Detailed Business Plan Section Checklist

Charter Holder: New Horizon School for the Performing Arts (Entity ID 4366)

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 assumptions and narrative explain the fiscal year 2011 and 2012 ADM included in the Renewal Budget Plan. However, no explanation is provided for the fiscal year 2013 ADM. Fiscal year 2013 projected ADM increased by 2 over the projected fiscal year 2012 ADM. It should be noted that after the Arizona Department of Education completed the statewide recalculation for fiscal year 2011, the charter holder's fiscal year 2011 ADM dropped from 175.26 to 163.886. As of September 15, 2011, the charter holder's estimated count for fiscal year 2012 was 181, which is above the 173 included in the Renewal Budget Plan.
○ Assumptions provided for key components of the Renewal Budget Plan, including the basis for all projected revenue line items used.		X		The Financial Sustainability Narrative states, " The projected financial information is based upon the realistic assumption that there will not be material increases in state and federal funding through 2013 and that, as a result, expenses will need to remain constant." This explanation would not include the Fundraising and Student Activities revenue line items. Further, it doesn't explain the $5,000 increase in Classroom Site Fund revenues from fiscal year 2012 to fiscal year 2013 when ADM is projected to only increase by 2 during that same time period.

○ 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	
○ Each "Other" line item used is explained in the "Assumptions/Notes" section to specify what is included.	X			
○ 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			
○ Renewal Budget Plan is mathematically correct.	X			Taking into account rounding issues, the Renewal Budget Plan is mathematically correct.
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	Nothing noted in narrative that would require evidence beyond what the Board currently has access to the Arizona Department of Education reports and the annual audits.
TOTAL (Sections II b.1, II b.2 Part A, and II b.2 Part B)	9	2	3	

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 13, 2011