Premier Charter High School

Financial Performance Response Evaluation Instrument

Renewal

1a. Going Concern

Other Financing Options

Premier Charter High School is in negotiations with the current bond Trustee (acting on behalf of the bond holders) to restructure the outstanding bond debt. Other financing options to be considered include refinancing through a Community Financial Development Institution (CDFI). The option to refinance via a CDFI is currently in its infancy. The school would need to:

a. Meet the requirements of the CDFI
b. Secure enough funds to satisfy current lien holders

Supplemental documentation proving the viability of this option is unavailable at this time.

Membership Projections

The 2015 estimated ADM and state equalization have been revised based on current ADE reports. Subsequent school years 2016 – 2020 have also been updated to account for the decrease in membership experienced in FY15.

The school continues to report an increase in ADM of approximately 5 students in 2016. The basis for the increase is based on the evaluation of recent changes to our student schedule and ADM history.

The school has identified factors which may have had a negative impact on enrollment during FY15 which resulted in a 40th day ADM and 100th day ADM of 232.818 and 228.815 respectively. In an effort to maintain and improve upon our academic achievements as outlined by the board's Academic Performance Framework and the ADE's letter grade evaluation (exhibits A & B), the campus was closed and our school day was extended to accommodate daily breakfast and lunch offerings.

Prior to FY15, breakfast and lunch were not provided on-site. Students were allowed to leave campus for lunch. Having an open campus decreased attendance in classes offered after the students' lunch time since not all students made it back from lunch. Lack of attendance impacted the students' achievement in classes offered after lunch which resulted in low passing rates and less credits earned.

Providing breakfast and lunch allowed the school to close campus during FY15. The action had some drawbacks. The extended schedule lacked the schedule flexibility provided during FY14 (exhibit C). Students were required to attend a longer period of time to be considered a full-time student (from 8am – 12:25pm in FY14 to 8am – 1:35pm in FY15).

The majority of our students (82%) are upperclassman in grades 11 and 12 (exhibit D). Many of our students contribute financially to their households or are primary caregivers. An earlier release time gives the students added flexibility to hold a job or care for others.

Additional changes to our schedule have been proposed via stakeholder feedback to provide a more flexible student schedule while maintaining a strong academic focus. The FY16 proposed student schedule (exhibit C) would accommodate students better by offering:

1. A later start time of 8:15am (from 8:00am). This is important because many students rely on public transportation. The extra 15 minutes would allow students who rely on public transport additional to be punctual.

2. Third period class was moved to take place before lunch / advisory instead of after. This is important because it would allow students who are not deficient in credits to get out of school at 12:25pm. The shortened school day would allow students to take care of other obligations outside of school.

3. Our school has a credit recovery mission. The adjustment to the schedule will increase credit recovery time by 25 minutes (10 minutes before school and 15 minutes after school)

The school is optimistic that the added flexibility combined with recruitment efforts will translate into increased membership of 5 in 2016. Membership realized by the school in the past indicates that the membership goal for 2016 is attainable.

Fiscal Year 17

Additional adjustments to expenses are necessary as a result of the decrease in enrollment experienced in FY15. Membership for FY15 was adjusted to reflect the most recent membership data available. The school would need to increase enrollment by approximately 10 to achieve the original projected 2016 ADM of 238.65. The school has retained its original numeric enrollment change numbers during 2016 – 2020 (exhibit A).

State equalization is lower as a result and not sufficient to cover expenses projected in FY17. One possible remedy is suspending technology replacement during FY17. This would result in a $7000 savings and change the net loss to a net income of $192. This information will be considered in continued bond restructure negotiations.

Impact on Other Financial Performance Measures

The school understands that the changes made to ADM in the five year projections will have an impact on other financial measures. The impacts of the changes were not addressed at this time. Additional revisions will be necessary upon the finalization of bond restructure negotiations.

Night School

The school is dependent on the increased membership provided by the inclusion of night school in FY17 to meets its obligations under the bond financing agreement provided thus far. The most conservative option to the bond restructure was used as the

basis for providing the financial performance framework evaluations included in our renewal application.

The school and the trustee (acting on behalf of the bondholders) have had ongoing negotiations to ensure that the restructuring of the bond is satisfactory to its bondholders in addition to ensuring the long term financial success of the school. The discussions occurring will improve the school's position from the most conservative approach presented thus far.

Demand

Aside from helping the school meet its financial obligations, there is a demand for a night school program in our area. The closest night schools are approximately 6-8 miles away (West Phoenix High School and Career Success). Adding a night school program could enable the school to serve more students that work or have other obligations during the day.

2019 and 2020

The school will continue to focus on student recruitment methods to promote increased membership. The school's membership history for the last 5 years is as follows:

Average Daily Membership (rounded)

FY 11	FY 12	FY 13	FY 14	FY 15
272	247	280	239	229

Using the school's average membership history suggests an ADM average of 253. The addition of 7 students in FY19 and the addition of 6 students in FY20 is within the normal range of enrollment experienced in the school's day program.

Exhibit List

A Five Year Projections – Revised April 15, 2015

B Assumptions for five year projections

C Academic Performance Framework

D FY14 Letter Grade (ADE)

E Student Schedule for Fiscal Year 2014 – 2016

F Student Population

Exhibit A

Premier Charter High School

Five Year Projections - Revised April 15, 2015

Affected Cells Shown In Red

Fiscal Year Ending June 30 Accrual	FY 14 (Actual)	FY 15 (Estimated)	FY 16 (Projected)	FY 17 (Projected)	FY 18 (Projected)	FY 19 (Projected)	FY 20 (Projected)
Enrollment	253	243	248	273	298	305	311
Average Daily Membership (ADM)	237.61	228.81	232.69	256.19	279.69	286.27	291.91
Numeric Enrollment Change		(10)	5	25	25	7	6
% Enrollment Change		-4%	2%	10%	9%	2%	2%
State Equalization Rate	7,146	7,071	7,212	7,357	7,504	7,654	7,807
REVENUES							
State Equalization	$ 1,697,906	$ 1,617,915	$ 1,678,230	$ 1,884,674	$ 2,098,703	2,191,039	2,278,890
Classroom Site Fund	100,564	103,612	105,685	116,253	126,698	129,622	132,129
Instruction Improvement Fund	9,578	9,578	9,578	9,578	9,578	9,578	9,578
E-Rate	12,365	12,365	12,365	12,365	12,365	12,365	12,365
Grants	143,686	136,912	136,912	136,912	136,912	136,912	136,912
Local Revenue	2,045	1,871	1,871	1,871	1,871	1,871	1,871
Total Revenues	**$ 1,966,143**	**$ 1,882,253**	**$ 1,944,641**	**$ 2,161,653**	**$ 2,386,127**	**$ 2,481,387**	**$ 2,571,745**
Percent Growth (YoY)		**-4.27%**	**3.31%**	**11.16%**	**10.38%**	**3.99%**	**3.64%**
EXPENSES							
Salaries	$ 1,012,388	$ 961,104	$ 980,326	$ 1,057,834	$ 1,134,280	1,172,637	1,201,953
Benefits	229,258	240,276	245,082	264,459	283,570	293,159	300,488
Supplies	94,835	96,732	98,666	108,533	118,284	121,014	123,354
Purchased Professional Services	88,619	83,888	95,565	105,122	114,566	117,211	119,477
Purchased Property Services	97,176	107,203	109,347	134,534	137,224	139,969	142,768
Technology Replacement Costs		7,000	7,000	0	7,000	7,000	7,000
Non-Capitalized Equipment		3,000	3,000	3,000	3,000	3,000	3,000
Expense Reserve		30,000	15,000	15,000	15,000	15,000	15,000
Dues/Fees	37,327	38,937	39,716	40,510	41,321	42,147	42,990
Depreciation	114,942	114,942	114,942	114,942	114,942	114,942	114,942
Amortization	10,733	10,733	10,733	10,733	10,733	10,733	10,733
Bond Payment (Interest)	190,462	77,056	159,469	287,868	368,213	364,017	359,103
Bond Fees	18,862	18,862	18,862	18,862	18,862	18,862	18,862
Adjustment to match audit	(149)						
Total Expenses	**$ 1,894,453**	**$ 1,789,733**	**1,897,707**	**2,161,397**	**2,366,995**	**2,419,691**	**2,459,670**
Percent Growth (YoY)		**-5.53%**	**6.03%**	**13.90%**	**9.51%**	**2.23%**	**1.65%**
Net Income (Loss)	**$ 71,691**	**$ 92,520**	**$ 46,934**	**$ 256**	**$ 19,133**	**$ 61,696**	**$ 112,075**
Adjustments for series B Bonds		75%	75%	75%	50%	50%	50%
Income available to school after adjustments		**69,390**	**35,201**	**192**	**9,566**	**30,848**	**56,037**

Exhibit B

Premier Charter High School

Assumptions for Exhibit A (Five Year Projections Revised April 15, 2015)

