## Detailed Business Plan Section Checklist

**Charter Holder:** Luz Academy of Tucson, Inc. (Entity ID 4427)

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.
**N**ot **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 increase in ADM in fiscal years 2012, 2013 and 2014. |

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|---|---|---|---|---|
| ○ Assumptions provided for key components of the Renewal Budget Plan, including the basis for all projected revenue line items used. | | X | | Except for State Equalization Assistance, the basis for the projected revenue line items used appears to be formulaic. The reasons for the variables used (e.g., 5%) were not readily ascertainable. |
| ○ 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<br>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 | | In addition to discussing the charter holder's financial reporting and internal control systems, this section of the narrative primary focuses on projected performance as addressed in the Renewal Budget Plan. |
| ○ 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) | 9 | 3 | 2 | |

**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: June 28, 2011