Detailed Business Plan Section Checklist

Charter Holder: Allen-Cochran Enterprises, Inc. (Entity ID 4347)

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 an ADM for each year, but does not provide the basis for the projected increases of 3 ADM and 5 ADM in fiscal years 2012 and 2013, respectively.

○ Assumptions provided for key components of the Renewal Budget Plan, including the basis for all projected revenue line items used.		X		The basis for the decrease in State Equalization Assistance from fiscal year 2011 to fiscal year 2012 is not readily clear from the information provided. The assumptions section states " Decrease in State Equalization ($45518) 2012" . The actual decrease from fiscal year 2011 to 2012 is $26,831. The charter holder did not provide the basis for the following revenue line items – Classroom Site Fund, Instructional Improvement Fund, Food Service and Student Activities. However, the amounts included in these line items for fiscal years 2012 and 2013 are the same as the amounts included in fiscal year 2011. For fiscal years 2012 and 2013, the Renewal Budget Plan includes $62,000/year in " Kindergarten Tuition" revenue. However, as of this time, the Legislature has not authorized schools to charge tuition for full-day kindergarten in fiscal years 2012 and 2013. Even with this revenue removed from fiscal years 2012 and 2013, the charter holder's revenues will still exceed expenses in each fiscal year.
○ 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			
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)	8	2	4	

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: July 15, 2011