Revised April 15, 2015

Affected Cells Highlighted

Accrual - Exhibit C

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
Enrollment	Schoolmaster	Based on 1.06% of enrollment	Based on an increase in 5 students	Based on an increase of 25 students to fill 1 night school class	Based on an increase of 25 students to fill 1 night school class	Based on add 7 students to the day program	Based on adding 6 students to the day program
Average Daily Membership	CHAR-55 report	Based on CHAR-55 100th day	Based on 94% of enrollment	Based on 94% of enrollment	Based on 94% of enrollment	Based on 94% of enrollment	Based on 94% of enrollment
State Equalization Rate	Actual state equalization divided by ADM	State equalization divided by ADM (CHAR-55 as of March 2015 and CHAR-64 as of March 2015)	Based on % increase in student count (2%) multiplied by state equalization rate	2% increase from prior year	2% increase from prior year	2% increase from prior year	2% increase from prior year
REVENUE	Actuals based on FY 14 Audit						
State Equalization		Based on current CHAR-64 report as of December 2014	State equalization rate assumes a 2% increase per year. State equalization $$ is based on ADM x state equalization rate	State equalization rate assumes a 2% increase per year. State equalization $$ is based on ADM x state equalization rate	State equalization rate assumes a 2% increase per year. State equalization $$ is based on ADM x state equalization rate	State equalization rate assumes a 2% increase per year. State equalization $$ is based on ADM x state equalization rate	State equalization rate assumes a 2% increase per year. State equalization $$ is based on ADM x state equalization rate
Classroom Site Fund		Based on current CSF report as of December 2014	Increase commensurate to student increase (2%)	Increase commensurate to student increase (10%)	Increase commensurate to student increase (9%)	Increase commensurate to student increase (2%)	Increase commensurate to student increase (2%)
Instruction Improvement Fund		Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14
E-Rate		Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14
Grants		Based on actual grant totals	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15
Local Revenue		Based on YTD projected to end of year	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15
EXPENSES							
# of Staff	23	21	22	25	27	27	27
Salaries		Reduction in staff from FY 14 to address drop in ADM	Add 1 position to begin planning for night school	Add 3 additional part time staff to address the needs of opening 1 night school class: Two highly qualified teachers; 1 technology person. Assumes a 2.5% inflation increase from FY16	Add 2 additional highly qualified teachers to address opening of 2nd night school class. Assumes a 2.5% inflation increase from FY 17	Increase night school administrator pay an additional 10,000 if full enrollment achieved. Assumes a 2.5% inflation increase from FY 18	Assumes a 2.5% inflation increase from FY 19
Benefits		Benefits calculated at 25% of salaries	Benefits are calculated at 25% of salaries	Benefits are calculated at 25% of salaries	Benefits are calculated at 25% of salaries	Benefits are calculated at 25% of salaries	Benefits are calculated at 25% of salaries
Supplies		Costs based on YTD actuals projected to year end	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment
Purchased Professional Services		Costs based on YTD actuals projected to year end	Increase commensurate to changes in enrollment and $10k for advertising & purchase of additional A+ Titles for night school implementation	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment
Purchased Property Services		Based on 2% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year + $23k for night school security	Based on 2% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year
Technology Replacement Costs		School has 50 computers to begin a night school (25 for each classroom). Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit	School has 50 computers to begin a night school (25 for each classroom). Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit	School has 50 computers to begin a night school. Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit - Purchase suspended	School has 50 computers to begin a night school. Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit	School has 50 computers to begin a night school. Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit	School has 50 computers to begin a night school. Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit
Non-Capitalized Equipment		Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization	Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization	Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization	Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization	Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization	Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization
Expense Reserve		Set aside for unexpected expenses	Set aside for unexpected expenses	Set aside for unexpected expenses	Set aside for unexpected expenses	Set aside for unexpected expenses	Set aside for unexpected expenses
Dues/Fees		Based on 4% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year
Depreciation		Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14
Amortization		Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14
Bond Payment (Interest)		Based on debt service schedule	Based on debt service schedule	Based on debt service schedule	Based on debt service schedule	Based on debt service schedule	Based on debt service schedule
Bond Fees		Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14

Exhibit C

Academic Performance

Premier Charter High School

		2012 Traditional High School (9 to 12)			2013 Alternative High School (9 to 12)			2014 Alternative High School (9 to 12)		
1. Growth		**Measure**	**Points Assigned**	**Weight**	**Measure**	**Points Assigned**	**Weight**	**Measure**	**Points Assigned**	**Weight**
1a. SGP	**Math**	37.5	50	15	44.5	75	2.5	NR	0	0
	Reading	42	50	15	38	50	2.5	NR	0	0
1b. SGP Bottom 25%	**Math**	NR	0	0	N/A	N/A	N/A	N/A	N/A	N/A
	Reading	NR	0	0	N/A	N/A	N/A	N/A	N/A	N/A
1b. Improvement	**Math**	N/A	N/A	N/A	22.1	50	12.5	28.1	50	15
	Reading	N/A	N/A	N/A	41.6	50	12.5	46.9	75	15
2. Proficiency		**Measure**	**Points Assigned**	**Weight**	**Measure**	**Points Assigned**	**Weight**	**Measure**	**Points Assigned**	**Weight**
2a. Percent Passing	**Math**	21 / 45.9	50	10	12.9 / 19.3	50	10	22.5 / 20.3	75	10
	Reading	38 / 65.3	50	10	48.4 / 52.4	50	10	61.8 / 52.4	75	10
2b. Composite School Comparison	**Math**	-24.3	25	7.5	N/A	N/A	N/A	N/A	N/A	N/A
	Reading	-27.3	25	7.5	N/A	N/A	N/A	N/A	N/A	N/A
2c. Subgroup ELL	**Math**	17 / 40.1	50	3.75	18.2 / 21.2	50	1.67	25 / 20.2	75	5
	Reading	38 / 55.5	50	3.75	69.2 / 52.9	75	1.67	NR	0	0
2c. Subgroup FRL	**Math**	18 / 39.5	50	3.75	13.9 / 18.3	50	1.67	23 / 20.3	75	2.5
	Reading	40 / 58.4	50	3.75	48.3 / 50.9	50	1.67	64.1 / 51.2	75	2.5
2c. Subgroup SPED	**Math**	NR	0	0	0 / 5.8	25	1.67	NR	0	0
	Reading	NR	0	0	27.3 / 22.9	75	1.67	NR	0	0
3. State Accountability		**Measure**	**Points Assigned**	**Weight**	**Measure**	**Points Assigned**	**Weight**	**Measure**	**Points Assigned**	**Weight**
3a. State Accountability		D	25	5	C-ALT	50	5	B-ALT	75	5
4. Graduation		**Measure**	**Points Assigned**	**Weight**	**Measure**	**Points Assigned**	**Weight**	**Measure**	**Points Assigned**	**Weight**
4a. Graduation		84	100	15	Met	75	15	Met	75	15
4b. Academic Persistence		N/A	N/A	N/A	91	100	20	82	75	20
Overall Rating		**Overall Rating**			**Overall Rating**			**Overall Rating**		
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		52.5		100	64.79		100	71.25		100

2014 A-F Letter Grades for **Premier Charter High School** (79570) : 07-89-39-201

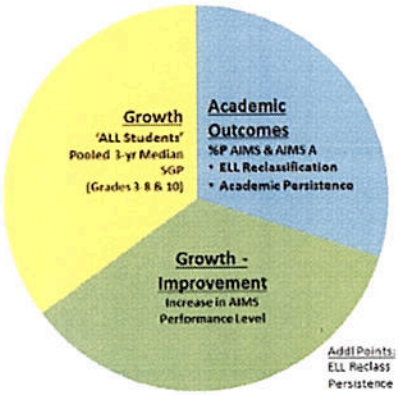
Alternative School Letter Grade =B-ALT

2014 Percent Passing of FAY Students AIMS and AIMS A (1 - Year)		View Passing Data
Grade	**Reading**	**Mathematics**
10	73%	15%
11	47%	18%
12	61%	25%
Percent Passing -- All Students[1]		36%

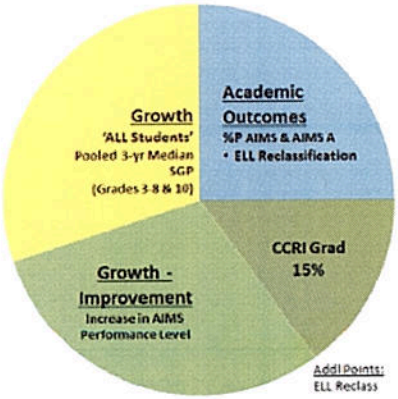
Median Percentile Rank & Improvement		View Percentile Rank Data
Grade	**Reading**	**Mathematics**
10	42%	38%
All Students (across grades)	42	38

Median Percentile Rank -- All Students[2]	40
Percent Improvement	33
Total Growth and Improvement Points	73

Elementary School



High School



Calculation of Weighted Final Letter Grade			
	Raw Score	**Weighting**	**Points**
Percent passing AIMS and AIMS A	36	Percent Passing [4]	18
CCRI Graduation Points /Persistence Rate Points[3]			30
ELL Bonus Points			0
Growth Score + Improvement Score (+ 1 point)	74	Total Growth[4]	89
Total Points			137
Percent Tested			99 %
A-F Letter Grade			**B-ALT**

Alternative Schools Letter Grade Scale	
A-ALT	167+
B-ALT	132-166
C-ALT	97-131
D-ALT	0-96

95% PERCENT TESTED	
Percent Tested	Max Eligible Grade
>= 95%	A
85% - 94%	B
75% - 84%	C
<75%	D

A - ALT	B - ALT	C - ALT	D - ALT
200 - 167	166 - 132	131 - 97	96 - 0

[1] *Percent Passing (Average across grades and content areas)*

[2] *Median Growth Percentile -- All Students (Average across content areas)*

[3] *Schools ineligible for CCRI are only eligible for graduation and persistence additional points.*

[4] *Equation can be found at azed.gov/accountability*

Exhibit E

FY14 Schedule

Credit Recovery	*7:00 to 7:55am*
1st Period	8:00 to 9:25am
2nd Period	9:30 to 10:55am
3rd Period	11:00am to 12:25pm
Lunch (on or off campus)	12:25 to 1:00pm
4th Period	1:00 to 2:30pm
Credit Recovery	*2:30 to 5:00pm*

FY15 Schedule

Credit Recovery	*7:00 to 7:55am*
1st Period	8:00 to 9:30am
2nd Period	9:35 to 10:55am
Lunch I / Advisory I	11:00 to 11:35am
Lunch II / Advisory II	11:35 to 12:10pm
3rd Period	12:15am to 1:35pm
4th Period	1:40 to 3:00pm
Credit Recovery	*3:00 to 5:00pm*

FY16 Schedule (proposed)

Credit Recovery	*7:00 to 8:10am*
1st Period	8:15 to 9:35am
2nd Period	9:40 to 11:00am
3rd Period	11:05am to 12:25pm
Lunch I / Advisory I	12:30 to 12:55pm
Lunch II / Advisory II	12:55 to 1:20pm
4th Period	1:25 to 2:45pm
Credit Recovery	*2:45 to 5:00pm*

Student Population as of 09/02/14
By Name (Filtered)
Filters: Enrolled This Year
Head Count (main enrollments only)

Ethnic Codes:	<A>	<B>	<H>	<I>	<M>	<W>	<Total>
Grade Level: 09							
Male:	----	----	4	----	----	----	4
Female:	----	1	9	----	----	----	10
Total:	----	1	13	----	----	----	14
Grade Level: 10							
Male:	----	1	18	----	----	----	19
Female:	----	1	9	----	----	1	11
Total:	----	2	27	----	----	1	30
Grade Level: 11							
Male:	----	2	38	----	1	1	42
Female:	----	1	34	----	----	2	37
Total:	----	3	72	----	1	3	79
Grade Level: 12							
Male:	1	2	60	1	1	1	66
Female:	----	6	48	----	2	----	56
Total:	1	8	108	1	3	1	122
Code Totals:							
Male:	1	5	120	1	2	2	131
Female:	----	9	100	----	2	3	114
Total:	1	14	220	1	4	5	245

Total student population on September 2, 2014 (report date) 245

	9th Grade	10th Grade	11th Grade	12th Grade
Enrolled	14	30	79	122
% of Student Population	6%	12%	32%	50%

Premier Charter High School

Financial Performance Framework

Renewal Application Response

Response: Near-Term Indicators

1a. Going Concern

The audited financial statements for FY 14 contain a note of Going Concern in the Auditor's Report as well as in the disclosure notes causing the school to Fall Far Below in this measure. The Going Concern is a direct result of the school's high debt load due to a bond issuance in FY 2005. As indicated in the FY 14 audit disclosure notes 3 and 8, Premier entered into a joint and several liability with Air Academy Charter as a part of a financing agreement with the Industrial Development Authority (IDA) of Pima County for Education Facility Revenue Bonds in the aggregate principal amount of $ 10,895,000.

