Detailed Business Plan Section Checklist

Charter Holder: Florence Crittenton Services of Arizona, Inc. (Entity ID 4300)

Each Detailed Business Plan will be reviewed to determine if all of the required elements have been addressed:

Yes – Required element addressed.
No – Required element not addressed.
Not **A**pplicable – Required element not applicable to the charter holder.

Arizona State Board for Charter Schools (Board) staff will complete the Detailed Business Plan Section Checklist. The Checklist will be used by the Board in its consideration of the charter holder's request for charter renewal. " No" answers may adversely affect the Board's decision regarding a charter holder's request for charter renewal.

II b.1. CHARTER HOLDER'S ORGANIZATIONAL MEMBERSHIP				
Required Elements	**Yes**	**No**	**N/A**	**COMMENTS**
○ Evidence of the appropriate filings with either the Board, Arizona Corporation Commission or both submitted.			X	
II b.2. CHARTER HOLDER'S FINANCIAL SUSTAINABILITY PART A – RENEWAL BUDGET PLAN				
Required Elements	**Yes**	**No**	**N/A**	**COMMENTS**
○ Completed Renewal Budget Plan submitted.	X			
○ 4 years of financial information provided as required by the *Renewal Instructions* with fiscal years clearly identified.	X			The Renewal Budget Plan submitted for the charter school included the required four years of financial information plus an additional year of projected financial information.

○ 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 year. For fiscal year 2014, it includes two different ADMs – 180 and 175. The State Equalization Assistance calculation is based on the 180 ADM. For fiscal year 2013, the charter school has built its projections based on ADM growth of more than 50% (approximately 45 ADM) from fiscal year 2012. From fiscal year 2013 to fiscal year 2014, the charter school anticipates an increase of an additional 55 ADM (44%). The Renewal Budget Plan states that the ADM growth is based on assumptions associated with a "rigorous marketing and recruitment campaign that has generated interest in the school". It also states that the increase in fiscal year 2013 is an estimate approved by the charter school's governing board. The financial narrative discusses the charter holder's efforts to transform the school into the first single-gender public school in Arizona. This effort included improving curriculum and assessment, reducing the grade levels served and changing the school's mission. According to the narrative, the changes resulted in a "drastic decrease in enrollment". However, the narrative indicates that full enrollment is expected by fiscal year 2015 with full implementation of the school's "improved academic program". According to ADE reports, as of April 16, 2012, the charter holder's ADM was 80.385. The school's current enrollment cap is 230. For more information about the school'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			
○ 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 expenses is fiscal year 2013 ($30,200). The Renewal Budget Plan projects negative net assets for the charter school for each year. However, this section received a "yes" due to the charter holder ending fiscal year 2011 with nearly $3.6 million in cash and investments.
○ Renewal Budget Plan is mathematically correct.	X			Taking into account rounding issues, the Renewal Budget Plan is mathematically correct. Please note that the Renewal Budget Plan represents the charter school operations only. As of June 30, 2011, the charter holder had net assets of $13,891,904.
II b.2. CHARTER HOLDER'S FINANCIAL SUSTAINABILITY PART B – FINANCIAL SUSTAINABILITY NARRATIVE				
Required Elements	**Yes**	**No**	**N/A**	**COMMENTS**

○ For those required to complete the renewal application's " Charter Holder's Financial Sustainability" section because at least one of the two previous audits identified a going concern or identified negative net assets or negative members'/stockholders' equity at year end, a narrative is provided.			X	
○ Narrative does not exceed one page in length.			X	
○ Narrative explains the charter holder's current financial situation.			X	
○ Narrative includes the specific steps the charter holder has already taken to improve its financial situation and ensure the continued financial sustainability of the charter school(s).			X	
○ Evidence provided that supports each of the steps already taken by the charter holder to improve its financial situation and ensure the continued financial sustainability of the charter school(s).			X	
TOTAL (Sections II b.1, II b.2 Part A, and II b.2 Part B)	8	0	6	

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: April 20, 2012