## Detailed Business Plan Section Checklist

**Charter Holder:** Edkey, Inc. – Redwood Academy (Entity ID 81043)

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 | | | | |
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| **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 | | | The Renewal Budget Plan was completed for the charter school operated under this charter contract. The charter holder has three charter contracts with the Board. |
| ○ 4 years of financial information provided as required by the *Renewal Instructions* with fiscal years clearly identified. | | X | | The Renewal Budget Plan includes four years of financial information. However, instead of including actual information for fiscal year 2011 and projecting the next three fiscal years, the Renewal Budget Plan uses fiscal year 2012 as the "actual" year and includes financial information for the next three fiscal years. |

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| ○ Renewal Budget Plan includes average daily membership (ADM) used in each fiscal year and the basis for projected ADM. | X | | | The Renewal Budget Plan includes the projected ADM for each fiscal year.<br><br>For fiscal year 2013, the charter has built its projections based on ADM growth of more than 200% (approximately 150 ADM) from fiscal year 2012. From fiscal year 2013 to fiscal year 2014, the charter holder anticipates an increase of an additional 50 ADM (22%) to 275. The Renewal Budget Plan attributes the ADM growth in fiscal year 2013 to the school's move to a new location. For fiscal year 2012, the Renewal Budget Plan includes $2,500 in the advertising/marketing line item. This line item increases to $8,402 for fiscal year 2013. The performance management plan narrative indicates that the school's new home will be across the street from its sister school, Arizona Conservatory for Arts and Academics (ACAA). Redwood will become a feeder school for ACAA. The narrative also indicates that " A great amount of time has been spent researching an environment that will allow Redwood to fulfill its potential to be a highly successful school."<br><br>According to Arizona Department of Education reports, as of May 11, 2012, the charter holder ADM was 71.712. The charter holder's current enrollment cap is 200. For more information about the charter holder's ADM history, please see the " profile" section of the Renewal Executive Summary. |
| ○ Assumptions provided for key components of the Renewal Budget Plan, including the basis for all projected revenue line items used. | X | | | |

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| ○ 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 | | | As identified by the charter school, the first year of performance management plan (PMP) expenses is fiscal year 2013 ($40,000).<br><br>Beginning with fiscal year 2013, the Renewal Budget Plan is based on the school's ADM increasing to 225. To the extent that the school realizes its projected increase in ADM, the school could generate sufficient equalization to be able to implement its PMP. However, this section received a "yes" due to the charter holder ending fiscal year 2011 with approximately $1 million in unrestricted cash and cash equivalents. |
| ○ 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 | |

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| ○ Narrative explains the charter holder's current financial situation. | | | X | |
| ○ Narrative includes the specific steps the charter holder has already taken to improve its financial situation and ensure the continued financial sustainability of the charter school(s). | | | X | |
| ○ Evidence provided that supports each of the steps already taken by the charter holder to improve its financial situation and ensure the continued financial sustainability of the charter school(s). | | | X | |
| TOTAL (Sections II b.1, II b.2 Part A, and II b.2 Part B) | 6 | 1 | 7 | |

**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: May 29, 2012