Relevant History

Per the FY 14 audit disclosure note 8, a portion of the proceeds of the bond were to be used by Premier in the following ways: 1) to purchase land, a building and to fund improvements; 2) fund a debt service reserve fund; 3) pay for loan issuance costs. The remainder of the proceeds went to Air Academy. However, Air Academy ceased operations at June 30, 2008 leaving Premier solely responsible for the full debt in accordance with the loan agreement. In 2011 the trustee liquidated the Air Academy assets reducing the outstanding debt by approximately $4.2m (FY 14 audit disclosure note 8, partial exchange and distribution to holders).

Premier's monthly pledged revenue has not been sufficient to meet the ongoing debt service requirements of the loan agreement and as such, was given a notice of default by the bond Trustee. This notice of default and the fact that the school is not expected to ever generate enough revenue to cover the debt, were primary reasons cited by the auditor to issue the note of Going Concern.

Changes that Impact the Future

Premier and the bond Trustee (acting on behalf of the bond holders) are actively pursuing the restructuring of the bond debt to ensure the future sustainability of the School (see "Term Sheet" exhibit A). In order to reach this Agreement, the Trustee requested that the school develop a set of budgetary projections over a five year period based on the school's historical financial performance and future prospects. Based on these projections, the Trustee developed a revised debt service schedule to accommodate the school's projected performance. These projections can be found in exhibit C (accrual) and G (cash) with detailed assumptions by line item in exhibit H.

As the projections in exhibit C demonstrate, the school is expected to be able to cover future debt service payments starting in FY 15. In addition, once the term sheet is executed, the 2005 bonds will be exchanged for the newly restructured 2015 bonds and the school will no longer be in default. The exchanged bonds are scheduled to close by June 30, 2015. With these two issues addressed, it is expected that the school will no longer have a note of Going Concern issued in future audits and consequently, will meet this measure moving forward.

Negotiation to restructure the bond debt via the current bond Trustee (acting on behalf of the bond holders) is the option being aggressively pursued at this time. However, if said negotiations do not produce a resolution agreeable to both parties during the current fiscal year, the school will pursue other financing options.

It should be noted that the projections include the development of a night school program starting in FY 17. Premier believes that there is demand for a night school based on the trends identified in transfer students as well as trends in the student population (See exhibit L). The school is aware that such a program requires the prior approval of the Charter Board and will seek its approval in FY 16.

Analysis of Financial Framework Measures

In addition to the school's projected budget performance, the new debt service (to be effective June 30, 2015) has been restructured in a way that considered the school's ability to meet all of the Charter Board's financial performance framework measures that it has not met in the recent past. Specifically, exhibits D-F show an analysis of each measure [not met] based on the five year projections and revised debt service schedule. Each measure is discussed in detail below in the format required per the renewal application instructions.

Response: Near-Term Indicators

1b. Unrestricted Days Liquidity

The FY 14 audited financial statements indicate an unrestricted cash balance of $206,111 leaving the school with 25.64 days of unrestricted days liquidity rather than the required minimum of 30 days to meet this measure. Failure to meet this measure relates back to the school's high debt load and loan default status discussed in measure 1a. Because the school has not been able to meet the minimum debt service requirements of the bond, 100% of the school's state equalization has been held by the Trustee after receiving these funds from the state Treasurer [through the intercept]. This allows the Trustee to use all excess funds to pay down the outstanding debt. In order to operate, the school requests funds from the Trustee to cover operating expenses and capital improvements as needed throughout the year. Such disbursements are at the discretion of the Trustee. Consequently, unrestricted cash in the bank at year end has been more a result of disbursement timing than actual budgetary planning.

With the revised debt structure as outlined in the term sheet exhibit A, the school will receive the necessary funds up front to cover its operating budget. The Trustee will no longer hold 100% of the school's state equalization. Rather, the amount of monthly state aid released by the Trustee under the new agreement will be based on the following:

1. 1/6 of the interest due on the next interest payment date
2. 1/12 of the principal due on the next payment date
3. Replenishment of the balance of the liquidity reserve fund (if applicable)
4. 110% of the school's operating budget (see term sheet exhibit A for details and definition of "operating budget")

Any amounts remaining after the allocation of numbers 1-4 will be held in the school's bond account to potentially begin repayment of the series B bonds at the end of each year per the following provisions:

- For the first three years after the bond restructure has been executed, 75% of the net income will be deposited in the school's account and 25% will be used to pay the series B bonds' debt service

- Beginning with year four, 50% of the net income cash will be deposited in the school's account and 50% will be used to pay the series B bonds

Series C bonds are repaid through the same mechanism as the B bonds but only **after** the B bonds are paid in full (subordinate to B). For the purposes of the five year projections and the framework analysis, no accommodations have been made for the C bonds.

In addition, the term sheet (exhibit A) indicates the creation of an unrestricted liquidity fund in the amount of $300,000 to ensure the school has the necessary cash to operate as well as to meet the Charter Board's financial performance framework cash related measures. As exhibit D demonstrates, the school will meet the minimum 30 days unrestricted days liquidity requirement starting in FY 15.

Response: Near-Term Indicators

1c. Default

The audited financial statements for FY 14 contain a disclosure in note 8 indicating that the school is in default of the loan agreement with the IDA due to numerous violations of debt service covenants as discussed in measure 1a. The default status has caused the school to Fall Far Below in this measure.

Premier and the bond Trustee (acting on behalf of the bond holders) are actively pursuing the restructuring of the bond debt to ensure the future sustainability of the School (see "Term Sheet" exhibit A). In order to reach this Agreement, the Trustee requested the school develop a set of budgetary projections over a five year period based on the school's historical financial performance and current/future prospects. Based on these projections, the Trustee developed a revised debt service schedule to accommodate the school's projected budget performance. These projections can be found in exhibit C (accrual) and G (cash) with detailed assumptions by line item in exhibit H.

As these projections demonstrate, the school is expected to be able to cover future debt service payments starting in FY 15. In addition, once the term sheet is executed, the 2005 bonds will be exchanged for the newly restructured 2015 bonds and the school will no longer be in default. The exchanged bonds are scheduled to close by June 30, 2015. As such, the school is expected to meet this measure starting in FY 15.

Response: Sustainability Indicators

2b. Cash Flow

The FY 14 audited financial statements indicate a net increase in cash of $25,933 with a cumulative cash flow over a three year period of ($50,336) resulting in the school not meeting this measure. The primary reason behind this deficiency is due to a large net cash loss incurred by the school in FY 12 of ($109,116). From fiscal years 2010 –2014, the school had a net increase in cash each year except for FY 12. The loss was largely due to a significant reduction in federal stimulus funds from FY 11 to FY 12 and an inability to reduce associated program costs [that had been supported by the stimulus funds] as quickly as needed. As indicated in exhibit I and J, the school had federal grants of $259,187 in FY 11 and $153,980 in FY 12, a reduction of $105,207. The school has since reduced program costs as necessary and since FY 12, has had a positive net increase in cash as evidenced in the school's audited financial statements FY 13 and FY 14 (see exhibit K).

In order to ensure that the school meets this measure in the future, the school performed cash flow projections (see exhibit G) based on the new debt terms, in addition to the accrual based projections in exhibit C. According to these projections, the school is expected to have a significant increase in net cash moving forward which will enable it to meet the three year cumulative cash flow measure starting in FY 15 (see Exhibit F for cumulative cash flow measure).

There are several factors that will help contribute to this anticipated achievement (see debt service schedule exhibit B):

- The Trustee (on behalf of the bond holders) is willing to restructure the debt so that principal and interest ratchet up only after the school has had an opportunity to regain its enrollment from earlier years and build upon its enrollment by adding a night school (contingent on approval from the Charter Board)

- The restructured debt allows for smaller interest payments for the first few years with a slow increase through FY 18 when they reach a maximum of 368,212.51

- No principal payments in FY 15 and FY 16

- Principal payments begin in FY 17, when the school opens its first night school class (contingent on approval from the Charter Board) increasing its enrollment by 25 students. The increased interest payments are reflected in higher operating expenses as seen in the projections (see exhibit G).

Response: Sustainability Indicators

1c. Fixed Charge Ratio

The information in the FY 14 audited financial statements indicates a fixed charge ratio of .21 which does not meet the Board's requirement of 1.1. This deficiency is a direct result of the school's high debt load due to the FY 2005 bond issuance discussed in measure 1a. As indicated in the FY 14 audit disclosure note 8 paragraph 4, because the debt has been in default and the Trustee has the authority to demand payment on the entire outstanding balance per the provisions in the loan agreement, the auditor has classified the entire amount of $2,916,900 as a current liability. However, once the term sheet (exhibit A) outlining the new debt structure is executed, the school will no longer be in default of the loan and current liabilities will be based on the debt service schedule in exhibit B. As demonstrated in exhibit E, the school will be able to meet the fixed charge ratio measure of at least 1.1 beginning in FY 15 and beyond under these new terms.

