
II b.2. CHARTER HOLDER'S FINANCIAL SUSTAINABILITY PART A – RENEWAL BUDGET PLAN				
Required Elements	**Yes**	**No**	**N/A**	**COMMENTS**
○ Completed Renewal Budget Plan submitted.	X			
○ 4 years of financial information provided as required by the *Renewal Instructions* with fiscal years clearly identified.	X			

○ Renewal Budget Plan includes average daily membership (ADM) used in each fiscal year and the basis for projected ADM.		X		The Renewal Budget Plan includes the ADM for each fiscal year, but does not provide the basis for the projected increases of 11 ADM and 27 ADM in fiscal years 2013 and 2014, respectively. Based on information available through the Arizona Department of Education's website, the charter holder experienced an annual increase in its ADM between fiscal years 2006 through 2008 to 90.164 in 2008. Since 2008, the charter holder's ADM has decreased annually. For fiscal year 2011, the charter holder's ADM was 62.314. As of October 18, 2011, the charter holder's estimated count for fiscal year 2012 was 76.5.
○ Assumptions provided for key components of the Renewal Budget Plan, including the basis for all projected revenue line items used.		X		Aside from equalization assistance, assumptions were not provided for all projected revenue line items used. (Please see above for information regarding the projected ADM included by the charter holder in the Renewal Budget Plan.)
○ Increases or decreases of 10% or more in the " total expenses" line item from year to year in the Renewal Budget Plan are explained in the " Assumptions/Notes" section.	X			Although not addressed specifically, information disclosed in the Renewal Budget Plan and the narrative provided separately address the increases in total expenses of approximately 16% from fiscal year 2012 to 2013 and approximately 17% from fiscal year 2013 to 2014.

○ Each "Other" line item used is explained in the "Assumptions/Notes" section to specify what is included.		X		The "Other" revenue line item was not explained.
○ For those required to submit the Academic Performance Section of the renewal application, the charter holder's previous two audits and the Renewal Budget Plan demonstrate the charter holder has the financial capacity to implement the "budget" as detailed in the Academic Performance Section.	X			The math and reading performance management plans submitted by the charter holder indicate that the duration of each plan is from August 8, 2011 to May 24, 2012. However, the last page of each plan includes a three-year budget. The charter holder appears to have the financial capacity to implement the fiscal year 2012 budget. For fiscal years 2013 and 2014 budgets, the answer is also "yes" assuming the project ADM for each year is realized.
○ Renewal Budget Plan is mathematically correct.	X			Taking into account rounding issues, the Renewal Budget Plan is mathematically correct. Please note that based on the fiscal year 2010 audit, the charter holder had net assets of $61,590 at June 30, 2010.
II b.2. CHARTER HOLDER'S FINANCIAL SUSTAINABILITY PART B – FINANCIAL SUSTAINABILITY NARRATIVE				
Required Elements	**Yes**	**No**	**N/A**	**COMMENTS**
○ For those required to complete the renewal application's "Charter Holder's Financial Sustainability" section because at least one of the two previous audits identified a going concern or identified negative net assets or negative members'/stockholders' equity at year end, a narrative is provided.			X	

○ Narrative does not exceed one page in length.			X	
○ Narrative explains the charter holder's current financial situation.			X	
○ Narrative includes the specific steps the charter holder has already taken to improve its financial situation and ensure the continued financial sustainability of the charter school(s).			X	
○ Evidence provided that supports each of the steps already taken by the charter holder to improve its financial situation and ensure the continued financial sustainability of the charter school(s).			X	
TOTAL (Sections II b.1, II b.2 Part A, and II b.2 Part B)	6	3	5	

Check one *(required)*:

☐ MEETS THE REQUIREMENTS (All applicable "Required Elements" received a "Yes".)

☒ DOES NOT MEET THE REQUIREMENTS (One or more applicable "Required Elements" received a "No".)

Board Staff Review Date: October 27, 2011