Exhibit List

A	Term Sheet
B	Bond Debt Service Schedule
C	Five Year Projections (accrual)
D	Unrestricted Days Liquidity Measure
E	Fixed Charge Ratio Measure
F	Cumulative Cash Flow Measure
G	Projected Cash Flow Statements
H	Assumptions for Five Year Projections
I	Decline in Federal Revenue – Internal Accounting System Report
J	Decline in Federal Revenue – Project Summary from Grants Management (ADE)
K	Cash Flow Statements from Audits - showing net increase in cash from FY 10-14 (except loss in FY 12)
L	Proof of Night School Demand

RESTRUCTURE/EXCHANGE OF AN EDUCATION FACILITY REVENUE BOND (PREMIER CHARTER HIGH SCHOOL PROJECT) $5,350,000* SERIES 2015A TAX-EXEMPT BONDS $1,028,600* SERIES 2015B TAX-EXEMPT BONDS $1,300,000* SERIES 2015C TAX-EXEMPT BONDS

RESTRUCTURE TERM SHEET

THE TERM SHEET IS BEING PROVIDED AS PART OF A COMPREHENSIVE COMPROMISE AND SETTLEMENT, EACH ELEMENT OF WHICH IS CONSIDERATION FOR THE OTHER ELEMENTS AND AN INTEGRAL ASPECT OF THE PROPOSED RESTRUCTURING OF THE SERIES 2005 BONDS (AS DEFINED BELOW). THE TERM SHEET IS SUBJECT TO FEDERAL RULE OF EVIDENCE 408 AND COMPARABLE STATE STATUTES. NOTHING IN THE TERM SHEET SHALL CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, A STIPULATION OR A WAIVER, AND EACH STATEMENT CONTAINED HEREIN IS MADE WITHOUT PREJUDICE, SOLELY FOR SETTLEMENT PURPOSES, WITH A FULL RESERVATION AS TO ALL RIGHTS, REMEDIES AND DEFENSES OF THE BORROWER, THE BOND TRUSTEE, THE BONDHOLDERS, AND ALL OTHER PARTIES. NOTHING CONTAINED HEREIN SHALL BE DEEMED A COMMITMENT TO RESTRUCTURE THE SERIES 2005 BONDS.

Date:	Restructure to be completed by June 30, 2015; the Series 2015 Bonds will be dated June 1, 2015.
Borrower:	The Borrower is Premier Charter High School (the "Borrower"), an Arizona non-profit corporation and tax-exempt 501(c)(3) charitable organization. The Borrower has been formed for the sole and exclusive purpose of operating a public charter school in the Phoenix, Arizona market.
2005 Bonds to be Restructured:	The bonds subject to this term sheet are the $10,895,000 (original principal amount) Industrial Development Authority of the County of Pima, Arizona Education Facility Revenue Bonds (Premier and Air Academy Charter High Schools Project) Series 2005A (the "Series 2005 Bonds").
Project:	The Series 2005 Bonds financed, in part, the charter school facility known as Premier High School (the "Facility"), which is currently being operated by the Borrower as a public charter school.

* Preliminary; subject to change.

Exchange:

The restructure of the Series 2005 Bonds is expected to be accomplished by an exchange of existing Series 2005 Bonds for Series 2015A Tax-Exempt Bonds, Series 2015B Tax-Exempt Bonds, and Series 2015C Tax-Exempt Bonds. On the date of the exchange (the "Effective Date"), existing holders of the Series 2005 Bonds shall exchange their holdings for a pro rata share of (i) certain Series 2015A Bonds issued in the aggregate principal amount of $5,350,000* (the "Series 2015A Bonds"); (ii) certain Series 2015B Bonds issued in the aggregate principal amount of $1,028,600* (the "Series 2015B Bonds"); and (iii) certain Series 2015C Bonds issued in the aggregate principal amount of $1,300,000* (the "Series 2015C Bonds" and collectively with the Series 2015A Bonds and Series 2015B Bonds, the "Series 2015 Bonds").

Issuance:

Issuance of the Series 2015 Bonds shall be by the Industrial Development Authority of the County of Pima (the "Issuer"). Issuance of these obligation(s) will have the general aspects and requirements of the original transaction.

Sources and Uses of Funds in Debt Service Reserve Fund and Bond Fund:

The existing funds held by the Bond Trustee in the Debt Service Reserve Fund and Bond Fund under the 2005 Bond Documents shall be utilized as follows:*

- Payment of Interest due and owing on the Series 2005 Bonds. $77,055.99
- Establishment of Debt Service Reserve Fund for Series 2015A Bonds. $438,600
- Establishment of Liquidity Reserve Account under bond indenture relating to Series 2015 Bonds (the "Series 2015 Indenture"). $300,000
- Establishment of Capitalized Interest Fund under the Series 2015 Indenture. $197,000
- Costs of Issuance. $400,000

* Preliminary; subject to change.

Payment Dates: Interest due with respect to the Series 2015 Bonds will be payable semi-annually on March 1 and September 1. Interest will be calculated on the basis of a 360-day year, with twelve months of thirty days.

Series 2015A Bonds: The Series 2015A Bonds shall be issued as current paying bonds with an aggregate principal amount of $5,350,000*. The Series 2015A Bonds shall have payments that bear interest at and have maturities in the years and in principal amounts as set forth in the Bond Debt Service Schedule attached.

Series 2015B Bonds: The Series 2015B Bonds shall be issued in an aggregate principal amount of $1,028,600*. The Series 2015B Bonds shall bear interest at 2% per annum, payable annually, but only to the extent of the School's Annual Net Income (defined below), in accordance with the Distribution Waterfall (defined below), applied first to accrued interest, then to principal. Under the Distribution Waterfall the School's Annual Net Income shall be allocated 75% to the Borrower (which shall be deposited in the Borrower's Operating Account) and 25% applied to the Series 2015B Bonds for the first three (3) years and then shall be allocated 50% to the Borrower (which shall be deposited in the Borrower's Operating Account) and 50% to the Series 2015B Bonds up to the time that the Borrower holds $TBD in its Operating Account at which time 100% of the School's Annual Net Income shall be applied to the Series 2015B Bonds until maturity (the "Allocation Split"). The Series 2015B Bonds shall mature in _____ years (the "Maturity Date"), with any outstanding balance due and payable in full at such time.

Series 2015C Bonds: the Series 2015C Bonds shall be issued in an aggregate principal amount of $1,300,000*. The Series 2015C Bonds shall bear interest at 2% per annum, payable annually and only to extent that (i) there is Excess Cash in accordance with the Distribution Waterfall; (ii) the Series 2015B Bonds have been redeemed in full; and (iii) there is an existing period of time between the full redemption of the Series 2015B Bonds and the Maturity Date (the "Remaining Period"). To the extent the foregoing conditions have been met, the amounts otherwise distributed towards payment of the Series 2015B Bonds shall be paid towards the Series 2015C Bonds through the Remaining Period. Any outstanding obligations owed under the

* Preliminary; subject to change.

Series 2015C Bonds as of the Maturity Date shall be due and payable in full at such time.

Distribution Waterfall: All State Equalization Revenue generated by the Borrower shall be deposited into the revenue fund (the "Revenue Fund") established under the Series 2015 Indenture. Among such revenues will be the state funding in which an agreement will be in place to have all such state funding for the Borrower paid to such account. All other revenues generated by the Borrower shall be deposited into the Borrower's Operating Account. To the extent of no default, amounts on deposit in the Revenue Fund shall be made available to the Borrower on a monthly basis to satisfy budgeted operating and capital expenditures (collectively, the "Operating Expenses"). On the first day of each calendar month, monies in the Revenue Fund shall be distributed in the following order of priority (the "Distribution Waterfall"):

- First, to the Series 2015A Bond subaccount of the Bond Fund established under the Series 2015 Indenture, in an amount equal to 1/6th of the interest due on the next interest payment date;
- Second, to the Series 2015A Bond subaccount of the Bond Fund in an amount equal to 1/12th of the principal due on the next principal payment date;
- Third, to replenish the balance of the Liquidity Reserve Account up to the amount of $300,000;
- Fourth, to the Borrower's operating account (the "Operating Account") in an amount certified by the Borrower as necessary to pay 110% of the budgeted monthly expenses; and
- Fifth, any remaining amounts after application of paragraphs first to fourth above (such remaining amounts defined as "School's Annual Net Income") shall be held under the Indenture in separate of the Borrower which funds shall be allocated to the Borrower and the 2015 Bond Trustee in accordance with the Allocation Split. Funds paid to the Borrower shall be deposited in the Borrower's Operating Account. Funds paid to the Series 2015 Bond Trustee shall be used to redeem the Series 2015B Bonds or Series 2015C Bonds, as applicable.

* Preliminary; subject to change.

Liquidity Reserve **Account:**	Funds in the Liquidity Reserve Account shall be available to the Borrower as unrestricted for payment of regular Operating Expenses as needed or for payment of monthly interest or principal relating to the Series 2015A Bonds.
Capitalized Interest Fund:	Funds in the Capitalized Interest Fund shall be used as follows: (i) $169,300* to be applied towards the coupon payments in FY 2016; and (ii) $27,700* to be applied towards the coupon payments in FY 2017.
Optional Redemption:	Restated optional redemption terms to be determined.
Tax-Exempt/Bank Qualification Status:	The Series 2015 Bonds are tax-exempt obligations of the Issuer pursuant to either Section 103 or Section 145 of the Internal Revenue Code, as amended.
Rating:	The Bonds are non-rated.
Security for Series 2015A Bonds:	Security for the Series 2015A Bonds shall include the following: ➢ Pledge and assignment to the Series 2015 Bond Trustee of all State funding due to the Borrower from the State of Arizona. Such pledge and assignment shall be expressly acknowledged and recognized by the State Treasury Office. ➢ First Deed of Trust and security interest on the land, building, and personal property comprising the Project. ➢ Security Interest against Borrower's Operating Account. ➢ Funds held under the Series 2015 Indenture. ➢ Assignment of all leases between the Borrower and all other organizations.

* Preliminary; subject to change.

Security for Series 2015B Bonds: Security for the Series 2015B Bonds shall be the same as the Series 2015A Bonds, except on a subordinated basis to Series 2015A Bonds.

Security for Series 2015C Bonds: Security for the Series 2015C Bonds shall be the same as the Series 2015B Bonds, except on a subordinated basis to the Series 2015B Bonds.

Covenants: The following covenants, among others, will be provided for in the 2015 Bond Documents:

(i) Days Cash on Hand. The Borrower shall maintain at least thirty (30) days cash on hand as of each testing date. The Borrower shall provide reporting of days cash on hand quarterly, and such covenant will be tested semi-annually on each of _____ and _____. The failure to maintain thirty (30) days cash on hand on any testing date shall be an Event of Default. Funds held under the Reserve Fund, the Borrower's Operating Account and the Liquidity Reserve Account shall be counted towards the calculation of the days cash on hand requirement.

(ii) Debt Service Coverage Ratio. The Borrower shall maintain a debt service coverage ratio (the "DSCR") of not less than 1.10X which shall be measured on a rolling 4 quarter basis. To the extent the DSCR is less than 1.10X but greater than 1.0X, the Borrower will be required to retain a consultant reasonably acceptable to the holders of the principal amount of the Series 2015 Bonds (the "Majority Bondholders") and such consultant shall deliver a report to the Trustee and the holders of the Series 2015 Bonds within sixty (60) days of delivery of the reporting certificate relating to such covenant. The Borrower shall be required to follow the recommendation of the consultant and failure to do so shall be an Event of Default. To the extent the DSCR is less than 1.0X it shall be an Event of Default.

(iii) Pursuit of Night School; The Borrower shall submit an application for operating a night school on or before _____, 2016 with the state charter board, shall receive approval from the state charter board on or before _____, and shall begin operating such night school on or before _____.

* Preliminary; subject to change.

To the extent the Borrower fails to meet any of the foregoing milestones, the Borrower will be required to retain a consultant reasonably acceptable to the Majority Bondholders within thirty (30) days of the failure to meet a particular milestone and the consultant shall deliver a report relating to the feasibility of the night school within forty-five (45) days thereafter. The Borrower further agrees to follow the recommendations of the consultant and the failure to do so shall be an Event of Default.

Quarterly Compliance Certificate:

From and after the Effective Date, the Borrower shall deliver, within thirty (30) days following the prior quarter, a compliance certificate (the form of which shall be attached to the Series 2015 Indenture), which compliance certificate shall set forth the Borrower's calculation of covenants based upon that respective quarter's results.

Conditions Precedent to Closing:

The Effective Date shall be subject to, among others, the following conditions:

- Renewal of charter contract from ASBCS.
- 5-year financial and operating forecast prepared by the Borrower and its consultant and acceptable to the holders of the 2005 Bonds.
- All appropriate documentation shall have been completed to the mutual satisfaction of all parties and all requisite legal opinions shall have been given.
- Preparation of an appropriate Private Placement Memorandum as adequate disclosure for the transaction.
- Approval of the Series 2005 Bondholders to all terms and conditions of the restructure/exchange.
- Issuance of the 2015 Bonds by the Issuer.
- Execution of approved Investor Letter.
- Opinion of bond counsel as to the validity and tax-exempt status of the Series 2015 Bonds.
- Opinion of borrower's counsel as to due authorization, validity of obligations, and validity and extent of security.

* Preliminary; subject to change.

- Title Insurance in an amount and form acceptable to the 2005 Bondholders.

Transaction Costs: Transaction costs (Limited Public Offering Agent, Trustee, Trustee Counsel, Bond Counsel, IDA fees, etc.) will be paid from current balances in the Series 2005 Bonds (as approved by Bondholders).

Participants:

Borrower:	Premier Charter School
Borrower's Counsel:	To Be Determined
Trustee:	UMB Bank, n.a.
Trustee's Counsel:	Mintz Levin
Placement Agent:	Dougherty & Company LLC
Placement Agent's Counsel:	Best & Flanagan
Bond Counsel:	To Be Determined
Issuer:	PIMA IDA
Issuer's Counsel:	Russo, Russo & Slania

Acknowledged:

Premier Charter High School

By:_____
Its _____

Series 2015 Indenture Trustee

By:_____
Its _____

* Preliminary; subject to change.

Exhibit B

Premier Charter High School
Bond Debt Service Schedule

Year	Principle	Interest	Debt Service Total
FY 2015	**$0**	$77,056	$77,056
FY 2016	$0	$159,469	$159,469
FY 2017	$25,000	$287,868	$312,868
FY 2018	$63,333	$368,213	$431,546
FY 2019	$74,166	$364,017	$438,183
FY 2020	$79,166	$359,103	$438,269
6/30/2021	$84,167	$353,858	$438,025
6/30/2022	$89,167	$348,282	$437,449
6/30/2023	$94,167	$342,375	$436,542
6/30/2024	$99,167	$336,136	$435,303
6/30/2025	$104,167	$329,567	$433,733
6/30/2026	$113,333	$322,666	$435,999
6/30/2027	$119,167	$315,157	$434,324
6/30/2028	$128,333	$307,263	$435,596
6/30/2029	$138,333	$298,760	$437,094
6/30/2030	$144,167	$289,596	$433,763
6/30/2031	$157,500	$279,592	$437,092
6/30/2032	$168,333	$268,567	$436,900
6/30/2033	$178,333	$256,783	$435,117
6/30/2034	$192,500	$244,300	$436,800
6/30/2035	$203,333	$230,825	$434,158
6/30/2036	$217,500	$216,592	$434,092
6/30/2037	$232,500	$201,367	$433,867
6/30/2038	$251,667	$185,092	$436,758
6/30/2039	$267,500	$167,475	$434,975
6/30/2040	$286,667	$148,750	$435,417
6/30/2041	$306,667	$128,683	$435,350
6/30/2042	$330,833	$107,217	$438,050
6/30/2043	$351,667	$84,058	$435,725

Exhibit C

Premier Charter High School
Five Year Projections

Fiscal Year Ending June 30 Accrual	FY 14 (Actual)	FY 15 (Estimated)	FY 16 (Projected)	FY 17 (Projected)	FY 18 (Projected)	FY 19 (Projected)	FY 20 (Projected)
Enrollment	253	248	253	278	303	310	316
Average Daily Membership (ADM)	237.61	233.97	238.65	262.51	285.07	291.65	297.29
Numeric Enrollment Change		(5)	5	25	25	7	6
% Enrollment Change		-2%	2%	10%	9%	2%	2%
State Equalization Rate	7,146	6,951	7,090	7,232	7,377	7,524	7,675
REVENUES							
State Equalization	$ 1,697,906	$ 1,626,368	$ 1,692,078	$ 1,898,506	$ 2,102,856	2,194,422	2,281,596
Classroom Site Fund	100,564	103,612	105,685	116,253	126,698	129,622	132,129
Instruction Improvement Fund	9,578	9,578	9,578	9,578	9,578	9,578	9,578
E-Rate	12,365	12,365	12,365	12,365	12,365	12,365	12,365
Grants	143,686	136,912	136,912	136,912	136,912	136,912	136,912
Local Revenue	2,045	1,871	1,871	1,871	1,871	1,871	1,871
Total Revenues	**$ 1,966,143**	**$ 1,890,706**	**$ 1,958,489**	**$ 2,175,485**	**$ 2,390,280**	**$ 2,484,770**	**$ 2,574,451**
Percent Growth (YoY)		**-3.84%**	**3.59%**	**11.08%**	**9.87%**	**3.95%**	**3.61%**
EXPENSES							
Salaries	$ 1,012,388	$ 961,104	$ 980,326	$ 1,057,834	$ 1,134,280	1,172,637	1,201,953
Benefits	229,258	240,276	245,082	264,459	283,570	293,159	300,488
Supplies	94,835	96,732	98,666	108,533	118,284	121,014	123,354
Purchased Professional Services	88,619	83,888	95,565	105,122	114,566	117,211	119,477
Purchased Property Services	97,176	107,203	109,347	134,534	137,224	139,969	142,768
Technology Replacement Costs		7,000	7,000	7,000	7,000	7,000	7,000
Non-Capitalized Equipment		3,000	3,000	3,000	3,000	3,000	3,000
Expense Reserve		30,000	15,000	15,000	15,000	15,000	15,000
Dues/Fees	37,327	38,937	39,716	40,510	41,321	42,147	42,990
Depreciation	114,942	114,942	114,942	114,942	114,942	114,942	114,942
Amortization	10,733	10,733	10,733	10,733	10,733	10,733	10,733
Bond Payment (Interest)	190,462	77,056	159,469	287,868	368,213	364,017	359,103
Bond Fees	18,862	18,862	18,862	18,862	18,862	18,862	18,862
Adjustment to match audit	(149)						
Total Expenses	**$ 1,894,453**	**$ 1,789,733**	**1,897,707**	**2,168,397**	**2,366,995**	**2,419,691**	**2,459,670**
Percent Growth (YoY)		**-5.53%**	**6.03%**	**14.26%**	**9.16%**	**2.23%**	**1.65%**
Net Income (Loss)	**$ 71,691**	**$ 100,973**	**$ 60,781**	**$ 7,088**	**$ 23,285**	**$ 65,079**	**$ 114,781**
Adjustments for series B Bonds		75%	75%	75%	50%	50%	50%
Income available to school after adjustments		**75,730**	**45,586**	**5,316**	**11,643**	**32,540**	**57,390**

Exhibit D

Premier Charter High School
Unrestricted Days Liquidity

	FY 14 (Actual)	FY 15 (Estimated)	FY 16 (Projected)	FY 17 (Projected)	FY 18 (Projected)	FY 19 (Projected)	FY 20 (Projected)
Excess Cash Available To School per Projected Cash Flow Statement	$ 206,116	$ 174,705	$ 149,509	$ 70,820	$ 48,684	$ 79,645	$ 124,347
Lines of Credit (Unrestricted Liquidity Fund)		300,000	300,000	300,000	300,000	300,000	300,000
Total Expenses	1,894,453	1,789,733	1,897,707	2,168,397	2,366,995	2,419,691	2,459,670
Minus Restricted Funds	73,038	73,038	73,038	73,038	73,038	73,038	73,038
Daily Expense	5,190	4,903	5,199	5,941	6,485	6,629	6,739
Schools # of Days Cash On Hand	**25.64**	**81.92**	**72.41**	**50.12**	**42.51**	**46.25**	**52.13**

Exhibit E

Premier Charter High School
Fixed Charge Ratio

	FY 14 (Actual)	FY 15 (Estimated)	FY 16 (Projected)	FY 17 (Projected)	FY 18 (Projected)	FY 19 (Projected)	FY 20 (Projected)
Change in Net Assets	$ 71,690	$ 75,730	$ 45,586	$ 5,316	$ 11,643	$ 32,540	$ 57,390
Depreciation/Amortization	$ 125,675	$ 125,675	$ 125,675	$ 125,675	$ 125,675	$ 125,675	$ 125,675
Interest Expense	$ 190,462	$ 77,056	$ 159,469	$ 287,868	$ 368,213	$ 364,017	$ 359,103
Lease Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Lease Expense	$ 2,961	$ 2,388	$ 2,388	$ 796	$ -	$ -	$ -
Current Portion of Long Term Debt	$ 1,637,448		$ -	$ 25,000	$ 63,333	$ 74,166	$ 79,166
Capital Leases	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Expense	$ 190,462	$ 77,056	$ 159,469	$ 287,868	$ 368,213	$ 364,017	$ 359,103
Capital Lease Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Lease Expense	$ 2,961	$ 2,388	$ 2,388	$ 796	$ -	$ -	$ -
Fixed Charge Ratio	**0.21**	**3.54**	**2.06**	**1.34**	**1.17**	**1.19**	**1.24**

Exhibit F

Premier Charter High School

Cumulative Cash Flow Measure

	FY11 Actual	FY 12 (Actual)	Cumulative Cash Flow	FY 13 (Actual)	Cumulative Cash Flow	FY 14 (Actual)	Cumulative Cash Flow	FY 15 (Estimated)	Cumulative Cash Flow	FY 16 (Projected)	Cumulative Cash Flow	FY 17 (Projected)	Cumulative Cash Flow	FY 18 (Projected)	Cumulative Cash Flow	FY 19 (Projected)	Cumulative Cash Flow	FY 20 (Projected)	Cumulative Cash Flow
Cash and Cash Equivalents (from audited balance sheet)	33,040	-109,116	-142,156	32,847	-43,229	25,933	-50,336	174,705	233,485	149,509	350,147	70,820	395,034	48,684	269,013	79,645	199,150	124,347	252,677

Exhibit G

Premier Charter High School

Projected Cash Flow Statements

Fiscal Year Ending June 30 Cash	FY 14 (Actual)	FY 15 (Estimated)	FY 16 (Projected)	FY 17 (Projected)	FY 18 (Projected)	FY 19 (Projected)	FY 20 (Projected)
Enrollment	253	248	253	278	303	310	316
Average Daily Membership (ADM)	237.61	233.97	238.65	262.51	285.07	291.65	297.29
Numeric Enrollment Change		(5)	5	25	25	7	6
% Enrollment Change		-2%	2%	10%	9%	2%	2%
REVENUES							
Program Receipts	$ 1,827,339	$ 1,868,763	$ 1,936,541	$ 2,127,899	$ 2,319,257	$ 2,372,837	2,418,763
Total Revenues	$ 1,827,339	$ 1,868,763	$ 1,936,541	$ 2,153,542	$ 2,368,337	$ 2,462,827	$ 2,552,508
EXPENSES							
Salaries & Benefits	1,134,287	1,201,380	1,225,408	1,322,293	1,417,850	1,465,796	1,502,441
School Operating Expenses (incl. bond interest)	452,165	462,678	546,625	720,429	823,470	828,220	831,554
Property and Equipment	71,952	30,000	15,000	15,000	15,000	15,000	15,000
Bond payment principal	143,002	0	0	25,000	63,333	74,166	79,166
Total Expenses	1,801,406	1,694,058	1,787,032	2,082,722	2,319,653	2,383,182	2,428,161
Net Increase in Cash	$ 25,933	$ 174,705	$ 149,509	$ 70,820	$ 48,684	$ 79,645	$ 124,347
Cash carryover from prior year	180,183	206,116	380,821	530,330	601,150	649,834	729,479
Cash at year end	206,116	380,821	530,330	601,150	649,834	729,479	853,826

Premier Charter High School

Assumptions for Exhibit C (Five Year Projections) and Exhibit G (Projected Cash Flow Statement)

Accrual - Exhibit C

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
Enrollment	Schoolmaster	Based on actual enrollment per schoolmaster	Based on an increase in 5 students	Based on an increase of 25 students to fill 1 night school class	Based on an increase of 25 students to fill 1 night school class	Based on add 7 students to the day program	Based on adding 6 students to the day program
Average Daily Membership	CHAR-55 report	Based on CHAR-55 40th day	Based on 94% of enrollment	Based on 94% of enrollment	Based on 94% of enrollment	Based on 94% of enrollment	Based on 94% of enrollment
State Equalization Rate	Actual state equalization divided by ADM	CHAR-55 as of December 2014 and CHAR-64 as of December 2014	Based on % increase in student count (2%) multiplied by state equalization rate	2% increase from prior year	2% increase from prior year	2% increase from prior year	2% increase from prior year
REVENUE	Actuals based on FY 14 Audit						
State Equalization		Based on current CHAR-64 report as of December 2014	State equalization rate assumes a 2% increase per year. State equalization $$ is based on ADM x state equalization rate	State equalization rate assumes a 2% increase per year. State equalization $$ is based on ADM x state equalization rate	State equalization rate assumes a 2% increase per year. State equalization $$ is based on ADM x state equalization rate	State equalization rate assumes a 2% increase per year. State equalization $$ is based on ADM x state equalization rate	State equalization rate assumes a 2% increase per year. State equalization $$ is based on ADM x state equalization rate
Classroom Site Fund		Based on current CSF report as of December 2014	Increase commensurate to student increase (2%)	Increase commensurate to student increase (10%)	Increase commensurate to student increase (9%)	Increase commensurate to student increase (2%)	Increase commensurate to student increase (2%)
Instruction Improvement Fund		Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14
E-Rate		Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14
Grants		Based on actual grant totals	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15
Local Revenue		Based on YTD projected to end of year	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15	Assumes no increase from FY 15
EXPENSES							
# of Staff	23	21	22	25	27	27	27
Salaries		Reduction in staff from FY 14 to address drop in ADM	Add 1 position to begin planning for night school	Add 3 additional part time staff to address the needs of opening 1 night school class: Two highly qualified teachers; 1 technology person. Assumes a 2.5% inflation increase from FY16	Add 2 additional highly qualified teachers to address opening of 2nd night school class. Assumes a 2.5% inflation increase from FY 17	Increase night school administrator pay an additional 10,000 if full enrollment achieved. Assumes a 2.5% inflation increase from FY 18	Assumes a 2.5% inflation increase from FY 19
Benefits		Benefits calculated at 25% of salaries	Benefits are calculated at 25% of salaries	Benefits are calculated at 25% of salaries	Benefits are calculated at 25% of salaries	Benefits are calculated at 25% of salaries	Benefits are calculated at 25% of salaries
Supplies		Costs based on YTD actuals projected to year end	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment
Purchased Professional Services		Costs based on YTD actuals projected to year end	Increase commensurate to changes in enrollment and $10k for advertising & purchase of additional A+ Titles for night school implementation	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment	Increase commensurate to changes in enrollment
Purchased Property Services		Based on 2% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year + $23k for night school security	Based on 2% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year
Technology Replacement Costs		School has 50 computers to begin a night school (25 for each classroom). Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit	School has 50 computers to begin a night school (25 for each classroom). Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit	School has 50 computers to begin a night school. Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit	School has 50 computers to begin a night school. Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit	School has 50 computers to begin a night school. Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit	School has 50 computers to begin a night school. Assumes 10 computers replaced each year over a usefule life of 5 years @ 700 per unit
Non-Capitalized Equipment		Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization	Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization	Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization	Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization	Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization	Set aside of 3,000 per year. Unable to budget previously due to intercept keeping 100% of state equalization
Expense Reserve		Set aside for unexpected expenses	Set aside for unexpected expenses	Set aside for unexpected expenses	Set aside for unexpected expenses	Set aside for unexpected expenses	Set aside for unexpected expenses
Dues/Fees		Based on 4% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year	Based on 2% increase from prior year
Depreciation		Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14
Amortization		Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14
Bond Payment (Interest)		Based on debt service schedule	Based on debt service schedule	Based on debt service schedule	Based on debt service schedule	Based on debt service schedule	Based on debt service schedule
Bond Fees		Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14	Assumes no increase from FY 14

Cash - Exhibit H

Fiscal Year Ending June 30 Cash	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
Enrollment	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C
Average Daily Membership (ADM)	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C
Numeric Enrollment Change	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C
% Enrollment Change	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C
REVENUES							
Program Receipts	Actuals based on FY 14 Audit	Revenue as stated in Exhibit C minus expected receivables of instructional improvement and E-rate funds	Revenue as stated in Exhibit C minus expected receivables of instructional improvement and E-rate funds	Revenue as stated in Exhibit C minus expected receivables of instructional improvement and E-rate funds	Revenue as stated in Exhibit C minus expected receivables of instructional improvement and E-rate funds	Revenue as stated in Exhibit C minus expected receivables of instructional improvement and E-rate funds	Revenue as stated in Exhibit C minus expected receivables of instructional improvement and E-rate funds
Total Revenues							
EXPENSES							
Salaries & Benefits		As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C	As stated in Exhibit C
School Operating Expenses (incl. bond interest)		Total expenses as stated in Exhibit C minus depreciation and amortization expense minus salaries and benefits as stated in Exhibit H	Total expenses as stated in Exhibit C minus depreciation and amortization expense minus salaries and benefits as stated in Exhibit H	Total expenses as stated in Exhibit C minus depreciation and amortization expense minus salaries and benefits as stated in Exhibit H	Total expenses as stated in Exhibit C minus depreciation and amortization expense minus salaries and benefits as stated in Exhibit H	Total expenses as stated in Exhibit C minus depreciation and amortization expense minus salaries and benefits as stated in Exhibit H	Total expenses as stated in Exhibit C minus depreciation and amortization expense minus salaries and benefits as stated in Exhibit H
Property and Equipment		Anticipated capital expenditures for bathroom remodel based on contractor's estimate	Set aside for additional capital expenditures	Set aside for additional capital expenditures	Set aside for additional capital expenditures	Set aside for additional capital expenditures	Set aside for additional capital expenditures
Bond payment principal		As stated in debt service schedule Exhibit B	As stated in debt service schedule Exhibit B	As stated in debt service schedule Exhibit B	As stated in debt service schedule Exhibit B	As stated in debt service schedule Exhibit B	As stated in debt service schedule Exhibit B

Premier Charter High School
Decline in Federal Revenue - Internal Accounting System Report

Received FY11	$	259,187	
Received FY12		153,980	
Difference	**$**	**105,207**	**Total decline in federal revenue from FY11 to FY12**

Premier Charter High School
Transaction Detail by Account

Date Range: July 1, 2010 - June 30, 2011
Amount: Any, Name: All, Account: Selected Accounts, No.: Any, Transaction type: All, Class: All, Closing Postings: Included, Report Basis: Accrual, Void: Hide
Monday, March 02, 2015

Type	Date	No.	Name	Memo	Class	Debit	Credit	Amount	Balance
4960.1000.00.0 - Revenue - Federal-Schoolwide									**0.00**
Invoice	11/18/2010	290	ADE - Other State & Federal	FY 11 IDEA BASIC	1220	0.00	2,896.60	2,896.60	2,896.60
Vendor Bill	11/29/2010	1889	ARIZONA DEPARTMENT OF EDUCATION	FY2010 TITLE I SCHOOL IMPROVEMENT YEAR TWO RETURN OF UNUSED FUNDS	1101	6,381.98	0.00	(6,381.98)	(3,485.38)
Vendor Bill	11/29/2010	1889	ARIZONA DEPARTMENT OF EDUCATION	FY2010 TITLE IV SAFE AND DRUG FREE BASIC RETURN OF UNUSED FUNDS	1160	0.44	0.00	(0.44)	(3,485.82)
Invoice	12/13/2010	297	ADE - Other State & Federal	IDEA BASIC DECEMBER CASH MANAGEMENT REQUEST	1220	0.00	9,440.65	9,440.65	5,954.83
Invoice	1/14/2011	306	ADE - Other State & Federal	IDEA JAN 2011	1220	0.00	2,393.27	2,393.27	8,348.10
Invoice	1/25/2011	312	ADE - Other State & Federal	TITLE II ENHANCING EDUCATION THROUGH TECHNOLOGY FY 11	1140	0.00	348.00	348.00	8,696.10
Invoice	2/11/2011	314	ADE - Other State & Federal	IDEA BASIC	1220	0.00	3,700.50	3,700.50	12,396.60
Invoice	2/24/2011	322	ADE - Other State & Federal	TITLE I FY2011	1100	0.00	40,000.00	40,000.00	52,396.60
Invoice	3/11/2011	323	ADE - Other State & Federal	TITLE I MARCH REQUISITION	1100	0.00	8,065.75	8,065.75	60,462.35
Invoice	3/11/2011	325	ADE - Other State & Federal	IDEA BASIC MARCH REQUISITION	1220	0.00	556.00	556.00	61,018.35
Invoice	4/12/2011	334	ADE - Other State & Federal	IDEA BASIC MAY REQUISITION	1220	0.00	4,882.20	4,882.20	65,900.55
Invoice	4/12/2011	337	ADE - Other State & Federal	TITLE I MAY REQUISITION	1100	0.00	14,024.49	14,024.49	79,925.04
Invoice	5/13/2011	351	ADE - Other State & Federal	IDEA BASIC MAY REQUISITION	1220	0.00	4,332.25	4,332.25	84,257.29
Invoice	5/17/2011	352	ADE - Other State & Federal	TITLE I MAY REQUISITION	1100	0.00	39,203.24	39,203.24	123,460.53
Invoice	6/30/2011	376	ADE - Other State & Federal	TITLE I FY11 RECEIVABLE	1100	0.00	225.52	225.52	123,686.05
Invoice	6/30/2011	377	ADE - Other State & Federal	TITLE II IMPROVING TEACHER QUALITY FY 11 RECEIVABLE	1141	0.00	25,743.28	25,743.28	149,429.33
Invoice	6/30/2011	378	ADE - Other State & Federal	IDEA BASIC FY11 RECEIVABLE	1220	0.00	2,405.71	2,405.71	151,835.04
Journal Entry	6/30/2011	2008-887		Balance moved to Retained Earnings		151,835.04	0.00	(151,835.04)	0.00
Total 4960.1000.00.0 - Revenue - Federal-Schoolwide						**158,217.46**	**158,217.46**	**0.00**	**0.00**
4965.1000.00.0 - Revenue - Federal ARRA - Schoolwide									**0.00**
Invoice	8/2/2010	269	ADE - Other State & Federal	AUG ARRA EDUCATION STABILIZATION PORTION	1300	0.00	16,119.73	16,119.73	16,119.73
Invoice	12/1/2010	296	ADE - Other State & Federal	ARRA IDEA FY11	1221	0.00	229.53	229.53	16,349.26
Invoice	12/17/2010	298	ADE - Other State & Federal	ARRA EDUCATION JOBS FUND January 2011	1301	0.00	30,128.27	30,128.27	46,477.53
Invoice	1/14/2011	305	ADE - Other State & Federal	ARRA EDUCATION JOBS FUND JAN 2011	1301	0.00	5,416.66	5,416.66	51,894.19
Invoice	2/11/2011	315	ADE - Other State & Federal	ARRA EDUCATION JOBS FUND	1301	0.00	3,253.48	3,253.48	55,147.67
Invoice	3/11/2011	324	ADE - Other State & Federal	ARRA EDUCATION JOBS FUND	1301	0.00	6,101.00	6,101.00	61,248.67
Invoice	4/12/2011	335	ADE - Other State & Federal	ARRA IDEA MAY 2011	1221	0.00	18,674.61	18,674.61	79,923.28
Invoice	4/12/2011	336	ADE - Other State & Federal	ARRA EDUCATION JOB FUND MAY REQUISITION	1301	0.00	13,545.87	13,545.87	93,469.15
Invoice	5/13/2011	350	ADE - Other State & Federal	ARRA EDUCATION JOBS FUND - MAY REQUISITION	1301	0.00	7,500.00	7,500.00	100,969.15
Journal Entry	6/30/2011	2008-887		Balance moved to Retained Earnings		100,969.15	0.00	(100,969.15)	0.00
Total 4965.1000.00.0 - Revenue - Federal ARRA - Schoolwide						**100,969.15**	**100,969.15**	**0.00**	**0.00**
				Total Federal Revenue Received FY11		**259,186.61**	**259,186.61**		

Premier Charter High School

Transaction Detail by Account

Date Range: July 1, 2011 - June 30, 2012

Amount: Any, Name: All, Account: Selected Accounts, No.: Any, Transaction type: All, Class: All, Closing Postings: Included, Report Basis: Accrual, Void: Hide

Monday, March 02, 2015

Type	Date	No.	Name	Memo	Class	Debit	Credit	Amount	Balance
4960.1000.00.0 - Revenue - Federal-Schoolwide									**0.00**
Invoice	10/24/2011	395	ADE - Other State & Federal	IDEA OCT REQUISITION	1220	0.00	3,000.00	3,000.00	3,000.00
Invoice	10/24/2011	396	ADE - Other State & Federal	TITLE I OCT REQUISITION	1100	0.00	8,000.00	8,000.00	11,000.00
Invoice	10/24/2011	397	ADE - Other State & Federal	TITLE II OCT REQUISITION	1141	0.00	2,000.00	2,000.00	13,000.00
Invoice	11/17/2011	398	ADE - Other State & Federal	TITLE I NOV REQUISITION	1100	0.00	19,332.25	19,332.25	32,332.25
Invoice	11/17/2011	399	ADE - Other State & Federal	TITLE II IMPROVING TCH QUALITY NOV REQ.	1141	0.00	4,484.00	4,484.00	36,816.25
Invoice	11/17/2011	400	ADE - Other State & Federal	IDEA BASIC NOV. REQ	1220	0.00	8,989.55	8,989.55	45,805.80
Invoice	12/5/2011	416	ADE - Other State & Federal	FALL STATE TUTORING GRANT	1302	0.00	320.00	320.00	46,125.80
Invoice	12/12/2011	408	ADE - Other State & Federal	TITLE I DECEMBER REQUISITION	1100	0.00	6,211.23	6,211.23	52,337.03
Invoice	12/12/2011	409	ADE - Other State & Federal	TITLE II DECEMBER REQUISITION	1141	0.00	7,621.00	7,621.00	59,958.03
Invoice	12/12/2011	410	ADE - Other State & Federal	IDEA BASIC DECEMBER REQUISITION	1220	0.00	3,200.00	3,200.00	63,158.03
Invoice	1/9/2012	417	ADE - Other State & Federal	TITLE I JAN 2012	1100	0.00	10,664.99	10,664.99	73,823.02
Invoice	1/9/2012	418	ADE - Other State & Federal	TITLE II JANUARY 2012 REQUISITION	1141	0.00	1,621.00	1,621.00	75,444.02
Invoice	1/9/2012	419	ADE - Other State & Federal	IDEA JANUARY 2012 REQUISITION	1220	0.00	6,241.62	6,241.62	81,685.64
Invoice	3/2/2012	432	ADE - Other State & Federal	TITLE I APRIL REQUISITION	1100	0.00	14,374.12	14,374.12	96,059.76
Invoice	3/2/2012	433	ADE - Other State & Federal	TITLE II IMPROVING TEACHER QUALITY	1141	0.00	3,242.00	3,242.00	99,301.76
Invoice	3/2/2012	434	ADE - Other State & Federal	IDEA REQUISITION	1220	0.00	3,642.20	3,642.20	102,943.96
Invoice	4/16/2012	447	ADE - Other State & Federal	SPRING STATE TUTORING GRANT	1302	0.00	1,450.00	1,450.00	104,393.96
Invoice	4/26/2012	439	ADE - Other State & Federal	TITLE II MAY CASH MANAGEMENT	1141	0.00	7,502.73	7,502.73	111,896.69
Invoice	4/26/2012	440	ADE - Other State & Federal	IDEA MAY CASH MANAGEMENT	1220	0.00	7,031.19	7,031.19	118,927.88
Invoice	4/26/2012	441	ADE - Other State & Federal	TITLE I CASH MANAGEMENT	1100	0.00	25,163.43	25,163.43	144,091.31
Vendor Bill	6/30/2012	3077	ARIZONA DEPARTMENT OF EDUCATION	FY12 TITLE II IMPROVING TEACHER QUALITY RETURN OF UNUSED FUNDS	1141	16.00	0.00	(16.00)	144,075.31
Invoice	6/30/2012	465	ADE - Other State & Federal	IDEA FY12 FINAL	1220	0.00	985.43	985.43	145,060.74
Invoice	6/30/2012	466	ADE - Other State & Federal	TITLE I COMPLETION REPORT RELEASE	1100	0.00	7,890.93	7,890.93	152,951.67
Journal Entry	6/30/2012	2008-925		Balance moved to Retained Earnings		152,951.67	0.00	(152,951.67)	(0.00)
Total 4960.1000.00.0 - Revenue - Federal-Schoolwide						**152,967.67**	**152,967.67**	**0.00**	**0.00**
4965.1000.00.0 - Revenue - Federal ARRA - Schoolwide									**0.00**
Invoice	1/1/2012	421	ADE - Other State & Federal	ARRA EDUCATION JOB FUNDS	1301	0.00	1,009.79	1,009.79	1,009.79
Invoice	1/1/2012	427	ADE - Other State & Federal	ARRA EDUCATION JOBS FUND REMAINING AMOUNT	1301	0.00	2.34	2.34	1,012.13
Journal Entry	6/30/2012	2008-925		Balance moved to Retained Earnings		1,012.13	0.00	(1,012.13)	0.00
Total 4965.1000.00.0 - Revenue - Federal ARRA - Schoolwide						**1,012.13**	**1,012.13**	**0.00**	**0.00**
					Total Federal Revenue Received FY12	**153,979.80**	**153,979.80**		

Premier Charter High School

Decline in Federal Revenue - Project Summary from Grants Management (ADE)

	ARRA	Non- ARRA	Total	
Fiscal Year 2011	$ 100,969.15	$ 158,217.46	$ 259,186.61	
Fiscal Year 2012	$ 1,012.13	$ 152,967.67	$ 153,979.80	
			$ 105,206.81	**Amount of reduction in federal revenue from FY11 to FY12**

Fiscal Year 2011							
Fiscal Year	Grant Name	Entity	Project Number	Project Budget	Local Total	Paid to Date	Balance*
2011	ARRA Education Jobs Fund	Premier Charter High School : 07-89-39-000	11FAAEJB-160430-03A	65,945.28	0	65,945.28	0
2011	ARRA Education Stabilization Fund - Fall	Premier Charter High School : 07-89-39-000	11FAASFF-160430-01A	16,119.73	0	16,119.73	0
2011	ARRA IDEA Grant	Premier Charter High School : 07-89-39-000	11FESAIG-160430-04A	18,904.14	0	18,904.14	0
2011	ARRA Title I School Improvement Family & Community Engagement Grant	Premier Charter High School : 07-89-39-000	11FAASFC-160430-02A	145.87	145.87	0	0
2011	Enhancing Ed thru Technology	Premier Charter High School : 07-89-39-000	11FETETF-160430-06A	348	0	348	0
2011	IDEA - Basic-Ent	Premier Charter High School : 07-89-39-000	11FESCBG-160430-05A	30,607.18	0	30,607.18	0
2011	Title I LEA	Premier Charter High School : 07-89-39-000	11FAATTI-160430-07A	109,816.99	2,624.78	101,519.00	5,673.21
2011	Title II Improving Teacher Quality	Premier Charter High School : 07-89-39-000	11FAATII-160430-08A	27,975.01	0	25,743.28	2,231.73
Total				269,862.20	2,770.65	259,186.61	7,904.94

Fiscal Year 2012							
Fiscal Year	Grant Name	Entity	Project Number	Project Budget	Local Total	Paid to Date	Balance*
2012	ARRA Education Jobs Fund	Premier Charter High School : 07-89-39-000	12FT1EJB-260430-05A	1,012.13	0	1,012.13	0
2012	IDEA - Basic Entitlement	Premier Charter High School : 07-89-39-000	12FESCBG-260430-04A	33,965.87	0	33,089.99	875.88
2012	State Tutoring Fund - Fall	Premier Charter High School : 07-89-39-000	12ST1TFF-260430-03A	3,500.00	0	320	3,180.00
2012	State Tutoring Fund - Spring	Premier Charter High School : 07-89-39-000	12ST1TFS-260430-06A	3,500.00	0	1,450.00	2,050.00
2012	Title I LEA	Premier Charter High School : 07-89-39-000	12FT1TTI-260430-01A	93,790.21	0	91,636.95	2,153.26
2012	Title II Improving Teacher Quality	Premier Charter High School : 07-89-39-000	12FT2TII-260430-02A	26,620.73	0	26,470.73	150
Total				162,388.94	0	153,979.80	8,409.14

Premier Charter High School

Cash Flow - Change in Cash Fiscal Years 2010-2014

FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
$ 26,406	$ 33,040	$ (109,116)	$ 32,847	$ 25,933

Premier Charter High School
(A Not-for-Profit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2010

Cash flows from operating activities:	
Change in net assets/ (deficit)	$ 199,035
Adjustment to reconcile change in net assets to net cash used by operating activities:	
Depreciation	139,143
Amortization	11,387
Changes in:	
Receivables	(8,796)
Accrued salaries and related	(46,410)
Accounts payable	52,759
Property Tax Payable	(45,867)
Net cash provided by operating activities	301,251
Cash flows from investing activities:	
Purchase of furniture and equipment	(94,116)
Changes in debt reserve funds	(163,185)
Net cash (used) by investing activities	(257,301)
Cash flows from financing activities	
Principal payments on GMAC note payable	(17,544)
Net cash (used) by financing activities	(17,544)
Net change in cash	26,406
Cash and cash equivalents, beginning of year	197,006
Cash and cash equivalents, end of year	$223,412
Supplemental Information:	
Cash paid for interest	$ 1,633
Cash paid for income taxes	$ -

The accompanying notes are an integral part of this financial statement.

PREMIER CHARTER HIGH SCHOOL
(A Not-for-Profit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2011

Cash Flows from Operating Activities	
Change in net <deficit>	$ 27,701
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation expense	148,467
Amortization expense	11,244
Changes in operating assets and liabilities:	
Increase in accounts receivable	(35,368)
Decrease in accounts payable	(35,527)
Increase in accrued expenses	51,636
Decrease in accrued interest payable	(45,384)
Net cash provided by operating activities	122,769
Cash Flows from Investing Activities	
Purchase of property and equipment	(21,120)
Increase in bond reserve funds	(68,609)
Net cash used by investing activities	(89,729)
Net increase in cash	33,040
Cash, beginning of year	223,412
Cash, end of year	$ 256,452

Supplementary information:

Income tax expense	$ 0
Interest expense	$ 17,867

See accompanying Notes to Financial Statements

PREMIER CHARTER HIGH SCHOOL
(A Not-for-Profit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2012

Cash Flows from Operating Activities	
Change in net <deficit>	$ (115,250)
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation expense	116,769
Amortization expense	11,085
Changes in operating assets and liabilities:	
Decrease in accounts receivable	22,933
Decrease in accounts payable	(8,451)
Decrease in accrued expenses	(4,752)
Net cash provided by operating activities	22,334
Cash Flows from Investing Activities	
Purchase of property and equipment	(25,537)
Increase in bond reserve funds	(105,913)
Net cash used by investing activities	(131,450)
Net decrease in cash	(109,116)
Cash, beginning of year	256,452
Cash, end of year	$ 147,336

Supplementary information:

Income tax expense	$ -
Interest expense	$ -

See accompanying Notes to Financial Statements

PREMIER CHARTER HIGH SCHOOL
(A Not-for-Profit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2013

Cash Flows from Operating Activities	
Change in net <deficit>	$ 76,641
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation expense	115,186
Amortization expense	10,914
Changes in operating assets and liabilities:	
Decrease in accounts receivable	1,864
Decrease in accounts payable	(7,396)
Increase in accrued expenses	2,237
Net cash provided by operating activities	199,446
Cash Flows from Investing Activities	
Increase in bond reserve funds	(166,599)
Net cash used by investing activities	(166,599)
Net increase in cash	32,847
Cash, beginning of year	147,336
Cash, end of year	$ 180,183

Supplementary information:

Income tax expense	$	-
Interest expense	$	-

See accompanying Notes to Financial Statements

PREMIER CHARTER HIGH SCHOOL
(A Not-for-Profit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2014

Cash Flows from Operating Activities	
Program receipts	$ 1,827,339
Cash paid for	
Salaries, wages and benefits	(1,134,287)
School operating expenses	(452,165)
Net cash provided by operating activities	240,887
Cash Flows from Investing Activities	
Purchase of property and equipment	(71,952)
Bond reserve	(143,002)
Net cash used by investing activities	(214,954)
Net increase in cash	25,933
Cash, beginning of year	180,183
Cash, end of year	$ 206,116
Reconciliation of Change in Net Assets to Cash Flows	
Provided by Operating Activities	
Change in net (deficit)	71,690
Depreciation	114,942
Amortization	10,733
(Increase) decrease in assets	
Accounts receivable	(138,804)
Increase (decrease) in liablilties	
Accounts payable	(399)
Accrued salaries & benefits	(7,737)
Interest payable	190,462
Net cash provided by operating activities	$ 240,887

See accompanying Notes to Financial Statements

Exhibit L

Proof of Night School Demand

A review of FY 2015's transfer students found that approximately 14% (30 students) of the school transfer students sought a school that offered afternoon or evening classes. An exit survey will be conducted at point of withdrawal to identify any additional students seeking a night school option as well as to develop a waiting list pending night school implementation in FY 2017. The school is aware that any waiting list developed this fiscal year is highly likely to have changed by fiscal year 2017.

Furthermore, 7% of the school's FY 2015 student population were identified as being primary caregivers in their households. This was a 4% increase from the students surveyed in FY 2014. In 2014, 3% of the student population were identified as primary caregivers. This trend suggests that the student population served by Premier High School would greatly benefit from a flexible scheduling option including a day and evening program as the added flexibility would accommodate varying work schedules.